

CONTENTS

	PAGE
Preface.....	1
Auditor's Report.....	3
Statement of Cash Receipt and Payments.....	5
Statement of Cash Flows.....	7
Statement of Comparison of Budget and Actual Amounts by Function...	8
Statement of Comparison of Budget and Actual Expenditure by Departments.....	9
Annexed Notes to the Financial Statements.....	10

PREFACE

I am pleased to present the Financial Statements of the Government of Balochistan for the year ended 30 June, 2014 together with the Auditors' Report thereon.

The Financial Statements of the Government of Balochistan for the financial year 2013-14 have been prepared by the Accountant General Balochistan under Section 5 of the Controller General of Accounts (Appointment, Functions and Powers) Ordinance, 2001 and are the responsibility of the Controller General of Accounts (CGA).

In response to the changing nature of stakeholders' requirements for making informed decision making based on financial information and developments in the public sector accounting standards, the role of CGA has transformed. Stakeholders now expect high quality, reliable and relevant financial reports and the focus of CGA is not limited to reporting historical results, but is now constantly moving towards enhancing public value, by providing the legislature and the executive through the Financial Statements an insight of the Government's financial performance.

In December 2000, Auditor General of Pakistan prescribed New Accounting Model (NAM) with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan. NAM, which conforms to international best practices, comprises of seven volumes and is based on Modified Cash Basis of Accounting in which, though cash basis of accounting is followed, the following additional concepts were introduced:

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

Commitment, asset and liability accounting practices are not yet implemented and 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 as laid down in the financial procedures of the Constitution which describes the Government as Provincial Consolidated Fund and Public Account for

which Annual Budget Statement is authorized by the Provincial Assembly in the form of Budgetary Grants.

Finally, it is important to emphasize 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 closely to address 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 nation's fiscal future.



Controller General of Accounts

Islamabad, Pakistan

Date:



Auditor General of Pakistan
Audit House, Constitution Avenue
Islamabad, Pakistan

Auditor's Report

I have audited the accompanying financial statements of the Government of Balochistan, which comprise the statements of receipts and payments for the year ended 30th June, 2014, statement of cash flows, statement of comparison of budget and actual amounts by function, statement of comparison of budget, actual expenditure by department and statement of appropriation of grants by object for the year then ended and a summary of significant accounting policies and other explanatory notes.

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 requirement of Article 169 & 170 (2) of the Constitution of the Islamic Republic of Pakistan read with Section 7 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. I conducted by audit in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) and other guidance issued by my department. These 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 used, 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 properly present, in all material respects, the financial position of the Government of Balochistan as at 30th June, 2014, and the results of its operations, its cash flow and its expenditures and receipts, by appropriation for the year then ended in accordance with the stated accounting policies of the Government of Balochistan.
- b) The sums expended have been applied, in all material respects, for the purposes authorized by the Provincial Assembly and have, in all material respects, been booked to the relevant grants and appropriations.

Other Reports

Reports covering significant aspects of the financial governance or economical and effective utilization of public resources are submitted separately to the Governor under Article 171 of the Constitution of the Islamic Republic of Pakistan.

Islamabad, Pakistan
Date: 12-06-2015.


Auditor General of Pakistan

GOVERNMENT OF BALOCHISTAN
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2014

		2014 (Rupees in Million)		2013 (Rupees in Million)	
		Receipts / Payments controlled by the Government	Payments by Third Parties	Receipts / Payments controlled by the Government	Payments by Third Parties
PROVINCIAL CONSOLIDATED FUND					
RECEIPTS					
<i>Taxation- Transfers from Federal Government</i>	8	127,043	-	116,529	-
<i>Taxation- Provincial Government's Own Collection</i>	9	1,238	-	1,107	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	668	-	514	-
Economic Services	11	557	-	465	-
Development Surcharge and Royalties	12	16,023	-	13,692	-
Dividend and Profit Share	13	519	-	530	-
Others	14	825	-	2,529	-
		18,592	-	17,730	-
<i>Grants and Aid</i>	15	38,141	-	27,853	-
<i>Borrowings</i>					
Receipts of Debt	16	158	-	760	-
<i>Capital Receipts</i>					
Recovery of Loans and Advances	17	176	-	166	-
<i>Trading Activities</i>	18	1,379	-	2,372	-
<i>Direct Payments by Lending / Donor agencies</i>	28	-	-	-	-
TOTAL RECEIPTS		186,727	-	166,517	-

GOVERNMENT OF BALOCHISTAN
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2014

	Note	2014 (Rupees in Million)		2013 (Rupees in Million)	
		Receipts/ Payments controlled by the Government	Payments by Third Parties	Receipts/ Payments controlled by the Government	Payments by Third Parties
PAYMENTS					
<i>Operations</i>					
Salaries and Employee Benefits	19	82,138	-	72,575	-
Operating Expenses		15,935	-	15,991	-
		98,073		88,566	
<i>Transfers</i>					
Grants, Subsidies and Write-off of Loans	20	18,562	-	11,466	-
Other Transfer Payments		312	-	243	-
		18,874	-	11,709	-
<i>Expenditure on</i>					
Physical Assets		4,525	-	1,515	-
Civil Works		31,344	-	36,249	-
Repairs and Maintenance		2,607	-	1,850	-
		38,476	-	39,614	-
<i>Debt and Interest Payments</i>					
Principal Repayment of Debt	21	9,570	-	9,957	-
Servicing of Debt	22	1,837	-	2,408	-
		11,407		12,365	
<i>Other Payments</i>					
Loans and Advances	23	-	-	273	-
Investments		6,761	-	2,200	-
<i>Direct Payments by Lending / Donor agencies</i>	27		-		-
TOTAL PAYMENTS		173,591	-	154,727	-
NET RECEIPT/ (PAYMENT) OF PROVINCIAL CONSOLIDATED FUND		13,136	-	11,790	-
NET RECEIPT OF PUBLIC ACCOUNT	24	1,375	-	(4,081)	-
INCREASE IN CASH		14,511	-	7,709	-
CASH AT BEGINNING OF THE YEAR		15,076	-	(136)	-
PRIOR YEAR ADJUSTMENT	25.1	-	-	7,503	-
INCREASE IN CASH		14,511	-	7,709	-
CASH AT END OF THE YEAR	25	29,587	-	15,076	-

The annexed notes 1 to 31 form an integral part of these financial statements.

"SD"

Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN
Statement of Cash Flows
For the Year Ended 30 June 2014

	2014 Rupees in Million	2013 Rupees in Million
CASH FLOWS FROM OPERATING ACTIVITIES		
Taxation - Transfers from Federal Government	8	127,043
Taxation - Provincial Government's Own Collection	9	1,238
Non-Tax Revenue and Other Receipts		18,592
Grants and Aid - Receipts	15	38,141
Trading Activities - Receipts	18	1,379
Operations - Payments		(98,073)
Servicing of Debt - Payments	22	(1,837)
Transfers - Payments		(18,874)
<i>Cash from Operating Activities</i>		67,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Recoveries of Loans and Advances	17	176
Expenditure on Physical Assets, Civil Works and Others		(38,476)
Payments of Loans and Advances	23	-
Investments		(6,761)
<i>Cash used in Investing Activities</i>		(45,061)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of Debt	16	158
Principal Repayments of Debt	21	(9,570)
Net Receipt of Public Account	24	1,375
<i>Cash used in Financing Activities</i>		(8,037)
NET INCREASE IN CASH AND CASH EQUIVALENTS		14,511
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		15,076
PRIOR YEAR ADJUSTMENT	25.1	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	25	7,503
		29,587
		15,076

The annexed notes 1 to 31 form an integral part of these financial statements.

"SD"
Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN

Statement of Comparison of Budget and Actual Amounts by Function

For the Year Ended 30 June 2014

	2014 (Rupees in Million)			2013 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
<i>Revenue</i>						
Taxation	131,053	129,168	128,281	132,451	131,733	117,636
Non-Taxation	31,146	42,018	56,733	19,314	31,000	45,583
Income from Property and Enterprise	10,853	9,259	1,379	7,574	9,693	2,372
Total revenue receipts	173,052	180,445	186,393	159,339	172,426	165,591
<i>Capital</i>						
Receipt of Debt	16,552	15,526	158	14,303	14,252	760
Recoveries of Loans and Advances	650	638	176	1,089	633	166
Recoveries of Investment	200	200	-	5,200	-	-
Total capital receipts	17,402	16,364	334	20,592	14,885	926
Receipts of Provincial Government	190,454	196,809	186,727	179,931	187,311	166,517
TOTAL RECEIPTS	190,454	196,809	186,727	179,931	187,311	166,517
PAYMENTS						
<i>Revenue</i>						
General Public Services	54,318	46,563	34,588	60,570	53,573	30,507
Public Order and Safety Affairs	16,236	18,588	18,595	14,169	17,309	17,939
Economic Affairs	32,980	34,193	24,835	28,896	26,413	21,607
Environment Protection	799	799	701	136	131	93
Housing and Community Amenities	9,919	8,595	8,188	3,638	3,846	3,639
Health Affairs and Services	11,188	10,636	10,803	9,851	9,749	8,916
Recreation, Culture and Religion	1,174	1,117	953	926	837	725
Education Affairs and Services	24,760	28,084	28,712	22,471	23,033	25,540
Social Protection	3,108	2,992	2,634	3,455	3,491	1,983
Total revenue payments	154,482	151,567	130,009	144,112	138,382	110,949
<i>Capital</i>						
General Public Services	5,031	5,031	3,420	5,361	5,361	195
Public Order and Safety Affairs	571	571	361	86	314	235
Economic Affairs	19,128	26,809	21,905	20,087	29,156	29,457
Environment Protection	2,400	3,910	3,034	2,074	4,245	3,489
Housing and Community Amenities	1,569	4,082	3,484	2,959	4,805	5,445
Health Affairs and Services	4,045	4,045	2,965	1,417	1,939	1,532
Recreation, Culture and Religion	531	531	312	304	304	112
Education Affairs and Services	10,538	10,538	7,364	2,359	2,359	2,168
Social Protection	100	1,378	737	1,172	1,318	1,145
Total capital payment	43,913	56,895	43,582	35,819	49,801	43,778
TOTAL PAYMENTS	198,395	208,462	173,591	179,931	188,183	154,727

The annexed notes 1 to 31 form an integral part of these financial statements.

"SD"

GOVERNMENT OF BALOCHISTAN
Statement of Comparison of Budget and Actual Expenditure by Departments
For the Year Ended 30 June 2014

DEPARTMENTS	2014 (Rupees in Million)			2013 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
General Administration	13,085	10,522	8,447	13,628	12,861	7,375
Provincial Excise	423	425	399	466	466	389
Stamps	17	23	2	12	21	1
Pension	8,500	9,763	9,229	7,500	8,500	7,209
Administration of Justice	1,721	2,029	1,888	1,610	1,545	1,453
Prosecution Department	153	156	121			
Police	9,496	11,399	11,981	7,575	9,307	10,508
Levies	4,248	4,203	3,925	3,669	3,778	3,382
Jails and Convict Settlements	560	735	611	608	535	505
Civil Defence	59	67	69	68	56	57
Civil Works	6,824	7,283	7,348	5,917	5,661	6,010
Public Health Services	2,414	2,394	2,381	2,180	2,179	2,173
Works Urban/B-WASA	652	849	849	652	730	730
Education	24,744	28,064	28,693	22,458	23,020	25,528
Archives	16	20	19	13	13	12
Health	11,188	10,636	10,803	9,851	9,749	8,916
Population Welfare	25	47	36	16	22	23
Manpower and Labor Management	790	821	833	642	708	689
Sports and Recreation Facilities	204	326	270	179	199	154
Social Security and Social Welfare	630	615	595	504	539	549
Culture Services	88	119	110	75	75	66
Natural Calamities	3,047	2,949	2,594	3,045	3,045	1,539
Auqaf	503	474	427	339	304	303
Food	332	322	290	268	290	274
Agriculture	5,581	5,255	5,078	5,218	4,593	4,480
Land Revenue	153	138	130	122	114	112
Animal Husbandry	2,152	1,843	1,780	1,939	1,730	1,719
Forestry	615	686	670	734	598	579
Fisheries	527	543	536	385	374	354
Cooperation	92	85	83	68	73	71
Irrigation	1,864	1,538	1,494	1,789	1,540	1,338
Rural Development	6,852	5,352	4,957	6,718	3,837	3,612
Industries	913	885	589	639	747	599
Stationery and Printing	93	74	68	73	76	57
Mineral Resources	544	959	964	392	620	573
Energy	5,489	5,538	4,951	4,079	4,272	4,268
Debt Servicing and other Obligations	2,100	1,668	1,837	3,341	2,272	1,897
Transport	46	32	30	40	40	33
Women Development	61	43	40	29	45	35
Public Debt Discharge	18,075	19,041	9,570	17,408	17,468	12,157
Loans and Advances	-	-	-	750	350	276
State Trading-Food	7,059	8,264	60	6,675	5,259	723
Investments	12,000	5,000	5,000	12,000	10,500	-
Information Technology	378	198	146	302	140	128
Environment Control	169	184	106	136	131	93
Development	43,913	56,895	43,582	35,819	49,801	43,778
Payments of Provincial Government	198,395	208,462	173,591	179,931	188,183	154,727
TOTAL PAYMENTS	198,395	208,462	173,591	179,931	188,183	154,727

The annexed notes 1 to 31 form an integral part of these financial statements.

"SD"
Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN

Notes to the Financial Statements

For the Year Ended 30 June 2014

1. REPORTING ENTITY

Provincial Government Balochistan (the Government) conducts its operations under the Rules of Business 2007. These rules were made pursuant to Article 139 of the Constitution of the Islamic Republic of Pakistan, 1973 (the Constitution) and envisages Provincial Government as comprising of Provincial and their attached departments. Financial procedures of the Constitution describe the Government as Provincial Consolidated Fund and Public Account of the Province for which Annual Budget Statement is authorized by the Provincial Assembly in the form of budgetary grants. These financial statements focus on reporting the budgetary activity of the Government for the financial year.

Article 170 of the Constitution confers the powers of defining the form, principles and methods of the accounts of the Province to the Auditor General of Pakistan, with the approval of the President. New Accounting Model was prescribed by the Auditor General of Pakistan in 2000 which describes Provincial Government as an accounting and reporting entity comprising of;

- a) Centralized Accounting Entities; for which the Accountant General has the primary responsibility for accounting
- b) Self Accounting Entities; There are no Self Accounting Entities for which the Principal Accounting Officer has the
- c) Exempt Entities; special purpose authorities/organizations and all the Government owned corporations/ companies which are required to prepare their financial statements under their specific Statute or Companies Ordinance, 1984 are classified as exempt entities. Financial statements of these entities are not consolidated in the financial statements of the Provincial Government. New investments made by the Provincial Government in such entities are capitalized and any grants to the entities are classified as an expense of the Provincial Government, if any, in the financial year to which they pertain. Return from these entities in the form of dividend or interest is classified in the consolidated fund as non-tax revenue.

These financial statements include all centralized accounting entities.

2. BASIS OF CONSOLIDATION

These financial statements have been prepared by consolidating the accounts of all centralized accounting entities. Material inter-government transactions have been eliminated in consolidation.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the New Accounting Model (NAM). In December 2000, Auditor General of Pakistan prescribed NAM with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan and the implementation of NAM is an on-going process. However commitment, asset and liability accounting practices have not yet been implemented and memorandum registers for assets and commitments do not exist and accounting of liabilities is not done in accordance with NAM.

4. ACCOUNTING CONVENTION AND BASIS OF PREPARATION

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 are on a historical cost basis.

These financial statements have been prepared as per the requirements of NAM that supports international best practices. Government of Pakistan is moving towards full implementation of the International Public Sector Accounting Standards (IPSASs) issued by the International Federation of Accountants (IFAC). The implementation process initially includes the adoption of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash receipts and payments, statements of comparison of budget and actual amounts by function, statements of comparison of budget and actual expenditure by departments and notes forming part 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 - Cash flow Statements has also been presented, as encouraged by Cash Basis IPSAS.

The financial statements for the financial year 2013-14 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.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2014

5. REPORTING AND BUDGET PERIOD

The reporting and budget period of these financial statements is the financial year 2013-14 (from 1 July, 2013 to 30 June, 2014).

6. REPORTING CURRENCY

The reporting currency of these financial statements is Pak Rupee which is Provincial Government's functional and presentational 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 the 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

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

Expenditure is recognized on the date the payment advice is issued to the Bank.

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

Expenditure is recognized on the date when State Bank of Pakistan advises repayment of loans and other direct payments to 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 the transaction. Exchange differences arising on settlement of these transactions are recognized in the statement of cash receipts and payments, but are not disclosed separately.

GOVERNMENT OF BALOCHISTAN

Notes to the Financial Statements

For the Year Ended 30 June 2014

7.4 Employee benefits

The government has following plans for its employees:

a) **General Provident Fund**

An employee compulsorily subscribes to the General Provident Fund from the date of appointment and monthly subscription is by way of deduction from the monthly payroll at a uniform rate of subscription, as advised by the Government for a financial year as laid down in the Provident Funds Act (XIX of 1925) and General Provident Fund Rules. The Government pays interest on provident fund balance and is recorded as expenditure in the financial year.

b) **Pension**

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

c) **Encashment of leave**

This represents liability arising from entitlements to the various forms of leave earned by government employees. No 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 at historical cost. Any dividend received against investments are recognized when received in the Provincial Consolidated Fund.

7.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash with the State Bank of Pakistan.

7.7 Liability

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

7.8 Public debt

Public Debt comprises of 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. Assets are recorded at cost and currently no depreciation is charged.

7.10 Loans and advances

These include loans and advances due from autonomous bodies, financial and non-financial institutions, Government servants for house building, purchase of conveyance and other loans. Loans to Government servants are interest bearing and interest is calculated in accordance with the General Financial Rules.

7.11 Payments by third parties

The Government also benefits from goods and services purchased on its behalf as a result of cash payments made by the third parties during the period by way of loans and contributions, in the shape of grants and aid. The payments made by the third parties do not constitute cash receipts or payments controlled by the Government as defined in the Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting, but do benefit the Government, as the Government does not receive cash (including cash equivalents) directly from, or gain control of the bank accounts or similar facility established for its benefit by, the third parties. Payments by third parties, if any, are disclosed in the payments by third parties column on the face of statement of cash receipts and payments and notes to the financial statements.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2014

	<i>Note</i>	2014 Rupees in Million	2013 Rupees in Million
8. TAXATION - TRANSFERS FROM FEDERAL GOVERNMENT			
<i>Direct taxes</i>			
Income Tax		48,113	45,335
		48,113	45,335
<i>Indirect Taxes</i>			
Sales Tax		54,944	51,491
Custom Duty		13,782	12,218
Federal Excise		10,204	7,485
		78,930	71,194
		<u>127,043</u>	<u>116,529</u>
9. TAXATION - PROVINCIAL GOVERNMENT'S OWN COLLECTION			
<i>Direct Taxes</i>			
Property Tax		122	59
Land Revenue		55	49
Tax on Profession, Trade and Callings		64	2
		241	110
<i>Indirect Taxes</i>			
Receipts Under Motor Vehicles Act		430	418
Stamp Duties		185	170
Provincial Excise		369	401
Others		13	8
		997	997
		<u>1,238</u>	<u>1,107</u>
10. GENERAL ADMINISTRATION RECEIPTS			
Fiscal Administration		22	25
Organs of State		24	16
Community Services		154	85
Social Services		210	94
Economic Regulations		6	5
Law and Order		252	289
		<u>668</u>	<u>514</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2014

	<i>Note</i>	2014 Rupees in Million	2013 Rupees in Million
11. ECONOMIC SERVICES - RECEIPTS			
Cooperation, Irrigation and Embankment Drainage		73	62
Food and Agriculture		220	131
Fisheries and Animal Husbandry		69	50
Forest		49	40
Printing and industries		146	182
Communication and Works		-	-
		<u>557</u>	<u>465</u>
12. DEVELOPMENT SURCHARGE AND ROYALTIES - RECEIPTS			
Development Surcharge on Gas	<i>12.1</i>	9,387	3,943
Royalty on Natural Gas and Crude Oil	<i>12.2</i>	5,504	4,850
Mineral Royalties		411	424
Mineral Royalties from Sandak		713	4,462
Mineral Royalties from Chamalang		8	13
		<u>16,023</u>	<u>13,692</u>

12.1 The development surcharge on natural gas is levied under the Natural Gas Development Surcharge Ordinance, 1967. In pursuance of the said Ordinance, the federal government has to fix the sale price for the consumers and prescribe a price for the gas companies. The difference between the two prices is the margin available to the Government as development surcharge. The surcharge on natural gas is transferred to the Provinces according to the production of gas in a Province.

12.2 Royalty on crude oil and natural gas is received under the Pakistan Petroleum Production Rules, 1949 at the rate of 12.5% on the well head value of production. Federal Government collects royalty on crude oil and natural gas which is transferred to the Provinces on well head production basis after deduction of 2% collection charges.

12.3 Mineral Royalties are Provincial Government's own collection from mineral resources extracted from various areas.

	<i>Note</i>	2014 Rupees in Million	2013 Rupees in Million
13. DIVIDEND AND PROFIT SHARE			
Dividends Receipts	<i>13.1</i>	47	18
Interest on Loans and Advances		472	512
		<u>519</u>	<u>530</u>
13.1 Dividends Receipts			
Non-Financial Institutions		<u>47</u>	<u>18</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2014

	<i>Note</i>	2014 Rupees in Million	2013 Rupees in Million
14. OTHER RECEIPTS			
Sale of Land		157	141
Miscellaneous Receipts		668	2,388
		<u>825</u>	<u>2,529</u>
15. GRANTS & AID			
Development Grants		16,576	10,240
Non Development Grants		21,565	17,613
		<u>38,141</u>	<u>27,853</u>
16. RECEIPTS OF DEBT			
Permanent Debt - Federal Government (Foreign Lenders)		158	760
		<u>158</u>	<u>760</u>
17. RECOVERY OF LOANS AND ADVANCES			
Non-financial Institutions			
Government Servants		176	166
		<u>176</u>	<u>166</u>
18. TRADING ACTIVITIES - RECEIPTS			
Sale of Wheat		1,379	2,372
19. SALARIES AND EMPLOYEE BENEFITS			
Pay of Officers		7,733	7,061
Pay of Other Staff		24,059	23,322
Allowances		41,117	34,983
Retirement Benefits		9,229	7,209
		<u>82,138</u>	<u>72,575</u>
20. GRANTS, SUBSIDIES AND WRITE-OFF OF LOANS			
Grants, Subsidies and Write-off of Loans		18,562	11,466
		<u>18,562</u>	<u>11,466</u>
21. PRINCIPAL REPAYMENT OF DEBT			
Domestic Debt	<i>21.1</i>	<u>9,570</u>	<u>9,957</u>
21.1 Domestic Debt			
Permanent Debt	<i>21.1.1</i>	9,570	9,957
21.1.1 This represents borrowings from Federal Government. Repayment period and interest rate for these borrowings are determined in accordance with terms and conditions of each loan.			

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2014

		2014 Rupees <u>in Million</u>	2013 Rupees <u>in Million</u>
22. SERVICING OF DEBT	<i>Note</i>		
Permanent Domestic Debt - Federal Government		718	1,513
Interest Payment - GP Fund		<u>1,119</u>	<u>895</u>
		<u>1,837</u>	<u>2,408</u>
23. LOANS AND ADVANCES			
Government Employees	<i>23.1</i>	<u>-</u>	<u>273</u>
23.1 Government Employees			
House Building and Other Advances	<i>23.1.1</i>	<u>-</u>	<u>273</u>
		<u>-</u>	<u>273</u>

23.1.1 Advances to government employees are provided according to Rule 252, 253, 256, 262 and 263 of the General Financial Rules as per their entitlements.

24. NET RECEIPT OF PUBLIC ACCOUNT

Receipts

Trust and other Public Accounts	<i>24.1</i>	83,172	73,541
Special Deposits		19,463	16,441
State Provident Fund		3,809	3,034
		<u>106,444</u>	<u>93,016</u>

Payments

Trust and other Public Accounts	<i>24.1</i>	(82,768)	(73,704)
Special Deposits		(16,432)	(18,398)
State Provident Fund		(5,869)	(4,995)
		<u>(105,069)</u>	<u>(97,097)</u>

24.1 1,375 (4,081)

24.1 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 Government, unless provided under an Act of Provincial Assembly or Rules made by the Governor. The balances in the public account are carried forward at year end, to be used for the specific purpose for which they are established.

		2014 Rupees <u>in Million</u>	2013 Rupees <u>in Million</u>
25. CASH AND BANK	<i>Note</i>		
Provincial Government's Balance		<u>29,587</u>	<u>15,076</u>
		<u>29,587</u>	<u>15,076</u>

25.1 The Government of Balochistan had an overdraft with the State Bank of Pakistan, which through an arrangement with the Federal Government of Pakistan has been blocked and deducted at source on grants from the Federal Government. An amount of Rs. 7,503 million had been adjusted as prior year adjustment against the overdraft amounts deducted at source during the year 2012-13.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2014

26. ASSETS AND LIABILITIES	<i>Note</i>	2014 Rupees in Million	2013 Rupees in Million
<i>Assets</i>			
Long Term Assets		359,124	315,542
Long Term Investment	26.1	19	19
Short Term Investments	26.2	10,057	5,000
Loans and Advances		864	1,146
Current Assets		78	78
Cash and Bank		29,587	15,076
	26.3	<u>399,729</u>	<u>336,861</u>
<i>Liabilities and equity</i>			
Public Debt		8,646	5,200
Special Deposits and Trust Accounts		21,306	5,937
Current Liabilities		-	12,225
Deferred Liabilities		793	(1,230)
Residual Equity		368,984	314,729
	26.3	<u>399,729</u>	<u>336,861</u>

26.1 Long term investment

Investment in Shares

Financial Institutions

	No. of Shares	Par value Rupees	2014 Rupees in Million	2013 Rupees in Million
ADBP 1974-75 Converted to ZTBL	37,875	10	0.379	0.379
Balochistan Cooperative Bank Limited	26,500	200	5.300	5.300
IDBP	606	100	0.061	0.061
Equity Participants Fund Karachi	3,595	100	0.359	0.359
Federal Bank of Cooperatives	50	100,000	5.000	5.000

Non-financial Institutions

Bolan Mining Enterprise (Joint Venture)			4.000	4.000
Charsada Sugar Mills	575	100	0.058	0.058
Hub Power Company Limited	358,607	10	3.586	3.586

Total Consolidated Fund Investment

18.743 18.743

26.2 Short term investment

Treasury Bills	26.2.1	<u>10,057</u>	<u>5,000</u>
		<u>10,057</u>	<u>5,000</u>

26.2.1 These are short term investment in Treasury Bills purchased from the National Bank of Pakistan having various maturity period bearing interest rates ranging from approximately 9 % to 10 % based on the maturity period and offered rates.

26.3 These financial statements have been prepared under cash basis of accounting, the information of assets and liabilities have been presented on the basis of limited records as explained in note 3 and these are not mandatory but encouraged disclosures as per international standards.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2014

27. THIRD PARTY PAYMENTS

The information related to Third Party Payments is still outstanding.

27.1 Third Party Payments are those payments which are made directly by the Lending / Donor Agencies to the project authorities. These amounts are reflected in the Public Sector Development Programme as Foreign Project Assistance (FPA), and are not part of the Provincial Consolidated Fund. Further, these amounts include both foreign currency loans and donations from various International Organisations.

28. INVESTMENTS -PUBLIC ACCOUNT FUND	<i>Note</i>	2014 Rupees in Million	2013 Rupees in Million
Benevolent Fund		4,330	1,953
Pension Fund		1,634	1,300
Group Insurance		1,094	529
General Provident Fund		<u>10,348</u>	<u>3,259</u>
	28.1	<u><u>17,406</u></u>	<u><u>7,041</u></u>

29.1 Government of Balochistan has made Investment Acts for General Provident Fund, Pension Fund, Group Insurance and Benevolent Fund as a guideline for making investments to meet its Public Accounts Liability.

29. CASH AND BANK BALANCE - PUBLIC ACCOUNT FUND		2014 Rupees in Million	2013 Rupees in Million
Benevolent Fund		4,439	1,377
Pension Fund		1,634	195
Group Insurance		1,011	292
General Provident Fund		<u>10,349</u>	<u>2,523</u>
	29.1	<u><u>17,433</u></u>	<u><u>4,387</u></u>

29.1 These balances represent the closing cash balances in various commercial bank accounts opened for the purpose of managing investments out of public account. The cash balance includes amount invested as deposits in banks presented in note 29.1.

30. AUTHORIZATION FOR ISSUE

Under section 7 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, read with Article 171 of the Constitution, the Auditor - General submits the certified financial statements of the Government of Balochistan together with the audit report on these financial statements to the Governor of Balochistan who shall cause them to be laid before the Provincial Assembly. These financial statements have been authorized for issue on 12th of June 2015.

31. GENERAL

31.1 Level of Precision

Figures in these financial statements have been rounded off to the nearest million of rupees, unless otherwise stated.

31.2 Corresponding Figures

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

"SD"
Accountant General Balochistan