

Schedule -21 Notes to Accounts

Notes to Accounts:


1. The credit Balance in PF payable (350-11-04) includes the un-deposited amount of Contribution of individual staffs towards Provident Fund as well as un-deposited amount of recovery of Loan taken from Provident Fund deducted from gross Salary before payment of net salary.
2. There are no cases in judicial decision before Midnapur Municipality.
3. The Midnapur Municipality has no escalation claim made by the contractors.
4. The Midnapur Municipality has no claim acknowledged as debt.
5. There is no asset which has been handed over to the Midnapur Municipality pending title deeds to be executed.
6. There is asset which is in permissible possession but no economic benefit is derived from it.
7. All prior period items has been adjusted through following Journal vouchers –


Code	Journal Vouchers	Date	Amount
2808001	1324	01.04.08	44547
2808001	1636	01.04.08	1500
2808001	1661	01.04.08	3538492
2808001	1667	01.04.08	98214
2808001	1170	22.09.08	3

8. All Rectification items apart from prior period items has been adjusted through following Journal vouchers –

Code	Journal Voucher No.	Date	Amount (Rs.)	Remarks
3402001	1645	01.04.08	186688	
3202006	1664	01.04.08	208688	

9. Every effort is made to include all assets and liabilities in this opening Balance Sheets, if any items is undisclosed shall be included in due course with the approval of appropriate Authority.


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Code No.	Description of Item	Schedule No.	Current Year Amount	Previous Year Amount
SOURCES OF FUNDS				
Reserves and Surplus				
310	MUNICIPAL (GENERAL) FUND	B-1	-36582440.05	-34159967.16
311	EARMARKED FUNDS	B-2	30700205.80	26819216.80
312	RESERVES	B-3	82533949.50	77227601.03
	Grants, Contribution for Specific purposes		76651715.25	69866850.67
320	GRANTS, CONTRIBUTIONS FOR SPECIFIC PURPOSES	B-4	251437658.90	220957261.54
	Loans		251437658.90	220957261.54
330	SECURED LOANS	B-5	0.00	0.00
331	UNSECURED LOANS	B-6	15444282.00	14340414.00
	TOTAL		15444282.00	14340414.00
	APPLICATION OF FUNDS		343533656.15	305184526.21
Fixed Assets				
Gross Block				
410	FIXED ASSETS	B-11	196011194.26	174180890.26
Less: Accumulated Depreciation				
411	ACCUMULATED DEPRECIATION	B-11	99889282.78	83825063.78
	Net Block		96121911.48	90355826.48

Name of Urban Local Body : MIDNAPORE MUNICIPALITY
 Schedule Rules 239 & 260] PLANCE SHEET AS ON 31 March 2009

Code No.	Description of Item	Schedule No	Current Year		Previous Year	
			Amount	Amount	Amount	Amount
412	CAPITAL WORK-IN-PROGRESS	B-11	3808554.00	99930465.48	2130690.00	92486516.48
Investments						
420	INVESTMENTS-GENERAL FUND	B-12	0.00		0.00	
421	INVESTMENTS-OTHER FUND	B-13	47299998.80		29881663.00	
Working Capital						
Current assets, loans & advances						
430	STOCK-IN-HAND	B-14	26905258.91		7661312.03	
431	SUNDRY DEBTORS (RECEIVABLES)	B-15	33714530.81		31181654.96	
432	ACCUM. PROVISIONS AGAINST DEBTORS (RECEIVABLES)	B-15	0.00		0.00	
440	PRE-PAID EXPENSES	B-16	42980.80		40658.80	
450	CASH AND BANK BALANCE	B-17	56970505.94		110660769.53	
460	LOANS, ADVANCES AND DEPOSITS	B-18	107557080.00		93819460.00	
461	ACCUM. PROVISIONS AGAINST LOANS, ADVANCES & DEPOSITS	B-18	0.00		0.00	
Less: Current Liabilities & Provisions						
340	DEPOSITS RECEIVED	B-7	4062276.00		1864916.00	
341	DEPOSITS WORKS	B-8	967031.00		528511.00	
350	OTHER LIABILITIES (SUNDRY CREDITORS)	B-9	53787903.59		58154081.59	
360	PROVISIONS	B-10	0.00		0.00	
			166373145.87		182816346.73	
Other Assets						
470	OTHER ASSETS	B-19	29930046.00		0.00	

Code Rules 239 & 260] Name of Urban Local Body : MIDNAPORE MUNICIPALITY MUNICIPALITY
 FINANCE SHEET AS ON 31 March 2009

Code No.	Description of Item	Schedule No	Current Year		Previous Year	
			Amount	Amount	Amount	Amount
	Misc.Expenditure(to the extent not written off)		29930046.00			0.00
480	MISCELLANEOUS EXPENDITURE TO BE WRITTEN OFF	B-20	0.00		0.00	
	TOTAL		343533656.15	0.00		305184526.21


 Accounts & Finance Co-ordinator
 Midnapore Municipality


 Executive Officer
 Midnapore Municipality



 Chairman
 Midnapore Municipality


Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
 Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 1

310 MUNICIPAL (GENERAL) FUND

Code No	* Particulars	Opening balance as per the last account (Rs)	Addition during the period (Rs)	Total (Rs)	Deduction during the period (Rs)	Balance at the end of 31-Mar-2009 (Rs)
1	2	3	4	5 (3+4)	6	7 (5-6)
310-10	MUNICIPAL FUND	-46789362.88	12629415.72	-34159967.16	50000.00	-34209967.16
310-99	EXCESS OF INCOME AND EXPENDITURE	12629415.72	110698992.99	123328408.71	125700881.60	-2372472.89
	Total -	-34159967.16	123328408.71	89168441.55	125750881.60	-36582440.05


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 2

311 EARMARKED FUNDS

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
311-70	PENSION FUND	17911.80	17803.80
311-71	PROVIDENT FUND	30682294.00	26801613.00
	Total -	30700205.80	26619216.80


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009


Schedule No : B- 3

312 RESERVES

Code No	Particulars	Opening balance (Rs)	Addition during the period (Rs)	Total (Rs)	Deduction during the period (Rs)	Balance at the end of 31-Mar-2009 (Rs)
	2	3	4	5 (3+4)	6	7 (5-6)
312-12	GRANT AGAINST FIXED ASSETS	77227601.03	21219169.00	98446770.03	15912820.53	82533949.50
	Total -	77227601.03	21219169.00	98446770.03	15912820.53	82533949.50


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 4

320 GRANTS ,CONTRIBUTIONS FOR SPECIFIC PURPOSES

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
320-10	CENTRAL GOVERNMENT	128467910.71	111810594.35
320-20	STATE GOVERNMENT	123202209.39	109314816.39
320-30	OTHER GOVERNMENT AGENCIES	-232461.20	-168149.20
320-60	INTERNATIONAL ORGANIZATIONS	0.00	0.00
Total -		251437658.90	220957261.54


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 6

331 UNSECURED LOANS

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
331-20	LOANS FROM STATE GOVERNMENT	15444282.00	14340414.00
	Total -	15444282.00	14340414.00


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009


Schedule No : B- 7

340 DEPOSITS RECEIVED

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
340-10	FROM CONTRACTORS AND SUPPLIERS	4991158.00	1587110.00
340-20	DEPOSITS-REVENUES	0.00	186688.00
340-80	DEPOSITS-OTHER	71118.00	91118.00
Total -		4062276.00	1864916.00


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 9

350 OTHER LIABILITIES (SUNDRY CREDITORS)

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
350-10	CREDITORS	44062548.00	47983780.00
350-11	EMPLOYEE LIABILITIES	7348441.59	6946077.59
350-20	RECOVERIES PAYABLE	2270297.00	3137643.00
350-30	GOVERNMENT DUES PAYABLE	47923.00	27907.00
350-41	ADVANCE COLLECTION OF REVENUES	58694.00	58694.00
Total -		53787903.59	58154081.59


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
 Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 11

410 FIXED ASSETS

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
410-10	LAND	797897.00	797897.00
410-20	BUILDINGS	40190406.00	37883038.00
410-30	ROADS AND BRIDGES	90387264.71	80294911.71
410-31	SEWERAGE AND DRAINAGE	36431292.31	32430918.31
410-32	WATER WAYS	17387599.50	14146054.50
410-33	PUBLIC LIGHTING	2475294.02	1435144.02
410-40	PLANT AND MACHINERY	2878077.00	2827884.00
410-50	VEHICLES	4012952.00	3389008.00
410-60	OFFICE AND OTHER EQUIPMENTS	903764.72	510622.72
410-70	FURNITURE, FIXTURES, FITTINGS & ELECTRIC APPLIANCES	* 536647.00	455412.00
Total -		196011194.26	174180890.26

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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 11

411 ACCUMULATED DEPRECIATION

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
411-20	BUILDINGS	-6892547.56	-5511648.77
411-30	ROADS AND BRIDGES	-66232795.84	-56234142.16
411-31	SEWERAGE AND DRAINAGE	-13343602.93	-10993533.87
411-32	WATER WAYS	-8672813.40	-7353586.55
411-33	PUBLIC LIGHTING	-1179181.62	-672694.52
411-40	PLANT AND MACHINERY	-1039495.60	-766707.20
411-50	VEHICLES	-2047720.00	-1750016.40
411-60	OFFICE AND OTHER EQUIPMENTS	-254162.10	-162410.06
411-70	FURNITURE, FIXTURES, FITTINGS & ELECTRIC APPLIANCES	-226963.73	-180034.15
Total -		-99689282.78	-83825063.78


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 11

412 CAPITAL WORK-IN-PROGRESS

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
412-10	SPECIFIC GRANTS	3808554.00	2130690.00
Total -		3808554.00	2130690.00


Accountant
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Name of Urban Local Body MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 8

DEPOSITS WORKS

Code No	Particulars	Opening balance at the beginning of the year (Rs)	Addition during the period (Rs)	Utilisation / expenditure Amount (Rs)	Balance outstanding at the end of 31-Mar-2009 (Rs)
1	2	3	4	5	6
341-10	CIVIL WORKS	528511.00	487391.00	48871.00	967031.00
	Total -	528511.00	487391.00	48871.00	967031.00


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 13

421 INVESTMENTS-OTHER FUND

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
421-80	OTHER INVESTMENTS	47299998.80	29881563.00
	Total -	47299998.80	29881563.00


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 14

430 STOCK-IN-HAND

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
430-10	STORES	26902673.91	7698727.03
430-20	LOOSE TOOLS	2585.00	2585.00
Total -		26905258.91	7661312.03


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 15

431 SUNDRY DEBTORS (RECEIVABLES)

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
431-10	RECEIVABLES FOR PROPERTY TAXES	25128533.73	25473980.56
431-11	RECEIVABLES FOR ADVERTISEMENT TAXES	0.00	0.00
431-19*	RECEIVABLES FOR OTHER TAXES	4239716.00	3458984.00
431-40	RECEIVABLES FROM OTHER SOURCES	2447552.08	2248890.40
431-50	RECEIVABLES FROM GOVERNMENT	1898729.00	0.00
431-80	RECEIVABLES CONTROL ACCOUNTS	0.00	0.00
Total -		33714530.81	31181654.96


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 16

440 PRE-PAID EXPENSES

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
440-20	ADMINISTRATION	42980.80	40658.80
	Total -	42980.80	40658.80


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
 Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 17

450 CASH AND BANK BALANCE

Code Ng	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
450-10	CASH-IN -HAND	42.00	380.00
450-21	NATIONALIZED BANKS -MUNICIPAL FUND	3288357.40	2540932.19
450-23	SCHEDULE CO-OPERATIVE BANKS -MUNICIPAL FUND	161454.00	375513.00
450-41	NATIONALIZED BANKS -SPECIAL FUNDS	10372722.05	64302961.45
450-42	OTHER SCHEDULE BANKS-SPECIAL FUNDS	1708235.00	0.00
450-43	SCHEDULE CO-OPERATIVE BANKS -SPECIAL FUNDS	402613.50	606087.50
450-45	TREASURY-SPECIAL FUND	0.00	0.00
450-62	OTHER SCHEDULE BANKS-GRANT FUNDS	526492.60	0.00
450-65	TREASURY-GRANT FUNDS	40510589.39	42834875.39
Total -		56970505.94	110660759.53


 Executive Officer
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 Chairman
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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 18

460 LOANS, ADVANCES AND DEPOSITS

Code No	Particulars	Opening balance at the beginning of the year (Rs)	Paid during the period (Rs)	Recovered during the period (Rs)	Balance outstanding at the end of 31-Mar-2009 (Rs)
1	2	3	4	5	6
460-10	LOANS AND ADVANCES TO EMPLOYEES	262327.00	2262896.00	2165769.00	379454.00
460-20	EMPLOYEE PROVIDENT FUND LOANS	4419950.00	3041900.00	2478600.00	4983250.00
460-30	LOANS TO OTHERS	0.00	1020.00	1020.00	0.00
460-40	ADVANCE TO SUPPLIERS AND CONTRACTORS	0.00	15000.00	0.00	15000.00
460-50	ADVANCE TO OTHERS	89117183.00	13519514.00	457321.00	102179376.00
	Total -	93819460.00	18840330.00	5102710.00	107557080.00


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Balance Sheet as on 31-Mar-2009

Schedule No : B- 19

470 OTHER ASSETS

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
470-10	DEPOSIT WORKS -EXPENDITURE	29930046.00	0.00
	Total -	29930046.00	0.00


Executive Officer
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Midnapore Municipality

MIDNAPUR MUNICIPALITY

Midnapur, Paschim-Medinipur, West Bengal

SIGNIFICANT ACCOUNTING POLICIES:

- 1) **Fixed Assets:** Fixed Assets have been valued at historical Costing basis, as and when records were available. All fixed assets are carried at cost less accumulated depreciation. All assets which have fully depreciated shall carry a book value of at least Re.1..
Assets created out of grant fund are accounted as per AS.12 of Institute of Chartered Accountant of India.
- 2) **Depreciation:** Depreciation has been provided on straight line basis by the useful life time as prescribed in the state accounting manual.
- 3) **Capital Works in Progress:** Assets under erection .installation on existing projects and capital expenditures on new projects (including advances for capital works and stores) have been shown under the caption "Capital Works in Progress".
- 4) **Investments:** Investments have been recognized at cost. Interest on investments have been recognized as and when due.
- 5) **Stock:** The Stock lying at the year end have been valued at cost in accordance with the First in First out (FIFO) method.
- 6) **Basis:** Revenue income like Property Tax, Water Tax, Market Rent and other rental incomes form municipal property have been accounted for on accrual basis. All other revenue incomes are accounted for on the cash basis as per state Manual.
- 7) **Grants:** Revenue Grants have been recognized as incomes on actual basis. Capital Grants are treated as liabilities till such time that the fixed assets have been constructed or acquired. For grant accounting AS.12 of Institute of Chartered Accountant of India has been followed.
- 8) **Interest expenditure** on loan has been recognized on accrual basis.


Accounts &
Finance Coordinator
Midnapur Municipality

 Accounts & Finance Co-ordinator
Midnapore Municipality


Executive Officer
Midnapur Municipality
Executive Officer
Midnapore Municipality


Chairman
Midnapur Municipality
Chairman
Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR 2008-2009

Code No	Item/Head of Account	Schedule No	Previous Year Amount (Rs.)	Current Year Amount (Rs.)
1	2	3	4	5
INCOME				
110	TAX REVENUE ITEMS	1-1	1595955.50	21762097.50
120	ASSIGNED REVENUES AND COMPENSATIONS	1-2	2495000.00	1461500.00
130	RENTAL INCOME FROM MUNICIPAL PROPERTIES	1-3	1632306.00	1297174.00
140	FEES AND USER CHARGES	1-4	12941772.45	11791908.40
150	SALE AND HIRE CHARGES	1-5	2694853.00	3008014.00
160	REVENUE GRANTS, CONTRIBUTIONS AND SUBSIDIES	1-6	59881878.19	61037532.17
170	INCOME FROM INVESTMENTS	1-7	0.00	0.00
171	INTEREST EARNED	1-8	251586.32	515467.26
A	Total - INCOME		95857051.46	100873693.33
EXPENDITURE				
210	ESTABLISHMENT EXPENSES	1-10	58807868.00	64592458.00
220	ADMINISTRATIVE EXPENSES	1-11	3795340.00	2904471.00
230	OPERATION AND MAINTENANCE	1-12	6080017.00	11755094.12
240	INTEREST AND FINANCE CHARGES	1-13	158372.00	1395289.00
250	PROGRAMME EXPENSES	1-14	2153137.00	2934923.10
271	MISCELLANEOUS EXPENSES	1-17	0.00	0.00
272	DEPRECI	1-0	13777669.74	16064219.00
280	PRIOR PERIOD	1-0	-3544568.00	3598712.00
B	Total - EXPENDITURE		83227635.74	103246166.22
A-B	Gross surplus/(deficit) of income over expenditure		12629415.72	2372472.89
			SURPLUS	DEFICIT


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
 Schedule of Income & Expenditure as on 31-Mar-2009

Schedule No : I- 0

272 DEPRECI

Code No	Item/Head of Account	As on 31-Mar-2008	As on 31-Mar-2009
272-20	BUILDINGS	1360898.79	1183206.62
272-30	ROADS AND BRIDGES	9998653.68	8385285.15
272-31	SEWERAGE AND DRAINAGE	2350069.06	2103600.85
272-32	WATERWAYS	1319226.85	1050027.98
272-33	PUBLIC LIGHTING	306497.00	346983.30
272-40	PLANT AND MACHINERY	272788.40	272788.40
272-50	VEHICLES	297703.60	318887.10
272-60	OFFICE AND OTHER EQUIPMENTS	91752.04	64772.34
272-70	FURNITURE, FIXTURES, FITTINGS & ELECTRIC APPLIANCES	46629.58	42118.20
Total -		16064219.00	13777669.74


 Executive Officer
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 Chairman
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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Income & Expenditure as on 31-Mar-2009

0

PRIOR PERIOD

Sl. No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
280-30	RECOVERY OF REVENUES WRITTEN OFF	0.00	0.00
280-60	REFUND OF OTHER-REVENUE	9050.00	0.00
280-80	OTHER-EXPENSES	3583662.00	-3544568.00
Total -		3599712.00	-3544568.00


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
 Schedule of Income & Expenditure as on 31-Mar-2009

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TAX REVENUE ITEMS

Sl. No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
110-01	PROPERTY TAX	18622046.00	14209790.00
110-02	WATER TAX	969300.00	969300.00
110-07	VEHICLE TAX	1028132.00	108943.50
110-11	ADVERTISEMENT TAX	834972.50	353055.00
110-51	OCTROI AND TOLL	207647.00	318467.00
110-90	TAX REMISSIONS AND REFUNDS	0.00	0.00
Total -		21762097.50	15959555.50


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Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Income & Expenditure as on 31-Mar-2009

2

ASSIGNED REVENUES AND COMPENSATIONS

Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
20-10 TAXES AND DUTIES COLLECTED BY OTHERS	1461500.00	2495000.00
Total -	1461500.00	2495000.00


Executive Officer
Midnapore Municipality


Chairman
Midnapore Municipality


Accounts & Finance Co-ordinator
Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Income & Expenditure as on 31-Mar-2009

3

RENTAL INCOME FROM MUNICIPAL PROPERTIES

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
130-10	RENT FROM CIVIC AMENITIES	1138583.00	1370372.00
130-20	RENT FROM OFFICE BUILDINGS	20450.00	0.00
130-30	RENT FROM GUEST HOUSES	131891.00	159934.00
130-40	RENT FROM LEASE OF LANDS	0.00	102000.00
130-90	RENT REMISSION AND REFUNDS	250.00	0.00
Total -		1297174.00	1632306.00


Executive Officer
Midnapore Municipality


Chairman
Midnapore Municipality


Accounts & Finance Co-ordinator
Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Income & Expenditure as on 31-Mar-2009

4

FEEES AND USER CHARGES

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
140-10	EMPANELMENT AND REGISTRATION CHARGES	72729.00	29479.95
140-11	LICENSING FEES	2126932.40	2285952.00
140-12	FEES FOR GRANT OF PERMIT	3759574.00	3292232.00
140-14	DEVELOPMENT CHARGES	453506.00	1970848.00
140-40	OTHER FEES	4176289.00	3922600.50
140-50	USER CHARGES	980673.00	928069.00
140-70	SERVICE/ADMINISTRATIVE CHARGES	0.00	500000.00
140-90	FEES REMISSION AND REFUND	222205.00	3590.00
Total -		11791908.40	12941772.45


Executive Officer
Midnapore Municipality


Chairman
Midnapore Municipality


Accounts & Finance Co-ordinator
Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Income & Expenditure as on 31-Mar-2009

5

AND HIRE CHARGES

	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
150-10	SALE OF PRODUCTS	89240.00	0.00
150-11	SALE OF FORMS AND PUBLICATIONS	2567666.00	2037104.00
150-30	SALE OF OTHERS	140689.00	475.00
150-40	HIRE CHARGES FOR VEHICLES	210337.00	857274.00
150-41	HIRE CHARGES ON EQUIPMENTS	20060.00	0.00
	Total -	3008014.00	2694853.00


Executive Officer
Midnapore Municipality


Chairman
Midnapore Municipality


Accounts & Finance Co-ordinator
Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Income & Expenditure as on 31-Mar-2009

6

REVENUE GRANTS, CONTRIBUTIONS AND SUBSIDIES

Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
160-10 REVENUE GRANT	46019549.64	42952964.00
160-20 RE-IMBURSEMENT OF EXPENSES	881106.00	4908879.00
160-40 CONTRIBUTION TOWARDS ASSETS	14136878.53	12020135.19
Total -	61037532.17	59681978.19


Executive Officer
Midnapore Municipality


Chairman
Midnapore Municipality


Accounts & Finance Co-ordinator
Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Income & Expenditure as on 31-Mar-2009

1- 8

INTEREST EARNED

No.	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
171-10	INTEREST FROM BANK ACCOUNTS	299441.00	22912.40
171-20	INTEREST ON LOANS AND ADVANCES TO EMPLOYEES	0.00	0.00
171-80	OTHER INTEREST	216026.26	228673.92
Total -		515467.26	251586.32


Executive Officer
Midnapore Municipality


Chairman
Midnapore Municipality


Accounts & Finance Co-ordinator
Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Income & Expenditure as on 31-Mar-2009

10

ESTABLISHMENT EXPENSES

	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
210-10	SALARIES, WAGES AND BONUS	53933773.00	48675227.00
210-20	BENEFITS AND ALLOWANCES	338712.00	468368.00
210-30	PENSION	7617867.00	6581193.00
210-40	OTHER TERMINAL AND RETIREMENT BENEFITS	2702106.00	3052880.00
	Total -	64592458.00	58807668.00


Executive Officer
Midnapore Municipality


Chairman
Midnapore Municipality


Accounts & Finance Co-ordinator
Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
 Schedule of Income & Expenditure as on 31-Mar-2009

11

ADMINISTRATIVE EXPENSES

No	Item/Head of Account	As on 31-Mar-2008	As on 31-Mar-2009
220-10	RENT, RATES AND TAXES	0.00	54394.00
220-11	OFFICE-MAINTENANCE	1606584.00	2207417.00
220-12	COMMUNICATION EXPENSES	110814.00	208389.00
220-20	BOOKS AND PERIODICALS	314.00	0.00
220-21	PRINTING AND STATIONARY	450047.00	380963.00
220-30	TRAVELING AND CONVEYANCE	155788.00	44125.00
220-40	INSURANCE	39989.00	0.00
220-51	LEGAL EXPENSES	106176.00	101639.00
220-60	ADVERTISEMENT AND PUBLICITY	144318.00	487484.00
220-80	OTHERS	290441.00	310929.00
Total -		2904471.00	3795340.00


 Executive Officer
 Midnapore Municipality


 Chairman
 Midnapore Municipality


 Accounts & Finance Co-ordinator
 Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
 Schedule of Income & Expenditure as on 31-Mar-2009 *

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OPERATION AND MAINTENANCE

No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
230-10	POWER AND FUEL	3707742.00	2939693.00
230-30	CONSUMPTION OF STORES	3800734.12	182722.00
230-40	HIRE-CHARGES	543416.00	461020.00
230-50	REPAIR AND MAINTENANCE -INFRASTRUCTURE ASSETS	1186332.00	1578346.00
230-51	REPAIR AND MAINTENANCE -CIVIC AMENITIES	23014.00	1580.00
230-52	REPAIR AND MAINTENANCE -BUILDINGS	102290.00	492147.00
230-53	REPAIR AND MAINTENANCE -VEHICLES	520527.00	307420.00
230-59	REPAIR AND MAINTENANCE -OTHERS	95366.00	64657.00
230-80	OTHER OPERATING AND MAINTENANCE EXPENSES	1775673.00	1654452.00
Total -		1175094.12	8080017.00


 Executive Officer
 Midnapore Municipality


 Chairman
 Midnapore Municipality


 Accounts & Finance Co-ordinator
 Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Income & Expenditure as on 31-Mar-2009

Sl No : I- 13

INTEREST AND FINANCE CHARGES

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
240-20	INTEREST ON LOANS FROM THE STATE GOVERNMENT	1103868.00	0.00
240-60	OTHER INTEREST	259930.00	140349.00
240-70	BANK CHARGES	31491.00	18023.00
Total -		1395289.00	158372.00


Executive Officer
Midnapore Municipality


Chairman
Midnapore Municipality


Accounts & Finance Officer
Midnapore Municipality

Name of Urban Local Body : MIDNAPORE MUNICIPALITY Municipality
Schedule of Income & Expenditure as on 31-Mar-2009

ie No : I- 14

PROGRAMME EXPENSES

Code No	Item/Head of Account	As on 31-Mar-2009	As on 31-Mar-2008
250-20	OWN PROGRAMMES	2934923.10	2153137.00
250-30	SHARE IN PROGRAMME OF OTHERS	0.00	0.00
Total -		2934923.10	2153137.00


Executive Officer
Midnapore Municipality


Chairman
Midnapore Municipality


Accounts & Finance Co-ordinator
Midnapore Municipality



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E-mail: examlawb@cal3.vsnl.net.in

INDIAN AUDIT AND ACCOUNTS DEPARTMENT

O/o PRINCIPAL ACCOUNTANT GENERAL

(GENERAL & SOCIAL SECTOR AUDIT), W.B.

LOCAL AUDIT DEPARTMENT

Acct
JP
31/08/15

404
31-08-15

No. SS-III/ A/cs Midnapore M(08-09)/15-16/ 2145

Dated: 26.08.2015

To,

The Chairman
Midnapore Municipality,
PO-Midnapur,
Paschim Medinipur,
Pin- 72101

Sub: Audit Report on Annual Financial Statement for the year 2008-09

Sir,

I am forwarding the Audit Reports and detailed comments on the AFS for the year 2008-09 under section 87 of West Bengal Municipal Act 1993 as amended till date and annexure containing specified information as per Sub-Rule 2 of Rule 22 of West Bengal Municipal Finance and Accounting Rules 1999 as amended in January 2007. I draw your kind attention to Section 88 of the Act ibid to place the Audit Report to the Chairman-in-Council to take remedial measures and report to the Director of Local Bodies with intimation to this office.

Yours faithfully

NB 25/8/15
Examiner of Local Accounts
West Bengal

Enclosure: As stated above

**AUDIT REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF MIDNAPORE
MUNICIPALITY FOR THE YEAR ENDED 31st MARCH, 2009**

We have audited the Balance Sheet of the Midnapore Municipality as at 31 March, 2009 along with Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under section 86 of the West Bengal Municipal Act, 1993 as amended till date. Preparation of these financial statements is the responsibility of the Midnapore Municipality Management. Our responsibility is to express an opinion on these financial statements based on our audit findings.

2. This Audit Report contains the comments of the Examiner of Local Accounts (ELA) on the accounting treatment with regard to classification, conformity with the best accounting treatment, accounting practices, accounting standards and disclosure norms, etc. Audit observation on financial transactions with regard to compliance with the Laws, Rules and Regulations (Propriety and Regularity Audit) and efficiency-cum-performance aspects, etc., are reported through Inspection Reports/Audit Reports separately.

3. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

i. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit subject to the observations made below.

ii. The Balance Sheet and Income & Expenditure Account and Receipts and Payments Account dealt with by this report have been drawn up in the format prescribed under Accounting Manual for Urban Local Bodies (Part – 5 : Forms & Formats) subject to the observations made below.

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Midnapore Municipality as required under Accounting Manual for Urban Local Bodies (Part – 5 : Forms & Formats) in so far as it appears from our examination of such books and subject to the observations made below.

Management adhered to appropriate internal controls [Comments as per Sub-rule (2) (1) (d) of the Rule 22 of West Bengal Municipal (Finance & Accounting) Rules, 1999 (Amends) is enclosed (Annexure – 1)]

iv. We further report that-

A. Balance Sheet

A.1. Liabilities

A.1.1 Grants, Contribution for Specific Purpose (Schedule B-4): ₹2514.38 Lakh

Above included Fixed Grant of ₹ 540011.39

As per Accounting Manual for ULBs (Part-2, Para 3.4.1 a), General Grants, which are of revenue nature, received basically for non specific purpose, shall be recognized as income on actual receipt.

This resulted in overstatement of Grants, Contribution for Specific Purpose with the corresponding overstatement of 'Deficit of income over expenditure' to the extent of ₹5.40 lakh.

Municipal authority admitted the observation and noted for future guidance.

**A.1.2 Other Liabilities (Sundry Creditors) (Schedule-B-09) : ₹537.88 lakh
Gratuaty Payable: ₹0.00 lakh**

Above did not include ₹ 1499130 (as per statement submitted by the Municipality) being the Gratuity payable to the retired (retired in earlier years)/ death employees as on 31.03.2009.

Non-accounting of the above resulted in understatement of 'Other liabilities (Sundry Creditors)' with the corresponding understatement of prior years expenditure thereby understatement of 'Deficit' to the extent of ₹ 14.99 lakh.

In reply, Municipal authority admitted the observation and noted for future guidance.

A.2 Assets

A.2.1. Cash & Bank Balance: ₹569.71 lakh

Above did not include ₹ 31360.00 being the money value of 15 no. of issued cheques which lost their validity (became stale cheques) as on 31st March 2009 but the same stale cheques were not written back or rectified in the accounts for the year 2008-09.

Non accounting of the above resulted in understatement of Cash & Bank Balance with the corresponding understatement of Other Liabilities (Dundry Creditors) to the extent of ₹0.31 lakh.

The Municipality admitted the facts

B INCOME & EXPENDITURE ACCOUNT

Nil

C RECEIPT & PAYMENT ACCOUNT

The Receipt and Payment Accounts was not prepared in prescribed heads of account and form. As a result, the actual inflow and outgo of funds under specific head was not readily available and therefore did not satisfy the objective of the account. It was noticed that certain unwarranted heads of account 220, 320, 340, 350, 430, 431, 450, 460 under the Receipt side and 130, 140, 160, 320, 340, 350, 410, 430, 450, 460 in payment side were shown in the Receipt and

Payment Accounts. Those entries were not relevant to the respective sides. Such system-generated erroneous statement with unusual receipts and payments were not commensurate with the Accounting Standards applicable for the purpose

Municipal authority noted the observation for future guidance.

D General Observation

D.1 Journal Vouchers

As per 'Purohisab' accounting software package, Journal Vouchers were passed while preparation of Annual Accounts for the year 2008-09, without any authorization of the Higher authority and justifying primary documents.

D.2 Capital work in progress: ₹ 38.09 lakh (B-11)

The Municipality did not prepare any 'Summary statement of status on CWIP' in Form 141(as per para 5 of Accounting Manual of ULBs) for the year 2008-2009. Moreover, no schedules of capital work in progress was attached to the accounts. As a result, exact status of CWIP could not be checked in audit.

D.3 Physical verification of Store/Fixed Asset not conducted

No physical verification of movable as well as immovable assets was done by the Municipality at a regular interval, as a result the Municipal authority could not ensure whether all the assets accounted for in the Stock Register/Assets Register were physically available or not.

D.4 Stock in Hand: ₹ 269.05 lakh

The store department of the Municipality did not prepare any statement of closing stock in form 147 as required (as per para 5 of Accounting Manual of ULBs) for which the actual position of store as on 31.03.2009 and its valuation could not be verified in audit.

D.5 Primary Documents

The Municipality did not maintained the basic/primary records like Authorized printed Cash book, Grant register, Unpaid Bill Register, work register, Loan register, Investment Register, records in details of Sundry creditors, etc. As a result, the figures as depicted in the annual accounts could not be properly verified in audit.

D.6 Deficiencies/ shortcomings in accounting software package 'Purohisab'

- a) The accounting software package 'Purohisaab' has no locking arrangement in so far as accounting period is concerned i.e. any voucher can be entered at a later date after closing of a particular accounting year on real time basis thereby leaving the system unsecured.
- b) The accounting software package 'Purohisaab' is unable to generate 'Bank Reconciliation statement' thereby rendering it ineffective as all the record/entries pertaining to Bank Reconciliation statement are being kept manually.

A. Balance Sheet

A.1. Liabilities

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Non accounting of the above resulted in understatement of Cash & Bank Balance with the corresponding understatement of Other Liabilities (Dundry Creditors) to the extent of ₹0.31 lakh.

The Municipality admitted the facts

B INCOME & EXPENDITURE ACCOUNT

Nil

C RECEIPT & PAYMENT ACCOUNT

The Receipt and Payment Accounts was not prepared in prescribed heads of account and form. As a result, the actual inflow and outgo of funds under specific head was not readily available and therefore did not satisfy the objective of the account. It was noticed that certain unwarranted heads of account 220, 320, 340, 350, 430, 431, 450, 460 under the Receipt side and 130, 140, 160, 320, 340, 350, 410, 430, 450, 460 in payment side were shown in the Receipt and

- c) The accounting software package 'Purohisaab' did not generate any 'Grant Register', 'Fixed Assets Register', 'Cash Flow statement', etc. as per prescribed format.
- d) Narration in most of the payment voucher was absent.
- e) There was no scope to save any computer I.P. address against any transaction. Not even that, the name/designation of voucher entering and passing person was not reflected against the voucher posted/passed in any occasions. Hence, both the persons might be the same which frustrated the system of double checking of the vouchers. Moreover, the Municipality failed to furnish any password register or copy of the resolution indicating the persons authorized by the B.O.C. for posting the entries and passing the entries in the system leaving the total system unsecured;
- f) The Receipt and Payment vouchers were not maintained by the Municipality in Form no. 97 and 98.(as per part 5 of the Accounting Manual for ULBs)

D.7 Schedule forming part of Financial Statement

Schedules B-1, B-2, B-3, B-4, B-8, B-11, B-12, B-15 and B-18 attached to the Balance Sheet were incomplete and not conforming to the provisions of the Accounting Manual for ULBs. As a result, the extent of addition, deduction, capital expenditure, revenue expenditure, out of grant/ own resources, movement of fund was implicit in the Financial Statement.

D.8 Unsecured Loan: ₹ 154.44 lakh

As per para 3.4.2 (ULB accounting manual part-2) a provision shall be made for the interest accrued between the date of last payment of interest and the date of financial statements and shall be charged to the current's period Income and Expenditure Statement, But no such provision has been created by the municipality despite having unsecured interest bearing loan amounting to ₹ 154.44 lakh .

D.9 Deposit Works (Sch. B-8): ₹9.67 lakh

Above included ₹967031 in respect of unspent grant of BEUP. If that amount was received for development schemes of the Municipality, the same should be shown under 'Grant, Contribution for specific purposes (B-4)' as per Accounting Manual.

D.10 Sundry Debtors (Receivables) (Sch:B 15) ₹337.15 lakh

Above included ₹25128533.73 being the property tax receivables. But as per the Transaction Audit Report 2008-10 property tax receivables as on 31.03.2009 was ₹77.26 lakh.

In reply municipal authority stated that as on 01.04.2007 no arrear demand has been received by the concerned department. At the time of preparing opening balance sheet as on 01.04.2007 accounts department in their own initiative prepared age wise analysis of property

tax and reached the figure which was stated in the accounts . For that reason it was not tallied with the figure mentioned in transaction audit report 2008-10, supplied by concerned department. However necessary reconciliation will be made in future.

E. Notes to Accounts.

The fact that salary paid by the Government of West Bengal through different Departmental Budget to the Executive Officer, Finance Officer of the Municipality with quantification was not disclosed.

The Municipality admitted the observation and noted for future guidance.

F. Effect of Audit Comments on Accounts.

The net impact of the comments given in preceding paras is that the liabilities as on 31st Mar 2009 were understated by ₹9.90 lakh, Assets were understated by ₹0.31 lakh and the Deficit of income over expenditure for the year was understated by ₹9.59 lakh.

v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Account and Receipts and Payments Account dealt with by this report are in agreement with the books of accounts.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure - I to this Audit Report, does not give a true and fair view in conformity with accounting principles generally accepted in India:

(a) In so far as it relates to the Balance Sheet of the State of affairs of the Midnapore Municipality as at 31st March, 2009 and

(b) In so far as it relates to the Income and Expenditure for the year ended on that date.

Place: Kolkata
Date: 08.2015

UB 25/2/15
Examiner of Local Accounts
West Bengal

Working Sheet on Net impact on Annual Accounts of Midnapore Municipality for
2008-09

(₹ in Lakh)

Ref No	Liabilities		Assets		Deficit	
	U/S	O/S	U/S	O/S	U/S	O/S
A.1.1		5.40				5.40
A.1.2	14.99				14.99	
A.2.1	0.31		0.31			
Total	15.30	5.40	0.31	0.00	14.99	5.40

Liability understated by ₹ (15.30-5.40) lakh = ₹9.90 lakh

Asset understated by ₹ (0.31-0.00) lakh = ₹ 0.31 lakh

Deficit understated by ₹(14.99-5.40) lakh = ₹9.59 lakh

U/S - Understatement

O/S - Overstatement

Annexure – I

**Audit comments with reference to sub-rule (2) (1) (d) of Rule 22 of the West Bengal
Municipal (Finance & Accounting) Rules, 1999**

Sl. No	Item of information.	Audit comments.
1.	Whether all the expenditure incurred by the Municipality are authorized by appropriate provision in the sanctioned budget, whether made originally or subsequently and are in all cases such as are unauthorized by law.	During test check, no such deviation was found.
2.	Whether all sums due to and received by the Municipality have been brought to account within the prescribed time limits and are in all cases such as are authorized by law.	No deficiency was noticed in course of test check.
3.	Whether all transaction (income, expenditure, assets and liabilities) are correctly classified and stated in sufficient details?	Audit comments given in specific cases.
4.	Whether in respect of all bills for charges on accounts of all works and other expenditure proper certificates have been furnished in support of them and that no deviation has been made from the sanctioned plans and the estimate without other sanction of the competent authority?	As per test check, no deviation was found from the sanctioned plans and the estimates.
5.	Whether the amounts received as specific grants have been utilized for the purposes as stated in the grant sanction order?	No deviation was noticed as per test check.
6.	Whether the special funds, if any, have been created as per the provisions of relevant statutes and whether the special funds have been utilized for the purpose for which created?	Provident Fund is being utilized for the purpose for which the same was created. Pension was not created.
7.	Whether the Municipality is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets? Whether these fixed assets have been physically verified by the management at reasonable intervals? Whether any material discrepancy was noticed on such verification and if so, whether the same have been properly dealt with in the Books of accounts?	The Municipality though maintained Asset Register but the details of work and measurement were not recorded. Physical verification of Fixed Assets has not been made any time.
8.	Whether physical verification has been conducted at reasonable intervals in respect of stores?	No physical verification of Stores was done.
9.	Whether the procedures of physical verification of store followed by the Municipality are reasonable and adequate, if not, the inadequacies in such procedures should be reported.	No physical verification of Stores was done.
10.	Whether any material discrepancies have been noticed on physical verification as compared to books of records and if so whether the same have been properly dealt with in the books of accounts?	Material discrepancies were not detected during the year 2008-09.

11.	Whether the valuation of stores is in accordance with the accounting principles laid down by the State Govt. from time to time? Whether the basis of valuation of stores is same as in the preceding year. If there is any deviation in the basis of valuation, the effect of such deviation, if materials, should be reported?	Deviation are commented.																											
12.	Whether the parties to whom the loans or advances in the nature of loans have been given by the Municipality, are repaying the principal amounts as stipulated and are also regular in payments of the interest and if not, whether reasonable steps have been taken by the Municipality for recovery of the principal and interest?	No major deficiency in this respect was noticed as per test check.																											
13.	Whether there exists an adequate internal control procedure for the purchase of store including components, plant and machinery, equipment and other assets?	Internal control system needs to be strengthened.																											
14.	Whether proper procedure are in place to identify any unserviceable or damaged stores and whether provision for the loss in this respect, if any has been made in the accounts?	No																											
15.	Whether the Municipality is regular in depositing Provident fund dues and Professional Tax deducted with the appropriate authorities and if not, the extent of arrears?	Yes except Provident Fund deposit. Commented.																											
16.	Whether the Municipality is regular in depositing deducted at source (Income Tax and Work contract tax) and other statutory dues, and if not, the nature and cause of such delay and the amount not deposited?	Yes																											
17.	Whether any personal expenses have been charged to revenue accounts? If so the details thereof.	Not found during test check.																											
18.	Whether the total liabilities of the Municipality can be met out of the Municipal fund when falling due?	No, as calculated below. (₹ in lakh)																											
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Place: Kolkata
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NB 25/7/15
Examiner of Local Accounts
West Bengal