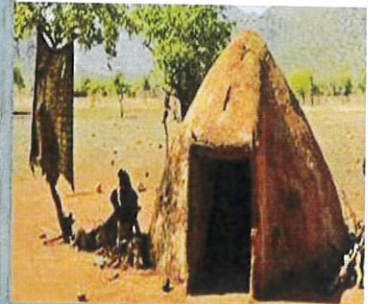




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MUNICIPALITY OF OUTJO

FOR THE FINANCIAL YEARS ENDED 30 JUNE 2017, 2018, 2019 AND 2020

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Municipality of Outjo for the financial years ended 30 June 2017, 2018, 2019 and 2020 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, July 2022.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
OUTJO MUNICIPALITY
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2017-2020**

1. DISCLAIMER OPINION

I have audited the financial statements of the Outjo Municipality for the financial years ended 30 June 2017, 2018, 2019 and 2020. These financial statements comprise the Statement of Financial Position, Statement of Comprehensive Income, Cash flow Statement, notes to the annual financial statements for the years then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, because of the significance of the matters discussed in the Basis for Disclaimer Audit Opinion paragraph, the financial statements do not present fairly, in all material respects, the financial position of the Outjo Municipality as at 30 June 2017, 2018, 2019 and 2020 and its financial performance and cash flows for the years then ended in accordance with International Public Sector Accounting Standards (IPSAS).

2. BASIS FOR AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the code of ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the code of ethics.

I believe that the audit evidence I have obtained is not sufficient and appropriate to provide a basis for my opinion. A disclaimer audit opinion is being expressed due to the following:

2.1 CAPITAL OUTLAY

Recorded under capital outlay was loan amount redeemed and not the total capital expenditure for the year. This resulted in an understatement in capital outlay of N\$ 952 028 (2017), N\$ 800 306 (2018), N\$ 800 021 (2019) and N\$ 132 558 (2020).

2.2 APPROPRIATION ACCOUNT

Included in the appropriation account are movements amounting to N\$ 4 548 405 (2017), N\$ 3 481 155 (2018), N\$ 5 566 557 (2019) and N\$ 27 250 549 (2020). The auditors could not obtain sufficient supporting documentations to verify the existence, completeness and accuracy of the movement in the account.

2.3 TRADE AND OTHER PAYABLE

Included in the trade payables are sundry payables amounting to N\$ 168 308 (2017), N\$ 76 307 (2018), N\$ 88 728 (2019) and N\$ 1 080 486 (2020) for unknown direct deposits. Further

investigations revealed that the amount relates to unknown direct deposits that were posted to the suspense account.

Included in trade and other payables is legal fees amounting to N\$ 140 287 (2017), N\$ 140 287 (2018), N\$ 140 287 (2019) and N\$ 140 287 (2020). The auditors could not obtain sufficient audit evidence to verify the existence, completeness and valuation of this account balance.

Hire purchase loan was understated by N\$ 79 737 in the 2019 financial year and completely omitted in the 2018 and 2017 financial year. The Hire Purchase loan amounted to N\$ 1 205 798 (2018) and N\$ 1 638 663 (2017).

Included in the statement of financial position as trade and other payables as at 30 June 2017 is a refund from National Traffic Information System (NATIS) amounting to N\$ 120 159. This transaction relates to the prior financial year. This has an impact that the current liabilities were overstated and the cut off is wrong.

2.4 TRADE AND OTHER RECEIVABLE

Value added taxation refundable was understated by N\$ 125 311 (2018), N\$ 1 127 852 (2019), N\$ 1 799 518 (2020) and overstated by N\$ 103 017 in the 2017 financial period.

Included in trade and other receivables is Censored Equity amounting to N\$ 420 209 (2017), N\$ 394 376(2018), N\$ 394 376(2019) and N\$ 394 376 (2020). The auditors could not obtain sufficient appropriate audit evidence to verify the existence, completeness, and accuracy of the account balance. Management has indicated that documentations were destroyed in the fire that occurred in 2009.

Included in account receivables is staff loan amounting to N\$ 60 738 (2017), N\$ 60 738 (2018), N\$ 60 738 (2019) and N\$ 60 738 (2020). Upon further investigation, it was noted that the account has been cleared by staff who owed the Municipality, and no proper allocation of payments were made.

Trade and other receivables included suspense account amounting to N\$ 104 753 (2017), N\$ 1 533 379 (2018), N\$ 1 413 021 (2019) and N\$ 1 413 021(2020). These are unknown direct deposits from customers, which were not properly allocated to customers' accounts. Due to non-allocation of the deposits to customers' accounts, this will result in debtors' balances not being correctly valued.

2.5 LOAN GRANTED

The auditors could not obtain sufficient appropriate audit evidence for loan receivable from Build Together amounting to, N\$ 5 984 407 (2017), N\$ 5 141 636 (2018), N\$ 5 141 637 (2019), and N\$ 4 295 004(2020). Management has indicated that source documentations were destroyed in the fire that occurred in 2009.

2.6 REVENUE

Total income recorded on VAT returns submitted does not agree to the annual financial statement and an understatement of N\$ 5 028 095 (2018), N\$ 3 097 476 (2019), N\$ 2 090 629 (2020), and overstatement of N\$ 10 410 171 (2017) was observed.

2.7 CASH AND CASH EQUIVALENTS

Included in the statement of financial position is cash and cash equivalents which was understated by N\$ 362 638 (2017), N\$ 129 796 (2018), N\$ 319 751 (2019) and N\$ 608 488 (2020).

Recorded in the statement of financial position is a bank overdraft amounting to N\$ 6 297 678 (2017), N\$8 616 902 (2018), N\$7 856 771(2019) and N\$ 6 298 472 (2020), which did not actually exist.

2.8 INVESTMENT

Investment held at a local bank amounting to N\$ 9 148 (2018), N\$ 8 235 (2019) and N\$ 100 316 (2020), was completely omitted in the statement of financial position. As a result of the omission, investments were understated by the stated amount.

3. OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I have nothing to report in this regard.

4. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 39 of the Regional Council's Act, 1992 and legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue my report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional skepticism throughout the audit, I also;

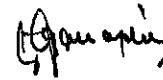
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accounts were submitted later than required by the Accounting Officer to the Auditor-General on 24 February 2021 in terms of Section 87(1) of the Local Authority Act, 1992 instead of three (3) months after years end.

WINDHOEK, July 2022



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

OUTJO MUNICIPLITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	Note	2020 N\$	2019 N\$	2018 N\$	2017 N\$	2016 N\$
ASSETS						
Non-current assets						
Property, Plant and Equipment	2	31 268 619	30 797 578	33 340 091	33 717 698	27 012 077
Investments	3	-	-	-	333 227	7 211 342
Loans receivable	4	4 295 004	4 761 115	5 141 636	5 984 407	6 361 443
Equity – reeds	5	394 376	394 376	394 376	-	-
Accumulated surplus/deficit		-	23 587 965	22 047 810	-	-
		35 957 999	59 541 034	60 923 913	40 035 332	40 584 862
Current assets						
Cash and cash equivalents	6	1 007 855	9 774	10 687	1 539	1 539
Trade and other receivables	7	9 429 495	8 196 018	7 729 725	6 128 161	2 020 593
Inventory	8	107 512	40 717	256 421	80 638	108 261
TOTAL ASSETS		46 502 861	67 787 543	68 920 746	46 245 670	42 715 255
EQUITY AND LIABILITIES						
Equity						
Capital outlay	9	-	29 997 556	32 459 784	32 765 670	25 995 970
Funds and accounts	10	13 181 177	12 902 309	12 319 206	(6 033 047)	4 362 313
Accumulated surplus	10	4 758 720	-	-	-	-
		17 939 897	42 899 865	44 778 990	26 732 623	30 358 283
Non-current liabilities						
Long term liabilities	11	710 143	800 021	880 306	1 552 389	1 550 483
		27 852 820	24 087 657	23 261 449	17 990 658	10 806 449
Current liabilities						
Trade and other payables	12	21 554 348	16 230 886	14 644 547	11 692 980	8 662 004
Bank overdraft	6	6 298 472	7 856 771	8 616 902	6 297 678	2 144 445
TOTAL EQUITY AND LIABILITIES		46 502 860	67 787 543	68 920 745	46 275 670	42 715 215

ANNEXURE B

OUTJO

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 JUNE

	2020	2019	2018	2017	2016
Note	N\$	N\$	N\$	N\$	N\$
Income	34 459 673	32 955 045	29 622 544	31 140 280	24 636 452
Expenditure	(33 363 536)	(28 928 643)	(27 140 757)	(31 161 162)	(26 743 227)
Net operating surplus/(deficit)	1 096 137	4 026 402	2 481 787	(20 882)	(2 106 775)
Appropriation account	27 250 549	(5 566 557)	(3 481 152)	(4 548 405)	(5 482 804)
Net operating surplus/(deficit)	28 346 686	(1 540 155)	(999 365)	(4 569 287)	(7 589 579)
Revenue – beginning of year	(23 587 965)	(22 047 810)	(21 048 445)	(16 479 158)	(8 889 579)
Surplus/Deficit for the year	4 758 721	(23 587 965)	(22 047 810)	(21 048 445)	(16 479 158)

OUTJO MUNICIPALITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE

	Accumulated surplus	TOTAL
	N\$	N\$
Balance as at 01 July 2016	16 479 158	16 479 158
Surplus for the year	20 882	20 882
Adjustments to appropriation account	4 548 405	4 548 405
Balance as at 30 June 2017	21 048 445	21 048 445
Balance as at 01 July 2017	21 048 445	21 048 445
Surplus for the year	(2 481 787)	(2 481 787)
Adjustments to appropriation account	3 481 152	3 481 152
Balance as at 30 June 2018	22 047 810	22 047 810
Balance as at 01 July 2018	22 047 810	22 047 810
Deficit for the year	(4 026 402)	(4 026 402)
Adjustments to appropriation account	5 566 557	5 566 557
Balance as at 30 June 2019	23 587 965	23 587 965
Balance as at 01 July 2019	23 587 965	23 587 965
Surplus/Deficit for the year	(1 096 137)	(1 096 137)
Adjustment to appropriation account	(27 250 549)	(27 250 549)
Balance as at 30 June 2020	(4 758 720)	(4 758 720)

**OUTJO MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEARS ENDED 30 JUNE**

	2020	2019	2018	2017	2016
	N\$	N\$	N\$	N\$	N\$
Net cash inflow from operations	1 763 208	(3 469 134)	(3 708 981)	(4 674 669)	(4 378 420)
Cash receipts from customers	34 459 673	32 955 045	29 622 544	31 140 280	24 636 452
Cash paid to suppliers	(30 000 272)	(33 004 899)	(30 329 447)	(36 758 576)	(33 425 128)
Increase in capital outlay	-	(2 462 228)	(305 885)	6 769 700	3 837 700
Decrease/(increase) in funds	(2 696 193)	(957 052)	(2 696 193)	(5 826 073)	572 556
Net cash flow from investing activities	(60 928)	2 922 119	1 544 457	549 530	1 742 251
Purchase of Equipment	471 042	2 542 513	377 607	(6 705 621)	-
(Increase)/decrease in loans receivable	466 111	380 520	842 771	377 036	114 392
Increase/(decrease) in investments	(998 081)	(914)	324 079	6 878 115	1 627 859
Net cash flow from financing activities	(143 983)	5 802	(154 701)	(28 095)	(5 344)
(Decrease)/increase in long term liabilities	(89 878)	(80 284)	(158 578)	(28 095)	(5 344)
Increase/(decrease) refundable deposits	(54 105)	86 086	3 877	-	-
Net Increase/(Decrease) in cash and cash equivalents	1 558 297	(541 213)	(2 319 225)	(4 153 234)	(2 641 513)
Cash and Cash Equivalent at the beginning of the year	(9 158 117)	(8 616 904)	(6 297 679)	(2 144 445)	497 068
Cash and Cash Equivalent at the end of the year	(7 599 820)	(9 158 117)	(8 616 904)	(6 297 679)	(2 144 445)

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ANNEXURE D

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL

	2020				2019				2018			
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance			
Income	36 243 028	34 459 673	1 783 355	43 566 418	32 955 045	10 611 373	35 039 177	29 622 544	5 416 633			
Expenditure	46 651 914	33 363 537	18 401 318	54 815 397	28 928 643	25 886 755	51 248 838	27 140 757	24 108 081			
Salaries and wages	19 681 213	17 791 935	1 889 278	19 207 611	18 227 749	979 862	20 749 945	16 775 510	3 974 435			
General expenses	16 669 444	8 169 089	8 500 355	18 252 892	8 579 010	9 673 882	19 237 576	8 471 993	10 765 583			
Repairs and maintenance	4 378 080	1 386 806	2 991 274	6 948 847	1 126 416	5 822 431	6 720 635	1 100 326	5 620 309			
Total Capital cost	374 675	516 379	(141 704)	219 955	182 219	37 736	202 670	608 663	(405 993)			
Total to capital	5 145 300	33 343	5 111 957	9 817 530	450 386	9 367 144	3 964 530	47 548	3 916 982			
Contributions	403 202	353 044	50 158	368 562	362 862	5 700	373 482	136 717	236 765			
Non-cash item	-	5 112 941	-	-	-	-	-	-	-			
Surplus/(deficit) for the year	1 096 136			4 026 402			2 481 787					

OUTJO MUNICIPLITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30
JUNE

1. ACCOUNTING POLICIES

Accounting convention

The annual financial statements for Outjo are prepared on the historical cost convention; all transactions are recorded at the original monetary value and no account is taken of the effect of changing prices.

Currency and foreign exchange

The financial statements are expressed in Namibia dollars. No transactions denominated in foreign currencies were entered into during the period.

Accounting policies

The principal accounting policies followed by the Council and which are consistent in all material respects with those applied in the previous years except as otherwise indicated are summarized below:

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (owned or leased) are stated at historical cost less accumulated depreciation. Depreciation is calculated on a straight-line method to write off the cost of each asset to its zero value over its estimated useful life. The following are expected useful economic lives for fixed asset categories:

Buildings	20 Years
Infrastructures	15 Years
Furniture and fittings	10 Years
Office equipment	10 Years
Plant and equipment	10 Years
Computer equipment	5 Years
Motor Vehicles	5 Years
Land	No depreciation

Land is assumed to have an infinite economic life and is therefore not depreciated.

1.2. REVENUE

The Council derives revenue through rates charges and fees in respect of property and services rendered within settlement areas in addition to grants from the parent government ministry and donations. The financial statements are prepared in line with the accruals concept. Revenue is recognized in the financial statements at the time services are rendered.

**OUTJO MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30
JUNE**

1.3. INVENTORY

Inventories are measured at weighted average.

1.4. FUND ACCOUNTS

The following fund accounts was maintained

1.4.1. CAPITAL DEVELOPMENT FUND

The purpose of this fund is to build up general reserve to ensure a stable financial position. Income is also derived from general revenue contributions interest on investments and sale of erven.

1.4.2. HOUSING FUND – BUILD TOGETHER

The purpose of the fund is to provide for housing loans. Income for the fund is derived from interest earned on secure housing loans and investments.

1.4.3. WATER TOWER RESTORATION FUND

This account is maintained with the purpose of accumulating reserves to restore the water tower.

1.4.4. BUILD TOGETHER – DECENTRALIZED SINGLE QUARTER FUND

The Municipality maintains this account with the aim of upgrading the single quarters. Income derived from Government grants.

1.4.5. SPORT AND SOCIAL FUND

The purpose of this fund is to utilize available funds for sport recreational purpose for staff employed by the Municipality.

1.4.6. CAPITAL REDEMPTION ON LOANS

Capital redemption on external and internal loans is charged against income. A similar amount is credited to the loan redemption account for the duration of the loans. As and when the loan is fully redeemed the loan amount is to be transferred to the Revenue Contribution Capital account.

**OUTJO MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE (Continued)**

	2020	2019	2018	2017	2016
	N\$	N\$	N\$	N\$	N\$
2. PROPERTY, PLANT AND EQUIPMENTS	31 267 187	30 797 578	33 340 091	33 717 698	27 012 077
Income assets	16 134 635	14 435 024	15 597 292	14 594 644	6 496 855
General capital assets	13 627 552	14 857 553	16 237 799	17 618 054	1 505 000
Loans assets	1 505 000	1 505 000	1 505 000	1 505 000	19 010 222
3. INVESTMENT	-	-	-	333 227	7 211 342
Commercial banks					
4. LOAN RECEIVABLES	4 295 004	4 761 115	5 141 636	5 984 407	6 361 443
Build together advance to buyers					
5. EQUITY- REDS	394 376	394 376	394 376	-	-
Equity- Censored					

No information with regards to fair value changes to the equity was available at the time of preparation of the annual financial statements. The dividends declared were also not available at the time of the annual financial statement preparation.

6. CASH AND CASH EQUIVALENTS	(6 296 933)	(7 855 231)	(8 615 363)	(6 296 139)	2 145 984
Standard bank - Namibia	-	-	-	-	-
Petty cash	1 539	1 539	1 539	1 539	1 539
Bank overdraft	(6 298 472)	(7 856 770)	(8 616 902)	(6 297 678)	(2 144 445)

OUTJO MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE (Continued)

	2020	2019	2018	2017	2016
	N\$	N\$	N\$	N\$	N\$
7. TRADE AND OTHER RECEIVABLES	9 429 497	8 196 019	7 729 725	6 128 162	2 020 593
Consumer debtors	38 337 915	34 601 102	33 085 801	27 868 296	23 958 229
Value added tax	1 108 531	652 526	1 016 512	1 296 485	814 508
Cenored equity	-	-	-	420 209	368 720
Suspense account	1 413 022	1 413 022	1 533 379	104 753	97 397
Creditors	-	-	-	-	932
Personal recoverable	60 739	60 739	60 738	60 738	-
Less Provision for bad debt	40 920 207	36 727 389	35 696 430	29 750 482	25 239 786
	(31 490 710)	(28 531 370)	(27 966 705)	(23 622 320)	(23 219 193)
Summary debtors age					
120 Days+	31 490 710	28 531 370	27 966 705	-	-
120 Days	1 141 448	844 655	847 175	-	-
90 Days	1 161 335	960 897	787 271	-	-
60 Days	1 289 392	1 124 170	947 580	-	-
30 Days	1 552 516	1 298 435	990 134	-	-
Current	(2 490 487)	277 729	(285 437)	-	-
Transac	3 337	(24 954)	(67 471)	-	-
Balance	34 148 251	33 012 302	31 185 957	-	-

**OUTJO MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE (Continued)**

	2020	2019	2018	2017	2016
	N\$	N\$	N\$	N\$	N\$
8. INVENTORIES					
Spare parts and consumables	20 152	40 717	256 421	80 639	108 261
9. CAPITAL OUTLAY					
Revenue contributions (Ex Income)	-	29 997 556	32 459 785	32 765 670	25 955 969
General capital contributions	-	14 435 024	15 597 292	14 594 644	6 496 854
Loans redeemed	-	14 857 553	16 237 799	17 618 054	19 010 222
	-	704 979	624 694	552 972	448 893
10. FUNDS ACCOUNTS AND RESERVES					
Capital reserve fund	17 939 897	(10 685 656)	(9 728 606)	(6 033 048)	4 362 314
Housing fund (BTP)	-	-	-	1 340 976	1 359 541
Sports and social fund	9 180 629	8 936 433	8 666 629	8 761 409	8 459 287
HIV/AIDS fund	228 161	193 489	89 183	60 974	15 866
TPEEG	85	85	85	1 085	20 603
Revenue account kept in compliance with Section 86(1) Of the Local Authorities Act 1992	3 772 302	3 772 302	3 563 307	4 850 953	10 986 175
	4 758 720	(23 587 965)	(22 047 810)	(21 048 445)	(16 479 158)
11. LONG TERM LIABILITIES					
Extern loan – Capital	710 143	800 021	880 306	952 028	1 550 483
Deposits	710 143	800 021	880 306	952 028	1 016 107
	-	-	-	570 36	534 376

ANNEXURE F

OUTJO MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE (Continued)

	2020	2019	2018	2017	2016
	N\$	N\$	N\$	N\$	N\$
12. TRADE AND OTHER PAYABLES	17 322 643	11 314 554	10 177 162	11 692 980	8 662 045
Loan installments in area	3 826 608	3 644 389	3 462 170	3 279 950	3 097 731
Amounts received in advance	4 406 556	2 128 689	1 878 705	2 017 618	1 353 039
Debtors payments in advance	4 189 664	1 588 799	1 899 844	-	-
Sundries	1 080 486	88 728	76 307	120 159	152 512
Accrued leave	-	-	-	3 764 185	1 777 972
Previous fraud case	1 842 209	1 842 209	1 842 209	1 742 209	1 742 209
HP outstanding	383 909	735 950	-	-	-
Regional council	1 593 211	1 285 790	1 017 927	768 859	538 582
13. EXPENDITURE	28 250 597	57 130 167	27 140 757	31 151 868	35 478 596
Salaries wages and allowance	17 791 935	18 227 749	16 775 510	17 600 453	16 245 345
General expenses	8 169 089	8 579 101	8 471 993	9 554 774	13 961 541
Repairs and maintenance	1 386 806	1 126 416	1 100 326	2 233 541	4 613 880
Contribution to capital spending	549 722	450 386	656 212	1 404 704	401 589
Contributions	353 045	28 746 515	136 717	358 395	256 240

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ANNEXURE F

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE (Continued)

	2020	2019	2018	2017	2016
	N\$	N\$	N\$	N\$	N\$
	4 459 402	(290 491)	(786 003)	(5 618 296)	(8 271 837)
Operating surplus/(deficit) before interest and transfer	1 096 137	4 026 402	2 481 787	(20 882)	(2 106 775)
Adjustments to appropriation account	27 250 549	(5 566 557)	(3 481 152)	(4 548 405)	(5 482 804)
Net operating surplus/(deficit) before changes	28 346 686	(1 540 155)	(999 365)	(4 569 287)	(7 589 579)
Decrease/(increase) in inventories	(66 795)	215 705	(175 782)	27 623	(35 233)
Decrease/(increase) in trade and other receivables	(4 192 818)	(466 294)	(2 021 773)	(4 107 568)	(96 459)
(Decrease)/(increase) in trade and other payables	6 008 090	1 137 391	2 248 367	3 030 936	(550 566)
Decrease/(increase) in equity	-	-	25 833	-	-
(Decrease)/(increase) in staff provision	(630 523)	362 862	136 717	-	-
Changes in accounting policy	(25 005 238)	-	-	-	-
	(23 887 284)	1 249 664	213 362	(1 049 009)	(682 258)

14. NOTES TO THE CASH FLOW STATEMENT

- Operating surplus/(deficit) before interest and transfer
- Adjustments to appropriation account
- Net operating surplus/(deficit) before changes**
- Decrease/(increase) in inventories
- Decrease/(increase) in trade and other receivables
- (Decrease)/(increase) in trade and other payables
- Decrease/(increase) in equity
- (Decrease)/(increase) in staff provision
- Changes in accounting policy

