



REPUBLIC OF NAMIBIA

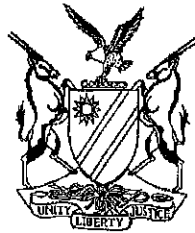


REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

TOWN COUNCIL OF ARANOS

FOR THE FINANCIAL YEARS ENDED 30 JUNE 2019 AND 2020

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 Town Council of Aranos for the financial years ended 30 June 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.

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, February 2022

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
THE ARANOS TOWN COUNCIL
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2019 AND 2020**

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Aranos Town Council for the financial years ended 30 June 2019 and 2020. These financial statements comprise the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets, the Cash flow Statement and the Notes to the Financial Statements for the years then ended.

In my opinion, because of the significance of the matters described in the Basis for Adverse Audit Opinion section of the audit report, the accompanying financial statements do not give a true and fair view of the financial position of the Aranos Town Council as at 30 June 2019 and 2020, and financial performance and cash flows for the years then ended in accordance with International Public Sector Accounting Standards (IPSASs).

2. BASIS FOR ADVERSE AUDIT OPINION

I conducted the 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 the audit 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 the 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 sufficient and appropriate to provide a basis for the audit opinion. The adverse audit opinion is expressed due to the following:

2.1 REPORTING OF FIGURES IN THE STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEARS ENDED 30 JUNE 2019 AND 2020

It was observed that the Council disclosed incorrect balances as at 01 July 2018 amounting to N\$ 10 132 621 which does not agree with the N\$ 7 954 587 disclosed in the prior year audited financial statements. Furthermore, the Council disclosed surpluses for both years amounting to N\$ 5 198 986 (2019) and N\$ 2 890 004 (2020) in the Statement of Changes in Net Asset/Equity, while in the Income Statement a deficits is disclosed. The deficits balances are N\$ 5 198 986 (2019) and N\$ 2 890 004 (2020), therefore the arithmetically accuracy of the statement are incorrect.

2.2 FIXED ASSET REGISTER

The auditors once again observed that the Council does not have a written fixed assets policy in place as reported in the financial audits of the 2017 and 2018 financial years.

2.3 INDENTIFICATION AND VERIFICATION OF ASSETS

It was once again observed by the auditors that the Council does not have any labels on any of the assets in the fixed asset register. The auditors further observed that the fixed asset register does not have an indication of locations of the assets disclosed there in. As previously reported in the 2017 and 2018 audit report.

2.4 DATE OF ACQUISITION

The auditors once again observed that the Council has not disclosed in the fixed asset register the dates when the assets were acquired, as previously reported in the financial audits of 2017 and 2018 financial years.

2.5 TRADE RECEIVABLES

The value added tax (VAT) control account is not reconciled to the Namibia Revenue Agency (NamRA) statement by incorporating interests and penalties. This resulted in differences amounting to N\$ 560 667 (2019) and N\$ 312 837 (2020).

2.6 OBSOLETE AND SOLD ASSETS

It was observed once again as previously reported in the 2017 and 2018 financial audit reports that assets sold and which no longer belong to the Council still appear on the asset register. Specifically Erf 735 Ext 6 and Erf 760 Ext 6 that formed part of the audit sample no longer belong to the Council.

2.7 DISPOSAL OF ASSETS AND DERECOGNITION

Electricity assets disposed off during the financial period amounting to N\$ 433 125 (2019) were not correctly recorded as disposals in the financial statement – the total value of the written off assets was incorrectly credited to the accumulated depreciation account.

2.8 PROVISION FOR ARBITRATION AWARD AGREEMENT

As per the final arbitration award agreement signed on the 02 October 2019 between the Council and an employee (employee number: 100034) the Council is entitled to pay the employee a full and final settlement of N\$ 1 031 452 (which includes an outstanding amount of N\$ 1 000 000 for compensation and N\$ 31 452 for interest accrued), however no provision was made or disclosed in the financial statements for the year ended 30 June 2020.

2.9 DEPRECIATION

Several capital assets were not depreciated and this resulted in the depreciation value being understated by N\$ 703 750 (2019).

2.10 DEPRECIATION DIFFERENCE

There was a difference of N\$ 544 206 (2019) between the depreciation total as per the auditors calculations and the Fixed Asset Register.

2.11 TRADE PAYABLES

Differences amounting to (N\$ 668 231) (2019) for Namwater and N\$ 1 560 301 (2019) for Nampower were observed between the financial statements and the supplier statements.

2.12 NEW AQUISITIONS

Supporting documents pertaining to the approval of several assets acquired to the value of N\$ 2 309 273 during the 2020 financial year were not provided for audit purposes.

2.13 REVENUE: GOVERNMENT GRANT – OPERATIONAL

The Council disclosed operational grants and subsidies amounting to N\$ 2 453 321 (2020). The auditors could only confirm an amount of N\$ 1 500 000 as received operational grant through the bank statements. Therefore there was a difference of N\$ 953 321 between the operational grant disclosed in the financial statements and what was received in the bank statements.

The auditors further found that the Council processed journals amounting to N\$ 953 321 however, the auditors were not provided with the supporting documents for the journals.

2.14 REVENUE: GOVERNMENT GRANT – CAPITAL (NPC)

The Council disclosed capital grants and subsidies amounting to N\$ 3 054 915 (2020), however the auditors confirmed an amount of N\$ 4 025 511 as received Capital grant through the call accounts bank statements. Therefore there was a difference of N\$ 970 596 between the Capital grant disclosed in the financial statements and what was received in the bank statements. The auditors further found that the Council processed journals amounting to N\$ 970 596 which no supporting documentation were not provided to the auditors.

2.15 NATIS CONTRIBUTIONS

There was a difference of N\$ 557 472 (2019) between the actual invoices to the Roads Authority, National Traffic Information System (NATIS) and income disclosed as NATIS contributions in the financial statements and the general ledger. The auditors further found that the revenue was processed inclusive of VAT and only recognized when funds were received from the Roads Authority to settle the outstanding debt.

2.16 EMPLOYEE COST

A difference of N\$ 334 922 (2019) was observed between the total payroll remuneration as per the payroll reports for the 2019 financial year and the amount disclosed in the general ledger.

Furthermore, a difference of N\$ 1 436 930 (2020) was observed between the total payroll remuneration as per the payroll reports for the 2020 financial year and the amount disclosed in the general ledger.

2.17 LEAVE GRATUITIES

The auditors noted that arbitration compensation awarded to former employee amounting to N\$ 1 531 451.61 (2020) was wrongly classified as leave gratuities.

2.18 CLASSIFICATION CAPITAL EXPENDITURE

The auditors observed that assets amounting to N\$ 1 801 838 (2019) were expensed rather than capitalized. The Council should ensure that all transactions/items are properly classified, and journals are posted to the correct accounts.

2.19 SUBMISSION OF SUPPLIER DETAILED LEDGERS

The auditors were not provided with the Supplier's detailed ledger and Suppliers aged analysis amounting to N\$ 4 133 911 (2019) and N\$ 1 078 113 (2020) as a result the payables disclosed in the financial statements could not be confirmed.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming the audit opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters identified in respect of the financial statements for the Town Council of Aranos.

4. OTHER INFORMATION

Management is responsible for the other information. The auditor's opinion on the financial statements does not cover the other information and, accordingly, the auditor does not express any form of assurance conclusion thereon. In connection with the 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. The following matters were identified:

4.1 Going concern

The auditors draw attention to the Statement of the Financial Position as at 30 June 2020, which indicates that as of that date, the current liabilities exceed its current assets. As at 30 June 2020, the Council current liabilities of N\$ 21 028 033 (2019: N\$ 18 817 212) exceed its current assets of N\$ 6 245 473 (2019: N\$ 5 697 533) by N\$ 14 782 560 (2019: N\$ 13 119 679). This condition is corroborated by the Council disclosing deficits of N\$ 2 890 004 (2019: N\$ 5 198 985).

These conditions indicate the existence of material uncertainties, which may cast doubt on the Council's ability to settle its obligations in the normal course of business and continuing as a going concern. The Council could not provide their plan on how they are going to turnaround the commercial insolvency position.

5. 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 International Public Sector Accounting Standards (IPSAS) and for such internal controls 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 of overseeing the entity's financial reporting process.

6. 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 a report that includes the audit 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 scepticism 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 the audit 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 the audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the audit opinion. My conclusions are based on the audit evidence obtained up to the date of the audit 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;
- 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 the audit;
- 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; and
- 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 the audit 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 the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

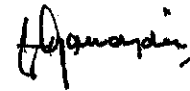
7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements for the financial years ended 30 June 2019 and 2020 were submitted by the Accounting Officer to the Auditor-General in compliance with Section 85 of the Local Authorities Act, 1992 (Act No. 23 of 1992), for the financial year ended 30 June 2019 was submitted on 24 September 2019, while for the financial year ended 30 June 2020 was only submitted on 20 November 2020 instead of three months (3 months) after the year end as required by the Act.

8. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Town Council of Aranos during the audit is appreciated.

WINDHOEK, February 2022



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

TOWN COUNCIL OF ARANOS
FIRST TRANSITIONAL IPSAS FINANCIAL STATEMENTS FOR THE YEARS ENDED
30 JUNE 2019 AND 2020
KEY COUNCIL INFORMATION AND MANAGEMENT

Nature of business and principal activities

The Aranos Town Council is a local authority whose nature of business and principal activities is to provide municipal services in terms of Section 30 of the Local Authorities Act, 1992 (Act 23 of 1992), as amended. These include land and development, water supply, sanitation and waste management and public health services.

Councillors

Name	Office	Nationality
Mr. Eldin E Kahunga	Mayor	Namibian
Ms. Christophina Tsei-Tseis	Deputy Mayor	Namibian
Ms. Christina R Swartbooi	Chairperson of Management Committee	Namibian
Mrs. Renatha A Vries	Member of Management Committee	Namibian
Mr. Willem Arums	Member of Management Committee	Namibian
Mr. Abraham Beukes Additional	Ordinary Member	Namibian
Mr. Abraham Kharuchab	Ordinary Member	Namibian

There have been no changes in Office bearers during the years under review.

Executive and senior management

Name	Office	Nationality
Vacant	Chief Executive Officer	Namibian
Mrs. Susanna Visser	Finance Manager	Namibian
Mr. Rudolf L Muhembo	Technical Manager	Namibian

Registered office Aranos Town Council
Namibia

Postal address P.O. Box 157
Aranos

Contact details Tel +264 63 272051
Fax + 264 63 272373

Auditors Auditor-General of Namibia

TOWN COUNCIL OF ARANOS
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 AND 2020

	Note	2020 N\$	2019 N\$	2018 N\$
ASSETS				
Current assets				
Receivables from exchange transactions	2	5 738 982	5 433 546	3 721 995
VAT receivables	2	506 469	-	733 131
Build Together Project in progress		-	-	2 658 824
Cash and cash equivalents	3	22	263 988	27 807
Non-current assets				
Property, Plant and Equipment	4	60 304 754	59 707 268	60 092 908
Loans receivable	5	4 000 153	4 163 758	-
Investments	6	2 139 402	1 109 663	5 064 434
TOTAL ASSETS				
		72 689 782	70 678 223	72 299 099
LIABILITIES				
Current liabilities				
Payables from exchange transactions	7	19 449 745	18 817 212	12 761 641
Employee Benefits	8	1 017 837	-	-
Bank Overdraft	3	560 451	-	-
Non-current liabilities				
Long-term liabilities	9	329 922	396 101	457 462
EQUITY (NET ASSETS)				
Capital outlay/loans redeemed	10	-	59 311 167	59 635 446
Funds and accounts	11	6 925 308	9 372 647	9 577 172
Accumulated surplus/deficit	11	44 406 519	(17 218 904)	(10 132 622)
TOTAL EQUITY AND LIABILITIES				
		72 689 782	70 678 223	72 299 099

Total Equity (Net Assets) for the years under review (2019 and 2020) disclosed in the Statement of Financial Position does not agree to the Statement of Changes in Net Assets, refer to the audit observation expressed under the basis for adverse audit opinion, paragraph 2.1.

ANNEXURE B

TOWN COUNCIL OF ARANOS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED 30 JUNE

	2020	2019	2018
Note	N\$	N\$	N\$
REVENUE FROM NON-EXCHANGE TRANSACTIONS	20 743 990	2 380 639	4 638 248
Water services	4 424 583	-	-
Electricity services	8 038 256	-	-
Cleansing services	1 075 805	-	-
Sewerage	1 167 196	-	-
Grazing /Rental fees	347 744	-	-
Sale of erven	716 778	-	-
Property rates	-	1 611 833	3 376 094
Other revenue	4 973 628	768 806	1 262 154
REVENUE FROM EXCHANGE TRANSACTIONS	8 100 241	20 399 831	26 966 928
Rates and taxes	576 115	-	-
Government grants and subsidies	2 453 321	-	-
National Planning Commission	3 054 915	-	-
Road Fund Administration	952 900	-	-
Fees and fines penalties	35 449	-	-
Interest on arrears/investments	976 219	-	-
Other	51 322	-	-
Sewerage fees	-	792 695	722 301
Electricity service charges	-	12 306 744	16 282 682
Water service charges	-	4 456 196	4 928 764
Natis	-	1 063 308	426 082
Cleaning Services	-	1 005 558	901 854
Town lands and Pound	-	85 589	107 795
Sewerage Farm	-	-	1 994 875
Public Buildings	-	-	46 521
Cemeteries	-	40 131	42 815
Housing	-	363 943	396 410
Fire Brigade	-	230 263	195 695
General Administration	-	33 308	1 082 247

TOWN COUNCIL OF ARANOS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED 30 JUNE
(Continued)

Council's General Expenses		-	22 096	15 601
Interest on Investments		-	-	(176 714)
TOTAL REVENUE		28 844 231	22 780 470	31 605 176
EXPENDITURE				
	13	(31 734 237)	(27 979 455)	(31 362 967)
General Expenditure		(24 768 828)	(27 979 455)	(31 362 967)
Non-cash items	#14	(6 965 409)	-	-
NET OPERATING DEFICIT		(2 890 006)	(5 198 985)	242 209

Note (14) non-cash items do not agree to the Statement of Financial Performance.

ANNEXURE C

TOWN COUNCIL OF ARANOS

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEARS ENDED 30 JUNE

		2020	2019	2018
	Note	N\$	N\$	N\$
Balance as at 01 July		(17 218 906)	10 132 621	-
Surplus for the year		2 890 004	5 198 986	-
Adjustment t appropriation account	12	(64 515 429)	(1 887 299)	-
Balance as at 30 June		(44 406 519)	(17 218 906)	-
		*	*	

* The Council disclosed incorrect balance as at 01 July 2018 amounting to N\$ 10 132 621 which does not agree with (N\$ 7 954 587) as per previous Audit Report and financial statements. Further to that Council disclosed surpluses for both years N\$ 5 198 986 (2019) and N\$ 2 890 004 (2020) while the income statement have disclosed deficits balances of (N\$ 5 198 986) (2019) and (N\$ 2 890 004) (2020) therefore the arithmetically accuracy of the statement was incorrect. Resulting in overstatement of Statement of Changes in Net Assets/ Equity with 32 259 777 (2019) and N\$ 126 852 823 (2020). Refer to the audit observation expressed under the basis for adverse audit opinion, paragraph 2.1.

TOWN COUNCIL OF ARANOS

CASH FLOW STATEMENT FOR THE YEARS ENDED 30 JUNE

	2020	2019	2018
Note	N\$	N\$	N\$
Cash flow from operating activities	28 819 545	22 754 356	33 376 677
Cash receipts from customers	(24 055 205)	(26 294 537)	(6 419 601)
Cash paid to suppliers	4 764 340	(3 540 181)	-
Cash generated by operations	24 688	26 114	-
Interest received	-	220 640	-
Net cash flows from operating activities	3 428 478	(3 497 952)	26 957 076
Cash flow from investing activities			
Additions to property, plant and equipment	597 486	(159 279)	(24 709 850)
Decrease/(increase) in investments	(1 029 738)	(3 954 772)	(3 310 690)
Decrease/(increase) in loans receivable	(3 763 604)	(1 361)	-
Net cash flows from investing activities	(4 195 856)	3 794 132	(28 020 539)
Cash flow from financing activities			
Decrease/(increase) in long term liabilities	(66 179)	236 180	457 462
Increase/(decrease) refundable deposits	9 119	-	-
Net cash flows from financing activities	(57 060)	236 180	457 462
Net decrease/increase in cash and cash equivalents	(824 440)	236 180	(606 001)
Cash and cash equivalents at the beginning of the year	263 988	27 807	633 808
Cash and cash equivalents end of the year	(560 452)	263 988	27 807
3			

*

* For 2019 financial year, Council disclosed decrease/increase in long term liabilities as the net decrease/increase in cash and cash equivalents of N\$ 236 180 instead of N\$ 532 361, therefore cash and cash equivalents at year end was recorded as N\$ 236 180 instead of N\$ 560 168. See paragraph. 2.8

**TOWN COUNCIL OF ARANOS
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2019 AND 2020
ACCOUNTING POLICIES**

1. PREAMBLE

The Accounting Policies for Aranos Town Council have been prepared in accordance with International Public Sector Accounting Standards (IPSAS's- IPSAS 33), from 1 July 2018. Therefore, these are the Second Adoption Annual Financial Statements, as per IPSAS's - IPSAS 33. Financial Statements are presented in Namibian dollars, which is the functional and reporting currency of the Town Council and all values are rounded off to the nearest dollar. Where there is no specific guidance in the Standard, the Council has developed its own accounting policy which is aimed at creating information which is:

- Relevant to the decision-making needs of users; and reliable, in that the financial statements;
- Represent fairly the financial position, financial performance and cash flows of the entity;
- Reflect the economic substance of transactions, other events and conditions and not merely the legal form;
- Are neutral i.e. free from bias;
- Are prudent; and
- Are complete in all material respects.

This document outlines how the Council will account for all income, expenditure, assets, equity, and liabilities held and incurred during the financial years under review.

The accounting policies of the Council are updated regularly to reflect any changes in IPSASs, Local Authority Act, State Finance Act and Treasury Instruction, other change in statute impacting on the authority's accounts.

The Accounting Policies of the Council as far as possible have been developed to ensure that the accounts of the Council are understandable, relevant, free from material error or misstatement, reliable and comparable.

The document has been divided into three distinct categories which are Accounting Principles, Capital Accounting and Revenue Accounting

2. ACCOUNTING PRINCIPLES

2.1. GOING CONCERN

The Council prepares its accounts on the basis that it remains a going concern; that an organization will continue to operate in a feasible future

2.2. ACCRUAL CONCEPT

The Council accounts for income and expenditure in the period to which the service has taken place, rather than when cash payments are received or made. Where income and expenditure has been

**TOWN COUNCIL OF ARANOS
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE
ACCOUNTING POLICIES**

recognized but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Statement of Financial Position. Equally, where cash has been received or paid which is not yet recognized as income or expenditure, a payable (income in advance) or receivable (payment in advance) is recorded in the Statement of Financial Position

2.3. TAXES

2.3.1 Income Tax

Council is a local authority and is exempted from paying income tax in terms of Income Tax Act, Act 24 of 1981, as amended

2.3.2 Value Added Tax

Council is a registered Value Added Tax (VAT) payer in terms of the Value Added Tax Act, Act 10 of 2000, as amended, and submits its returns bi-monthly to the Inland Revenue. VAT collected is payable to Ministry of Finance. Any amounts outstanding (payment or receipt) at the years-end date is held as a creditor or debtor after netting off the amounts either due or owed. Amount owed/receivable may not balance with Receiver of Revenue figures because of different accounting concept that the government is using.

2.3.3 Pay As You Earn (PAYE)

Council deducts PAYE from employees' remuneration and pays it over to Inland Revenue via the Electronic Funds Transfer (EFT) on or before the 20th of the following month of deductions. Monthly returns are completed and submitted to the Inland Revenue, either manually or electronically during the ITA's transition.

2.4. CHANGES IN ACCOUNTING POLICY, ERROR AND CORRECTIONS

Where there is a known future change in accounting policy in terms of IPSAS 3, the Council will disclose the following in the notes to the accounts, in the notes, the council should provide:

- The reason why applying the new accounting policy provide reliable and more relevant information
- If retrospective application is impractical for the period, prospective application for new accounting policies for transaction, event, or other circumstances is applied.

Errors include the effects of mathematical mistakes, misunderstanding in applying accounting policies, oversights and misinterpretations of facts.

Where those errors are thought to be significant, an adjustment will be entered into financial statements comparative balances as restated figures.

**TOWN COUNCIL OF ARANOS
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE
ACCOUNTING POLICIES**

Errors which are found and not significant, will not result in prior year adjustment and will be corrected as a current year entry. In addition, errors as a result of information which was not known to the council or could not have reasonably been determined when Financial Statements were authorized for issue, will be corrected in the current year and accumulated profit/loss will be reinstated.

2.5. UNIDENTIFIED INCOME

All unidentified income received is initially recorded to an income suspense account. Monthly updates of the content of the suspense accounts are circulated to the Finance Manager, to ensure the balances are cleared as soon as possible. Any items of revenue not cleared at year end will be treated as sundry revenue.

2.6. EVENTS AFTER REPORTING PERIOD

Where there is a material post balance sheet event before the date the accounts are authorized for issue, a disclosure in the notes to the accounts will be included. If this event provides additional evidence of conditions that existed at the Balance Sheet date, and materially affects the amounts to be included in the accounts; adjusting items will be shown in the accounts

2.7. CONTINGENT ASSETS AND LIABILITIES

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. These are not recognized in the Statement of Financial Position but disclosed in a note to the accounts.

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognized in the Statement of Financial Position but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential

2.8. CASH AND CASH EQUIVALENT

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in the value.

**TOWN COUNCIL OF ARANOS
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE
ACCOUNTING POLICIES**

Overdraft are reported under Current liabilities in the Statement of Financial Position, on the Statement of Cash Flow, only the net will be disclosed under cash and cash equivalent in the Statement of cash Flow Statement.

2.8. ACCOUNTING FOR CONSUMER DEPOSIT AND EMPLOYEE BENEFIT PROVISION.

Consumer Deposit is accounted under current liabilities, because Account Receivable to which the account is related to is accounted under Current Asset.

Provision for Employee Benefit is accounted under Non-Current Liabilities, this is because, Aranos Town Council will continue to exist in a near feasible future (going concern).

Provision for employees' severance where the employee is known employees who will retire, resigns or dies in the next 12 months, this will be accounted under non-current liabilities.

3. FUNDS

The Town Council also maintains the following Funds in terms of the authorizations in Section 80 of the Local Authorities Act, Act 23 of 1992 as amended:

3.1. (A) Build Together Fund

This is a revolving fund consisting of funds originally from government for Decentralization Build Together Fund beneficiaries. Disbursements of funds to beneficiaries for progress payment are made from this fund. Loan repayments are deposited on this fund. Interest earned is capitalized to this fund. Servicing of land benefitting Decentralized Build Together beneficiaries may be sourced from this fund.

(B) Capital Fund

This is a revolving fund consisting of funds originally from government for Capital Projects. Disbursements of funds towards the execution of the Capital. Interest earned is capitalized to this fund. Project include whatever was identified by Council and funded (Central Government), through the NDP's and other priority projects.

(C) Housing Fund

This is a revolving fund consisting of funds originally from investment account of the Aranos Town Council. Interest earned is capitalized to this fund.

**TOWN COUNCIL OF ARANOS
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE
ACCOUNTING POLICIES (Continued)**

4. CAPITAL ACCOUNTING

4.1. RECOGNITION OF CAPITAL EXPENDITURE

Capital expenditure is recognized in terms of IPSAS 16: Investment Properties, IPSAS 17: Property, Plant and Equipment and IPSAS 36 (revised): Investment in Associate and Joint Venture.

Property, Plants and Equipment (PPE) are initially recognized at cost on its acquisition date or in the case of assets acquired by grants or donations, deemed cost, being the fair value of the asset on initial recognition.

Carrying amount for an item for PPE is determined by cost less accumulated depreciation. The carrying amount of an item of Property, Plant and Equipment is derecognized on a disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an item of Property Plant and Equipment is included in surplus or deficit when the item is derecognized.

Depreciation is calculated using straight line methods to write the cost of each asset over the useful life as follows:

4.2. PROPERTY, PLANT & EQUIPMENT (PPE)- IPSAS 17

- | | | |
|--------------------------|----------|----|
| • Buildings and Plants | 50 Years | 2% |
| • Service infrastructure | 20 Years | 5% |

For Aranos Town Council, Assets taken back/ returned/ received from SELCO was re-valued and estimate life span of 40 will remain as such and all other electrical assets acquired since will depreciated at 40 years.

- | | | |
|---|----------|-----|
| • Heavy Vehicles, Machinery and Equipment | 7 Years | 20% |
| • Office Equipment | 5 Years | 20% |
| • Light and sedan Vehicles | 6 Years | 20% |
| • Office Furniture and Fittings | 5 Years | 25% |
| • IT Equipment's | 5 Years | 25% |
| • Plant and Equipment | 15 Years | 15% |
| • Other Assets | 4 Years | 25% |
| • Streets and Sidewalks | 20 Years | 5% |

These shall include all erven registered in the name of Council, serviced and un-serviced (including townlands and/or farms) readily available for sale to individuals, institutions or developers. The land

TOWN COUNCIL OF ARANOS
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE
ACCOUNTING POLICIES (Continued)

shall not be depreciated during the reporting period but shall be removed from the list upon disposal of such land. Variations in land values shall be as a result of general and/or interim valuation process conducted in line with the provisions of the Local Authorities Act, Act 23 of 1992, as amended.

- Investment properties

These are items of land and/or building held solely for the purpose of rental income generation or capital appreciation. Asset owned by the council which are occupied by employees or other social groups are not to be classified as investment properties.

- Assets held for sale.

The council will classify the asset as held for sale where the following conditions are met:

1. The asset is a condition required for sale.
2. The assets sale is highly probable.
3. The completion is expected to be completed with 12 months.

Non-current asset held for sale are not to be depreciated.

- Investments.

Investment include share owned by an organization which do not meet the requirement to be classified as investment in associate in term of IPSAS 36. Investment may also include cash held at the bank which will not be used in the next 12 months.

4.3. INVESTMENT PROPERTIES-IPSAS 16

Investment properties are measured using fair value model, using the gazette valuation as a model to account for all investment properties. Fair value is time specific as of given date, **however the Council opt not to revalue every year** but rather to use general valuation and interim valuation (Cost outweighs benefits).

4.4. NON-CURRENT ASSET VALUATION METHODOLOGY

Non-current asset is initially recorded at cost less accumulated depreciation and impairment. **The Council does not carry out market valuation** because cost outweigh the benefit, **unless required, example when the asset is to be sold.** The council may also make use of the valuation roll to determine the value for the assets. The council recognize intangible Assets at cost, revaluation of intangible asset will only be done annually where there a determinable market value for the asset.

Assets that are fully depreciated and still in use are recorded in the Statement of Financial Position at a rate of N\$1. It is up to management discretion to decide whether to do an asset valuation, taking into consideration the cost implications.

4.5. IMPAIRMENT OF NON-CURRENT ASSET

At the end of reporting period, the council **may** assess whether there is a need for impairment assessment. Considering the benefits and the cost to be incurred.

**TOWN COUNCIL OF ARANOS
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE
ACCOUNTING POLICIES**

4.6. DISPOSAL OF NON-CURRENT ASSET

When the asset is disposed of or decommissioned, the net value (Asset book value less receipt from disposal) for the asset in the Statement of Financial Position is written off to the Statement of Financial Performance as part of gain or loss on disposal.

4.7. TRAVELING COST, TRANSPORTATION COST AND PROFESSIONAL FEES

Traveling cost for a service provider and transportation cost as well as Professional Fees (consultants cost) that raises from item/asset purchased / capital project planning, by council for used are to be included on / with the invoice as part of that item/asset's total cost.

5. REVENUE ACCOUNTING

5.1. RECOGNITION OF REVENUE AND EXPENDITURES

5.1.1 REVENUE RECOGNITION

Revenue is derived from various sources. Revenue comprises the fair value of the consideration received or receivables for the sales of goods and services in the ordinary course of the Council activities. Revenue is shown net of value added tax, returns and other discounts.

Revenue from exchange transactions refers to transaction that occurred to Aranós Town Council directly in return for service rendered/ goods sold, the value of which approximates the consideration received or receivables

Revenue from non-exchange transaction refers to transactions where the Council received revenue from another entity without directly giving approximately equal value in exchange.

5.2. REVENUE FROM NON-EXCHANGE TRANSACTIONS- IPSAS 23

5.2.1 Taxes, Fees and Fines

Council recognizes revenue fees, taxes and fines when the event occurs, and the asset recognition criteria are met. To the extent, there is a related condition attached that would give rise to a liability to repay the amount, **deferred income** is recognized instead of revenue. Other non-exchange revenue is recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to council and the fair value of the asset can be measured reliably.

5.2.2 Government subsidies and other government entities

Council measures revenue received from government and other government entities at fair value and recognizes them as revenue upon obtaining control of the asset if the transfer is free from conditions and it is probable that the economic benefits or services potential related to the asset will flow to council and can be measured reliably.

**TOWN COUNCIL OF ARANOS
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE
ACCOUNTING POLICIES**

Conditional grants, donations and funding's are recognised as revenue to the extent that the Council has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that these criteria, conditions or obligations have not been met. Where such requirements are not enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered as restriction and is recognised as revenue.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the council with no future related costs, are recognised in the statement of Financial Performance in the period in which they become receivable.

5.3. REVENUE FROM EXCHANGE TRANSACTIONS- IPSAS 9

5.3.1 Rendering of services

Council recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be measured reliably. When the outcome of the transaction cannot be measured reliably, revenue is **recognized only to the extent the expenses incurred are recoverable.**

5.3.2 Sale of water

Revenue from the sale of water is recognised when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to Council.

5.3.3 Interest Income

Interest income is accrued using effective yield method. The method applies this yield to the principal outstanding to determine interest income each period. Interest income is included in revenue.

5.3.4 Dividends

Dividends or similar distribution is recognized as revenue when Council's right to receive payment is established.

5.4. BORROWING COSTS

Council capitalises borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying assets as part of the cost of that assets in accordance with the requirements of IPSAS 5.

Council ceases to capitalise borrowing costs when substantially the activities necessary to prepare the qualifying assets for its intended use has been completed.

**TOWN COUNCIL OF ARANOS
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE
ACCOUNTING POLICIES**

5.5. RELATED PARTIES DISCLOSURE

Individuals as their close family members and/or entities are related parties if one party has the ability, directly or indirectly to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Mayor, Management Committee Member, Council Members, Chief Executive Officer and all other Managers reporting directly to the Chief Executive Officer.

5.6. EMPLOYEES COST

The council account for total benefit earned by employees during the financial years as salaries and wages in the statement of financial performance. Council members allowance is also recognized under this category separately.

5.7. RESEARCH AND OTHER RELATED COST

Payment for environmental impact assessment, drafting of infrastructure plans and other expenditure relating to capital project to determine the feasibility are treated in the Statement of Financial Performance.

5.8. PROVISION FOR DOUBTFUL DEBTS

Council maintain a provision for any non-payment, at each Balance sheet date, the council make an assessment as to whether impairment loss need to be recognized.

- Firstly, whether there is evidence of impairment for individual debtors that are significant.
- Secondary, there is evidence of impairment for the group of similar debtors.

The factor to be used will be disclosed in the notes the annual financial statement. Provision for impairment is only applicable to debtors who owe for more than 120 days.

Provision not made for housing and sales of erven debtors. Housing and sales of erven debtors account for 20% of the total outstanding debtors. Therefore, only 80% is considered when calculating provision for doubtful debts.

5.9. DEBTORS WITH CREDIT BALANCE

Only debtors with a credit balance more than N\$50 000, 00 will be reclassified to be payable in the statement of financial position.

5.10. INVENTORY FOR CONSUMABLES- IPSAS 12

Inventory is recognized at the lower of cost, or net realizable value. Inventory is recorded in terms of average cost, with exception to expiry goods which are recognized on the first in, first out. Inventories are recognized as expense when deployed for utilization or consumption in the ordinary course of Council.

**TOWN COUNCIL OF ARANOS
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE
ACCOUNTING POLICIES**

5.11. BUDGET INFORMATION- IPSAS 24

The annual budget figures have been prepared in accordance with the IPSAS 24. This has to be consistent with the accounting policies adopted by the council for the preparation of these Annual Financial Statement. The amounts are scheduled as a separate additional Financial Statement called the Statement of Comparison of Budget and Actual amounts

6. COMPARATIVE FIGURES

Where necessary, comparative figures for the financial years might be amended or re-configured to conform to the required changes in the presentation.

7. POLICY REVIEW

This policy shall be reviewed based on audit demands aligned with any alterations (amendments) to the International Public Sector Accounting Standards (IPSAS).

ANNEXURE F

**TOWN COUNCIL OF ARANOS
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2019 AND 2020**

1.1. INTRODUCTION

The annual financial statements were prepared on the historical cost basis and incorporate the following principal accounting policies, which are consistent in all material aspects with those applied in the previous year.

1.2. PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are stated at cost or valuation, the cost or valuation of these items of property plant and equipment is depreciated on the reducing-balance basis over their expected useful lives.

Summary of the asset register

	2020				2019	
ASSETS	COST N\$	ADDITIONS N\$	DEPRECIATION N\$	BALANCE 30/06/2020 N\$	BALANCE 30/06/2019 N\$	
Loan assets	1 044 101	-	-	1 044 101	1 044 101	
Vehicles	1 720 942	-	(439 588)	1 281 355	1 720 942	
Service lines and infrastructure	45 479 533	3 576 624	(2 362 790)	46 693 368	45 479 533	
Buildings	7 906 433	-	(687 290)	7 219 142	7 906 433	
Plant and equipment	86 328	-	(10 762)	75 566	86 328	
Furniture and fittings	54 840	-	(21 940)	32 901	54 840	
Office equipment	1 545	-	(770)	775	1 545	
Street and sidewalks	3 352 497	810 381	(247 913)	3 914 965	3 352 497	
IT Equipment	61 048	7 608	(26 076)	42 580	61 048	
Non-specific assets	1	-	-	1	1	
Total	59 707 268	4 394 613	(3 797 129)	60 304 754	59 707 268	

Refer to note 4 below.

The assets have not been revalued.

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE

1.4. FUND ACCOUNTS

The following funds were maintained:

Built together

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

	2020	2019	2018
	N\$	N\$	N\$
Opening balance of the Build together fund as at 01 July	6 746 949	-	-
Net transactions	111 243	-	-
Closing balance of the Build together fund as at 30 June	6 858 192	-	-
Opening balance of the Build together advance as at 01 July	1 504 934	-	-
Net transactions	(163 604)	-	-
Incomplete projects	2 658 824	-	-
Closing balance of the Build together advances as at 30 June	4 000 154	-	-

Capital Reserve Fund

The purpose of this fund is to build up a general reserve to ensure that the Council financial position is stable.

Balance of the fund as at 01 July	67 116	67 116	67 116
Transactions	-	-	-
Closing balance of the fund as at 30 June	67 116	67 116	67 116

Housing Fund

This fund has been written back in the 2020 financial year.

Balance of the fund as at 01 July	337 944	301 296	301 296
Transactions	(337 944)	36 648	-
Closing balance of the fund as at 30 June	-	337 944	301 296

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE

	2020	2019	2018
	N\$	N\$	N\$
Fixed Property Fund			
This fund has been written back in the 2020 financial year.			
Balance of the fund as at 01 July	1 009 908	1 009 908	1 009 908
Transactions	(1 009 908)	-	-
Closing balance of the fund as at 30 June	-	1 009 908	1 009 908

Social Housing Fund

This fund has been written back in the 2020 financial year.

Balance of the fund as at 01 July	99 252	99 252	99 252
Transactions	(99 252)	-	-
Closing balance of the fund as at 30 June	-	99 252	99 252

**2. RECEIVABLES FROM EXCHANGE
TRANSACTIONS AND VAT
RECEIVABLES**

	6 245 451	5 433 546	4 455 126
Consumer debtors (account receivables)	22 056 234	17 782 480	14 901 879
Build together fund debtors	-	-	1 658 743
Sundry debtors	6 366	504 562	-
VAT control account	506 469	208 199	733 131
Less: Provision for debt impairment	(16 323 618)	(13 061 695)	(12 838 627)

**RECONCILIATION OF VAT
ACCOUNT**

	506 469	208 199	-
Balance of the fund as at 01 July	208 199	208 199	-
Input	2 804 674	-	-
Output	(1 584 233)	-	-
Refund from the Ministry of Finance	(922 171)	-	-

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE

	2020	2019	2018
	N\$	N\$	N\$
3. CASH AND CASH EQUIVALENTS	560 473	263 988	27 807
Current account (overdraft)/ bank account	560 451	263 966	27 786
Petty cash	22	22	21
OPERATIONAL ACCOUNT RECONCILIATION (BALANCE AS PER BANK STATEMENT)	607 691	266 787	27 786
Cash book balance	(565 022)	262 272	27 786
Outstanding payment	1 190 471	2 301	-
Cash in transit	(17 758)	-	-
Adjustment	-	2 214	-
4. PROPERTY, PLANT AND EQUIPMENT	60 304 754	59 707 268	60 092 908
Refer to note 1.2 above			
5. LOAN RECEIVABLE	4 000 153	4 163 758	2 658 824
Building together advances to buyers	1 341 329	1 504 934	-
Incomplete projects	2 658 824	2 658 824	2 658 824
6. INVESTMENTS	2 139 402	1 109 663	5 064 434
Commercial banks	2 139 402	1 109 663	5 064 434
The investments were allocated as follows:	2 139 402	1 109 663	5 064 435
Standard Bank Namibia Ltd - STANLIB Namibia Unit Trusts	21 173	19 907	323 157
Standard Bank Namibia Ltd - Call account	22 820	421 640	2 783 393
First National Bank Namibia Ltd - Call account	1 560 973	131 314	1 196 359
Standard Bank Namibia Ltd - Decentralised Build account	9 837	12 803	28 330
First National Bank Namibia Ltd - DBT Receipt account	132 241	155 079	641 694

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE

	2020	2019	2018
	N\$	N\$	N\$
Standard Bank Namibia Ltd - STANLIB Namibia Unit Trusts	367 764	346 014	18 605
First National Bank Namibia Ltd - DBT Investment account	24 594	22 906	21 245
Standard Bank Namibia Ltd - BT Disbursement account	-	-	47 207
Bank Windhoek Ltd – Call Deposit Account	-	-	4 270
Bank Windhoek Ltd – Cheque Account	-	-	175

7. PAYABLES FROM EXCHANGE TRANSACTIONS

	19 449 745	18 817 212	12 761 641
Government Loans installments in arrears	2 472 082	2 371 729	2 266 248
Trade payables	1 078 113	4 133 911	3 827 398
Namwater	1 180 475	2 006 489	1 210 714
Nampower	12 949 816	8 483 363	5 194 091
Regional Council	164 902	245 226	109 130
Sundry creditors	516 848	516 848	-
Debtors in advance	919 341	900 597	-
Consumer deposits	168 168	159 049	154 060

- Provision for Regional Council was made as no payments were made to them in these financial years.

- GRN loan is the amount due to the Ministry of Finance for the post-independence loans, provisioned annually but not paid.

-The List of accrued creditors is available and can be found on Journal 15 and were paid July/August 2020.

-Both Nampower and Namwater provision is provided for as a long-term payable, this is old debt and interest.

-Debtors in advance are credits on the debtors account; This can be found on the debtors trial balance.

-Sundry debtors is salary advances and a wrong payment to receiver of revenue (Vote 511).

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE

	2020	2019	2018
	N\$	N\$	N\$
8. STAFF LEAVE PROVISION	1 017 837	-	-
Leave payment reeve	352 476	-	-
Bonus leave	124 950	-	-
Severance provision	540 411	-	-
9. LONG-TERM LIABILITIES	329 922	396 101	457 462
The Government of Namibia	329 922	396 101	457 462
10. CAPITAL OUTLAY	-	59 311 167	59 635 446
Revenue Contributions	-	21 143 658	36 787 064
General Capital Contributions	-	648 000	21 937 610
Loans redeemed	-	37 519 509	910 772
11. FUNDS, ACCOUNTS AND RESERVES	51 331 827	(7 846 257)	(555 450)
Housing Fund	-	337 944	301 296
Build Together Fund	6 858 192	6 746 949	7 142 886
Capital Reserve fund	67 116	67 116	67 116
Fixed property fund	-	1 009 908	1 009 908
Staff Benefits Fund	-	1 111 478	956 713
Social Housing Project	-	99 252	99 252
Revenue account kept in compliance with Section 86(1) of the Local Authorities Act, 1992.	44 406 519	(17 218 904)	(10 132 621)
12. ADJUSTMENT TO APPROPRIATION ACCOUNT	64 515 429	(1 887 299)	-
Expenditure	(1 768)	(1 887 299)	-
Stale cheques	(243 079)	-	-
Funds written back	60 758 273	-	-
Change in accounting policies	4 002 003	-	-

ANNEXURE F

TOWN COUNCIL OF ARANOS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE

	2020	2019	2018
	N\$	N\$	N\$
13. EXPENDITURE	31 734 237	27 979 455	31 362 967
General administration	5 932 421	3 869 251	4 303 557
Council's general expenses	668 096	709 657	2 808 077
Workshop	1 571 455	1 501 637	1 547 802
Cemeteries	49 016	30 752	65 574
Fire Brigade	384 675	303 340	227 380
Civil Defence	242 465	-	-
Licenses	-	269 942	111 659
Sewerage Farm	16	741 312	1 249 740
Sport grounds & parks	181 707	490 771	682 393
Streets, roads & stormwater	124 873	758 889	274 758
Public buildings	-	-	33 103
Townlands and pound	-	-	-
Housing	39 424	95 807	77 114
Natis	262 886	127 840	52 563
Assessment rates	28 805	306 096	1 006 946
Cleansing services	857 685	936 839	1 055 972
Sewerage	394 109	499 682	486 409
Electricity	9 706 140	11 977 092	12 093 805
Water	4 325 055	5 360 548	5 286 115
Non cash items	6 965 409	-	-
14. NON-CASH ITMES	7 021 854	-	-
Depreciation	3 797 128	-	-
Provision for doubtful debts	3 261 922	-	-
Provison for staff leave	(93 641)	-	-
Provsion for severance	56 445	-	-