



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

TOWN COUNCIL OF OUTAPI

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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 Outapi for the financial year ended 30 June 2022, 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 No. 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, March 2025

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 TOWN COUNCIL OF OUTAPI
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

1. DISCLAIMER AUDIT OPINION

I have audited the financial statements of the Town Council of Outapi for the financial year ended 30 June 2022. These financial statements comprise the statement of financial position, statement of financial performance, statement of changes in net assets, statement of cash flow, statement of comparison of budget and actual amounts for the year then ended, summary of significant accounting policies, and notes to the financial statements.

Because of the significance of the matters described in the Basis for Disclaimer Audit Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

2. BASIS FOR DISCLAIMER 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 reasons:

2.1 Comparative figures

The prior year's audit report had a disclaimer of opinion, consequently, auditors could not obtain sufficient evidence to satisfy themselves that the opening retained earnings and comparative figures in the current year statement of financial position, financial performance, statement of changes in net equity, and cash flow statement are fairly presented.

2.2 Debt impairment on receivables

The reported provision for debt impairment of N\$ 35 063 660 is understated by N\$ 3 496 052. The Council's provision was based on an aging of 150 days. The general industry practice amongst Local Authorities in Namibia is to provide for all debtors falling in the age category of 90 days and above. The auditors could, therefore, not satisfy themselves with the valuation of trade receivables.

In the absence of an IPSAS that specifically applies to a transaction, other event, or condition, management may apply an accounting policy from (a) the most recent pronouncements of other standard-setting bodies, and (b) accepted public or private sector practices, but only to the extent that these are consistent with IPSAS 3 paragraph 14 and paragraph 26.

2.3 Correction of prior period errors

Corrections of the prior period errors per the table below were done in the current financial period instead of the restatement of the prior period financial statement as required by IPSAS 3, paragraphs 47 and 48. In addition, the disclosures regarding the reasons for and impact of the restatements were not presented in the financial statements. IPSAS 3, paragraphs 47 and 48 require the disclosure of the nature of the prior period error, the amount of the correction for each financial statement line item affected by the amount of the correction at the beginning of the earliest prior period presented, and if retrospective restatement is impracticable for a particular prior period the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

Details	Amount (N\$)
Recognition of land (PPE)	(4 735 943)
Recognition of Severance pay for 2021	2 048 040
Correction of Build Together fund reserve	(2 002 518)
Erven available for sale	(558 825)
Other	(1 152 283)
Total	<u>6 401 529</u>

The auditors were therefore not satisfied with the completeness of the presentation and disclosures of financial statements in accordance with the IPSAS.

2.4 Property, plant and equipment

The fixed assets register is not updated and lacks content of the following:

- The asset register does not include identification details of some of the individual assets recorded.
- Residual values were not considered in depreciation calculations.
- Accumulated depreciation is not reflected in the fixed assets register and the financial statements.

The auditors could therefore not satisfy themselves with the accuracy, valuation and completeness of the recorded property, plant and equipment.

2.5 Provision for employee benefits

The provision for severance pay of N\$ 2 243 432 (a post-employment) benefit was determined in a manner not consistent with IPSAS 39, paragraph 68 which requires the use of actuarial assumptions in measuring the obligation and the expense, and there is a possibility of actuarial gains and losses. Moreover, the obligations should be measured on a discounted basis, because they may be settled many years after the employees render the related service. The severance pay obligation is overstated since it was not discounted. Secondly, the leave pay provision of N\$ 2 715 421 is classified as a non-current liability contrary to the requirements of IPSAS 39, paragraph 9(b) which classify it as a short-term benefit. The net working capital position is misstated due to the understatement of current liabilities.

The auditors could therefore not satisfy themselves with the valuation, presentation, and disclosure of the provision for severance pay as well as the classification of the leave pay provision.

2.6 Land reconciliation

The Council did not provide a land reconciliation detailing the total land size under its jurisdiction and allocated to the relevant categories by land use. The auditors could therefore not satisfy themselves with the accuracy and completeness of the land recognised under property, plant and equipment, investment property, and inventory.

2.7 Equity investment

The Council holds 15 shares of the total issued share capital of Local Authority Electricity Company (Pty) Ltd (LAEC), whose main asset is the investment in NORED Electricity (Pty) Limited. No other information could be received from LAEC to enable management to determine the classification of the investment and related accounting treatment. The auditors could therefore not satisfy themselves with the investment's accuracy, classification, and valuation.

2.8 Provision for dumpsite rehabilitation

No provision for dumpsite rehabilitation was made in these financial statements despite legal and environmental obligations related to the closure and rehabilitation of the landfill sites. Therefore, the auditors could not satisfy themselves with the valuation and completeness of liabilities.

2.9 Financial reporting disclosure deficiencies

The following deficiencies were noted on the disclosures in the financial statements, which are required in terms of the International Public Sector Accounting Standards (IPSAS):

- The accounting policies per these financial statements (items 2.9, 2.10, 2.14, 2.15, and 2.24) are not consistent with IPSAS;
- The Council did not disclose in its accounting policies for financial instruments, work-in-progress, net assets (funds and accumulated surplus), leases, and equity investments N\$ 15 (2021: N\$ 15);
- The Council did not disclose significant judgments and key sources of estimation uncertainty;
- Item 2.17 of the financial statements defines revenue from exchange transactions and revenue from non-exchange transactions but the accounting policies for material revenue lines were not provided;
- The Town Council did not disclose contingency assets and liabilities, subsequent events, commitments as well as its risk management practices;
- The following related party transactions and balances disclosures required by IPSAS 20 – Related Parties, paragraph 34, were omitted from the financial statements:
 - compensation paid to key management personnel
 - compensation paid to close family members key management personnel
 - transactions and balances with key management personnel

- The disclosure notes 9 and 10 for employee costs of N\$ 18 487 013 and general expenses of N\$ 7 540 200 in the financial statements are obscured by the presentation of some expense items multiple times on the same expense category (function) and without disclosure of the motive for such presentation;
- There is no presentation of the comparative note for property, plant, and equipment in these financial statements; and
- There is an unexplained amount of N\$ 3 923 222 on note 24 (Reconciliation of cash generated from operations).

The auditors were therefore not satisfied with the completeness of the presentation and disclosures of financial statements in accordance with IPSAS.

3. 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 control as management determines is necessary to enable the preparation of the 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 Council'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 Council 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.

4. 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 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, 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 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 uses 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 to it 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.
- 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 the 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 the auditor's 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.


5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements were submitted by the Accounting Officer to the Auditor-General in terms of Section 87 of the Local Authorities Act, 1992 (Act No. 23 of 1992), except that they were submitted on 4 October 2022 instead of three (3) months after the year-end as required by the Act.

6. ACKNOWLEDGEMENT

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

WINDHOEK, March 2025


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

TOWN COUNCIL OF OUTAPI
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	Note	2022 N\$	2021 N\$
ASSETS			
Current assets		20 545 552	19 508 352
Cash and cash equivalent	14	8 363 044	8 975 448
Trade and other receivables	15	11 046 640	10 099 295
Inventory	16	989 904	433 609
Loan receivables: short-term	21	145 964	-
Non-current assets		72 436 362	69 583 548
Loan receivables: long-term	21	890 701	-
Property, plant and equipment	18	66 799 542	68 928 732
Work-in-progress	17	4 746 104	654 801
Investments: Nored		15	15
Total assets		92 981 914	89 091 900
NET ASSETS AND LIABILITIES			
Current Liabilities		13 618 321	16 977 646
Trade and other payables	19	9 287 319	10 788 704
Bank overdraft	14	-	253 731
Consumer deposit		1 943 585	1 854 129
Unused government grants		2 077 146	3 770 811
Employee benefits: current portion	20	310 271	310 271
Non-current liabilities			
Employee benefits	20	4 958 853	2 492 246
Net assets		74 404 740	69 622 008
Funds		4 986 866	7 094 385
Accumulated surplus/(deficit)		69 417 874	62 527 623
Total net asset and liabilities		92 981 914	89 091 900

ANNEXURE B

TOWN COUNCIL OF OUTAPI

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE

		2022	2021
	Note	N\$	N\$
Revenue		58 518 325	49 983 309
Revenue from exchange transactions		51 342 725	43 896 882
Rates and taxes		18 927 818	14 374 124
Other income-exchange	3	7 928 706	7 307 778
Income from refuse removal	4	5 994 779	5 255 151
Income from sales of Erven	5	1 480 020	1 834 589
Income from water	6	12 415 316	11 175 239
Income from sewerage		4 530 066	3 905 762
Interest on investment	7	66 020	44 239
Revenue from non-exchange transactions		7 175 600	6 086 427
Government subsidy		4 977 378	3 500 026
Income from surcharges		1 340 167	1 337 868
Subsidy: Road Fund Administration (RFA)		853 055	1 238 855
Fees, license, fines, and penalties	8	5 000	9 678
Expenses		58 029 602	54 379 972
Employees related cost	9	18 487 013	18 114 961
Allowances council members		483 092	483 092
General expenses	10	7 540 200	6 811 382
Repair and maintenance	11	191 419	86 920
Fuelling and lubricants		240 893	158 192
Purchasing of water		8 462 334	7 323 406
Electricity consumption	12	3 366 078	3 473 361
Insurance		188 770	178 269
Refuse removal		2 588 843	2 534 444
Security services	13	938 452	906 313
Contribution to Regional Council		742 167	667 985
Depreciation and amortisation expenses		7 184 612	6 770 569
Leave days and bonus provision		448 113	363 896
Bad debt expenses		7 167 616	6 507 182
Surplus/ (deficit) for the year		488 723	(4 396 663)

ANNEXURE C

TOWN COUNCIL OF OUTAPI

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

	Funds	Accumulated surplus/ (deficit)
	N\$	N\$
Balance as at 01 July 2020	7 948 582	72 724 955
Changes in accounting policies, errors, and corrections	-	(5 800 669)
Decrease in funds	(854 197)	-
Surplus/(deficit) for the period	-	(4 396 663)
Balance as at 30 June 2021	7 094 385	62 527 623
Changes in accounting policies, errors, and corrections	-	6 401 528
Increase in funds	93 959	-
Correction to funds	(2 201 478)	-
Surplus/(deficit) for the period	-	488 723
Balance as at 30 June 2022	4 986 866	69 417 874

ANNEXURE D

**TOWN COUNCIL OF OUTAPI
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE**

	Note	2022 N\$	2021 N\$
Cash flow from operating activities			
Receipts		56 623 770	52 814 249
Receipts from exchange and other non-exchange transactions	24	51 646 392	49 314 223
Government Subsidy		4 977 378	3 500 026
Payments		(54 359 284)	(48 098 237)
Payment to suppliers and on behalf of employees	25	(54 359 284)	(48 098 237)
Net cash flow from operating activities		2 264 486	4 716 012
Cash flow from investing activities			
Purchase of property, plant, and equipment	26	(319 479)	(189 835)
Work In progress	27	(4 091 303)	(3 288 721)
Net cash flow from investing activities		(4 410 782)	(3 478 556)
Cash flow from financing activities			
Utilisation of Government Grants	28	1 693 665	3 770 811
Increase in funds and reserves	29	93 958	(854 197)
Net cash flow from financing activities		1 787 623	2 916 614
Net increase/decrease in cash and cash equivalent		(358 673)	4 154 070
Other (*)		-	164 745
Cash and cash equivalent at the beginning of the year		8 721 717	4 402 902
Cash and cash equivalent at the end of the year		8 363 044	8 721 717

(*) Unexplained balancing figure

ANNEXURE E

TOWN COUNCIL OF OUTAPI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2022

	Budgeted Amount	Actual Amount	Variance	Achieved %
	N\$	N\$	N\$	
Receipts	107 051 182	58 518 325	(48 532 858)	55%
Receipts from Exchange Transactions	96 098 389	51 342 725	(44 755 664)	53%
Rates and taxes	19 215 278	18 927 818	(287 460)	99%
Other income-exchange	24 981 523	7 928 706	(17 052 817)	32%
Income from refuse removal	5 126 172	5 994 779	868 607	117%
Income from sales of erven	29 820 531	1 480 020	(28 340 511)	5%
Income from water	12 759 820	12 415 316	(344 504)	97%
Income from sewerage	3 880 065	4 530 066	650 001	117%
Interest on investment	315 000	66 020	(248 980)	21%
Receipts from Non-exchange Transactions	10 952 793	7 175 600	(3 782 193)	66%
Government Subsidy	8 000 000	4 977 378	(3 022 622)	62%
Income from surcharges	1 802 793	1 340 167	(462 626)	74%
Subsidy: RFA	1 150 000	853 055	(296 945)	74%
Fees, license, fines, and penalties	-	5 000	-	-

**TOWN COUNCIL OF OUTAPI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2022 (Continued)**

	Budgeted Amount	Actual Amount	Variance	Achieved %
	N\$	N\$	N\$	
Payments	93 477 863	43 229 261	50 248 602	46%
Employees related cost	21 976 508	18 487 013	3 489 495	84%
Allowances council members	724 638	483 092	241 546	67%
General expenses	53 721 979	7 540 200	46 181 779	14%
Repair and maintenance	350 000	191 419	158 581	55%
Fuelling and lubricants	200 000	240 893	(40 893)	120%
Purchasing of water	7 471 069	8 462 334	(991 265)	113%
Electricity consumption	4 065 601	3 366 078	699 523	83%
Insurance	200 000	188 770	11 230	94%
Refuse removal	2 700 000	2 588 843	111 157	96%
Security services	1 107 304	938 452	168 852	85%
Contribution to Regional Council	960 764	742 167	218 597	77%
Net Receipts/(Payments) from operating activities	13 573 319	15 289 064	(1 715 745)	-
Capital Expenditures: Property, plant, and equipment	(13 573 319)	(4 410 782)	(9 162 537)	
Reconciliation to the Surplus or Deficit				
Net Receipts/(Payments) from operating activities		15 289 064	-	-
Non-cash items	-	(14 800 341)	-	-
Depreciation and amortisation expenses	-	7 184 612	-	-
Leave days and bonus provision	-	448 113	-	-
Bad debt expenses	-	7 167 616	-	-
Surplus/ (deficit) reconciliation		488 723	-	-

**TOWN COUNCIL OF OUTAPI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED
30 JUNE 2022 (Continued)**

VARIANCE ANALYSIS

Rates and Taxes

Budget execution met the Council target.

Other Income-Exchange

Planned revenue from the service of smart housing did not materialize during the financial year.

Income from Refuse Removal

Budget execution met the Council target.

Income from Sales of Erven

Proposed sales of erven from Smart Housing will take place in the 2022/2023 financial year.

Income from Water

Budget execution met the Council target.

Income from Sewerage

Proposed development e.g. NHE Ext 11 and Nakayale Proper were only implemented in the next financial year.

Interest from Investment

The Council planned to invest excess cash from sales of erven, however, the erven were not paid up, hence the Council could not invest to earn interest.

Government Subsidy

Government allocation was cut by the line Ministry.

TOWN COUNCIL OF OUTAPI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED
30 JUNE 2022 (Continued)

Income from Surcharges

Planned surcharges increase in correlation with the increase in development.

Subsidy RFA

Budget and executed correctly.

Fees, License, Fines and Penalties

The Council does not budget for undesirable revenue activities.

Employees Related Cost

The Council proposed a salary increment in the budget, which was rejected by the line Ministry.

Allowances Council members

The proposed allowance increase made by the Association of Local Authorities was not approved by the Ministry of Urban and Rural Development.

General Expenses

The Council cut on general expenses, for example traveling allowance.

Repairs and Maintenance

The Council saved on repairs and all equipment are properly serviced to avoid breakdown.

Fuel and Lubricants

The Council minimized S&T to save costs.

Purchasing of Water

Planned town expansion from Nakayale Proper and NHE houses did not materialize.

Electricity Consumption

Expenditure executed properly.

**TOWN COUNCIL OF OUTAPI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED
30 JUNE 2022 (Continued)**

Insurance

Expenditure executed properly.

Refuse Removal

Expenditure executed properly.

Security Services

Over budget on security because of Olefa open market.

Contribution to Regional Council

The Council based the payment on the actual while the budget is based on the levy.

**TOWN COUNCIL OF OUTAPI
ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022**

1. INTRODUCTION

The Accounting Policies for Outapi Town Council have been prepared in accordance with International Public Sector Accounting Standards (IPSASs), from July 2018. Having previously prepared its financial statements according to the industry standard. Where there is no specific guidance in the Standard, the Council has developed its 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
- 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 year under review.

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

TOWN COUNCIL OF OUTAPI
ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022 (Continued)

Where income and expenditure has been 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 VALUE-ADDED TAX (VAT)

VAT collected is payable to the Ministry of Finance. Any amounts outstanding (payment or receipt) at the year-end date are held as a creditor or debtor after netting off the amounts either due or owed. The amount owed/ receivable may not balance with Receiver of Revenue figures because of different accounting concepts that the government is using.

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, Council should provide:

- The reason why applying the new accounting policy provides reliable and more relevant information
- If retrospective application is impractical for the particular 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.

Errors that 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 that 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 in 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.

**TOWN COUNCIL OF OUTAPI
ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022 (Continued)**

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. They are not recognized in the Statement of financial position but are 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 are 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 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. Overdrafts 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.

**2.9 ACCOUNTING FOR CONSUMER DEPOSIT AND EMPLOYEE BENEFIT
PROVISION**

Consumer Deposit is accounted under current liabilities because the Account receivable to which the account is related is accounted under current assets.

TOWN COUNCIL OF OUTAPI
ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022 (Continued)

Provision for employee benefit is accounted under Non-current liabilities, this is because, Outapi Town Council will continue to exist in a near feasible future (going concern), hence, which employees. Where are known employees, who will retire or resign in the next 12 months, this will be accounted under current liabilities.

2.10 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, plant, and equipment 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. The carrying amount for an item for Property, plant, and equipment 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 the 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 on a full-year basis on the year of acquisition and the year of disposal as follows:

2.11 NON-CURRENT ASSET CLASSIFICATION AND USEFUL LIFE

• Buildings and Plants	20 Years	5%
• Machinery	10 Years	10%
• Office Equipment	5 Years	20%
• Motor Vehicles	5 Years	20%
• Office Furniture and Fittings	10 Years	10%
• Computer Equipment's	5 Years	20%
• Other Assets	5 Years	25%
• Intangible assets (impairment assessments)		
• Investment properties: These are items of land and/or buildings held solely for 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 condition 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.

**TOWN COUNCIL OF OUTAPI
ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022 (Continued)**

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

- **Investments:** Investments include shares owned by an organization that do not meet the requirement to be classified as investment in associate in terms of IPSAS 36. Investment may also include cash held at the bank which will not be used in the next 12 months.

Investments

Investments include shares owned by an organisation that does not meet the requirement to be classified as investment in associate in terms of IPSAS 36. Investment may also include cash held at the bank which will not be used in the next 12 months.

2.12 INVESTMENT PROPERTIES - IPSAS 16

Investment properties are measured using the fair value model, using the gazetted valuation as a model to account for all investment properties. Fair value is time-specific as of the given date, however, the Council opts not to revalue every year but rather to use amend according to the general valuation and interim valuation.

2.13 INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS

A notable investment owned by the Council is an investment in Local Authority Electricity Company (Pty) Ltd known as LAEC. This investment is worth N\$ 15 Shares and has been accounted at a fair value of investment value received from LAEC. No other information could be received from LAEC to account for this investment as an Associate because the company (LAEC) is not functional

2.14 NON-CURRENT ASSET VALUATION METHODOLOGY

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

2.15 IMPAIREMENT 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 OUTAPI
ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022 (Continued)

2.16 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.

2.17 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 transactions that occurred to Outapi Town Council directly in return for service rendered/ goods sold, the value of which approximates the consideration received or receivables.

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

2.18 GOVERNMENT GRANTS AND OTHER DONATIONS

Conditional grants, donations, and funding are recognised as revenue to the extent that the Town 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 a restriction and is recognised as revenue.

Government grants that are receivable as compensation for expenses or losses already incurred or to give 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.

2.19 BORROWING COSTS

Outapi Town 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. Outapi Town 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 OUTAPI
ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022 (Continued)

2.20 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 or as designated by the Chief Executive Officer.

2.21 EMPLOYEES COST

The Council accounts for total benefits earned by employees during the financial year as salaries and wages. Council members' allowance is also recognized under this category.

2.22 RESEARCH AND OTHER RELATED COST

Payment for environmental impact assessment, drafting of infrastructure plans, and other expenditures relating to capital projects to determine the feasibility are treated in the Statement of financial performance.

2.23 PROVISION FOR DOUBTFUL DEBTS

Outapi Town Council maintains a provision for any nonpayment, at each Balance sheet date, where there is a need; the Council assesses as to whether impairment loss needs to be recognized.

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

The factor to be used will be disclosed in the notes of the annual financial statement. Provision for impairment is only applicable to debtors who at 150 days plus.

2.24 SALES OF ERVEN

Sales of erven is recognized as revenue when the condition of sales as communicated to clients are per council resolution is fulfilled. Associated cost of sales has to be recognized using the gazzetted valuation as at date of sales. The Council will not carry out appraiser valuation to determine the cost of sales of erven (considering cost and benefit analysis)

**TOWN COUNCIL OF OUTAPI
ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022 (Continued)**

2.25 INVENTORY FOR CONSUMABLES AND SERVICED ERVENS

- **Consumables**

Inventory is recognized at the lower of cost, or net realizable value. Inventory is recorded in terms of average cost, with the exception of expiry goods which are recognized on the first in, first out.

- **Serviced erven available for sale**

Unsold erven are to be recorded at the Lower of cost and net realizable value. The Council determines the value using the approved valuation roll. Cost of sales is to be recognized as expenditure; while the proceeds generated from sales of erven are recognized as revenue during the financial year it occurred.

- **Water in pipes/Accrued expenditure for water at year-end**

The Council receives its bills for water from Namwater dated before the financial year-end. An amount of water has to be consumed between the last reading date and until year end. The Council has to request the reading on the water meter at year end. This will result in an amount due for water expenditure to increase. All water reservoirs are owned by Namwater (hence the Council does not keep inventory for water).

2.26 BUDGET INFORMATION

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 statements. The amounts are scheduled as a separate additional financial statement called the Statement of comparison of budget and actual amounts.

2.27 APPLICATIONS

Accounting policies are applicable as of 1 July 2018, and all future financial statements are to be prepared based on this policy.

TOWN COUNCIL OF OUTAPI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE

	2022 N\$	2021 N\$
3. Other Income-Exchange	7 928 706	7 307 778
Interest on arrears	4 239 759	3 703 921
Open market fees	419 445	416 851
Contributions	-	229 189
Open market fees	228 386	177 065
Site rent: informal settlement	608 734	588 819
Reconnection fees	341 745	299 969
Advertisement boards levies	321 621	297 247
Fire brigade levies	371 399	341 039
Fitness certificates	296 871	286 591
Approval of plans	135 983	170 179
Leasing of land	89 860	103 843
Open market fees	48 628	53 753
Administration costs	44 150	52 465
Lease / hire truck/equipment	84 347	70 617
Connection to services	138 198	64 145
Clearance certificates	45 392	54 786
Tender document fees	127 236	12 422
Inspection fees: businesses	51 667	53 026
Commission	42 047	47 041
Hiring of mobile toilets	26 739	24 913
Connection to services	60 488	56 149
PTO rental	33 096	24 140
Home-based garages	20 696	22 050
Business registration fees	14 389	14 650
Pound income and auctions	7 988	2 833
Completion certificate	34 238	16 011
Sundries	5 252	7 242
Hiring of chairs	-	4 413
Sundries	1 452	1 932
Draining of septic tank	4 358	4 953
Sale of water prepaid tokens	3 621	2 269

TOWN COUNCIL OF OUTAPI**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE****(Continued)**

	2022	2021
	N\$	N\$
3. Other Income-Exchange (continued)		
Sundries	12 685	7 064
Hiring of lawnmower	87	1 391
Municipal valuation certificate	6 026	1 004
Sundries	1 277	31 030
Hiring of tables	348	800
Sales of water	593	576
Surplus banked	-	1 456
Sundries	833	137
Sale of wash house voucher	1 739	15 652
Sale of treated water	29 307	24 685
Open market fees	23 324	14 205
Sundries	-	522
Betterment fees	838	970
Sundries	3 031	138
Sundries	-	203
Hiring of an overhead projector	260	434
Hiring of VCR & monitor	-	1 130
Endowment fees	-	1 858
Sundries	300	-
Sectional title fees	273	-
4. Income from refuse removal	5 994 779	5 255 151
Removal: Refuse	3 749 873	3 364 311
Removal: Garden/Bulk refuse	1 256 520	1 011 350
Cleaning: Streets & open space	988 386	879 490
5. Income from sales of erven	1 480 020	1 834 589
Sale of Erven Instalment: Residential	219 554	458 120
Sale of Erven: Businesses	11 015	91 751
Sale of Erven Instalment: Business	1 056 370	1 135 086
Sale of Erven: Residential	193 081	149 632

ANNEXURE F

TOWN COUNCIL OF OUTAPI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(Continued)

	2022	2021
	N\$	N\$
6. Income from water	12 415 316	11 175 239
Sales of water	12 277 273	11 027 908
Sales water: prepaid	110 043	108 100
Sales water: prepaid	28 000	39 231
7. Interest on investment	66 020	44 239
Interest on investments	51 972	32 291
Interest on current account	14 048	11 948
8. Fees, licence, fines and penalties	5 000	9 678
Fines	-	8 348
Fines	-	1 330
Fines	5 000	-
9. Employees related cost	18 487 013	18 114 961
Social Security	-	202
Telephone allowance	27 600	27 600
Workmen compensation	48 504	49 685
Salaries	942 733	942 733
Overtime	58 613	41 892
Medical aid	103 838	97 697
13th Cheque	78 561	78 561
Pension Fund	204 573	204 573
Social Security	2 916	2 916
Housing subsidy	377 093	377 093
Telephone allowance	21 588	21 588
Vehicle allowance	102 701	102 701
Transport allowances	15 408	15 408
Entertainment: Town Clerk	1 275	4 539
Travelling & accommodation	71 637	38 432
Salaries	1 084 786	1 084 686
Overtime	83 753	50 416

TOWN COUNCIL OF OUTAPI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(Continued)

	2022	2021
	N\$	N\$
9. Employees related cost (continued)		
Medical Aid	322 101	289 801
13th Cheque	90 399	90 399
Pension Fund	235 399	235 399
Social Security	4 860	4 860
Housing allowance	107 078	113 419
Housing subsidy	219 758	207 077
Telephone allowance	9 600	9 600
Vehicle allowance	86 707	89 316
Transport allowances	30 816	30 816
Salaries	2 333 533	2 113 669
Overtime	62 825	39 769
Medical Aid	403 396	319 332
13th Cheque	181 061	173 481
Pension Fund	506 571	458 666
Social Security	10 684	9 521
Housing allowance	148 192	135 788
Housing subsidy	637 388	576 362
Salaries	389 000	642 025
Overtime	-	1 538
Medical Aid	43 341	80 878
13th Cheque	23 685	73 235
Pension Fund	84 413	129 649
Housing allowance	77 800	28 702
Social Security	1 053	2 025
Housing subsidy	-	181 581
Transport allowances	5 778	6 420
Telephone allowance	9 600	11 925
Vehicle allowance	89 316	124 530
Salaries	654 997	654 997
Medical Aid	145 979	131 665
13th Cheque	54 583	54 583
Pension Fund	142 134	142 134

TOWN COUNCIL OF OUTAPI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE

(Continued)

	2022	2021
	N\$	N\$
9. Employees related cost (continued)		
Social Security	1 944	1 944
Housing subsidy	261 999	261 999
Telephone allowance	9 600	9 600
Vehicle allowance	89 316	89 316
Transport allowance	7 704	7 704
Salaries	1 078 343	1 078 343
Overtime	15 285	4 148
Medical Aid	75 408	43 478
13th Cheque	89 862	89 862
Pension Fund	234 001	234 001
Social Security	4 860	4 860
Housing allowance	58 790	68 213
Housing subsidy	313 757	294 911
Telephone allowance	8 100	8 900
Vehicle allowance	86 314	86 314
Transport allowance	30 816	30 816
Salaries	199 721	199 721
Overtime	15 282	8 087
Medical Aid	45 479	41 667
13th Cheque	16 643	16 643
Pension Fund	43 339	43 339
Social Security	972	972
Housing allowance	39 944	39 944
Transport allowance	7 704	7 704
Contractual Labour	8 000	-
Salaries	152 654	152 654
Overtime	1 384	1 597
Medical Aid	32 212	30 651
13th Cheque	12 721	12 721
Pension Fund	33 126	33 126
Social Security	972	972

TOWN COUNCIL OF OUTAPI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(Continued)

	2022	2021
	N\$	N\$
9. Employees related cost (continued)		
Housing Subsidy	61 062	61 062
Stand-by allowance	13 500	14 500
Transport allowances	7 704	7 704
Security services	83 708	75 790
Salaries	397 904	397 904
Medical Aid	64 114	61 485
13th Cheque	33 159	33 159
Pension Fund	86 345	86 345
Social Security	972	972
Housing subsidy	159 162	159 162
Telephone allowance	9 600	8 800
Vehicle allowance	89 316	89 316
Salaries	155 654	152 654
Overtime	319	256
Medical Aid	22 691	20 039
13th Cheque	12 721	12 721
Pension Fund	33 126	38 239
Social Security	972	1 134
Housing subsidy	61 062	65 773
Stand-by allowance	4 250	5 000
Transport allowances	7 704	8 988
Salaries	241 050	241 050
Overtime	32 536	33 799
Medical Aid	42 475	31 131
13th Cheque	20 088	20 088
Pension Fund	52 308	52 308
Social Security	1 944	1 944
Housing allowance	44 193	48 210

TOWN COUNCIL OF OUTAPI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE

(Continued)

	2022	2021
	N\$	N\$
9. Employees related cost (continued)		
Stand-by allowance	12 750	13 250
Transport allowance	15 408	15 408
Housing subsidy	8 035	-
Salaries	141 346	141 346
Medical Aid	52 352	49 347
13th Cheque	11 779	11 779
Pension Fund	30 672	25 560
Social Security	972	810
Housing allowance	28 269	23 558
Stand-by allowance	4 250	4 000
Transport allowance	7 704	6 420
Salaries	248 574	248 574
Overtime	2 280	993
Medical Aid	101 741	90 561
13th Cheque	20 714	20 714
Pension Fund	53 941	53 941
Social Security	1 835	1 835
Housing allowance	19 184	19 184
Housing subsidy	61 062	61 062
Transport allowance	15 408	15 408
Salaries	671 777	561 296
Overtime	76 000	40 246
Medical Aid	160 965	130 156
13th Cheque	56 818	46 775
Pension Fund	145 776	130 519
Social Security	4 779	4 212

TOWN COUNCIL OF OUTAPI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(Continued)

	2022	2021
	N\$	N\$
9. Employees related cost (continued)		
Housing allowance	134 355	120 294
Stand-by allowance	15 250	8 750
Transport allowance	37 878	33 384
Salaries	680 349	680 349
Overtime	41 603	50 242
Medical Aid	169 890	166 834
13th Cheque	56 695	56 695
Pension Fund	147 635	147 635
Social Security	4 860	4 860
Housing allowance	136 070	136 070
Stand-by allowance	16 000	16 750
Transport allowance	38 520	38 520

ANNEXURE F

TOWN COUNCIL OF OUTAPI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(Continued)

	2022	2021
	N\$	N\$
10. General expenses	7 540 200	6 811 382
Donations	999	-
Entertainment: Mayor	4 331	10 798
Entertainment: Council	56 423	51 573
Incidental expenses	12 961	1 500
General legal expenses	375 640	245 286
Municipal Association contribution	64 100	55 700
Publicity	17 519	3 671
Wards committees incentives	28 000	7 800
Travelling & accommodation	116 881	34 908
Advertising	4 590	14 460
Courier services	174 559	76 216
Cleansing	-	15 831
Vehicle Licence fees	9 103	8 020
Materials and stores	34 293	35 000
Postage and stamps	57 192	105 877
Printing and stationery	39 144	35 410
Internet utility	1 979	43 423
Professional fees	156 326	-
Rental: photocopier	44 669	48 843
Telephone	157 143	152 987
VIP payroll package	-	17 336
Trainees allowances	24 800	28 800
Training personnel	-	800
Travelling & accommodation	45 533	18 690
Office cleaning	245 700	211 852
Computer	3 000	-
Air conditioning	-	3 150
Office equipment	217	10
ICT technical support	138 821	101 419
Vehicles	115 287	29 991

TOWN COUNCIL OF OUTAPI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(Continued)

	2022	2021
	N\$	N\$
10. General expenses (continued)		
Vehicles services	18 549	144 255
Servicing of air-conditioners	9 100	5 868
Telephone allowance	17 700	17 700
Vehicle allowance	175 630	175 630
Transport allowances	69 336	60 348
Bank charges	400 030	541 035
Interest paid	-	3 218
Materials and stores	1 598	14 437
Protective clothing	823	-
Munsoft annual license fees	12 200	198 790
Monthly service agreement	409 200	377 520
Monthly disaster recovery centre	134 200	135 300
Travelling & accommodation	77 743	7 528
Computer	-	750
Travelling & accommodation	32 052	1 654
Hiring of equipment	28 874	-
Security services	83 019	75 273
Refuse disposal	-	7 990
Animal collectors	30 000	43 800
Travelling & accommodation	24 687	-
Beautification of town	10 475	-
Chubb fire extinguisher	-	3 501
Materials and stores	19 667	-
Advertising	7 762	21 429
Deeds office returns	270	2 952
Compensation	41 705	231 525
Professional fees	62 158	11 220
Protective clothing	8 360	-
Travelling & accommodation	31 710	25 921
COVID 19 related expenses	17 399	-

ANNEXURE F

TOWN COUNCIL OF OUTAPI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(Continued)

	2022	2021
	N\$	N\$
General expenses (continued)		
Land survey	329 559	-
Registration expenses	9 785	-
Subdivision	-	39 886
Printing and stationery	81 387	206 152
Town planning layout	122 050	-
Postage and stamps	59 077	-
General valuation	147 150	-
Materials and stores	-	60 393
Gravelling of streets/ roads	1 023 438	1 084 722
Contributions: emergency	-	42 148
Equipment	-	58 062
Office cleaning	57 200	66 800
Advertising	32 465	10 483
Materials and stores	-	15 745
Illegal removal of street vendors	-	6 900
Travelling & accommodation	31 985	14 953
Marketing tools	20 080	4 347
Strategic Plan	27 200	-
Cleaning: open market	100 211	111 478
Incentives: market committees	1 000	14 200
Travelling & accommodation	4 553	-
Renovation: open markets	-	75 868
Cleaning wash house	136 800	106 737
Spare parts	53 232	2 848
Planning - layout	-	602 408
Professional fees	-	40 768
Water reticulation-VTC	-	5 200

ANNEXURE F

TOWN COUNCIL OF OUTAPI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(Continued)

	2022	2021
	N\$	N\$
General expenses (continued)		
Cleaning: open market	60 000	59 500
Cleaning open market	115 800	115 073
Cleaning: open market	1 400	-
Dust bin	124 665	118 870
Travelling & accommodation	803	-
Pendula drums	-	54 400
Materials and stores	34 333	25 994
Network manholes	173 650	19 000
Pumps	216 961	89 490
Cleaning of pumps	46 300	10 147
Contractual labour	16 032	16 250
Materials and stores	285 578	265 566
Sewer Ext. 4	4 507	-
Cost of ervens	550 672	-
Protective clothing	16 095	-
Travelling & accommodation	2 674	-
11. Repairs and maintenance	191 419	86 920
Buildings – repairs and maintenance	66 395	86 920
Repairs and maintenance	125 024	-
12. Electricity consumption	3 366 078	3 473 361
Departmental electricity	2 917 234	3 080 570
Departmental electricity	440 106	392 791
Departmental electricity	8 738	-

ANNEXURE F

TOWN COUNCIL OF OUTAPI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(Continued)

	2022	2021
	N\$	N\$
13. Security Services	938 452	906 313
Security services	264 469	249 116
Security services	146 681	178 328
Security services	130 718	169 189
Security services (plant)	95 301	211 059
Security service (wash house)	48 178	-
Security service (Epona)	28 800	-
Security services	104 466	69 164
Security services	119 839	29 457
14. Cash and Cash equivalent		
LED /GIZ account	47 108	46 991
SDFN-Call account	17 094	17 046
OTC-Bank Windhoek Call account	576 382	576 335
Build Together: Call account	393 318	406 771
Build Together: Disbursement account	1 933	4 256
Build Together: Receipt account	2 322 222	2 213 672
OTC-FNB Call account	2 808 114	4 510 763
SDFN-Receipt account	1 215 693	1 199 614
Bank Account - FNB	981 180	-
	8 363 044	8 975 448
Bank Account-FNB – Overdraft	-	(253 731)
Net Balance	8 363 044	8 721 717

TOWN COUNCIL OF OUTAPI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
(Continued)

	2022	2021
	N\$	N\$
15. Trade and other receivables	11 046 640	10 099 295
Build together advances	-	1 102 886
Shack dwellers advances	-	12 891
Debtors	44 653 172	36 250 917
Bad debts	(35 063 660)	(27 896 044)
Nored	231 894	254 669
Suspense account	-	249 840
Unclaimed salaries	-	7 751
Other debtors - refunds	100 406	-
VAT control account	1 124 828	116 385
16. Inventory	989 904	433 609
Stock on hand	431 079	433 609
Erven available for sale	558 825	-
17. Work In Progress	4 746 104	654 801
Sewer Ext. 8 and water Ext. 13	1 898 230	498 367
Olefa open market	308 433	156 434
Addition of Office Building – HR	80 844	-
Water reticulation VTC	199 293	-
Electrical infrastructure	47 389	-
Sewer and water Ext. 12	2 211 915	-