

PRIVATE AND CONFIDENTIAL

**AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
OF**

KHULNA WATER SUPPLY & SEWERAGE AUTHORITY (KWASA)

FOR THE YEAR ENDED 30 JUNE 2018

SUBMITTED BY

ATA KHAN & CO.

Chartered Accountants

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AUDITORS' REPORT ON THE ACCOUNTS OF KHULNA WATER SUPPLY & SEWERAGE AUTHORITY

We have audited the accompanying Financial Statement of **KHULNA WATER SUPPLY & SEWERAGE AUTHORITY**, Khulna, Which Comprise of the Statement of Financial Position (Balance Sheet) as at 30 June 2018 and related Income & Expenditure Accounts for the year then ended and a summary of significant accounting policies and other explanatory notes. The Preparation of the financial statement is the responsibility of the management of Khulna WASA. Our responsibility is to express an opinion on these financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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 that overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

We observed that:

- 1) Trial balance was provided to us for our verification of the reported balances which was not perfect. The books of accounts e.g. Cash Book, Bank Book and General Ledger etc. during the year under audit as maintained by the entity required further improvement aligned with Standard books of accounts. The financial Statements have been prepared manually in accordance with International Financial Reporting Standards.
- 2) Khulna WASA was established by means of splitting from Khulna Metropolitan Area. No evidence in support of allocation of assets and liabilities at any cut-off data between Khulna WASA and Khulna Metropolitan Area was available to justify the carry forwarded capital fund which was calculated as balancing figure in initial period.

Except as stated above the financial statements give a true and fair view of the organization for the year ended 30 June 2018.

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We further report that:

- a) We have obtained all the information and explanation which to the best of our Knowledge and belief were necessary for the purpose of our audit except as stated above;
- b) In our opinion, proper books of accounts as required by law have not been kept by the Organization so far as it appeared from our examination for those books and
- c) The Statement of Financial Position (Balance Sheet) and Statement of Income & Expenditure dealt with the report agreement with the books of accounts.

Dated: Dhaka,
12 November 2020

Atakhan
ATA KHAN & CO.
Chartered Accountants



Khulna Water Supply & Sewerage Authority (KWASA)

7 No. Rujvelt Jetty Ghat Road, Khalishpur, Khulna-9000, Bangladesh

Statement of Financial Position As on 30 June 2018

ASSETS	Notes	Amount in Taka	
		2017 - 2018	2016 - 2017
NON CURRENT ASSETS			
Property, Plant and Equipment	3.00	631,273,287	657,548,854
CURRENT ASSETS		470,411,535	411,457,204
Investment In FDR & Term Deposit	4.00	102,427,237	97,775,846
Inventories	5.00	17,542,254	16,818,882
Accounts Receivable	6.00	81,458,794	75,631,234
Advance, Deposits & Pre-Payments	7.00	2,035,653	1,804,489
Advance Income Tax	8.00	8,345,398	6,965,121
Cash & Bank Balances	9.00	258,602,198	212,461,632
Total		1,101,684,822	1,069,006,058
CAPITAL		1,080,589,994	1,052,789,215
Capital Fund	10.00	983,180,933	983,180,933
Retained Earnings	11.00	97,409,061	69,608,282
NON-CURRENT LIABILITIES		10,150,950	6,334,388
Provision For Audit Fee	12.00	175,000	140,000
Provision for Bad Debts	13.00	9,975,950	6,194,388
Long term loan		-	-
CURRENT LIABILITIES		10,943,879	9,882,455
Accounts Payable	14.00	10,943,879	9,882,455
Others Payable		-	-
Total		1,101,684,823	1,069,006,058

The annexed notes form an integral part of these Financial Statements


DMD (F&A)
 Khulna WASA


Managing Director
 Khulna WASA

Signed in terms of our separate report of even date.

Dated: Dhaka,
12 November 2020




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 Chartered Accountants



Khulna Water Supply & Sewerage Authority (KWASA)

7 No. Rujvelt Jetty Ghat Road, Khalishpur, Khulna-9000, Bangladesh

Statement of Comprehensive Income

For the year ended 30 June 2018

Particulars	Note	Amount in Taka	
		2017-2018	2016-2017
INCOME:			
Water Bill		37,392,544	34,978,839
Street Hydrant & Hand Tubewell	15.00	145,000,000	141,000,000
Water sale Direct		229,100	270,275
Connection Fee		1,752,851	2,712,075
Deep tubewell fee/charge		115,250	150,750
Other Income		73,190	82,630
Schedule Sale/Tender Documents		17,300	16,500
Illegal Connection Legalized		8,520	30,660
Bank & FDR Interest	16.00	11,248,813	11,079,880
Total Income		195,837,568	190,321,609
EXPENDITURES:			
Operating Exp. (Salary, Wages & Others)	17.00	93,334,484	95,086,918
Power & Electricity Bill	18.00	26,005,786	24,375,002
Repair & Maintenance	19.00	7,724,864	6,370,461
Administrative Expenses	20.00	40,971,655	38,232,124
Total Expense		168,036,789	164,064,505
Net Income over Expenses		27,800,779	26,257,104
Total		195,837,568	190,321,609

The annexed notes form an integral part of these Financial Statements

DMD (F&A)
Khulna WASA

Managing Director
Khulna WASA

Signed in terms of our separate report of even date.

Dated: Dhaka,
12 November 2020



ATAKHAN & CO.
Chartered Accountants

Khulna Water Supply & Sewerage Authority (KWASA)

7 No. Rujvelt Jetty Ghat Road, Khalishpur, Khulna-9000, Bangladesh

Cash Flow Statement For the year ended 30 June 2018

Particulars	Amount in Taka	
	2017 - 2018	2017 - 2018
A. Cash Flow from Operating Activities:		
Net Profit / (Loss) for the year	27,800,779	26,257,104
Depreciation Charge during the year	30,851,667	32,641,816
Decrease/ (Increase) in Inventories	(723,372)	2,538,729
Decrease/ (Increase) in Debtors	(5,827,560)	(11,481,690)
Decrease/ (Increase) in Advance Deposit & Pre-Payments	(231,164)	(338,677)
Decrease/ (Increase) in Advance Income Tax	(1,380,278)	(1,333,842)
Decrease/ (Increase) in Provision for Bad Debt	3,781,562	(355,887)
Decrease/ (Increase) in Current Liability	1,061,424	2,192,570
Decrease/ (Increase) in Provision for Audit Fee	35,000	35,000
Net Cash used in Operating Activities:	55,368,058	50,155,123
B. Cash Flow from Investing Activities:		
Fixed Assets Addition	(4,576,101)	(104,294,756)
Increase of Investment	(4,651,391)	(5,439,465)
Adjustment of Land & Development	-	-
Net Cash used in Investing Activities:	(9,227,492)	(109,734,221)
C. Cash Flow from Financing Activities:		
Adjustment of Suspense Accounts	-	-
Increase/Decrease of Provident Fund	11,605,139	-
Adjustment of Capital Fund	-	103,038,759
Net Cash used in Financing Activities:	11,605,139	103,038,759
D. Net Increase in Cash & Cash Equivalent (A+B+C)	57,745,704	43,459,661
E. Cash & Bank Balance at the Beginning of the year	212,461,632	169,001,972
F. Cash & Bank Balance at the ending of the year (F= D+E)	270,207,337	212,461,633

DMD (F&A)
Khulna WASA

Managing Director
Khulna WASA





Khulna Water Supply & Sewerage Authority (KWASA)

7 No. Rujvelt Jetty Ghat Road, Khalishpur, Khulna-9000, Bangladesh

Notes to the Financial Statements
As at and For the year ended 30 June 2018

1.00 Background and Nature of Authority:

Khulna Water Supply and Sewerage Authority (KWASA) is an autonomous body established on 2nd March 2008 under the local government and rural development Ministry. It is controlled and governed by the WASA Act no. (6). 1996, KWASA started its activities from October 2008. The Chief Executive of KWASA is Managing Director. It is a servicer oriented Public Utility organization Which is directed by the KWASA board consisting of 13 members. The board is headed by a Chairman.

1.01 Activities of the Organization are:

The activities of KWASA are spread over Khulna Metropolitan Area, to construct, develop and maintain necessary infrastructure for abstracting, purifying and distribution of safe and potable water to domestic, commercial and industrial organizations. It supplies water to city dweller through water carrier at public's door on demand and also supplying water through street hydrant.

2.00 Significant Accounting Policies:

2.01 Basis of preparation and presentation of Financial Statement

The Financial Statements have been prepared in accordance with the following underlying assumption, measurement base laws, rules and regulations and accounting pronouncement:

- a) Going concern
- b) Accrual Basis
- c) Historical Cost Convention

2.02 Property, Plant and Equipment:

- a) Fixed Assets have been state at cost less accumulated depreciation.
- b) Land has accounted at cost.

2.03 Method of Depreciation:

In case of depreciation diminishing balance method is used and the rate of depreciation is varying from 2% to 20%.

2.04 Accounts Receivable:

Accounts Receivable is shown in Balance Sheet at book value less provision for bad debts. Provision bad debt has been made at the rate of 5% on current year outstanding accounts Receivable.



Note	Particulars	Amount in Taka	
		2017-2018	2016-2017
3.00 Tangible Fixed Assets:			
	Opening Balance	954,951,805	850,657,049
	Add: Addition during the period at cost	4,576,101	104,294,756
		959,527,906	954,951,805
	Less : Adjustment during the year	-	-
		959,527,906	954,951,805
	Less: Accumulated Depreciation during the year	328,254,619	297,402,951
	Total Written Down Value (WDV)	631,273,287	657,548,854
4.00 Investment In FDR & Term Deposit			
	The break up of above balance is as under		
	Agrani Bank Ltd 2338230	31,431,671	30,150,284
	United Commercial Bank Ltd.003862	3,915,482	3,773,847
	Social Islami Bank Ltd.0008417	2,429,402	2,302,205
	United Commercial Bank Ltd.006291	7,016,948	6,746,133
	Standard Bank Ltd.31010	7,170,266	6,783,559
	Agrani Bank Ltd 2338234	10,960,901	10,471,365
	BASIC Bank 0003594	8,037,479	7,690,918
	BASIC Bank 0004870	4,678,859	4,459,609
	BASIC Bank 0000969	11,317,146	10,790,516
	Janata Bank Ltd.377896	7,606,536	7,298,733
	SBAC 017241000008511,FDR NO 2064	3,287,394	3,142,186
	SBAC 01242000012461,FDR NO 1067	3,632,028	3,436,485
	SBAC 01242000013076,FDR NO 1073	943,124	730,006
		102,427,237	97,775,846
5.00 Inventories			
	The break up of above balance is as under		
	Opening Inventory	16,818,881	19,357,610
	Adjustment during the year	-	-
	Restated opening balance	16,818,881	19,357,610
	Add: Purchase during the year	17,305,828	5,979,697
	Total Inventory was available for use	34,124,709	25,337,307
	Less: Consumption	16,582,455	8,518,425
	Closing Inventory	17,542,254	16,818,882
6.00 Accounts Receivable			
	The break up of above balance is as under		
	Opening Balance	75,631,234	64,149,544
	Add: Billing during the Period	37,392,544	11,481,690
		113,023,778	75,631,234
	Less: Collection during the period	31,564,984	-
	Closing Balance	81,458,794	75,631,234



7.00 Advance, Deposits & Pre-Payments

The break up of above balance is as under

Loan Against Provident Fund
Advance against Expenses
Advance against Salary
Loan to Project

-	-
2,033,653	1,802,489
2,000	2,000
-	-
2,035,653	1,804,489

7.01 Advance against Expenses

The break up of above balance is as under

Opening Balance
Add: disbursement during the year

Less: Collection during the period
Closing Balance

1,802,489	1,463,812
231,164	338,677
2,033,653	1,802,489
-	-
2033653	1,802,489

7.02 Advance against Salary

The break up of above balance is as under

Opening Balance
Add: disbursement during the year

Less: Collection during the period
Closing Balance

2,000	2,000
-	-
2,000	2,000
-	-
2000	2,000

7.03 Loan to Project

The break up of above balance is as under

Opening Balance
Add: disbursement during the year

Less: Collection during the period
Closing Balance

-	-
-	-
-	-
-	-
-	-

8.00 Advance Income Tax

The break up of above balance is as under

AIT Against Bank Interest
AIT Against F.D.R Interest

2,980,644	2,353,546
5,364,754	4,611,574
8,345,398	6,965,121

9.00 Cash & Bank Balances

The break up of above balance is as under

Janata Bank Ltd. -433021514
Dutch Bangla Bank -120.120.1974
Bank Asia -2536000078
Pubali Bank-886102000425

32,758,095	2,744,429
741,627	4,518,572
420,304	904,277
157,866	154,082





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Janata Bank-436001018	780,516	2,057,743
Janata Bank-436001075	59,907,969	58,882,459
Agrani Bank-0200002137401	2,844,789	2,833,789
Mercantile Bank-12113114710476,New-012113100000528	1,677,487	1,180,762
BASIC Bank -4216-01-0000046	1,396,036	757,749
UCBL-001613200000367,New-0161301000000091	36,348	-
Dutch Bangla Bank -120.120.3214	3,428,985	2,656,390
Southeast Bank-1113100001487	16,808,557	16,429,393
Janata Bank-436001091	7,595,897	14,328,212
Trust Bank-400320000255	867,782	862,800
Pubal Bank-886102000430	4,914,555	4,783,146
Premier Bank-11313100001076	1,793,087	1,758,675
Pubali Bank -98102001105	1,696,904	5,144,718
Pubali Bank -981021090	12,459,405	7,051,857
UCBL-1613200000315	1,523,435	1,503,266
Bank Asia -15636000057	5,601,968	4,912,282
IFIC Bank-4060416592041	1,007,248	4,518,195
IFIC Bank-4060372940041	307,860	5,759,889
IFIC Bank-4067682161041 (A/C open FY 2014-2015)	1,053,399	1,039,089
IFIC Bank-0170172657041 (A/C open FY 2017-2018)	20,264,233	-
Standard Bank Ltd 836000999	1,598,334	1,567,202
BASIC Bank-516010000876	4,793,804	3,201,819
BASIC Bank-0516-01-0000759	4,821,588	4,679,647
Dutch Bangla Bank -120.120.3413	39,862,434	33,685,127
BASIC Bank-4216-01-0000067	8,209,526	7,964,205
Dhaka Bank-502150232	1,086,313	781,339
Meccantile Bank-12113100000275	5,655,773	5,551,592
Eastern Bank-2001360117017 (a/c open 23 june2015)	3,274,351	3,190,845
SBAC 0006130000312 ,Old-01130000026655	5,848,990	5,658,777
First Security Islami Bank-01161290009 (open 2015-2016)	1,016,578	977,618
IFIC Bank-4067093938041 (open 2016-2017)	325,986	155,546
AL-Arafah Islami Bank -0961220000293 (open 16-17)	1,260,325	156,223
NRB Global Bank -0113000142777 (open 16-17)	69,793	11,402
Modhumoti Bank Ltd-1118135000009 (open 16-17)	162,069	60,752
Dutch Bangla Bank 1201200006872 (open 16-17)	37,971	37,766
NRBC-013136000000014 (open 17-18)	6,850	-
The Farmers Bank Ltd-0113000253870	91,843	-
EXIM Bank Ltd -04311100181251 (open 17-18)	182,735	-
Shahjalal Islami Bank -110113100000580 (open 17-18)	78,689	-
National Bank Ltd.1066002252485 (open 17-18)	173,894	-

258,602,198

212,461,632



10.00 Capital Fund

The break up of above balance is as under

Opening Capital Fund	983,180,933	880,142,174
Adjustment With Project Fund	-	103,038,759
Adjustment With Suspense's Account	-	-
	983,180,933	983,180,933

11.00 Retained Earnings

The break up of above balance is as under

Opening Retained Earnings	69,608,282	43,351,178
Add: Net Profit (loss) during the year	27,800,779	26,257,104
	97,409,061	69,608,282

12.00 Provision For Audit Fee

The break up of above balance is as under

Opening Balance	140,000	105,000
Add: Addisition During The Yeay	35,000	35,000
	175,000	140,000
Less : Addjupment During The Year	-	-
	175,000	140,000

13.00 Provision for Bad Debts

The break up of above balance is as under

Opening balance of Provision for Bad Debts	6,194,388	6,550,275
Add: Addition during the year	3,781,562	574,085
Less Adjustment During The Year	-	929,972
	9,975,950	6,194,388

14.00 Accounts Payable

The break up of above balance is as under

Rupa Enterprise	2,355,709	2,355,709
Falgu Sandhani	3,115,306	3,115,306
Dhaka Sanitary	125,976	85,712
Janani Traders	10,463	10,463
Hoq International	14,416	14,416
Gony Pump	2,282	2,282
Salary Payable	1,428,093	1,428,093
Audit Fees Payable	111,665	111,665
Computer Palace	19,060	19,060
Sultan Enterprise	960,846	960,846
Pepco Bangladesh	510,869	510,869
IDEA	8,350	8,350
S.K Moinul Hoq Mithu	160,088	167,502
Mukthi Enterprise	37,810	37,810
Khulna Eclectic Watch	2,994	2,994
Onchol Auto Mobile	28,183	21,098
Modern Eclectic & Refrigerator	3,305	3,305





National Polymer Industries Ltd.
Abu Siddiq & Son's
Sahil Builders & Engineering Electric
Bangcom Telecom Ltd.
JR Trading
Nahar Engineering Workshop
Tanveer Battery & Co.
Osora Associated
S.I. Trading & Co.
M.S. Motors
DNS Enterprise
Md. Ashak
M.A Computer
Masud Enterprise
B & B Traders
Rana Enterprise
Najbel Engineering & Tec. Ltd.
Vat Payable of water bill
Vat Payable of House connection fee

265,014	265,014
223,500	223,500
1	1
7,835	7,835
33,345	-
1,720	1,720
8,728	-
450,250	-
135,604	-
26,980	-
500	-
749,185	358,685
62,233	62,233
-	62,039
4,972	2,486
21,538	9,980
104,368	104,368
31,912	(7,924)
(79,221)	(62,962)
10,943,879	9,882,455

15.00 Street Hydrant & Hand Tubewell

The break up of above balance is as under

Water Grant
Street Hydrant & Hand Tubewell
Capital Grant

-	-
145,000,000	141,000,000
-	-
145,000,000	141,000,000

16.00 Bank & FDR Interest

The break up of above balance is as under

Bank Interest
F.D.R Interest

5,818,741	4,767,988
5,430,072	6,311,892
11,248,813	11,079,880

17.00 Operating Exp. (Salary, Wages & Others)

The break up of above balance is as under

Basic Salary
House Rent
Medical Allowance
Conveyance
Washing Allowance
Tiffin Allowance
Education Allowance
CPF Contribution
Gratuity
Leave Encashment
Rest & Recreation Allowance
Festival Bonus
Overtime

37,272,192	33,802,431
17,201,744	15,935,852
3,546,388	3,376,720
538,221	501,996
127,469	120,379
362,366	339,634
1,070,246	862,500
3,160,291	2,787,118
6,052,680	12,681,038
1,641,873	1,226,664
666,870	793,450
6,686,259	5,580,329
825,550	564,825





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Mobile & Telephone Allowance	73,935	77,200
Electricity, Water & Gas Allowance	619,200	619,200
Dearness Allowance	69,857	29,734
Entertainment	30,000	30,000
Out Sourcing/Security	2,015,843	1,902,279
Masterroll Salary	11,373,500	13,304,000
Boisakhi Allowance	-	551,569
Festival Bonus	-	-
	93,334,484	95,086,918

18.00 Power & Electricity Bill

The break up of above balance is as under

Electricity bill	23,778,512	22,573,257
Fuel & Oil	2,227,274	1,801,745
	26,005,786	24,375,002

19.00 Repair & Maintenance

The break up of above balance is as under

Vehicle repair & maintenance	757,187	441,100
Machine repair & maintenance	4,804,329	1,614,027
Building Repair	-	1,810,259
Pump house repair	764,867	-
Computer repair	115,773	46,437
Pipe line repair	329,571	2,458,638
Spare parts purchase	953,137	-
	7,724,864	6,370,461

20.00 Administrative Expenses

The break up of above balance is as under

Entertainment	173,693	105,875
Telephone, Fax, Internet	576,469	320,194
Postage & Telegram	29,668	47,886
Office Maintenance	56,580	70,694
Books & Periodicals	2,356	2,308
Revenue Collection Expenditure	-	30,647
Training workshop Seminar & Research	8,000	4,500
Sports & Culture	37,970	-
Printing & Stationary	386,918	630,347
Computer Billing Expenses	313,894	31,800
Legal Expenses	51,800	47,250
Uniform for Employees	171,128	-
Accidental Grant	10,000	-
Bank Charge	102,938	70,846
FDR Bank Charge	24,000	19,000
Expenses for revenue collection	52,875	110,618
License fee ,Tax ,Token	9,544	144,404
Water Quality Test	389,946	29,033
Advertisement	136,348	297,530
Municipal Tax	232,512	196,462
Sports & Culture	119,451	156,905





T/DA	516,650	366,254
Board Meeting	1,552,460	1,334,497
Outsourcing	1,185,998	1,083,383
Recruitment Expenses	-	56,923
Training workshop seminar & research	9,302	329,485
Bad Debt Expances	3,781,562	-
Chemical Purchase	24,870	-
Others	128,056	68,467
Audit Fee	35,000	35,000
Depreciation	30,851,667	32,641,816
	40,971,655	38,232,124



Khulna Water Supply & Sewerage Authority (KWASA)

Schedule of Property, Plant & Equipment

As on 30 June 2018

3) COST: Tangible Fixed Assets:

Annexure-A

SL. No	Particulars	Cost				Dep. Rate	Depreciation				
		Balance as on 01.07.2018	Addition for the period	Disposal/ Transfer	Total as on 30.06.2019		Balance as on 01.07.2018	Charged for the period	Adjust. / Transfer	Total as on 30.06.2019	Written Down Value as on 30.06.2019
		A	B	C	D = (A+B-C)	E	F	G = (D-F)*E	H	I	J = (D-I)
01	Land & Development	74,692,793	-	-	74,692,793	0%	-	-	-	-	74,692,793
02	Building	19,937,106	447,307	-	20,384,413	2.0%	4,655,032	314,588	-	4,969,620	15,414,793
03	Plant & Machinery	815,352,019	4,101,164	-	819,453,183	5.0%	270,713,691	27,436,975	-	298,150,666	521,302,517
04	Sewerage	11,000,000	-	-	11,000,000	10%	6,738,375	426,163	-	7,164,538	3,835,463
05	Vehicles	15,783,492	-	-	15,783,492	20%	7,745,732	1,607,552	-	9,353,284	6,430,208
06	Furniture & Fixture	3,648,974	20,730	-	3,669,704	10%	1,755,188	191,452	-	1,946,640	1,723,064
07	Equipment	14,537,421	6,900	-	14,544,321	10%	5,794,934	874,939	-	6,669,873	7,874,448
	Total	954,951,805	4,576,101	-	959,527,906		297,402,952	30,851,667	-	328,254,619	631,273,287

