



Vijayawada Municipal Corporation

Financial Statements for the year 2018-19

1. **Double Entry Accrual Based Accounting**

With the 74th Constitutional Amendment the Urban Local Bodies (ULBs) have been accorded a constitutional status and are expected to function as local self governments to provide better governance. One of the important reforms expected of the ULBs is switch over to Accrual Based Accounting System from the present single entry cash based accounting system. A Task Force set up by the Comptroller and Auditor General of India (CAG) has prescribed accounting and budgeting formats, significant accounting policies, etc. The Ministry of Urban Development has with the support of CAG of India, USAID-FIRE-D and National Institute of Urban Affairs has had a National Municipal Accounting Manual prepared for adoption by all the states. Accordingly, GoI has sent the National Municipal Accounting Manuals to state governments for developing state-specific accounts and budget manuals on the lines of NMAM for adoption by all ULBs across the state.

In GO Ms. No.233 MA dated 22nd May, 2002, Government of Andhra Pradesh (GoAP) has taken a policy decision that urban local bodies (ULBs) in the State would adopt accrual based double entry accounting system within their jurisdiction with immediate effect.

System Launch

1.6.1 As contemplated, the system software was launched at VMC and it came into live environment on 1st April, 2007 with entry of transactions in the software. The Standing Committee, VMC in its resolution No.334 of the meeting held on 17th December, 2007 has adopted the manuals published by GoAP and agreed to switch over to the accrual system of accounting from the FY 2007-08. From the financial year onwards the books of accounts are maintained under an accrual based accounting system.

Assumption in Preparation of Financial Statement

The assumption in the preparation of financial statements is in conformity with NMAM/APMAM guidelines. Various estimates and judgments are NMAM and APMAM compliant. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying value of assets and liabilities which are not readily apparent from the record. Actual results may differ from these estimates. The estimates and underlying assumptions shall be reviewed on a regular basis. Revisions to accounting estimates en-course, due to the misclassification of accounting heads, or otherwise may affect the estimates of past, present and future estimates as the case may be without contributing to any major financial implications.

13

Vijayawada Municipal Corporation
Income and Expenditure for the year ended 31st March 2019

(Amount in Rs.)

Code	Account Name	Sch	Municipal General Fund	Capital Project Fund	Primary Education Fund	Total
110	Tax Revenue	I-1	1,298,336,943	-	-	1,298,336,943
120	Assigned Revenues and Compensations	I-2	406,367,291	-	-	406,367,291
130	Rental Income from Municipal Properties	I-3	256,254,955	-	-	256,254,955
140	Fees and User Charges	I-4	1,132,109,381	-	-	1,132,109,381
150	Sale and Hire Charges	I-5	1,234,150	-	-	1,234,150
160	Revenue Grants Contribution and Subsidies	I-6	769,164,045	47,821,145	3,277,921	820,263,111
170	Income from Investments	I-7	111,958	-	-	111,958
171	Interest Earned	I-8	5,857,128	5,965,677	1,059,321	12,882,126
180	Other Income	I-9	261,469,463	217,418	-	261,686,881
	Total Income		4,130,905,313	54,004,240	4,337,242	4,189,246,795

6

Code	Account Name	Sch	Municipal General Fund	Capital Project Fund	Primary Education Fund	Total
210	Establishment Expenses	I-10	1,828,092,147	353,581	-	1,828,445,728
220	Administrative Expenses	I-11	228,359,812	2,202,131	-	230,561,943
230	Operations and Maintenance	I-12	1,240,421,141	80,370,010	-	1,320,791,151
240	Interest and Finance Charges	I-13	82,640,600	5,019	649	82,646,267
250	Programme Expenses	I-14	41,607,423	402,950	-	42,010,373
260	Revenue Grants Contribution and Subsidies	I-15	-	-	1,775,553	1,775,553
	Total Expenditure		3,421,121,123	83,333,691	1,774,904	3,502,679,910
	Gross surplus/(deficit) of income over expenditure before depreciation and Prior Period Items	-	709,784,190	29,329,451	6,112,146	686,566,885
270	Provisions and Write off	I-16	-	-	-	-
271	Miscellaneous Expenses	I-17	3,250	-	-	3,250
272	Depreciation	I-19	557,962,549	-	-	557,962,549
	Gross surplus/(deficit) of income over expenditure before Prior Period Items	-	151,818,391	29,329,451	6,112,146	128,601,086

5

Code	Account Name	Sch	Municipal General Fund	Capital Project Fund	Primary Education Fund	Total
280	Prior Period Item	I-18	-	-	-	-
	Gross surplus/(deficit) of income over expenditure after Prior Period Items	-	151,818,391	29,329,451	6,112,146	128,601,086
290	Transfer to Reserve Funds	I-20	-	-	-	-
	Net balance being surplus/deficit carried over to Municipal Fund	-	151,818,391	29,329,451	6,112,146	128,601,086

IN AGREEMENT WITH THE
BOOKS OF ACCOUNT

Accounts Officer
Accounts Officer
Municipal Corporation
VIJAYAWADA.

h
COMMISSIONER
Municipal Corporation
Vijayawada

For P.I.RAMANA & ASSOCIATES
CHARTERED ACCOUNTANTS

P. Indira Ramana Murthy

(P. INDIRA RAMANA MURTHY)

PARTNER.

M. No. 210307

Accounts Consultant

UDIN: 22210307 AR4 GA F9877

Balance Sheet as on 31st March 2019

Amount in Rs.

Code	Account Name	Sch	Municipal General Fund	Capital Project Fund	Primary Education Fund	Total
310	Municipal Fund	B-1	8,613,475,588	- 1,965,651,082	70,064,537	6,717,889,043
311	Earmarked Funds	B-2	183,710,311	591,753,311	-	775,463,622
312	Reserves	B-3	-	-	-	-
	Total Reserves & Surplus	-	8,797,185,899	- 1,373,897,771	70,064,537	7,493,352,665
320	Grants Contribution for specific purposes	B-4	2,738,079,844	9,142,308,634	56,317,210	11,936,705,688
330	Secured Loans	B-5	-	-	-	-
331	Unsecured Loans	B-6	2,122,697,001	-	-	2,122,697,001
	Total Loans	-	4,860,776,845	9,142,308,634	56,317,210	14,059,402,689
	Current Liabilities and Provisions	-	-	-	-	-
340	Deposits Received	B-7	222,556,516	322,011,757	2,036,614	546,604,887
341	Deposit works	B-8	-	-	-	-
350	Other Liabilities	B-9	414,598,564	991,282,438	- 117,592,575	1,288,288,426
360	Provisions	B-10	-	1,223,180,615	-	1,223,180,615
	Total Current Liabilities and Provisions	-	637,155,080	2,536,474,810	- 115,555,961	3,058,073,928
	TOTAL LIABILITIES		14,295,117,824	10,304,885,673	10,825,786	24,610,829,282

10

Code	Account Name	Sch	Municipal General Fund	Capital Project Fund	Primary Education Fund	Total
ASSETS						
410	Fixed Assets	B-11	8,068,396,144	7,610,803,523	-	15,679,199,667
411	Accumulated Depreciation	B-21	- 3,577,184,538	- 521,934,559	-	4,099,119,097
412	Capital Work-In-Progress	B-11A	3,307,223,118	810,122,519	-	4,117,345,637
	Total Fixed Assets	-	7,798,434,723	7,898,991,483	-	15,697,426,207
	Investments	-	-	-	-	-
420	Investments-General Fund	B-12	899,211,464	400,000,000	-	1,299,211,464
421	Investments-Other Funds	B-13	100,000,000	460,000	-	100,460,000
	Total Investments	-	999,211,464	400,460,000	-	1,399,671,464
	Current Assets, Loans & Advances	-	-	-	-	-
430	Stock-in- hand	B-14	26,371,816	30,202,865	-	56,574,681
431	Sundry Debtors (Receivables)	B-15	593,545,630	905,934,512	-	1,499,480,142
432	Accumulated Provisions against Debt- ors (Receivables)	B-22	-	-	-	-
440	Pre-paid Expenses	B-16	5,862,672	-	-	5,862,672
450	Cash and Bank balance	B-17	926,243,103	1,642,340,344	28,163,515	2,596,746,962
460	Loans Advances and Deposits	B-18	1,054,501,904	1,044,345,285	-	2,098,847,189

10

Code	Account Name	Sch	Municipal General Fund	Capital Project Fund	Primary Education Fund	Total
461	Accumulated Provisions against Loans Advances and Deposits	B-18A	-	-	-	-
	Total Current Assets, Loans & Advances	-	2,606,525,125	3,622,823,006	28,163,515	6,257,511,646
470	Other Assets	B-19	1,722,460,181	-	1,637,095,931	68,026,521
480	Miscellaneous Expenditure to be written off	B-20	1,168,486,331	19,707,114	-	1,188,193,445
	TOTAL ASSETS		14,295,117,824	10,304,885,673	10,825,786	24,610,829,282

For only 21/12/22
Accounts Officer
Municipal Corporation
VIJAYAWADA

my *(2/10)*
COMMISSIONER
Municipal Corporation
Vijayawada

IN AGREEMENT WITH THE
BOOKS OF ACCOUNT

For P.I. RAMANA & ASSOCIATES
CHARTERED ACCOUNTANTS

P. Indira Ramana Murthy

(P. INDIRA RAMANA MURTHY)
PARTNER.
M. No. 210307

Accounts Consultant

UDIN: 22210307AR4GAP9877