

**FINANCIAL STATEMENTS OF
AZAD GOVERNMENT OF THE STATE OF
JAMMU AND KASHMIR**

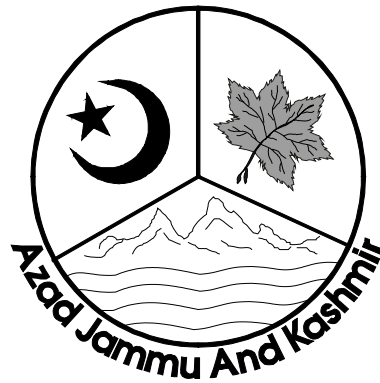


FOR THE FINANCIAL YEAR

2015-16

ACCOUNTANT GENERAL AZAD JAMMU & KASHMIR

**FINANCIAL STATEMENTS OF
AZAD GOVERNMENT OF THE STATE OF
JAMMU AND KASHMIR**



FOR THE FINANCIAL YEAR

2015-16

ACCOUNTANT GENERAL AZAD JAMMU & KASHMIR

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PREFACE

Financial Statements of Azad Government of the State of Jammu and Kashmir for the year ended 30th June, 2016 have been prepared by the Accountant General Azad Jammu and Kashmir under section 5 of the controller General of Accounts (Appointment, Functions and Powers) Act, 2005 and are the responsibility of Controller General of Accounts (CGA).

In response to the changing nature of Stakeholders requirements for making informed decisions based on financial information and development in the Public Sector Accounting Standards, the role of CGA has transformed as now stakeholders expect high quality, reliable and relevant Financial Reports. The focus of the CGA is not limited to reporting historical results only, but is now constantly moving towards enhancing public value, by providing the legislature and executives, through the financial statements an insight of the Government's financial performance .

Auditor General prescribed New Accounting Model (NAM), which conforms to international best practices. It comprises of seven volumes and is based on Modified Cash Basis of Accounting in which, though cash basis of accounting is followed for recording Receipts and Expenditure the following additional concepts have also been introduced:-

- Commitment Accounting
- Physical and Financial Assets Accounting
- Liabilities Accounting

Commitment Accounting and Assets recording practices are not yet implemented. These Financial Statements have been prepared on cash basis of accounting and do not include accrued receipts and liabilities.

The current year's Financial Statements have been prepared under NAM and the format of International Public Sector Accounting Standards (IPSAS) Cash Basis –Financial Reporting under

the Cash Basis of Accounting has been adopted for the preparation of these Financial Statements.

These Financial Statements focus on Reporting the budgetary activity of the Government for the Financial Year 2015-16 as laid down in the financial procedures of the Interim Constitution Act, 1974, which describes the Government funds as AJK Consolidated Fund and Public Account for which Annual Budget Statement is authorized by AJK Assembly in the form of Budgetary Grants.

Finally, it is important to emphasise the value of sustained and dedicated efforts towards excellence in Public Sector Financial Accounting and Reporting. Moving forward, management and staff of CGA are working hard to overcome the challenges and issues which can limit the quality, transparency and reliability of Financial Reports. Through excellent financial reporting, we are committed to support the decision making critical to the State's fiscal future

Islamabad, Pakistan

Dated: 06-02-2017

Controller General of Accounts



Auditor-General of Azad Jammu and Kashmir

Audit House, Constitution Avenue

Islamabad, Pakistan

Auditor's Report

I have audited the accompanying Financial Statements of the Government of Azad Jammu and Kashmir for the year ended June 2016, which comprises Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts by Functions, Statement of Comparison of Budget and Actual Expenditure by Departments for the year then ended and a summary of significant accounting policies and other explanatory notes to the Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and proper presentation of these Financial Statements in accordance with the applicable financial reporting framework.

Auditor's Responsibility

My responsibility is to express an opinion on these Financial Statements based on my audit in accordance with the requirements of Section 50-A of the Azad Jammu and Kashmir Interim Constitution Act, 1974 read with Section 8 of the Auditor-General's (Functions, Powers and Terms & Conditions of Service) Act, 2005. I conducted my audit in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) and other guidance issued by my department. The standards require that I perform procedures including 'risk assessment' to obtain reasonable assurance whether the Financial Statements are free of material misstatement. The audit process includes examining, on a test basis, evidence supporting the amount and disclosures in the Financial Statements. It also includes assessing the accounting policies issued, as well as evaluating the overall Financial Statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my Opinion;

- (a) These Financial Statements present, in all material respects, the financial position of the Government of Azad Jammu and Kashmir as at June 30th, 2016, and results of its operations, its cash flows and its expenditure and receipts, by appropriation by the year ended in accordance with the stated accounting policies of the Government of Azad Jammu and Kashmir.
- (b) The sums expended have been applied, in all material respects, for the purposes authorized by the Azad Jammu & Kashmir Legislative Assembly and have, in all material respects, been booked to the relevant grants and appropriations.

Islamabad
Date : 06-2-2017
Kashmir

(Rana Assad Amin)
**Auditor-General of
Azad Jammu and**

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Statement of Cash Receipts and Payments
For The Year Ended 30th June, 2016

	Note	2016 Rupees in Million		2015 Rupees in Million	
		Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties	Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties
AJ & K CONSOLIDATED FUND					
RECEIPTS					
<i>Taxation- Transfers from AJ & K Council</i>	8	10,622	-	7,575	-
<i>Taxation- AJ & K Government's own collection</i>	9	12,616	-	11,589	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	571	-	533	-
Economic Services	11	716	-	1,598	-
Development Surcharge and Royalties	12	1,076	-	942	-
Others	13	242	-	1,539	-
		2,604	-	4,612	-
Grant in Aid	14	31,892	-	26,771	-
<i>Borrowings</i>					
Foreign Debt	15	368	-	-	-
Domestic Debt	16	23,024	-	16,966	-
		23,391	-	16,966	-
<i>Capital Receipts</i>					
Recovery of Loans and Advances	17	299	-	431	-
		299	-	431	-
TOTAL RECEIPTS		81,426	-	67,944	-

**Statements of Cash Receipts and Payments
For The Year Ended 30th June, 2016**

	Note	2016 Rupees in Million		2015 Rupees in Million	
		Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties	Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties
PAYMENTS					
<i>Operations</i>					
Salaries and Employee Benefits	18	41,891	-	42,042	-
Operating Expenses	19.1	11,961	-	10,829	-
Repair & Maintenance	19.2	955	-	924	-
		54,808	-	53,795	-
<i>Expenditure on</i>					
Physical Assets	20	4,122	-	1,132	-
Civil Works	21	11,103	-	10,431	-
		15,225	-	11,563	-
<i>Debt and Interest Payments</i>					
Principal Repayment of Debt	22	12,023	-	6,516	-
Loans to others		-	-	598	-
		12,023	-	7,114	-
TOTAL PAYMENTS		82,056	-	72,472	-
NET PAYMENT OF A J&K GOVERNMENT		(630)	-	(4,528)	-
NET RECEIPT OF PUBLIC ACCOUNT	23	2,824	-	587	-
INCREASE / (DECREASE) IN CASH		2,194	-	(3,941)	-
CASH AT THE BEGINNING OF THE YEAR		(4,341)	-	(400)	-
INCREASE / (DECREASE) IN CASH		2,194	-	(3,941)	-
CASH AT THE END OF THE YEAR	24	(2,147)	-	(4,341)	-

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR

Statement of Cash Flows

For The Year Ended 30th June, 2016

	Note	2016 Rupees in Million	2015 Rupees in Million
CASH FLOW FROM OPERATING ACTIVITIES			
Taxation- Transfers from AJ&K Council	8	10,622	7,575
Taxation- AJ&K Government's own collection	9	12,616	11,589
	10,11,		
Non-Tax Revenue and Other Receipts	12,13	2,604	4,612
Grants in Aid - Receipts	14	31,892	26,771
Operations- Payments		(54,808)	(53,795)
<i>Cash from Operating Activities</i>		2,928	(3,248)
CASH FLOW FROM INVESTING ACTIVITIES			
Recovery of Loans and Advances	17	299	431
Expenditure on Physical Assets	20	(4,122)	(1,132)
Expenditure on Civil Works	21	(11,103)	(10,431)
<i>Cash used in Investing Activities</i>		(14,926)	(11,132)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipt of Foreign Debt	15	368	-
Receipt of Domestic Debt	16	23,024	16,966
Principal Repayment of Debt	22	(12,023)	(7,114)
Net Receipt of Public Account	23	2,824	587
<i>Cash from Financing Activities</i>		14,192	10,440
DECREASE IN CASH AND CASH EQUIVALENTS		2,194	(3,941)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(4,341)	(400)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	<u>(2,147)</u>	<u>(4,341)</u>

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Statement of Comparison of Budget and Actual Amounts by Function

For The Year Ended 30th June, 2016

	2016 (Rupees in Million)			2015 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
<i>Revenue</i>						
Taxation	29,737	24,345	23,283	17,798	14,497	11,462
Non-Taxation	28,763	35,270	34,453	48,540	50,849	48,593
Total revenue receipts	56,500	59,615	57,735	66,338	65,146	60,056
<i>Capital</i>						
Domestic Debt	23,250	23,274	23,323	2,462	7,514	7,888
Foreign Debt	500	500	388	-	-	-
Total capital receipts	23,750	23,774	23,690	2,462	7,514	7,888
	-	-	-	-	-	-
TOTAL RECEIPTS	80,250	83,389	81,425	68,800	72,660	67,944
PAYMENTS						
<i>Revenue</i>						
General Public Service	22,130	23,845	23,604	16,842	17,439	17,256
Defence	138	138	135	132	131	129
Public Order and Safety Affairs	5,071	5,178	5,087	5,015	5,552	5,835
Economic Affairs	13,540	16,925	16,705	13,150	15,958	16,171
Environment Protection	9	10	10	9	9	9
Housing and Community Amenities	394	429	405	353	362	362
Health Affairs and Services	5,228	4,848	4,636	4,257	4,015	3,978
Recreation, Culture and Religion	216	216	181	191	192	191
Education Affairs and Services	18,548	18,342	18,309	17,099	17,315	17,352
Social Protection	3,228	1,910	1,882	952	967	960
Total Revenue Payments	68,500	71,639	70,953	58,000	61,940	62,041
<i>Capital</i>						
General Public Service	1,045	1,003	697	580	501	499
Economic Affairs	2,291	2,312	2,282	3,007	3,218	3,208
Environment Protection	50	30	29	28	28	28
Housing and Community Amenities	6,489	6,885	6,673	5,543	5,558	5,557
Health Affairs and Services	340	404	399	321	273	272
Recreation, Culture and Religion	140	140	140	155	78	78
Education Affairs and Services	1,105	894	852	825	810	755
Social Protection	40	32	30	41	34	34
Total capital payments	11,500	11,500	11,103	10,500	10,500	10,431
TOTAL PAYMENTS	80,000	83,139	82,056	68,500	72,440	72,472

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Statement of Comparison of Budget and Actual Expenditure by Department
For the Year Ended 30th June, 2016

DEPARTMENT	2016 Rupees in Million			2015 Rupees in Million		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
Agriculture, Livestock & Cooperation	1,123	1,126	1,112	1,095	1,077	1,067
Board of Revenue	628	674	663	616	641	628
Education	18,548	18,342	18,309	17,073	17,289	17,328
Environment, Forestry, Wild life	840	853	846	678	689	675
Finance	9,529	9,716	9,788	8,271	8,632	8,534
Food	3,171	5,300	5,112	3,161	6,161	6,104
Health	5,226	4,846	4,636	4,257	4,015	3,976
Home and Tribal Affairs	4,185	4,254	4,174	4,075	4,041	4,062
Industries	217	229	217	144	145	140
Information	91	93	90	89	91	93
Law	1,024	1,061	1,048	921	1,490	1,556
Local Governance	394	429	405	369	377	375
Population, Planning and Welfare Department	213	209	209	201	208	199
Administration and Establishment	2,141	2,081	1,955	1,534	1,728	1,654
Works and Services	2,423	3,400	3,468	2,259	2,284	2,566
Zakat and Ushr	126	124	120	120	117	114
Sports, Culture, Archeology & Museum	89	92	60	266	266	254
Relief Rehabilitation and Settlement	756	758	755	714	723	725
Energy and Power	5,775	6,028	5,960	5,657	5,453	5,475
Ways and means	12,000	12,024	12,024	6,500	6,516	6,516
	68,499	71,639	70,953	58,000	61,940	62,041
<i>Development Expenditure</i>	11,500	11,500	11,103	10,500	10,500	10,431
TOTAL	79,999	83,139	82,056	68,500	72,440	72,472

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Notes to the Financial Statement
For The Year Ended 30th June, 2016

1 REPORTING ENTITY

Azad Government - Azad Jammu & Kashmir (the Government) conducts its operations under the Rules of Business 1985. These rules were made pursuant to Section 58 of the Interim Constitution Act 1974 of the Azad Jammu & Kashmir (the Constitution) and envisages Azad Government as comprising of departments and their attached departments. Financial procedures describes the Government Funds as Consolidated Fund and Public Account of the Azad Jammu & Kashmir for which Annual Budget Statement is authorized by the Azad Jammu & Kashmir Assembly in the form of budgetary grants. These Financial Statements focus on reporting the budgetary activity of the Government for the financial year 2015-16.

Section 50-A of the Constitution confers the powers of defining the form, principles and methods of the accounts of the Azad Jammu & Kashmir to the Auditor General, with the approval of the President. New Accounting Model was prescribed by the Auditor General in 2001 which describes Government as an accounting and reporting entity comprising of;

- a) Government Accounting Entities; for which the Accountant General Azad Jammu & Kashmir has the primary responsibility for accounting and reporting.
- b) Self Accounting Entities; for which the Principal Accounting Officer has the primary responsibility for accounting and reporting. The Self Accounting Entities are as under:-
 1. Public Works Department-Works and Services, Irrigation & Public Health Engineering
 2. Forest/Wildlife Department
 3. Electricity Department

2 BASIS OF CONSOLIDATION

The Financial Statements have been prepared by consolidating the accounts of all Government entities.

3 STATEMENT OF COMPLIANCE

These Financial Statements have been prepared in accordance with the New Accounting Model (NAM) which comprises of seven volumes. In 2001, Auditor General prescribed NAM. Implementation of NAM is an ongoing process. Commitment Accounting, asset and liability accounting practices have not yet been implemented.

4 ACCOUNTING CONVENTION AND BASIS OF CONSOLIDATION

These Financial Statements have been prepared under the Cash Basis of Accounting which recognizes transactions and events only when cash is received or paid by the entity. Assets and Liabilities in the disclosed notes based on a historical cost.

These Financial Statements have been prepared as per the requirements of NAM that supports best international practices. The statement of receipt and payments, statements of comparison of budget and actual amounts by function, statements of comparison of budget and actual expenditure by department and notes forming parts thereof have been prepared on the format of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash flows, as required by IPSAS 2, has also been presented, as prescribed by Cash Basis IPSAS.

The Financial Statements for the financial year 2015-2016 have been prepared and presented in order to make a fair presentation of all the relevant financial information without making any change in the fundamentals applied and all policies have been applied on a basis consistent with the previous year.

5 REPORTING AND BUDGET PERIOD

The reporting and budget period of these Financial Statements is the financial year 2015-2016 (from 1 July, 2015 to 30th June, 2016).

6 REPORTING CURRENCY

The reporting currency of these Financial Statements is Pak Rupee, which is also the Azad Jammu & Kashmir Government's functional and presentation currency.

7 SIGNIFICANT ACCOUNTING POLICIES

7.1. Revenue recognition

Revenue is recognized on the date of receipt of money by the bank or clearance of cheque. Revenue is recognized on a gross basis and any related costs are recorded separately. Receipts representing recovery of any previous overpayment are adjusted against relevant expenditure, if it occurs in the same financial year.

7.2. Recognition of expenditure

Expenditure is recognized on the date when payment is made or cheque is issued. Financial year to which the payments pertain is determined by the date on which a cheque or payment advice is issued. Policies for recognition of expenditure are as follows;

a) Payments made through cheque

Expenditure is recognized on the date the cheque is issued.

b) Inter government transfers

Expenditure is recognized on the date the transfer is made by the transferor.

c) Payments directly in bank accounts

In case of direct payments into bank account, expenditure is recognized on the date the payment advice is issued to the bank.

d) Direct payments by State Bank of Pakistan (SBP)

In case of repayment of loans and other direct payments by the SBP, expenditure is recognized on the date State Bank of Pakistan advises the relevant accounting office.

e) Imprest payments

Expenditure is recognized when the required claim vouchers are submitted and imprest account is reimbursed.

7.3. Foreign currency

Transactions in foreign currencies are recorded in the books at the rates of exchange prevailing on the date of transaction. Exchange differences arising on settlement of these transactions are recognized in the statement of cash receipts and payments, but are not being disclosed separately.

7.4. Employee benefits

The government has following plans for its employees:

a) General Provident Fund

It is compulsory for employee to subscribe to the General Provident Fund from the date of appointment and monthly subscription is by way of deduction from monthly payroll at a uniform rate of subscription, as advised by the Government for a financial year as laid down in the Provident Fund Act and General Provident Fund Rules. GP Fund in AJ&K is non Interest bearing.

b) Pension

It is the entitlement of Government employees to a stream of payments after they retire from service. No liability for pension is recognized in the Financial Statements and pension payments made during the year are recorded as expenditure.

c) Encashment of leave

This represents liability arising from entitlements to the various forms of leave earned by Government employees. Provision is made and the expenditure is recognized on the basis of payments made during the year.

7.5. Investments

All investments made by the Government are initially measured at cost being the fair value of consideration given plus transaction costs that are directly attributable to their acquisition.

Subsequent to initial recognition, investments are carried forward at historical cost. Any dividends received against investments are recognized when received in the AJ & K Government Consolidated Fund.

7.6. Cash and cash equivalents

For the purpose of Cash Flow Statement, cash and cash equivalents comprise cash with State Bank of Pakistan lying in the AJ&K Government Account.

7.7. Liability

Liabilities are future sacrifices of economic benefits that the government is presently obliged to make as a result of the past transaction. All liabilities are recorded at historical cash value.

7.8. Public Debt

Public Debt comprise cash inflows from banks, similar lending agencies, commercial institutions and amounts owing in respect of non-cash assistance provided by third parties and foreign borrowings. All debts raised are classified as either floating or permanent debts depending on the nature of the transaction.

7.9. Assets

Assets are future economic benefits controlled by the Government as a result of past transactions or other past events.

7.10. Loan and advances

Loans and Advances include loans and advances due from autonomous bodies, financial and non-financial institutions, to Government servants for house building, purchase of conveyances and other loans. Loans to Government servants are Non-interest bearing.

Notes	2016 Rupees in Million	2015 Rupees in Million
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8 TAXATION - TRANSFER FROM AJ & K COUNCIL

Indirect Taxes

Sales tax
80%Share from Azad Jmmu &Kashmir Council
Federal excise

2,099	2,298
10,622	7,575
680	766
13,401	10,639
<hr/>	<hr/>
13,401	10,639

9 TAXATION - A J & K GOVERNMENT'S OWN COLLECTION

Direct Taxes

Incom Tax-Agriculture

Property Tax
Land Revenue
Tax on Profession, Trade and Callings
Capital Value Tax on Immoveable Property

45	44
162	29
7	6
214	79
<hr/>	<hr/>
214	79

Indirect Taxes

Receipts Under Motor Vehicles Act
Stamp Duties
Provincial Excise
Others Indirect Taxes

113	102
148	123
66	133
9,296	8,088
9,623	8,446
<hr/>	<hr/>
9,623	8,446

10 GENERAL ADMINISTRATION RECEIPTS

Fiscal Administration
Community Services
Social Services
Economic Regulations
Law and Order
Organs of State

234	227
196	182
15	20
119	105
7	-
571	533
<hr/>	<hr/>
571	533

11 ECONOMIC SERVICES RECEIPTS

Food and Agriculture
Fisheries and Animal Husbandry
Forest
Others

409	1,212
76	58
170	278
60	50
716	1,598
<hr/>	<hr/>
716	1,598

Notes	2016 Rupees in Million	2015 Rupees in Million
12 DEVELOPMENT SURCHARGE AND ROYALTIES		
Water Usage Charges Mangla	<u>1,076</u>	<u>942</u>
	<u>1,076</u>	<u>942</u>
12.1 The water usage charges on Mangla Dam received from Government of Pakistan under the water usage Surcharge Ordinance. In pursuance of the said ordinance, the Federal Government has to fix the amount of water usage for financial year and payments are made in instalments to Azad Jammu & Kashmir Government through State Bank of Pakistan.		
13 OTHER RECEIPTS		
Unclaimed deposits		
Miscellaneous Receipts	<u>242</u>	<u>1,539</u>
	<u>242</u>	<u>1,539</u>
14 GRANTS in AID		
14.1 Controlled by Govt:		
Non- Development Grants Revenue Deficite	15,142	11,021
Non-Development Grants Fixed Grant in Aid	16,750	15,750
	31,892	26,771
	<u>31,892</u>	<u>26,771</u>
14.2 Third Party Receipts		
Development Grants	-	-
	-	-
15 FOREIGN DEBT - RECEIPTS		
15.1 Controlled by Govt:		
Federal Government/IDA	368	-
	368	-
15.2 Third Party Receipts		
Foreign Lenders	-	-
	-	-
16 DOMESTIC DEBT - RECEIPTS		
Permanent Debt Development Loan	11,000	10,450
Permanent Debt Ways and Means Advance	12,024	6,516
Loan From National Bank Of Pakistan	-	-
	23,024	16,966
	<u>23,024</u>	<u>16,966</u>
0 This represents borrowings from Federal Government. Repayment period and interest rate for these borrowings is determined in accordance with terms and conditions of each loan.		
17 RECOVERY OF LOANS AND ADVANCES		
Government Servants. House Building Advance	<u>299</u>	<u>431</u>
	<u>299</u>	<u>431</u>

Notes	2016 Rupees in Million	2015 Rupees in Million
18 SALARIES AND EMPLOYEE BENEFITS		
Pay of Officers	6,191	4,895
Pay of Other Staff	11,362	8,848
Allowances	16,236	18,319
Retirement Benefits	8,101	9,980
	<u>41,891</u>	<u>42,042</u>
	<u>41,891</u>	<u>42,042</u>
19 OPERATING EXPENSES		
19.1 Controlled by Govt:		
Communication	32	23
Entertainments and Gifts	1,650	1,603
General Operating Expenses	10,280	9,203
	<u>11,961</u>	<u>10,829</u>
	<u>11,961</u>	<u>10,829</u>
19.2 Repair & Maintenance		
Repair & Maintenance	955	924
	<u>955</u>	<u>924</u>
19.3 Third Party Payments		
General Operating Expenses	-	-
	<u>-</u>	<u>-</u>
20 PHYSICAL ASSETS		
Purchase of Other Assets	4,122	1,132
	<u>4,122</u>	<u>1,132</u>
21 CIVIL WORKS		
21.1 Controlled by Govt:		
Other Works Capital Expenditure	11,103	10,431
	<u>11,103</u>	<u>10,431</u>
21.2 Third Party Payments		
Other Works	-	-
	<u>15,225</u>	<u>-</u>
22 REPAYMENT OF DEBT		
Principal Re-Payment		
Domestic Debt	2,672	1,032
Foreign Debt	754	1,019
	<u>3,426</u>	<u>2,051</u>
	<u>3,426</u>	<u>2,051</u>
22.1 Debt Services Re-Payment		
Domestic	8,461	2,234
Foreign	136	2,231
	<u>8,597</u>	<u>4,465</u>
	<u>12,023</u>	<u>6,516</u>
22.2 Loan & Advances		
Other Loans	-	598
	<u>-</u>	<u>598</u>

Notes	2016 Rupees in Million	2015 Rupees in Million
23 NET RECEIPT / (PAYMENT) OF PUBLIC ACCOUNT		
<i>Receipts</i>		
Trust & other Public Accounts	29,562	22,960
Special Deposits	2,514	5,072
State Provident Fund	933	897
	33,009	28,929
<i>Payments</i>		
Trust & other Public Accounts	27,707	(23,475)
Special Deposits	2,082	(4,483)
State Provident Fund	396	(384)
	30,185	(28,342)
	<u>2,824</u>	<u>587</u>
23.1 The public Account consists of those moneys received by the Government for which it has a fiduciary duty, but not at liberty to appropriate for the general services of the Government, unless provided under an (Act of AJ&K Legislative Assembly or rules made by President). The balances in the Public Account are carried forward at year end, to be used for the specific purpose for which they are established.		
24 CASH AND BANK		
AJ & K Government Balance	(2,147)	(4,341)
	<u>(2,147)</u>	<u>(4,341)</u>
24.1 AJ & K Government's Balance		
Public Account Balance	2,824	12,455
Consolidated Fund Balance	(630)	(16,796)
	<u>(2,147)</u>	<u>(4,341)</u>
25 ASSETS AND LIABILITIES		
<i>Assets</i>		
Long Term Assets	124,073	112,970
Investments	1,000	3,000
Loans and Advances	863	1,162
Current Assets	28	28
Cash and Bank	(2,147)	(4,341)
	123,816	112,818
<i>Liabilities and equity</i>		
Public Debt	209,208	190,061
Special Deposits and Trust Accounts	11,935	10,828
Deferred Liabilities	5,022	4,485
Revenue Account Balance	(102,348)	(92,556)
	123,816	112,818

25.1 These Financial Statements have been prepared under the cash basis of accounting, the information of assets and liability have been presented which are not mandatory disclosures as per IPSAS Cash Basis.

Notes	2016 Rupees in Million	2015 Rupees in Million
26 PUBLIC DEBT		
Domestic Debt		
Government Securities		
Opening Balance	184,632	169,807
Add: Debt Receipts	23,024	16,966
Less: Principal Repayments of Debt	(2,672)	(2,141)
Closing Balance	204,983	184,632
Foreign Debt		
Opening Balance	5,430	6,449
Add: Debt Receipts	368	-
Less: Principal Repayments of Debt	(1,573)	(1,019)
Closing Balance	4,224	5,430
	209,208	190,061

26.1 The amount of foreign debt is recorded in Pak Rupees at the rate of exchange prevailing on the date of transaction, which is the historical cash value. The foreign debt has not been revalued at the year end in accordance with Government policy stated in note 7.7, nor any foreign debt revaluation exchange differences have been recognized in the Financial Statement except for principal repayment of foreign debt.

27 AUTHORIZATION FOR ISSUE

Under section 8 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Act, 2005, read with Section 50-A of the Azad Jammu and Kashmir Interim Constitution Act, 1974, the Auditor General submits the certified Financial Statements of the Government of Azad Jammu & Kashmir together with the audit reports on these Financial Statements to the President of the Azad Jammu & Kashmir who shall cause them to be laid before the Assembly. These Financial Statements have been authorized for issue on 06-02-2017.

28 GENERAL

28.1 Level of Precision

Figures in these consolidated Financial Statements have been rounded off to the nearest million of rupees, unless otherwise stated.

28.2 Corresponding Figures

Corresponding figures, wherever necessary, have been rearranged and reclassified for the purposes of comparison.

Accountant General Azad Jammu and Kashmir