



**AFADZATO SOUTH DISTRICT
ASSEMBLY AUDITED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025**

GENERAL INFORMATION

DISTRICT CHIEF EXECUTIVE

Mr. Manfred Tawiah
Period Appointed:2025

PRESIDING MEMBER

EXECUTIVE MANAGEMENT COMMITTEE

Mr. Manfred Tawiah
Mr. Albert Fia
Mr. Gator F. Dzodzorbua
Mr. John Ametefe
Mr. Godsway A. Afenyo
Ms. Josephine Ndor
Mr. Godwin Osabutey
Mr. George G. Hodzi

MANAGEMENT

Mr. Kodjo Mawugbe, District Coordinating Director
Mr. Fabian Vorvor, District Coordinating Director
Mr. Joseph Norgbenyo, District Finance Officer
Mr. Oscar Agbenya, District Finance Officer
Mr. Maxwell Nana Kwadzo Appiah, District Finance Officer
Mr. Terrance Abotsi, District Budget Officer
Mr. Henry Yevu, District Administrator & HRD
Ms. Precious Dzorgbenu Procurement Manager
Mr. Michael Enschil, Infrastructure Manager
Mr. Innocent Onai, Internal Auditor

BRIEF PROFILE OF AFADZATO SOUTH DISTRICT ASSEMBLY

The Afadzato South District Assembly (ASDA) is one of the eighteen (18) districts in the Volta Region, Ghana and established by L.I. 2369 when Afadzato District was carved out of it in 2012. Agriculture farming remains the larger component of the local economy and constitutes over 70% of the population. The ASDA is bounded to the North by Hohoe Municipal, to the south by South Dayi District, to the East by Kpando District and West by Togo. The ASDA has an estimated population of 35,654 with 17,420 (49% representing males) and 18,234 (representing 51% females).

AREA COUNCILS

The ASDA have an oversight responsibilities on the Six Electoral areas as follows: Leklebi, Ve, Logba, Have/Nyagbo, Weto and Liati

ADDRESS

Afadzato South District Assembly
P.O. Box HH 645
Hohoe
Volta Region, Ghana.

AUDITORS

Audit Service

BANKERS

Bank of Ghana
Agricultural Development Bank

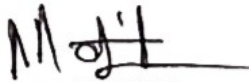
STATEMENT OF MANAGEMENT RESPONSIBILITIES

The Financial Report of Afadzato South District Assembly (ASDA) provides the financial information on a transparent and accessible basis as well as an important element in the overall framework of accountability and financial integrity of ASDA.

The financial statements and associated disclosures have been drawn up in accordance with, the Public Financial Management Act, 2016 Act 921, the Public Financial Management Regulations, 2019 L.I. 2378, the Local Governance Act, 2016 Act 936, as amended by Act 940, the International Public Sector Accounting Standards (IPSAS) and the relevant resolutions adopted by ASDA. Contributions from governments and other sources have been used solely for the purposes for which these were specifically designated. All transactions have been properly documented.

The system of internal control relating to financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the public financial management legal frameworks. This system includes relevant policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements and that receipts and expenditures are executed in accordance with authorisations of management in compliance with the public financial management legal frameworks; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use or disposition of ASDA's assets.

To the best of our knowledge, the financial statements fairly present ASDA's financial position at 31 December 2025. During the external audit process, Management provided the Audit Service with all relevant information and access as agreed in the terms of the audit engagement.



MANFRED TAWIAH
DISTRICT CHIEF EXECUTIVE OFFICER



Kodjo Mawugbe
District Coordinating Director,
ASDA



Joseph Norgbenyo
District Finance Officer
ASDA

In case of reply the number and date of the letter should be quoted



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Volta Region- Ho

13 April 26

INDEPENDENT AUDITOR'S REPORT

TO THE DISTRICT CHIEF EXECUTIVE, AFSDA

AUDIT REPORT ON THE FINANCIAL STATEMENTS OF AFADZATO SOUTH DISTRICT ASSEMBLY

Report on the financial statements

We have audited the accompanying financial statements of the Afadzato South District Assembly (ASDA) which comprise the statement of financial position as at 31 December 2025, the statement of financial performance, the statement of changes in net assets, the statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and supporting schedules.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Afadzato South District Assembly as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) as adopted by the Government of Ghana except for the disclosure of MP's Common Fund as Trust Money.

Basis of Opinion

We conducted our audit in accordance with the International Standards of Supreme Auditing Institutions (ISSAIs). Our responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". We are independent of Afadzato South District Assembly in accordance with the ethical requirements relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

The District Chief Executive (DCE) is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as the DCE determines to be necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

Those charged with governance are responsible for overseeing the financial reporting process of Afadzato South District Assembly

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 based on these financial statements.

As part of an audit, in accordance with the ISSAIs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a. 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;
- b. Identify and assess the risks of material misstatement in 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 our opinion;
- c. Obtain an understanding of internal controls 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 internal controls of Afadzato South District Assembly;
- d. All public monies have been expended for the purposes for which they were appropriated and expenditures have been made as authorised;
- e. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the MCE; and
- f. Programmes and activities have been undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilised and results achieved.

We communicated 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 controls and compliance with other public legal frameworks that we identified during our audit in a separate audit Management Letter.

JOHN NWOZAH
ASSISTANT AUDITOR-GENERAL, VOLTA REGION
FOR: AUDITOR-GENERAL

DATED 13TH DAY OF APRIL 2026

CC: The Auditor – General
Audit Service
Accra

The DAG/EIDA – (Southern Zone)

Audit Service
Accra

The Chief Director
Min. of Local Govt. & Rural Development
Accra

The Regional Co-ordinating Director
VRCC
Ho.

The Presiding Member
Afadzato South District Assembly
Afadzato

The District Coordinating Director
Afadzato South District Assembly
Afadzato

The District Finance Officer
Afadzato South District Assembly
Afadzato

The District Auditor
Audit Service
Hohoe

FINANCIAL HIGHLIGHTS

Budget Performance

a. Budgeted receipts

In 2025, the total actual receipts of GH¢ 26,506,033.68 was lower than the approved budget of GH¢ 47,552,185.19 in 2025. The total receipts of GH¢ 26,506,033.68 for 2025, compared with GH¢ 9,879,291.80 received in 2024, showed an increase of GH¢ 16,626,741.88 or 168.30 percent over the prior year.

b. Budgeted payments

During the period under review, the ASDA approved budget was GH¢ 47,552,185.19 to spend on approved activities. However, actual expenditure came to GH¢ 10,896,492.41 (GH¢ 9,744,568.08 in 2024), **resulting in an overall surplus of GH¢ 15,609,541.27 compared with GH¢ 134,723.72 in 2024.** The Organization also operated within the approved budget line expenditures.

Financial Performance

Revenue

During the period under review, total revenue of the ASDA amounted to GH¢ 26,506,033.68 compared with GH¢ 9,879,291.80 for the previous year, showing an increase of 168.30 percent. This increase is attributable to increase in government grants.

Expenses

Total Expenses incurred by the ASDA in 2025 amounted to GH¢ 10,896,492.41 as against GH¢ 9,744,568.08 for the previous year, showing an increase of GH¢ 1,151,924.33 or 11.82 percent. Compensation of employees, Specialized expenditure and consumption of fixed assets items registered increased when compared with those of the previous year.

Operational results

During the year under review, ASDA recorded a surplus of GH¢ 15,609,541.27 from its operations **as compared with GH¢ 134,723.72 in 2024.** The increase in the surplus recorded was primarily due to DACF received in the year. The net operational result was accordingly transferred to the retained earnings balances, resulting in an increase from GH¢ 4,532,868.41 in 2024 to GH¢ 20,142,409.68 as at the end of 2025.

Financial Position

Assets

As at 31 December, 2025, total assets of ASDA stood at GH¢ 40,156,181.62 as against GH¢ 24,487,144.11 recorded in the previous year, representing an increase of GH¢ 15,669,037.51 or 63.99 per cent. The increment in the value of total assets was due to the **cash and cash equivalent**. Cash and cash equivalent amounted to GH¢ 18,761,127.44 constituted 46.72 per cent of the total assets.

Liabilities

Total liabilities stood at GH¢1,881,963.81 at the end of the year, compared with GH¢1,822,467.57 for the previous year, an increase of GH¢ 59,496.24 or 3.26 per cent. Outstanding commitments to contractors of GH¢ 937,487.91 accounted for 49.81 per cent of the total liabilities, whilst statutory and other Payables of GH¢ 944,475.9 accounted for 50.19 per cent of the liabilities. At a current ratio of 10:1, our analysis **showed that the ASDA may have challenges meeting its short-term obligations as and when they fall due.**

Fund Balances

The ASDA's Fund Balances stood at GH¢ 38,274,217.81 as at 31 December 2025, compared with GH¢ 22,664,676.54 as at 31 December 2024, registering an increase of GH¢ 15,609,541.27 translating to 68.87 per cent. This was due to surplus during the year.

**AFADZATO SOUTH DISTRICT ASSEMBLY
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2025**

	NOTES	CURRENT 2025 GH¢	PREVIOUS 2024 GH¢
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and Cash Equivalents	2	18,761,127.44	1,321,315.69
Short-Term Receivables	3	65,994.91	65,994.91
TOTAL CURRENT ASSET		18,827,122.35	1,387,310.60
NON CURRENT ASSETS			
Property, Plant & Equipment	4	19,892,555.97	21,393,479.62
Work In-Progress	5	1,436,503.30	1,706,353.89
TOTAL NON-CURRENT ASSET		21,329,059.27	23,099,833.51
TOTAL ASSET		40,156,181.62	24,487,144.11
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Trade Payables	6	1,881,963.81	1,822,467.57
TOTAL CURRENT LIABILITIES		1,881,963.81	1,822,467.57
NON- CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		1,881,963.81	1,822,467.57
<u>NET ASSET/(LIABILITIES)</u>		38,274,217.81	22,664,676.54
FINANCED BY			
Revaluation Reserves		11,471,973.31	11,471,973.31
Other Reserves - DRIP		6,659,834.82	6,659,834.82
Retained Earnings		20,142,409.68	4,532,868.41
TOTAL FINANCED BY		38,274,217.81	22,664,676.54

**AFADZATO SOUTH DISTRICT ASSEMBLY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2025**

	NOTES	CURRENT 2025 GH¢	PREVIOUS 2024 GH¢
<u>REVENUE</u>			
NON-TAX REVENUE	7	231,927.06	235,636.42
GRANTS	8	26,274,106.62	9,643,368.95
FINANCE INCOME	9	-	286.43
TOTAL REVENUE		26,506,033.68	9,879,291.80
<u>EXPENDITURE</u>			
COMPENSATION OF EMPLOYEES	10	4,992,828.55	5,055,781.05
USE OF GOODS AND SERVICES	11	2,532,595.92	2,108,254.00
SPECIALISED EXPENSES	12	1,870,144.29	1,079,609.32
CONSUMPTION OF FIXED ASSETS	4	1,500,923.65	1,500,923.71
TOTAL EXPENDITURE		10,896,492.41	9,744,568.08
SURPLUS/(DEFICIT) BEFORE EXCEPTIONAL ITEMS		15,609,541.27	134,723.72

**AFADZATO SOUTH DISTRICT ASSEMBLY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31ST DECEMBER, 2025**

NET WORTH	CURRENT 2025 GH¢	PREVIOUS 2024 GH¢
Opening Bal		
Revaluation Reserves	11,471,973.31	11,471,973.31
Other Reserves - DRIP	6,659,834.82	
Retained Earnings	4,532,868.41	4,398,144.69
Add: Adjs		
Change in Acct Policy		
Prior year - Reversal of Payables	-	-
Error		
Total	-	-
Retained Earnings	4,532,868.41	4,398,144.69
Changes (Movement)		
Other Reserves - DRIP		6,659,834.82
Surplus for the year	15,609,541.27	134,723.72
Total	15,609,541.27	6,794,558.54
Closing Bal		
Revaluation Reserves	11,471,973.31	11,471,973.31
Other Reserves - DRIP	6,659,834.82	6,659,834.82
Retained Earnings	20,142,409.68	4,532,868.41
Total	38,274,217.81	22,664,676.54

**AFADZATO SOUTH DISTRICT ASSEMBLY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER, 2025**

	CURRENT 2025 GH¢	PREVIOUS 2024 GH¢
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Surplus/(Deficit) for the year	15,609,541.27	134,723.72
Add non-cash items:		
Impairment Loss	-	
Depreciation and Amortization	1,500,923.65	1,500,923.71
Other non-cash transactions	1,436,905.80	
Adjusted Surplus / Deficit	18,547,370.72	1,635,647.43
Movement in Working Capital		
Increase/(Decrease) in Payables	59,496.24	158,067.18
Net Cash Flow from Operating Activities	59,496.24	158,067.18
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Acquisition of Non-Financial Asset	(1,167,055.21)	(820,372.74)
Net cash flow from investing activities	(1,167,055.21)	(820,372.74)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Net cash flow from financing activities		
NET CHANGES IN CASH FLOW	17,439,811.75	973,341.87
CASH AND CASH EQUIVALENT AT BEGINNING	1,321,315.69	347,973.82
CASH AND CASH EQUIVALENT AT CLOSE	18,761,127.44	1,321,315.69

AFADZATO SOUTH DISTRICT ASSEMBLY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31ST
DECEMBER, 2025

	2025 ORIGINAL BUDGET GH¢	2025 SUPPLEMENTARY BUDGET GH¢	2025 REALLOCATION GH¢	2025 FINAL BUDGET GH¢	2025 ACTUAL GH¢	2025 VARIANCE GH¢
NON-TAX REVENUE						
Property income	23,902.32			23,902.32	-	(23,902.32)
Dividend	-			-	-	-
Sale of goods and services	132,000.00			132,000.00	121,473.83	(10,526.17)
Fines, penalties, and forfeiture	5,000.00			5,000.00	4,347.00	(653.00)
Fees	100,000.00			100,000.00	45,306.00	(54,694.00)
Rates	22,446.45			22,446.45	700.00	(21,746.45)
Miscellaneous	-			-	25,736.23	25,736.23
Total Receipts	283,348.77			283,348.77	197,563.06	(85,785.71)
GRANT						
Grant in Cash	47,216,136.42			47,216,136.42	26,274,106.62	(20,942,029.80)
Grant in Kind						
Total	47,216,136.42			47,216,136.42	26,274,106.62	(20,942,029.80)
FINANCE INCOME						

Interest Income	700.00	700.00	-	(700.00)
Income from other investing activities	52,000.00	52,000.00	34,364.00	(17,636.00)
Total	52,700.00	52,700.00	34,364.00	(18,336.00)
Grand Total Receipt	47,552,185.19		26,506,033.68	
COMPENSATION OF EMPLOYEES				
Established Position	3,578,128.00	3,578,128.00	4,864,739.51	(1,286,611.51)
Non Established Post	68,621.00	68,621.00	44,889.04	23,731.96
Allowances	85,825.00	85,825.00	83,200.00	2,625.00
13% Employer SSF Contribution	36,950.00	36,950.00	-	36,950.00
End of Service Benefit (ESB)	28,000.00	28,000.00	-	28,000.00
Total Payments	3,797,524.00	3,797,524.00	4,992,828.55	(1,195,304.55)
GOODS AND SERVICES				
Materials and Office Consumables	2,029,330.53	2,029,330.53	489,483.56	1,539,846.97
Utilities	107,000.00	107,000.00	326,552.79	(219,552.79)
General Cleaning	333,583.00	333,583.00	-	333,583.00
Rentals and leases	98,000.00	98,000.00	11,100.00	86,900.00
Travel and Transport	1,427,145.00	1,427,145.00	325,202.60	1,101,942.40

Repairs and Maintenance	324,505.00	324,505.00	366,413.76	(41,908.76)
Training, Seminar and Conference	1,278,769.00	1,278,769.00	657,824.86	620,944.14
Consultancy Expenses	265,000.00	265,000.00	-	265,000.00
Special Services	1,172,457.91	1,172,457.91	349,583.41	822,874.50
Charges and Fees	1,000.00	1,000.00	6,434.94	(5,434.94)
Emergency Services	-	-	-	-
Insurance Premium	5,000.00	5,000.00	-	5,000.00
Total Payment	7,041,790.44	7,041,790.44	2,532,595.92	4,509,194.52
FINANCE COST				
Total Payments		-	-	
GOVERNMENT SUBSIDIES				
Total Payments		-	-	
SOCIAL BENEFITS				
Total Payments		-	-	
SPECIALISED EXPENSES				
Awards & Rewards	6,000.00	6,000.00	-	6,000.00
Donations	447,580.00	447,580.00	1,527,077.29	(1,079,497.29)

Contributions	70,000.00		70,000.00	700.00	69,300.00
Scholarship & Bursaries	323,885.00		323,885.00	338,847.00	(14,962.00)
Special Operations	50,000.00		50,000.00	-	50,000.00
Refuse Lifting Expenses	565,000.00		565,000.00	-	565,000.00
Civic Numbering/Street Naming	15,000.00		15,000.00	-	15,000.00
Rent	20,000.00		20,000.00	3,520.00	16,480.00
Dividend			-	-	-
Total Payments	1,497,465.00		1,497,465.00	1,870,144.29	(372,679.29)
CAPITAL EXPENDITURE					
Fixed asset	24,201,000.00		24,201,000.00	-	24,201,000.00
Work In Progress	11,014,405.75		11,014,405.75	1,155,310.14	9,859,095.61
Total Payments	35,215,405.75	-	-	35,215,405.75	1,155,310.14
Grand Total Payments	47,552,185.19		47,552,185.19	10,550,878.90	37,001,306.29

AFADZATO SOUTH DISTRICT ASSEMBLY
STATEMENT OF YEAR-TO-DATE RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025

	NOTES	PREVIOUS QTR ACTUAL GH¢	CURRENT QTR ACTUAL GH¢	YTD ACTUAL 2025 GH¢	PREVIOUS YTD 2024 GH¢
<u>RECEIPTS</u>					
NON-TAX REVENUE	7	141,488.99	90,438.07	231,927.06	235,636.42
GRANTS	13	17,867,065.42	8,407,041.20	26,274,106.62	4,647,881.39
FINANCE INCOME	9			-	286.43
TOTAL RECEIPTS		18,008,554.41	8,497,479.27	26,506,033.68	4,883,804.24
<u>PAYMENTS</u>					
COMPENSATION OF EMPLOYEES	14	3,788,560.33	1,204,268.22	4,992,828.55	60,293.49
USE OF GOODS AND SERVICES	15	871,370.69	1,619,548.99	2,490,919.68	1,968,971.42
NON-FINANCIAL ASSETS	16	1,116,830.02	50,225.19	1,167,055.21	820,372.74
SPECIALISED EXPENSES	17	108,018.49	307,400.00	415,418.49	1,060,824.72
TOTAL PAYMENTS		5,884,779.53	3,181,442.40	9,066,221.93	3,910,462.37
NET CHANGE IN STOCK OF CASH		12,123,774.88	5,316,036.87	17,439,811.75	973,341.87
CASH AND CASH EQUIVALENT AT BEGINNING		1,321,315.69	13,445,090.57	1,321,315.69	347,973.82
CASH/BANK BALANCE AT END		13,445,090.57	18,761,127.44	18,761,127.44	1,321,315.69

**AFADZATO SOUTH DISTRICT ASSEMBLY
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025**

	NOTES	CURRENT 2025 GH¢	PREVIOUS 2024 GH¢
<u>RECEIPTS</u>			
NON-TAX REVENUE	7	231,927.06	235,636.42
GRANTS	13	26,274,106.62	4,647,881.39
FINANCE INCOME	9	-	286.43
TOTAL RECEIPTS		26,506,033.68	4,883,804.24
<u>PAYMENTS</u>			
COMPENSATION OF EMPLOYEES	14	4,992,828.55	60,293.49
USE OF GOODS AND SERVICES	15	2,490,919.38	1,968,971.42
NON-FINANCIAL ASSETS	16	1,167,055.21	820,372.74
SPECIALISED EXPENSES	17	415,418.79	1,060,824.72
TOTAL PAYMENTS		9,066,221.93	3,910,462.37
NET CHANGE IN STOCK OF CASH		17,439,811.75	973,341.87
CASH AND CASH EQUIVALENT AT BEGINNING		1,321,315.69	347,973.82
CASH/BANK BALANCE AT END		18,761,127.44	1,321,315.69

1.0 ACCOUNTING POLICIES

1.1.0 General Statement

These general-purpose financial statements cover operations of Afadzato South District Assembly, as an economic reporting entity in the Public Sector of Ghana. General purpose financial statements are financial statements intended to meet the needs of a wide range of users (eg. Suppliers, Government, Creditors, Consumers, Investors, etc) who are not in a position to demand reports tailored to meet their particular information needs.

1.2.0 Public Sector Reporting Mandate and Scope

These financial statements have been prepared on **accrual** basis taking cognizance of the Appropriation Act/the resolutions approving the Composite Budget of the Metropolitan, Municipal and District Assemblies, pursuant to Article 179 (2) (a) of the 1992 Constitution of the Republic of Ghana. The financial statements include consolidated data of all public funds (Consolidated fund, Statutory Funds, Internally Generated Fund and Donor Funds) utilized in *Afadzato South District Assembly for the year ended 31st December, 2024*.

1.3.0 Basis of Preparation and Authorization for Issue -IPSAS 1

1.3.1 Basis of Preparation

The financial statements have been prepared on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) and the International Public Sector Accounting Standards (IPSAS). In preparing the financial statements, **Afadzato South District Assembly** takes cognizance of the 1992 Constitution of the Republic of Ghana, the Public Financial Management Act, 2016 (Act 921), and the Public Financial Management Regulations, 2019 (LI 2378). These financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently in the preparation and presentation of the financial statements. The financial statements present fairly the assets, liabilities, revenues, and expenses of the **Afadzato South District Assembly**, consisting of the following:

- (a) Statement of Financial Position,
- (b) Statement of Financial Performance,
- (c) Statement of Cash Flows,
- (d) Statement of Changes in Net Assets/Equity,
- (e) Statement of Receipts and Payments,
- (f) Statement of Comparison of Budget and Actual Amounts,

- (g) Notes to the financial statements comprising a summary of significant accounting policies and other explanatory notes,
- (h) Comparative information in respect of amounts presented in the financial statements indicated in (a) to (f) above and, where relevant, comparative information for narrative and descriptive information are also presented in the notes.
- (i) Included in the financial statements are other special reports that the **Afadzato South District Assembly** finds appropriate to better serve the interest of users as listed below:
- Statement of financial performance by Classification of Functions of government (COFOG)
 - Statement of Financial Performance
 - Statement of Financial Position
 - Statement of Cash flow
 - Statement of Receipts and Payments
 - Notes to the Accounts

1.3.2 IPSAS Compliance Status

The 2024 Financial Statements complied with (8 out of the 36 applicable International Public Sector Accounting Standards (IPSAS) and 3 out of 3 Recommended Practice Guidelines (RPGs) as presented in the table below.

No	IPSAS CODE	IPSAS NAME	STATUS (Complied/Not Complied/Not Applicable)
1	IPSAS 1	PRESENTATION OF FINANCIAL STATEMENTS	Complied
2	IPSAS 2	CASH FLOW STATEMENTS	Complied
3	IPSAS 3	ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS	Complied
4	IPSAS 4	THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES	
5	IPSAS 5	BORROWING COSTS	
6	IPSAS 9	REVENUE FROM EXCHANGE TRANSACTIONS	Complied
7	IPSAS 10	FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES	
8	IPSAS 11	CONSTRUCTION CONTRACTS	
9	IPSAS 12	INVENTORIES	Complied
10	IPSAS 13	LEASES	
11	IPSAS 14	EVENTS AFTER THE REPORTING DATE	Complied
12	IPSAS 16	INVESTMENT PROPERTY	Complied
13	IPSAS 17	PROPERTY, PLANT AND EQUIPMENT	Complied
14	IPSAS 18	SEGMENT REPORTING	
15	IPSAS 19	PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS	Complied
16	IPSAS 20	RELATED PARTY DISCLOSURES	
17	IPSAS 21	IMPAIRMENT OF NON-CASH-GENERATING ASSETS	Complied
18	IPSAS 22	DISCLOSURE OF FINANCIAL INFORMATION ABOUT THE GENERAL GOVERNMENT SECTOR	Complied
19	IPSAS 23	REVENUE FROM NON-EXCHANGE TRANSACTIONS (TAXES AND TRANSFERS)	Complied
20	IPSAS 24	PRESENTATION OF BUDGET INFORMATION IN FINANCIAL STATEMENTS	Complied

21	IPSAS 26	IMPAIRMENT OF CASH-GENERATING ASSETS	
22	IPSAS 27	AGRICULTURE	
23	IPSAS 28	FINANCIAL INSTRUMENTS PRESENTATION	Complied
24	IPSAS 30	FINANCIAL INSTRUMENT DISCLOSURES	Complied
25	IPSAS 31	INTANGIBLE ASSETS	
26	IPSAS 32	SERVICE CONCESSION ARRANGEMENTS: GRANTOR	
27	IPSAS 33	FIRST-TIME ADOPTION OF ACCRUAL BASIS INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)	Complied
28	IPSAS 34	SEPARATE FINANCIAL STATEMENTS	Complied
29	IPSAS 35	CONSOLIDATED FINANCIAL STATEMENTS	Complied
30	IPSAS 36	INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	Complied
31	IPSAS 37	JOINT ARRANGEMENTS	
32	IPSAS 38	DISCLOSURE OF INTERESTS IN OTHER ENTITIES	
33	IPSAS 39	EMPLOYEE BENEFITS	Complied
34	IPSAS 40	PUBLIC SECTOR COMBINATIONS	
35	IPSAS 41	FINANCIAL INSTRUMENTS	Complied
36	IPSAS 42	SOCIAL BENEFITS	Complied
37	RPG 1	REPORTING ON THE LONG-TERM SUSTAINABILITY OF AN ENTITY'S FINANCES	
38	RPG 2	FINANCIAL STATEMENT DISCUSSION AND ANALYSIS	
39	RPG 3	REPORTING SERVICE PERFORMANCE INFORMATION	

1.3.3 Going concern (IPSAS 1)

The going-concern assertion is based on the fact that, **Afadzato South District Assembly** as the reporting entity, is established under **Legislative Instruments 2397 of 2020** of the Republic of Ghana, and her net assets position, stable historical trend of revenue collection gives no indication that the **Afadzato South District Assembly** will cease its operations.

1.3.4 Authorization for issue

These financial statements are certified by the District Coordinating Director of the **Afadzato South District Assembly** in compliance with the Public Financial Management Act, 2016 (Act 921) and the Public Financial Management Regulations, 2019 (L.I. 2378).

Quarterly Accounts:

1.3.4.1 For entity (including State-Owned Enterprises)

Section 79 (1) of the Public Financial Management Act, 2016 states that, a Principal Spending Officer shall, through the Principal Account Holder:

- (a) Prepare and submit quarterly financial statements to the Controller and Accountant-General by the 15th day of the month following each quarter of each financial year; and
- (b) Submit any other relevant report within the time that the Controller and Accountant-General may determine.

1.3.4.2 For CAGD

Section 79 (2) of the Public Financial Management Act, 2016 states that the Controller and Accountant-General shall prepare and submit a quarterly financial statement to the Minister by the end of the month following the end of each quarter.

Annual accounts:

1.3.4.3 For entity (including State-Owned Enterprises)

Section 80 (1) of the Public Financial Management Act, 2016 states that a Principal Spending Officer of a covered entity shall, within two months after the end of each financial year, prepare and submit to the Auditor-General and Controller and Accountant-General, the accounts and information set out in the Schedule.

Section 80 (2) of the Public Financial Management Act, 2016 states that a Principal Spending Officer of a public corporation shall, within two months after the end of each financial year:

- (a) Prepare, in the format determined by the Controller and Accountant General, a summary statement of financial performance of that public corporation;
- (b) Submit the summary statement to the Controller and Accountant-General and the Auditor-General; and
- (c) Submit a copy of the summary statement to the Minister.

1.3.4.4 Section 95 of the Public Financial Management Act, 2016 states that the governing body of a public corporation or a state-owned enterprise shall;

- (a) Cause to be prepared, not later than two months after the end of each financial year, an annual account in respect of that financial year;
- (b) Submit to the Minister, not later than four months after the end of each financial year, an audited financial statement.

1.3.4.5 For CAGD

Section 81 (1) of the Public Financial Management Act, 2016 states that the Controller and Accountant-General shall, within three months after the end of each financial year, prepare and submit the following consolidated accounts to the Minister and the Auditor-General:

- (a) The consolidated annual accounts of Government including the accounts specified in the Schedule (as stated in paragraph 1.3.1).
- (b) The accounts of the Contingency Fund, (c) The accounts of the Petroleum Funds; and (d) The accounts on the Sinking Fund.

1.3.5 Measurement Basis (IPSAS 1)

The financial statements are prepared using the historical-cost convention and financial assets are recorded at fair values.

1.3.6 Functional and Presentation Currency (IPSAS 4)

The functional and presentation currency of the Republic of Ghana is the Ghana Cedi (GH¢). The financial statements are expressed in Ghana Cedi unless otherwise stated.

1.3.6.1 Except in the case where a contract specifies the applicable rate, transactions in currencies other than the functional currency are translated into Ghana Cedi as follows:

- For revenue, at Bank of Ghana buying rates of exchange at the date of the transaction.
- For expenditure, at Bank of Ghana selling rates of exchange at the date of the transaction.

1.3.6.2 At the end of the reporting period, monetary assets and liabilities not denominated in the functional currency are translated at the prevailing Bank of Ghana mid-rate of exchange, except in the case where a contract specifies the applicable rate.

1.3.6.3 Non-monetary items denominated in currencies other than the functional currency measured at fair value are translated at the prevailing Bank of Ghana mid-rate of exchange at the date on which the fair value was determined.

1.3.6.4 Non-financial items measured at historical cost in a non-functional currencies are translated at the Bank of Ghana mid-rate prevailing at the date of measurement.

1.3.6.5 Significant foreign operations of Government in other jurisdictions with different functional currencies are translated into the presentation currency and foreign exchange gains and losses on such translations are reported on net basis through the Statement of Changes in Net Assets/Equity under foreign currency reserve.

1.3.6.6 Foreign exchange gains and losses resulting from the settlement of foreign currency transactions are recognised in the statement of financial performance on a net basis.

1.3.6.7 Foreign exchange gains and losses resulting from the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates are recognised on net basis through the Statement of Changes in Net Assets/Equity.

1.4.0 Revenue - IPSAS 9 & 23

1.4.1 Revenue from Non-Exchange Transactions (IPSAS 23)

Revenues from Non-Exchange Transactions, such as direct and indirect taxes are recognised when earned. Non-Exchange Transaction is a transaction in which the reporting entity receives something of value without directly giving value in exchange.

1.4.1.1 Direct tax revenues are revenues earned from individuals and organisations, payable directly to the Ghana Revenue Authority (GRA), or other legally mandated entities. Direct tax includes income tax, Capital Gains tax, Gift tax, property tax or taxes on assets.

Direct tax is recognised when the taxable event occurs or as prescribed by law

1.4.1.2 Indirect taxes are revenues accruing to GRA from taxes paid by individuals and organizations, or other legally mandated entities for the consumption of goods or services. Indirect tax is recognised when the taxable event occurs or as prescribed by law.

1.4.1.3 Non-tax revenues of a non-exchange nature are revenues legally enforceable by legislative instruments paid directly to the reporting entity; such as fees, fines, license and royalties.

1.4.1.4 Grant revenues are inflows of economic benefits received in either cash or kind from entities or individuals other than those within the reporting entity for which no service or good is given in exchange by the reporting entity.

Condition and Restriction for the use of Grant and other Inflows:

a. Condition for Use - Afadzato South District Assembly initially recognises grant and other inflows as liability (unearned revenue) with the associated asset (cash), when there are conditions precedent to the use of the specific inflows, in which case the inflows are refundable to the grantor, if Afadzato South District Assembly 6

b.

c. +) is unable to fulfil the conditions.

Upon fulfilment of the conditions, the qualifying amount is subsequently recognised as revenue in the Statement of Financial Performance, where the initially recognised liability is reduced up to the tune of the qualifying amount.

d. Restrictions for Use - when restrictions apply to **Afadzato South District Assembly** in the use of grant or other inflows (e.g. MPs Common fund, garnisheed account balance, etc.), the amount is recognised as revenue with the associated asset (cash), including appropriate disclosures.

Trust Moneys - Money received in trust are recognised as liability and additional disclosure provided on the related asset (under Cash and Cash Equivalent).

Disclosure - Any unutilised portion of asset (cash) resulting from grant and other inflows which are subject to qualifying conditions or restrictions, the amounts are disclosed in the Notes to the accounts (under Cash and Cash Equivalent), stating the *name of the accounts, the amount and nature of the restrictions (IPSAS 2-Cash and Cash Equivalent)*.

1.4.1.5 Afadzato South District Assembly recognises revenues (such as Government subventions) when there is probable commitment towards release of funding from the government/grantor.

1.4.2 Revenue from Exchange Transactions (IPSAS 9)

1.4.2.1 Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

1.4.2.2 Central government and Local government entities recognise revenue when received except for entities with evidential certainty of receivables, such as the National Health Insurance Authority (NHIA), Health and Educational Institutions and SOEs that recognised revenue when earned on the basis that one or more of the following criteria are met:

- (a) For sale of goods**
 - (i) The entity has transferred to the purchaser the significant risks and rewards of ownership of the goods
 - (ii) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
 - (iii) The amount of revenue can be measured reliably
 - (iv) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and

- (v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) For services

- (i) The amount of revenue can be measured reliably,
- (ii) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- (iii) The stage of completion of the transaction at the reporting date can be measured reliably, and
- (iv) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

1.5.0 Expenditure

1.5.1 Expenditure Recognition

The reported expenditure in the Statement of Financial Performance is recognised when incurred. Expenditure is a decrease in economic benefit or service potential during the reporting period in the form of outflows or consumption of assets; or incurrence of liabilities that result in decreases in net assets, and are recognised on an accrual basis when goods are delivered and services are rendered, regardless of the terms of payment.

Expenditure is measured at cost unless otherwise stated.

1.5.2 Compensation of Employees

This refers to wages, salaries, allowances, pensions and other benefits (cash or kind) accruing to the employees of government working in the covered entity within and outside the country or on pension.

1.5.3 Use of Goods and Services

These comprise of recurrent expenses incurred as a result of goods received and services rendered to public entities.

1.5.4 Interest Expenses

Interest expenses are finance costs incurred on loans acquired on domestic and external debts for the period.

1.5.5 Social Benefits

Social benefits are expenses incurred as a result of social interventions carried out to benefit certain persons, communities or class of people in the society.

1.5.6 Specialised Expenditure

Specialised expenditure include contributions, professional fees, donations, court expenses, scholarships, bursaries, awards and rewards.

1.6.0 Property, Plant and Equipment (IPSAS 17)

1.6.1 Classification of PPE

Property, Plant and Equipment are classified into different categories based on their nature, functions, useful lives and valuation methodologies. The classifications include Land, Buildings and Structures, Office Equipment, Furniture and Fittings, ICT Equipment, Other Machinery and Equipment, Oil Rigs, Military Assets and Weapons, Library Books, Heritage and Cultural Assets.

Recognition of property, plant and equipment is as follows:

(a) All property, plant and equipment are stated at historical cost, less accumulated depreciation. Historical cost comprises:

- i. its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates
- ii. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period

(b) With regard to property, plant and equipment acquired at nil or nominal cost, including donated assets, the fair value at the date of acquisition is deemed to be the cost to acquire equivalent assets.

(c) The cost of an asset acquired through a non-exchange transaction is determined at its fair value as at the date of acquisition.

(d) Assets acquired by Exchange of other assets are measured at fair value unless;

- i. The exchange transaction lacks commercial substance

- ii. The fair value of neither the asset received, or the asset given up is reliably measured.

If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

1.6.2 Depreciation of PPE

Afadzato South District Assembly) depreciates its Property, Plant and Equipment over their estimated useful lives using the straight-line method up to their residual value, except for land, and assets under construction (Work in Progress) which are not subject to depreciation.

Given that not all components of a building have the same useful lives or the same maintenance, upgrade or replacement schedules, significant components of owned buildings are depreciated using the component approach.

Full year depreciation is charged in the year that the asset is acquired, the entity gains control over the asset, and put in use for its intended purpose. Depreciation is not charged in the year of retirement or disposal. The estimated useful lives of property, plant and equipment classes are as follows:

Main Category	Major Category	Minor Category	Useful Life
Buildings and Other Structures	Barracks	Barracks	50
Buildings and Other Structures	Bungalows, Flats	Bungalows	50
Buildings and Other Structures	Bungalows, Flats	Flats	50
Buildings and Other Structures	Clinics	Clinics	50

Main Category	Major Category	Minor Category	Useful Life
Buildings and Other Structures	Day Care Centre	Day Care Centre	50
Buildings and Other Structures	Destitute Homes	Destitute Homes	50

Buildings and Other Structures	Garage/Hangar	Garage/Hangar	50
Buildings and Other Structures	Health Centres	Health Centres	50
Buildings and Other Structures	Homes of Aged	Homes of Aged	50
Buildings and Other Structures	Hospitals	Hospitals	50
Buildings and Other Structures	Markets	Markets	50
Buildings and Other Structures	Museum	Museum	50
Buildings and Other Structures	Office Buildings	Office Buildings	50
Buildings and Other Structures	Palace	Palace	50
Buildings and Other Structures	School Buildings	School Buildings	50
Buildings and Other Structures	Security Building/Gate	Security Building/Gate	50
Buildings and Other Structures	Slaughter House	Slaughter House/Abattoir	50
Buildings and Other Structures	Sports Stadium	Sports Stadium	50
Buildings and Other Structures	Warehouse / Stores	Warehouse / Stores	40
Buildings and Other Structures	Workshop	Workshop	30
Buildings and Other Structures	Agricultural Building	Agricultural Building	40
Transport Equipment	Airplanes	Commercial Planes	20
Transport Equipment	Airplanes	Helicopters	20
Transport Equipment	Airplanes	Jet	20

Main Category	Major Category	Minor Category	Useful Life
Transport Equipment	Airplanes	Multi-Engine Propeller	20
Transport Equipment	Airplanes	Non-commercial Planes	20
Transport Equipment	Airplanes	Single-Engine Propeller	20
Transport Equipment	Motor Bike, bicycles	Motor Bike	3
Transport Equipment	Motor Bike, bicycles	Tri-Cycle	3
Transport Equipment	Motor Vehicle	Ambulance	5
Transport Equipment	Motor Vehicle	Bus	5
Transport Equipment	Motor Vehicle	Pick Ups	7
Transport Equipment	Motor Vehicle	Saloon Cars	5
Transport Equipment	Motor Vehicle	Station Wagon(SUV)	7
Transport Equipment	Motor Vehicle	Tankers	10
Transport Equipment	Motor Vehicle	Towed Roadway Equipment	5
Transport Equipment	Motor Vehicle	Trucks	10
Transport Equipment	Motor Vehicle	Utility Vehicles	7
Transport Equipment	Motor Vehicle	Van	5
Transport Equipment	Motor Vehicle	Water Tanker	10
Transport Equipment	Ships and Vessels	Canoes/boats	10

Transport Equipment	Ships and Vessels	Ferries	30
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Main Category	Major Category	Minor Category	Useful Life
Transport Equipment	Ships and Vessels	Pontoons	30
Transport Equipment	Ships and Vessels	Rowboats	30
Transport Equipment	Ships and Vessels	Ships	35
Transport Equipment	Trains	Diesel Engines	25
Transport Equipment	Trains	Petrol Engines	25
Transport Equipment	Trains	Steam Engines	25
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Bed	7
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Bookshelves/Bookcase	7
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Chest of Drawers	7
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Cupboard/Wardrobe	7
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Desk	7
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Room Divider	7
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Side Board	7

Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Sofa/Settee	7
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Stool	7
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Swivel Chair	7

Main Category	Major Category	Minor Category	Useful Life
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Table (Office, Conference, etc.)	7
Furniture Fixtures and Fittings	Furniture Fixtures and Fittings	Wooden Settee	7
Other Machinery and Equipment	Accessories	Accessories	5
Other Machinery and Equipment	Accessories	Vacuum Cleaner/Carpet Hoover	5
Other Machinery and Equipment	Agricultural Machinery	Agricultural Machinery	7
Other Machinery and Equipment	Air Condition	Air Condition	5
Other Machinery and Equipment	Communication Equipment	Amplifier	3
Other Machinery and Equipment	Communication Equipment	Camera (Video, Digital, Film)	3
Other Machinery and Equipment	Communication Equipment	Multimedia Player	3
Other Machinery and Equipment	Communication Equipment	Easel(Manual, Electronic)	3
Other Machinery and Equipment	Communication Equipment	Facsimile/Fax Machine	3
Other Machinery and Equipment	Communication Equipment	Loud Speaker/Sound Speaker	3

Other Machinery Equipment	and	Communication Equipment	Megaphone	3
Other Machinery Equipment	and	Communication Equipment	Projector	3
Other Machinery Equipment	and	Communication Equipment	Radio Battery Charger	3
Other Machinery Equipment	and	Communication Equipment	Radio Cassette Player	3
Other Machinery Equipment	and	Communication Equipment	Radio Receiver	3
Other Machinery Equipment	and	Communication Equipment	Radio Transmitter	3

Main Category		Major Category	Minor Category	Useful Life
Other Machinery Equipment	and	Communication Equipment	Slide Projector	3
Other Machinery Equipment	and	Communication Equipment	Switch Board	3
Other Machinery Equipment	and	Communication Equipment	Television	3
Other Machinery Equipment	and	Communication Equipment	Video Cassette Player (Deck)	3
Other Machinery Equipment	and	Communication Equipment	Video Cassette Recorder (Deck)	3
Other Machinery Equipment	and	Communication Equipment	Video Phone/Security Detector	3
Other Machinery Equipment	and	Computers and Accessories	Computers and Accessories	5
Other Machinery Equipment	and	Electrical Equipment	Control Panel	5
Other Machinery Equipment	and	Electrical Equipment	Generator Set	5
Other Machinery Equipment	and	Electrical Equipment	Refrigerator/Freezer	5

Other Machinery and Equipment	Electrical Equipment	Stabilizer, Transformer(Off),UPS	5
Other Machinery and Equipment	Electrical Equipment	Water Filter	5
Other Machinery and Equipment	Networking, ICT Equipment	Cabling	7
Other Machinery and Equipment	Networking, ICT Equipment	Data Storage	7
Other Machinery and Equipment	Networking, ICT Equipment	Firewalls	7
Other Machinery and Equipment	Networking, ICT Equipment	Routers	7
Other Machinery and Equipment	Networking, ICT Equipment	Servers-Computing	7
Other Machinery and Equipment	Networking, ICT Equipment	Switches	7
Other Machinery and Equipment	Office Equipment	Binding Machine	8

Main Category	Major Category	Minor Category	Useful Life
Other Machinery and Equipment	Office Equipment	Comb/Binding Machine	8
Other Machinery and Equipment	Office Equipment	Embossing Machine	8
Other Machinery and Equipment	Office Equipment	Filing Cabinet	8
Other Machinery and Equipment	Office Equipment	Hologram Machine	8
Other Machinery and Equipment	Office Equipment	Laminating Machine	8
Other Machinery and Equipment	Office Equipment	Metal Storage Cabinet	8
Other Machinery and Equipment	Office Equipment	Photocopier Machine	5

Other Machinery and Equipment	Office Equipment	Printer	5
Other Machinery and Equipment	Office Equipment	Safe	8
Other Machinery and Equipment	Office Equipment	Scanner	5
Other Machinery and Equipment	Office Equipment	Shelves	8
Other Machinery and Equipment	Office Equipment	Stainless Steel Coat Rack	8
Other Machinery and Equipment	Office Equipment	Storage Cabinet	8
Other Machinery and Equipment	Office Equipment	Typewriters	5
Other Machinery and Equipment	Other machinery and equipment	Laboratory Equipment	8
Other Machinery and Equipment	Other machinery and equipment	Other machinery and equipment	8
Other Machinery and Equipment	Other machinery and equipment	Oven/Stove/Range/Microwave	5
Other Machinery and Equipment	Plant and Machinery	Plant and Machinery	8
Infrastructure Assets	APRON and RAMP Areas	Apron and Ramp Areas	30
Infrastructure Assets	Bridges	Bridges	50
Infrastructure Assets	Car, Lorry Park	Car, Lorry Park	30
			Useful Life
Main Category	Major Category	Minor Category	
Infrastructure Assets	Cemeteries	Cemeteries	50
Infrastructure Assets	Cemeteries	Cemeteries - Defence	50
Infrastructure Assets	Cemeteries	Cemeteries - Public	50
Infrastructure Assets	Dam	Dam	30
Infrastructure Assets	Drainage	Drainage	30
Infrastructure Assets	Drainage Facility	Drainage Facility	30
Infrastructure Assets	Electrical Networks	Electrical Networks	10
Infrastructure Assets	Feeder Roads	Feeder Roads	10
Infrastructure Assets	Fibre Optic	Fibre Optic Cable	30

Infrastructure Assets	Fire Hydrants	Fire Hydrants	20
Infrastructure Assets	Gas (main and lines)	Gas (main and lines)	30
Infrastructure Assets	Harbour and Landing Sites	Harbour and Landing Sites	50
Infrastructure Assets	Highways	Highways	40
Infrastructure Assets	Irrigation Systems	Irrigation Systems	20
Infrastructure Assets	Landscaping and Gardening	Landscaping and Gardening	5
Infrastructure Assets	Lighting and Traffic system	Lighting and Traffic system	20
Infrastructure Assets	Other - Infrastructure Assets	(Oil Rig)	40
Infrastructure Assets	Railway Line	Railway Line	30
Infrastructure Assets	Road Signals	Road Signals	10
Infrastructure Assets	Runways	Runways	10
Infrastructure Assets	Sea Walls	Sea Defence Walls	20
Infrastructure Assets	Sewers	Sewers	25
Infrastructure Assets	Toilets	Toilets	25
Infrastructure Assets	Urban Roads	Urban Roads	30
Infrastructure Assets	Utilities Networks	Utilities Networks	30
Infrastructure Assets	Water Lines	Water Lines	20
Infrastructure Assets	Water Systems	Water Systems	20
Land	Land	Land	-
Intangible Assets	Computer Software	Software	7

1.6.3 Disposal of PPE

Disposal gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in the Statement of Financial Performance when the item is derecognised; such a gain or loss is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.7.0 Heritage Assets - IPSAS 17

1.7.1 Definition of Heritage Assets

1.7.1.1 Some assets are described as heritage assets because of their cultural, historical and environmental significance. Examples of Ghana's heritage assets include; artefacts, historical buildings and monuments, archaeological sites, conservations areas and nature reserves. Characteristics of Heritage Assets include the following:

- i. Their value in cultural, environmental, educational, and historical terms is unlikely to be fully reflected in a financial value based purely on a market price.
- ii. They are often irreplaceable and their value may increase over time even if their physical condition deteriorates.
- iii. It may be difficult to estimate their useful lives which in some cases could be several hundreds of years.

1.7.1.2 These assets are rarely held for their ability to generate cash inflows and there may be legal or social obstacles to using them for such purposes. Heritage Assets are not depreciable.

1.7.1.3 However, in Ghana, heritage assets that have future economic benefits or service potential other than their heritage value, for example, a historic building being used for office accommodation are measured and recognised on the same basis as other items of property, plant, and equipment (IPSAS 17) - i.e., depreciable heritage assets under PPE.

1.7.2 Disposal of Heritage Assets

A gain or loss resulting from the disposal or transfer of heritage assets arises when proceeds from disposal or transfer differ from the carrying amount. Those gains or losses are recognised in the statement of financial performance.

1.7.3 Impairment

Impairment assessments are conducted at the covered entity during annual physical verification procedures when events or changes in circumstance indicate that carrying amounts may not be recoverable.

1.8.0 Inventories - IPSAS 12

1.8.1 Definition

1.8.1.1 Assets are considered as inventories when they are;

- i. In the form of materials or supplies to be consumed in the production process.
- ii. In the form of materials or supplies to be consumed or distributed in the rendering of service.

- iii. Held for sale or distribution in the ordinary course of operations.
- iv. In the process of production for sale or distribution.

1.8.1.2 Government of Ghana inventory includes; value books, military inventories, consumables, maintenance materials, spare parts for PPEs, stock of unissued currencies, postal service supplies, educational or training course materials, land or property held for sale, etc.

Inventory balances are recognised as current assets in the Statement of Financial Position.

1.8.2. Inventory Valuation

1.8.2.1 The inventory valuation method of Government of Ghana is the *Weighted Average Cost (WAC)* method. The cost of inventory in stock is determined using the average price cost basis. The cost of inventories includes the cost of purchase, plus other costs incurred in bringing the items to the destination and condition for use. Inventories acquired through non-exchange transactions (i.e., donated goods) are measured at fair value at the date of acquisition. Inventories held for sale are valued at the lower of cost and net realizable value.

Net realizable value is the net amount that is expected to be realized from the sale of inventories in the ordinary course of operations.

1.8.2.2 Inventories held for distribution at no or nominal charge or for consumption in the production of goods or services are valued at the lower of cost and current replacement cost. Current replacement cost is the estimated cost that would be incurred to acquire the asset.

1.8.2.3 The carrying amounts of inventories are expensed when inventories are sold, exchanged, distributed externally or consumed by the respective covered entity.

1.8.2.4 Inventories are subject to physical verification based on value and risk as assessed by Principal Spending Officers. Valuations of inventories, are the net of write-downs, from cost to current replacement cost or net realizable value, which are recognised in the Statement of Financial Performance.

1.8.2.5 Government of Ghana uses periodic inventory count approach where covered entities undertake inventory count on quarterly and annual basis.

1.9.0 Intangible Assets -IPSAS 31

1.9.1 Definition

1.9.1.1 An intangible asset is an identifiable non-monetary asset without physical substance such as; computer software, patents, copyrights, trademarks, designs, etc.

1.9.1.2 Ghanas intangible assets are classified into internally generated intangible assets and acquired or purchased intangible assets which are recognised in the Statement of Financial Position.

1.9.2 Recognition of Intangible Asset

1.9.2.1 Intangible asset whether purchased or internally generated, is recognised if:

- a) It is probable that future economic benefits or service potential that are attributable to the asset will flow to the entity.
- b) The cost or fair value of the asset can be measured reliably.

1.9.2.2 Internally generated goodwill is however not recognised as an intangible asset.

1.9.2.3 Research cost is charged to expenses when incurred in the Statement of Financial Performance.

1.9.2.4 Development costs are expensed. However, development cost are capitalised when it is determined with reasonable certainty that such cost will lead to the development of an asset or future economic benefits associated to the development will flow to the entity.

1.9.2.5 Intangible assets are carried at cost, less accumulated amortization, and accumulated impairment loss.

1.9.2.6 If an Intangible assets is acquired at nil or nominal cost, including donated assets, the fair value at the date of acquisition is deemed to be the cost to acquire the assets.

1.9.2.7 Computer software acquired are capitalised on cost basis. The cost of the software include the initial license cost and other cost incurred to bring the software into use.

1.9.2.8 Computer software developed internally are capitalised at cost, where the cost includes directly associated cost such as software development cost, employee costs, costs for consultants and other applicable overheads.

1.9.3 Amortisation of Intangible Assets

Intangible assets with finite useful lives are amortized on a straight-line method and full amortisation charged in the year of acquisition or in the year when they become operational. The estimated useful lives of major classes of intangible assets are as follows:

Intangible Asset Type	Intangible Useful Life
Patent	10years
Trademark	Infinite
Trade name	10years
Licenses	Based on terms of use
Copy right	Based on terms of use
Franchise Agreements	Based on terms of use
Broadcast rights	Based on terms of use
Broadcasting Spectrum	Infinite
Airspace	Infinite
Use rights	Based on terms of use
Internet Domain Name	Infinite
Goodwill	Infinite
Software	10years
Recipes	Infinite
Formulae	Infinite
Models	10years
Designs	5years
Prototypes	3years
Newspaper Mastheads	5years
Performance Events	5years
Literary works	Infinite
Musical Works	Infinite
Pictures	Infinite
Motion Pictures and Television programs	Infinite

Source; CAGD of Republic of Ghana

1.9.4 Impairment of Intangible Assets

Annual impairment reviews of intangible assets are conducted where assets are under development or have an indefinite useful life. Other intangible assets are subject to impairment review only when indicators of impairment are identified.

1.10.0 Cash Flow Statement –IPSAS 2

1.10.1 Definition

Cash and Cash Equivalent – Cash and cash equivalents consist of cash on hand, cash at bank, short-term and highly liquid investments that are readily convertible into known amount of cash which are subject to an insignificant risk of changes in value.

Financing Activities - Financing activities are activities that result in changes in the size and composition of the contributed capital and borrowings of the entity.

Investing Activities - Investing activities are the acquisition and disposal of longterm assets and other investments not included in cash equivalents.

Operating Activities - Operating activities are the activities of the entity that are not investing or financing activities.

1.10.2 Presentation

Afadzato South District Assembly uses the indirect method to report cash flows from operating activities, whereby surplus or deficit is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing or financing cash flows.

Cash flows from Investing and Financing activities can be reported separately for major classes of gross receipts and gross payments that takes place during the period, however, **Afadzato South District Assembly** elects to present its Investing and Financing Activities on a net basis.

1.10.3 Disclosure

Afadzato South District Assembly discloses, together with a commentary by management in the notes to the financial statements, the amount of significant cash and cash equivalent balances held that are not available for use by the economic entity.

1.11.0 Financial Instruments - IPSAS 28, 30, 41

1.11.1 Definition

Financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instrument confer right or claim in the form of payment, equity ownership or dividend, debt, currency or derivatives.

1.11.2 Financial Assets

Financial asset is any asset that is cash; an equity instrument of another entity; or a contractual right to receive cash or another financial asset from another entity; or to exchange financial asset or financial liability with another entity under conditions that are potentially favourable to the entity.

1.11.3 Classification of Financial Assets

Depending on the nature of financial asset **Afadzato South District Assembly**) uses the following classification basis for initial recognition.

Classification	Financial Assets
Fair value through surplus or deficit	Equity Investments in controlled entities, cash pools and Endowment Fund
Loans and Receivables	Cash and cash equivalents, Loans, Advances and Receivables

The financial assets are subjected to re-evaluation at each reporting date as subsequent measurement.

1.11.4 Financial Asset Measurement

1.11.4.1 All financial assets are initially measured at fair value except for short-term receivables. The **Afadzato South District Assembly** initially recognises financial assets classified as loans and receivables on the date on which they originated. All other financial assets are recognised initially on the trade date, which is the date **Afadzato South District Assembly** becomes party to the contractual provisions of the instrument.

1.11.4.2 Financial assets with maturities periods more than 12 months at the reporting date are categorized as non-current assets in the Statement of Financial Position. Assets denominated in foreign currencies are translated into Ghana Cedis at the Bank of Ghana mid-rates of exchange prevailing at the reporting date, with net gains or losses recognised in surplus or deficit in the Statement of Financial Performance.

1.11.4.3 Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value and are subsequently reported at amortized cost calculated using the effective interest rate method. Interest revenue is recognised on a time proportion basis using the effective interest rate method on the respective financial asset.

1.11.4.4 Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in the value of the asset. Impairment losses are recognised in the Statement of Financial Performance as exceptional items in the year in which they arise.

1.11.5 Transfer of Financial Assets

Financial assets are transferred only when;

- a) the contractual rights to the cash flows from the financial assets expire or are waived, or
- b) it transfers the financial assets under the following conditions;
 - Transfers the contractual rights to receive the cash flows of the financial assets, or
 - Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

1.11.6 Derecognition of Financial Assets

Financial assets are derecognised only when;

- a) the contractual rights to the cash flows from the financial assets expire or are waived, or
- b) it derecognises the financial assets under the following conditions;
 - Transfers the contractual rights to receive the cash flows of the financial assets, or
 - Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay

the cash flows to one or more recipients and treats the transaction as a transfer of financial assets under the following conditions:

- ✓ **Afadzato South District Assembly** has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original assets
- ✓ **Afadzato South District Assembly** is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows
- ✓ **Afadzato South District Assembly** has an obligation to remit any cash flow it collects on behalf of the eventual recipients without material delay.

1.11.7 Offsetting Financial Asset and Financial Liability

1.11.7.1 Financial assets and liabilities are offset, and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

1.11.7.2 Investments of **Afadzato South District Assembly**) are mainly equity investments in other entities (State-Owned Enterprises/other companies) recognised on the Statement of financial position at their initial cost, and subsequently measured at fair value at period end.

1.11.8 Financial Liabilities

1.11.8.1 Financial liability is a contractual obligation to deliver cash, or another financial asset to another entity. Common financial liabilities include bank overdraft, account payable and borrowings (including bond, loan and concessionary loans).

1.11.8.2 They include trade payable, trust monies, domestic loans, and external loans to the economic reporting entities. Financial liabilities are recognised at their nominal value. Financial liabilities classified as domestic loans and external loans are initially recognised at fair value and subsequently measured at amortized cost.

1.11.8.3 Financial liabilities with a duration of less than 12 months are recognised under current liabilities and those with more than 12 months duration are recognised under non-current liabilities.

1.11.8.4 The **Afadzato South District Assembly** re-evaluates the classification of financial liabilities at each reporting date and derecognises financial liabilities when its contractual obligations are discharged, waived, cancelled, or expired.

1.11.8.5 Trade payable and accrued liabilities arise from the purchase of goods and services that have been received but not paid for at the reporting date. Payables are recognised and subsequently measured at their nominal value because they are generally due within 12 months.

1.11.9 Financial instruments exceptions:

1.11.9.1

(a) Those interests in controlled entities, associates and joint ventures that are accounted for in accordance with Separate Financial Statements, Consolidated Financial Statements, or, Investments in Associates and Joint Ventures, such Entities shall also apply this policy to derivatives on an interest in a controlled entity, associate or joint venture unless the derivative meets the definition of an equity instrument of the entity, in accordance with IPSAS 28 (Financial Instruments: Presentation).

(b) Rights and obligations under leases. However:

- Finance lease receivables (i.e., net investments in finance leases) and operating lease receivables recognised by a lessor are subject to derecognition and impairment requirements.
- Lease liabilities recognised by a lessee are subject to derecognition requirements; and
- Derivatives that are embedded in leases

(c) Employers' rights and obligations under employee benefit plans, to which Employee Benefits applies.

(d) Financial instruments issued by the entity that meet the definition of an equity instrument (including options and warrants) or that are required to be classified as an equity instrument. However, the holder of such equity

instruments shall apply this policy to those instruments, unless they meet the exception in (a).

(e) Rights and obligations arising under:

- a) An insurance contract, other than an issuer's rights and obligations arising under an insurance contract that meets the definition of a financial guarantee contract or,
- b) A contract that is within the scope of relevant international or national accounting standard dealing with insurance contracts because it contains a discretionary participation feature.

(f) Any forward contract between an acquirer and a selling shareholder to buy or sell an acquired operation that will result in a public sector combination. The term of the forward contract should not exceed a reasonable period normally necessary to obtain any required approvals and to complete the transaction.

(g) Loan commitments other than loan commitments that the entity designates as financial liabilities at fair value through surplus or deficit, loan commitments that can be settled net in cash or by delivering or issuing another financial instrument and commitments to provide a loan at a below-market interest rate.

1.11.9.2 An entity shall classify all financial liabilities as subsequently measured at amortized cost, except for:

- a) Financial liabilities at fair value through surplus or deficit. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.
- b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
- c) Financial guarantee contracts;. After initial recognition, an issuer of such a contract shall subsequently measure it at the higher of:
 - The amount of the loss allowance
 - The amount initially recognised less, when appropriate, the cumulative amount of amortization recognised in accordance with revenue from exchange transactions.

1.11.9.3 A derivative is a financial instrument or other contract within the scope of this policy with all three of the following characteristics;

- a) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the underlying⁹).
- b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- c) It is settled at a future date

1.11.10 Impairment

1.11.10.1 Impairment of Financial Assets - Loss allowance is recognised for expected credit losses on a financial asset that is measured at amortized cost or fair value through net assets/equity, a lease receivable, or a loan commitment and a financial guarantee contract to which the impairment requirements apply in accordance with exceptions under which financial liabilities are measured at amortized cost.

1.11.10.2 Impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through net assets/equity shall be applied. However, the loss allowance shall be recognised in net assets/equity and shall not reduce the carrying amount of the financial asset in the statement of financial position.

1.11.11 Hedge Accounting

1.11.11.1 Hedge accounting requirements in IPSAS 41 are optional. If the eligibility and qualification criteria are met, hedge accounting allows an entity to reflect risk management activities in the financial statements by matching gains or losses on financial hedging instruments with losses or gains on the risk exposures they hedge.

1.11.11.2 There are three types of hedging relationships: (i) fair value hedge; (ii) cash flow hedge and (iii) hedge of a net investment in a foreign operation as defined in IPSAS 4.

1.11.11.3 A hedging relationship qualifies for hedge accounting only if all of the following criteria are met:

- i. The hedging relationship consists only of eligible hedging instruments and eligible hedged items;
- ii. At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- iii. The hedging relationship meets all of the hedge effectiveness requirements.

1.11.11.2 In order to qualify for hedge accounting, the hedge relationship must meet the following effectiveness criteria:

- i. There is an economic relationship between the hedged item and the hedging instrument;
- ii. The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- iii. The hedge ratio of the hedging relationship is the same as that actually used in the economic hedge.

1.12.0 Advance receipts and other liabilities

1.12.1 Classification

Advance receipts and other liabilities consist of payments received in advance relating to exchange transactions, liabilities for conditional funding arrangements and other deferred revenue.

1.13.0 Leases - IPSAS 13

Afadzato South District Assembly as a Lessee

1.13.1 Finance Lease

Afadzato South District Assembly treats a leased property as a Finance Lease when it has substantially all the risks and rewards of ownership transferred to it. Finance

Leases are capitalised at the start of the lease at the lower of fair value or the present value of the minimum lease payments. The rental obligation, net of finance charges, is reported as a liability in the statement of financial position. Assets acquired under finance leases are depreciated in accordance with property, plant, and equipment policies. The interest element of the lease payment is charged to the Statement of Financial Performance as an expense over the lease term on the basis of the effective interest rate method.

1.13.2 Operating Lease

Afadzato South District Assembly treats a leased property as an Operating Lease where the risks and rewards of ownership are not substantially transferred to it.

Payments of Operating Leases rentals are charged to the Statement of Financial Performance as an expense on a straight-line basis over the term of the lease.

1.14.0 Donated Right to Use Arrangements (DRUA) - IPSAS 13

1.14.1 Definition

Land, buildings, infrastructure assets, machinery and equipment are frequently granted to the Afadzato South District Assembly primarily by individuals and corporate entities at nil or nominal cost, through donated right-to-use arrangements. These arrangements are accounted for as operating lease or finance lease depending on whether an assessment of the agreement indicates that control over the underlying asset is transferred to the Afadzato South District Assembly

1.14.2 Treatment of DRUA as Operating Lease

Where a donated right-to-use arrangement is treated as an operating lease, an expense and corresponding revenue equal to the annual rental value of the asset or similar property are recognised in the financial statements. Donated right-to-use land arrangements are accounted for as operating leases where the **Afadzato South District Assembly** does not have exclusive control over the land and/or title to the land is transferred under restricted deeds.

1.14.3 Treatment of DRUA as Finance Lease

Where a donated right -to- use arrangement is treated as a finance lease (principally with a lease term of over 35 years for premises), the fair market value of the property is capitalised and depreciated over the shorter of the useful life of the property and the term of the arrangement. In addition, a liability for the same amount is recognised, which is progressively recognised as revenue over the lease term.

1.14.4 Transfer of Title under DRUA

Where title to land is transferred to Afadzato South District Assembly without restrictions, the land is accounted for as donated property, plant and equipment and recognised at fair value at the acquisition date.

1.15.0 Consolidation of Financial Statements – IPSAS 35

1.15.1 Definition

Consolidated financial statements are the financial statements of an economic entity in which the assets, liabilities, net assets/equity, revenue, expenses and cash flows of the controlling entity and its controlled entities are presented as those of a single economic entity.

1.15.2 Consolidation Method

1.15.2.1 Holding Interest of 50% Plus - In entities where Afadzato South District Assembly has more than 50% interest, line-by-line consolidation method is used.

1.15.2.2 Holding Interest of 50% or Less - Where the holding interest is 50% or less, then the equity method is used (i.e., applying percentage holding interest on the net assets of the controlled entity).

1.15.3 Consolidation Scope

These financial statements have been prepared to include AFADZATO SOUTH DISTRICT ASSEMBLY and the Zonal Councils.

1.16.0 Provisions, Contingent Liabilities and Contingent Assets – IPSAS 19

1.16.1 Definition

Provision is a liability of uncertain timing or amount.

1.16.2 Recognition

1.16.2.1 Provisions are recognised as liabilities when:

- The economic entity has a present legal or constructive obligation as a result of past events,
- It is more likely than not that an outflow of resources will be required to settle that obligation and
- The amount can be reliably estimated.

1.16.2.2 Specific provisions for bad and doubtful debts are made for loans, receivables and investments as and when their non-recoverability is determined and where a request is made to Parliament for a write off.

1.17.0 Contingent liabilities

1.17.1 Definition

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

1.17.2 Recognition and Disclosure

1.17.2.1 It is the policy of AFADZATO SOUTH DISTRICT ASSEMBLY not to recognise Contingent Liability but rather disclose in Afadzato South District Assembly of the notes to the Financial Statements, a brief description of the nature of the Contingent Liability and where applicable:

- a) An estimate of its financial effect,
- b) An indication of the uncertainties relating to the amount or timing of any outlay; and
- c) The possibility of any reimbursement.

1.17.2.2 AFADZATO SOUTH DISTRICT ASSEMBLY periodically assesses Contingent Liabilities to determine whether an outflow of resources embodying economic benefits or service potential has become more or less probable. If it becomes more probable that such an outflow will be required, a provision is recognised in the financial statements of the period in which the change of probability occurs.

1.18.0 Contingent assets

1.18.1 Definition

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the effective control of the Afadzato South District Assembly

1.18.2 Disclosure

1.18.2.1 Contingent assets are disclosed in the notes when it is more likely than not, that economic benefits or service potential will flow to Afadzato South District Assembly

1.18.2.2 Where Afadzato South District Assembly has an onerous contract, the present obligation under the contract shall be recognised and measured as a provision for Contingent Asset under onerous contract.

1.19.0 Events after the Reporting Date - IPSAS 14

1.19.1 Definition

Events after Reporting Date are those events, both favourable and unfavourable, that occur between the reporting date for the financial statements and the date when the financial statements are authorised for issue and have a material impact on these financial statements.

1.19.2 Reporting Dates

In line with the Public Financial Management Act, 2016 (Act 921) the financial reporting and authorisation dates of Government are as follows:

Description	Reporting Date	Authorisation for Issue Date
Covered Entities		
Quarter 1	31 st March 2024	15 th April 2024
Quarter 2	30 th June 2024	15 th July 2024
Quarter 3	30 th September 2024	15 th October 2024
Quarter 4	31 st December 2024	15 th January 2024 (following year)
Annual	31 st December 2024	28 th February 2024(following year)
CAGD (NATIONAL ACCOUNT)		
Quarter 1	31 st March 2024	30 th April 2024

Quarter 2	30 th June 2024	31 st July 2024
Quarter 3	30 th September 2024	31 st October 2024
Quarter 4	31 st December 2024	31 st January 2024 (following year)
Annual	31 st December 2024	31 st March 2024(following year)

1.19.3 Adjusting Events & Non-Adjusting Events

1.19.3.1 Adjusting Event -When an event after the reporting date occurs, and it is material, which provides evidence of condition that existed at the reporting date, the accounts are adjusted accordingly

1.19.3.2 Non-Adjusting Event - When an event after the reporting date occurs and is material which provides indicative conditions that arose after the reporting date, necessary disclosures are provided in the Notes to the Financial Statements indicating the following:

- a) The nature of the event
- b) An estimate of its financial effect, or a statement that such an estimate cannot be made.

1.20.0 Accounting Policies, Estimates and Errors - IPSAS 3

1.20.1 Change in Accounting Policy

1.20.1.1 Definition

Accounting policies are the specific principles, bases, conventions, rules and practices applied by Afadzato South District Assembly in preparing and presenting financial statements.

1.20.1.2 Afadzato South District Assembly change in accounting policy is when there is:

- a) A change from one basis of accounting to another basis of accounting
- b) A change in the accounting treatment, recognition, or measurement of a transaction, event, or condition within a basis of accounting.

1.20.1.3 Afadzato South District Assembly changes its accounting policy only when:

- a) It is required by IPSAS; or

- b) It results in the financial statements providing faithful representation and more relevant information about the effects of transactions, other events, and conditions on the entity's financial position, financial performance, or cash flow.

1.20.2 Retrospective Application

When there is a change in accounting policy Afadzato South District Assembly does retrospective application to adjust the opening balance of each affected component of net asset/equity (i.e., items affected in the statement of financial position) for the earliest period presented, and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.

1.20.3 Consistency in Application of Accounting Policy

Afadzato South District Assembly selects and applies its accounting policies consistently for similar transactions, other events, and conditions, unless it is specifically required or permitted by IPSAS or a legislation for categorisation of items for which different policies may be appropriate.

1.20.4 Changes in Accounting Estimates

1.20.4.1 Definition

A Change in Accounting Estimates is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. They result from new information or new developments and accordingly, are not correction of errors.

1.20.4.2 As a result of the uncertainties inherent in the operations of Afadzato District Assembly, many items in financial statements cannot be measured with precision but can only be estimated. Estimation involves judgments based on the latest available reliable information. For example, estimates may be required of:

- a) Tax revenue due to government;
- b) Bad debts arising from uncollected taxes;
- c) Inventory obsolescence;
- d) The fair value of financial assets or financial liabilities;

- e) The useful lives of, or expected pattern of consumption of future economic benefits or service potential embodied in, depreciable assets, or the percentage completion of road construction; and
- f) Warranty obligations.

1.20.4.3 The use of reasonable estimates is an essential part of the preparation of financial statements of the Afadzato District Assembly. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error.

1.20.4.4 A change in the measurement basis applied, (in paragraph 1.20.4) is a change in an accounting policy, and not a change in an accounting estimate. When it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate, the Afadzato South District Assembly treats the change as a change in an accounting estimate.

1.20.5 Recognition of Change in Accounting Estimates

1.20.5.1 To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets/equity, it is recognised by adjusting the carrying amount of the related asset, liability, or net assets/equity item in the period of change.

1.20.5.2 The effect of a change in an accounting estimate, other than a change indicated in paragraph 1.20.5.1 above, is recognised prospectively by including it in surplus or deficit in:

- a) The period of the change, if the change affects the period only; or
- b) The period of the change and future periods, if the change affects both.

1.20.6 Materiality

An item is considered material if its omission or its misstatement would have an impact on the conclusions or decisions of the users of the financial statements. Afadzato South District Assembly uses materiality concept to guide accounting decisions relating to presentation, disclosure, aggregation, offsetting and retrospective versus prospective application of changes in accounting policies.

1.20.6 Use of Judgement

1.20.6.1 In the absence of an IPSAS that specifically applies to a transaction, other event, or condition, management of Afadzato South District Assembly uses its judgement in developing and applying an accounting policy that results in information that is relevant to the accountability and decision-making needs of users, faithfully represents the financial performance, cash flows of the entity, meets the qualitative characteristics of understandability, timeliness, comparability, and verifiability and takes account of the constraints on information included in general purpose financial reports and the balance between the qualitative characteristics.

1.20.6.2 In making accounting judgement, management refers to, and considers the applicability of the following sources in the following order:

- a) The requirements in IPSAS dealing with similar and related issues; and
- b) The definitions, recognition and measurement criteria for assets, liabilities, revenue and expenses.

1.20.6.3 Management also considers the most recent pronouncements of other standard setting bodies; and accepted public or private sector practices, but only to the extent that these do not conflict with the sources in (a) and (b) above.

1.20.7 Prior Period Errors

Definition

1.20.7.1 Prior period errors are omissions from, and misstatements in, the entity's financial statement for one or more prior periods arising from a failure to use or misuse of, faithfully representative information that:

- a) was available when the financial statements for those periods were authorized for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

1.20.7.2 All material prior period errors and effects of change in accounting policies are corrected retrospectively after their discovery in the most recent set of financial statements authorized for issue, by;

- a) Restating comparative prior period amounts, or
- b) If the error occurred before the earliest prior period presented, by restating the opening statement of financial position.

1.20.7.3 A prior period error is corrected by retrospective restatement, except to the extent that it is impracticable to determine either the period specific effects or the cumulative effect of the error.

1.20.7.4 When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, it is restated by correcting the opening balances of assets, liabilities, and net assets/equity for the earliest period for which retrospective restatement is practicable (which may be the current period).

1.20.7.5 When it is impracticable to determine the cumulative effect at the beginning of the current period, of an error on all prior periods, the comparative information to correct the error prospectively from the earliest date practicable is restated.

1.20.7.6 In disclosing the prior period, the Afadzato South District Assembly presents the following;

- a) The nature of the prior period error;
- b) For each period presented, to the extent practicable, the amount of the correction for each financial statement line item affected;
- c) The amount of the correction at the beginning of the earliest prior period presented;
- d) If retrospective treatment is impracticable for a particular prior period, the circumstance that led to the existence of that condition and a description of how and from when the error has been corrected.
- e) Financial statements of subsequent periods need not reflect these disclosure requirements.

1.21.0 Presentation of Budget Information in Financial Statements - IPSAS 24

1.21.1.1 Comparison of budget and actual amounts on a comparable basis presents the difference on the financial performance between amounts which are both prepared on cash basis, presented in the statement of comparison of budget and actual amounts.

1.21.1.2 IPSAS 24 requires public sector entities to present a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities that are required to, or elect to, make publicly available their approved budget(s), and for which they are, therefore, held publicly

accountable. The Standard also requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts.

1.21.1.3 This is to ensure that public sector entities discharge their accountability obligations and enhance the transparency of their financial statements by demonstrating (a) compliance with the approved budgets for which they are held publicly accountable and (b) where the budget(s) and the financial statements are prepared on the same basis, their financial performance in achieving the budgeted results.

1.21.2 Presentation of a Comparison of Budget and Actual Amounts

1.21.2.1 The standard requires that, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts, either:

- a) As a separate additional financial statement, or
- b) As additional budget columns in the primary financial statements (statement of financial performance).

1.21.2.2 Since the budget of Afadzato South District Assembly is prepared on Cash Basis, whilst the financial statements are prepared on accrual accounting basis, Afadzato South District Assembly has elected to present its comparison of budget amount as a separate additional financial statement showing the following:

- a) Original Budget Amount
- b) Supplementary Budget Amount
- c) Budget Reallocation Amount
- d) Final Budget amount
- e) Actual Amount
- f) Variance Amount (With explanatory notes to material differences)

1.22.0 Separate Financial Statements – IPSAS 34

1.22.1 Definition

1.22.1.1 Separate financial statements are those presented by an entity, in which the entity could elect, subject to the requirements of IPSAS, to account for its investments in controlled entities, joint ventures and associates either at *Cost*, in accordance with IPSAS 29, Financial Instruments: Recognition and Measurement; or using the *Equity method* as described in IPSAS 36, Investments in Associates and Joint Ventures.

1.22.1.2 Separate Financial Statements are those presented in addition to consolidated financial statements or in addition to the financial statements of an investor that does not have controlled entities but has investments in associates or joint ventures.

1.22.1.3 Controlled Entity: AFADZATO SOUTH DISTRICT ASSEMBLY controls another entity when the entity is exposed or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefit through its power over the entity.

1.22.1.4 For the purpose of this policy, AFADZATO SOUTH DISTRICT ASSEMBLY uses two (2) criteria for the presentation of Separate financial statements in line with IPSAS 34:

- a) Identification of a group of spending units/ reporting entities that constitutes the scope of consolidated financial statements
- b) Identification of one (1) spending unit/ reporting entity as the controlling entity that is required to produce its own set of accounts as **Separate Financial Statements** presented alongside the

Consolidated Financial Statements in a single report.

1.22.1.5 In the financial statements of AFADZATO SOUTH DISTRICT ASSEMBLY, the group comprises

AFADZATO SOUTH DISTRICT ASSEMBLY (identify the group of spending unit/ reporting entity being consolidated as in (a) above); and the controlling entity is AFADZATO SOUTH DISTRICT ASSEMBLY (the spending unit/ reporting entity that needs to produce its separate set of financial statements as in (b) above).

1.23.0 Employee benefits - IPSAS 39

1.23.1 Definitions

1.23.1.1 Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

1.23.1.2 Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either (a) An entity's decision to terminate an employee's employment before the normal retirement date or (b) An employee's decision to accept an offer of benefits in exchange for the termination of employment.

1.23.1.3 Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

1.23.1.4 Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

1.23.1.5 Past Service Cost is the change in the present value of the defined benefits obligation for employee service in prior periods, resulting from a plan amendment or curtailment

1.23.1.6 Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

1.23.1.7 Defined benefit plans are post-employment benefit plans other than defined contribution plans.

1.23.1.8 Multi-employer plans are defined contribution plans (other than state plans) or defined benefit plans (other than state plans) that:

- a) Pool the assets contributed by various entities that are not under common control; and
- b) Use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees.

1.23.1.9 State plans are plans established by legislation that operate as if they are multiemployer plans for all entities in economic categories laid down in legislation.

1.23.1.10 The net defined benefit liability (asset) is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The deficit or surplus is:

- a) The present value of the defined benefit obligation less
- b) The fair value of plan assets (if any).

1.23.1.11 The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

1.23.1.12 The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

1.23.2 Recognition and Measurement

Short-Term Employee Benefits

1.23.2.1 Short term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related services. These include wages, allowances and salaries for established and non-established posts (e.g., Cost of living allowance, commuted leave allowance, travel allowances; and other nonmonetary benefits such as medical care)

1.23.2.2 When an employee renders a service during an accounting period, AFADZATO SOUTH DISTRICT ASSEMBLY recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, AFADZATO SOUTH DISTRICT ASSEMBLY recognises the excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.
- b) As an expense, unless it is considered as part of the cost of an asset treated under the relevant standards such as IPSAS 12 & 17.

1.23.2.3 Medium-to-Long-term employee benefits: Medium-to-Long-term plan pension liability present future outflows to pensioners that, for the purpose of this financial statements, will occur after 1 year to 20 years.

1.23.2.4 Post-employment benefits comprise end of service benefits, gratuities, ex-gratia, after-service health insurance, end-of-service repatriation benefits, Tier 1 pension and a pension through the CAP-30 Pension Scheme.

1.23.2.5 Defined Benefits - Defined-benefit plans are those where AFADZATO SOUTH DISTRICT ASSEMBLY obligation is to provide agreed benefits and therefore bears the actuarial risks. The following benefits are accounted for as defined-benefit plans: *ex-gratia*, *CAP-30 pension*, *after-service health insurance*, *repatriation benefits* (*post-*

employment benefits) and accumulated annual leave that is commuted to cash upon separation from the Employer (other long-term benefits).

1.23.2.6 AFADZATO SOUTH DISTRICT ASSEMBLY accounts for its defined benefit plans using the following steps:

- a) Using actuarial techniques to make a reliable estimate of the amount of benefit that employees have earned in return for their service in the current and prior periods. This requires AFADZATO SOUTH DISTRICT ASSEMBLY to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will influence the cost of the benefit;
- b) Discounting that benefit using the Projected Unit Credit Method in order to determine the present value of the defined benefit obligation and the current service cost using the Government of Ghana Treasury bill rate;
- c) Determining the fair value of any plan assets;
- d) Determining the total amount of actuarial gains and losses and the amount of those actuarial gains and losses to be recognised in the statement of changes in net assets.
- e) Where a plan has been introduced or changed, determining the resulting past service cost;
- f) Where a plan has been curtailed or settled, determining the resulting gain or loss.

1.23.2.7 The liability for defined-benefit plans is measured at the present value of the defined- benefit obligation. Changes in the liability for defined-benefit plans, excluding actuarial gains and losses, are recognised in the statement of financial performance in the year in which they occur.

1.23.2.8 After-service health insurance - Worldwide coverage for medical expenses of eligible former staff members and their dependants is provided through after-service health insurance by the AFADZATO SOUTH DISTRICT ASSEMBLY. Upon end of service, staff members and their dependants may elect to participate in a defined-benefit health insurance plan of such institutions, provided they have met the eligibility requirements. The after-service health insurance liability represents the present value of the share of AFADZATO SOUTH DISTRICT ASSEMBLY medical insurance costs for retirees and the post-retirement benefit accrued to date by active staff. A factor in the after-service health insurance valuation is to consider contributions from all plan participants in determining AFADZATO SOUTH DISTRICT ASSEMBLY residual liability.

1.23.2.9 Government Pension (The CAP-30 Pension): AFADZATO SOUTH DISTRICT ASSEMBLY runs a pension scheme (CAP-30 Pension) for staff that fall under the services umbrella of the Public Service institutions, which was established by the Parliament of Ghana to provide retirement, death, disability and related benefits to employees within that umbrella. The CAP 30 Pension is a funded employer defined benefit plan. Membership in the CAP-30 Pension Scheme is open to the staff of specialized service agencies recognised under the scheme, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of AFADZATO SOUTH DISTRICT ASSEMBLY stipulated in the Constitution of the Republic of Ghana and the specialized agencies. Government of Ghana does not run a fund for the CAP-30 Pension Scheme and as such AFADZATO SOUTH DISTRICT ASSEMBLY does not recognise plan pension assets in its financial statement.

1.24.0 Borrowing Costs IPSAS 5

1.24.1 Definition

Borrowing cost are interest expenses and other expenses incurred by AFADZATO SOUTH DISTRICT ASSEMBLY in connection with the borrowing of funds. Borrowing cost includes:

- a) Interest expense calculated using effective interest method,
- b) Interest in respect of leases liabilities and service concession arrangement; and

- c) Exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest cost.

Qualifying assets are assets that necessarily takes substantial period of time to make it ready for its intended use or sale.

1.24.2 Measurement and Recognition of Borrowing cost

1.24.2.1 AFADZATO SOUTH DISTRICT ASSEMBLY has adopted Allowed Alternative Treatment

Approach to account for borrowing cost, and recognises borrowing costs as follows:

- a) As an expense in the period in which they are incurred, except to the extent that, borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as part of the cost of that qualifying asset.
- b) **Borrowing for Specific Purpose** - Funds specifically borrowed for the purpose of obtaining a particular asset, the borrowing costs that directly relate to that qualifying asset are identified and capitalised as part of the cost of the qualifying asset less investment income on the temporary investment of those borrowings.
- c) **Borrowing for General Purpose** - Where funds are borrowed for general purpose and not for specific qualifying assets, the amount or portion used for the purpose of obtaining a qualifying asset is calculated by applying capitalisation rate (weighted-average of borrowing cost) to outlays incurred during the period, to determine the amount of borrowing cost eligible for capitalisation.

1.24.3 Commencement of Capitalisation

1.24.3.1 The capitalization of borrowing costs as part of the cost of a qualifying asset shall commence when:

- a) Outlays for the asset are being incurred;
- b) Borrowing costs are being incurred; and
- c) Activities that are necessary to prepare the asset for its intended use or sale are in progress.

1.24.3.2 Outlays on a qualifying asset include only those outlays that have resulted in payments of cash, transfers of other or the assumption of interest-bearing liabilities.

1.25.0 Financial Reporting in Hyperinflationary Economies –IPSAS 10

1.25.1 Definition

Financial Reporting in Hyperinflationary economies is where the cumulative inflation rate over three years is approaching, or exceeds, 100%.

1.25.2 Measurement, Recognition and Disclosure

- a) In Hyperinflationary economies, the primary statements are translated using a price index or unit in the local or functional currency to reflect the economic situation and make meaning of the financial statement; **NB**.
 - Only Non-Monetary items in the statement of financial position (e.g., Property, Plant and Equipment) are reinstated using the indexation factor resulting in gain or loss on monetary position.
 - Monetary items are not restated because they are already expressed in terms of the monetary unit current at the reporting date. Monetary items are money held and assets and liabilities to be received or paid in fixed or determinable amounts of money.
 - Non-monetary items that are carried at amounts current at the reporting date (i.e., at fair value or net realizable value) are not restated. All other non-monetary items are restated
- b) The surplus or deficit on the net monetary position are separately disclosed in the statement of financial performance.
- c) Comparative figures for prior periods and any information in respect of earlier periods shall be restated in the same measuring unit at the reporting date.
- d) Budgetary information are also restated in the same measuring unit to make meaning of comparison of budgets to actual amounts.
- e) The measuring unit or price index for translation are derived using professional judgement taking into cognisance the current inflation rate, the commodity price index, the purchasing power, the interest rate parity and

any other relevant factor that may make meaning of the economic situation to reflect the reality.

1.26.0 Construction Contracts -IPSAS 11

1.26.1 Definition

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely related or interdependent in terms of their design, technology, and function or their ultimate purpose or use.

1.26.2 Scope of Construction Contract

For the purpose of this policy, construction contract include:

- a) Contracts for the rendering of services that are directly related to the construction of the asset
- b) Contracts for the destruction or restoration of assets, and the restoration of the environment following demolition of assets.
- c) All arrangements that are binding on the parties to the arrangement, but which may not take the form of a documented contract. For example, two government department may enter into a formal arrangement for the construction of an asset, but the arrangement may not constitute a legal contract. Such binding arrangements could include (but are not limited to) a ministerial direction, a cabinet decision, a legislative direction (such as an Act of Parliament), or memorandum of understanding.

1.26.3 Contract Revenue

Contract revenue shall comprise:

- (a) The initial amount of revenue agreed in the contract; and
- (b) Variations in contract work, claims, and incentive payments to the extent that:

It is probable that they will result in revenue; and They are capable of being reliably measured.

1.26.4 Contract Costs

Contract costs shall comprise:

- (a) Costs that relate directly to the specific contract;
- (b) Costs that are attributable to contract activity in general, and can be allocated to the contract on a systematic and rational basis; and
- (c) Such other costs as are specifically chargeable to the customer under the terms of the contract.

1.26.5 Recognition

AFADZATO SOUTH DISTRICT ASSEMBLY recognises construction contract in its financial statement as follows:

- a) Construction contract costs are recognised as an expense on the percentage of completion method, measured by reference to the percentage of costs incurred to date to estimated total costs for each contract.
- b) The percentage of completion method also applies to subcontracts to the private sector contractors for a fixed completion of contract fees.
- c) When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date.
- d) Under the percentage of completion method, contract revenue is recognised as revenue in the statement of financial performance in the reporting periods in which the work is performed. Contract costs are usually recognised as an expense in the statement of financial performance in the reporting periods in which the work to which they relate is performed.
- e) Where it is intended at inception of the contract that contract costs are to be fully recovered from the parties to the construction contract, any expected excess of total contract costs over total contract revenue for the contract is recognised as an expense immediately.

1.26.6 Combining and Segmenting Construction Contracts

- a) When a contract covers a number of assets, the construction of each asset shall be treated as a separate construction contract when: Separate proposals have been submitted for each asset;

- Each asset has been subjected to separate negotiation, and AFADZATO SOUTH DISTRICT ASSEMBLY and customer have been able to accept or reject that part of the contract relating to each asset; and
 - The costs and revenues of each asset can be identified.
- b) **A group of contracts**, whether with a single customer or with several customers, shall be treated as a single construction contract when:
- The group of contracts is negotiated as a single package;
 - The contracts are so closely interrelated that they are, in effect, part of a single project with an overall margin, if any; and
 - The contracts are performed concurrently or in a continuous sequence.
- c) **Additional Assets** - When a contract provides for the construction of an additional asset at the option of the customer, or needs to be amended to include the construction of an additional asset, the construction of the additional asset shall be treated as a separate construction contract when:
- The asset differs significantly in design, technology, or function from the asset or assets covered by the original contract; or
 - The price of the asset is negotiated without regard to the original contract price.

1.27.0 Segment Reporting – IPSAS 18

1.27.1 Definition

1.27.1.1 A Segment is a distinguishable activity or group of activities of an entity for which it is appropriate to separately report financial information for the purpose of:

- a) Evaluating the entity's past performance in achieving its objectives, and
- b) Making decisions about the future allocation of resources.

1.27.1.2 IPSAS 18 requires entities to prepare and present segment report based on **Service**

Segment or Geographical Segment

- a) **Service Segment** refers to a distinguishable component of an entity that is engaged in providing related outputs or achieving particular operating objectives consistent with the overall mission of each entity; and
- b) **Geographical Segment** is a distinguishable component of an entity that is engaged in providing outputs or achieving particular operating objectives within a particular geographical area.

1.27.1.3 The AFADZATO SOUTH DISTRICT ASSEMBLY has elected to present its segmental report on **Geographical Basis** as a distinguishable component of operations where it engages in provision of outputs or achievement of its specific operational objectives within a particular geographical area. In preparing this segment report, the AFADZATO SOUTH DISTRICT ASSEMBLY takes into account its international and national locations and the need to enhance the transparency of its financial reporting in a better discharge its accountability obligations.

1.27.1.4 The geographical segments are;

Whole-of-Government Accounts:

- a) national locations
- b) international locations

Consolidated Central Government Account:

- a) Headquarters Locations in Accra
- b) Sixteen (16) Regional Locations

Consolidated Local Government Account:

a) Sixteen (16) Regional Locations **Consolidated SOE Account:**

- a) Headquarters Location
- b) Sixteen (16) Regional Locations

Entity Level (Central & Local Government, SOE)

- a) Headquarters
- b) Regional Locations
- c) International Locations (if applicable)

1.28.0 Related Party Disclosures - IPSAS 20

1.28.1 Definition

1.28.1.1 Related Parties are considered to be related if one party has the ability to:

- a) Control the other party, or
- b) Exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

1.28.1.2 Related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the reporting entity or the government of which it forms part.

1.28.1.3 Significant influence is the power to participate in the financial and operating policy decisions of an entity, but not control those policies.

1.28.2 The Need for Related Party Disclosures

1.28.2.1 In related party disclosures, there is the need for disclosure of the existence of related party relationships where control exists, and the disclosure of information about transactions between the entity and its related parties in certain circumstances. This is required for accountability purposes, and to facilitate a better understanding of the financial position and performance of the reporting entity.

1.28.2.2 The key consideration in the related party disclosures are:

- a) Identification of which parties control or significantly influence the reporting entity,
- b) Determination of what information should be disclosed about transactions with those parties.

1.28.2.3 Examples of situations that may lead to related party disclosures by AFADZATO SOUTH DISTRICT ASSEMBLY are as follows:

- a) Rendering or receiving of services;
- b) Purchases or transfers/sales of goods (finished or unfinished);
- c) Purchases or transfers/sales of property and other assets;
- d) Agency arrangements;
- e) Leasing arrangements;
- f) Transfer of research and development;
- g) License agreements;
- h) Finance (including loans, capital contributions, grants whether in cash or in kind, and other financial support, including cost-sharing arrangements); and
- i) Guarantees and collaterals.

1.28.3 Types of related parties

1.28.3.1 Related party include:

- a) Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by, the reporting entity;
- b) Associates;
- c) Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the Entity, and close members of the family of any such individual;
- d) Key management personnel, and close members of the family of key management personnel; and
- e) Entities in which a substantial ownership interest is held, directly or indirectly, by any person described above or over which such a person is able to exercise significant influence.

1.28.3.2 For the purpose of this policy, the following are not deemed to be related parties:

- a) (i) Providers of finance in the course of their business in that regard
(ii) Trade unions
- b) An entity with which the relationship is solely that of an agency.

1.28.4 Key management personnel are:

- a) All directors or members of the governing body of the entity e.g., President, Vice-President, Article 71 holders, Ministers, Chief Directors and other key public officers; and
- b) Other persons having the authority and responsibility for the planning, directing, controlling the activities of the reporting entity. These include:
 - i. Members of the governing board of the entity who have the authority and responsibilities for planning, directing, and controlling the activities of the reporting entity
 - ii. Any key advisors of such members
 - iii. Senior management group of the reporting entity, including the chief executive or permanent head of the reporting entity.

1.28.5 Disclosures on Key Management personnel

AFADZATO SOUTH DISTRICT ASSEMBLY shall disclose:

- a) The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration within this category, showing separately major classes of key management personnel and including a description of each class
- b) The total amount of all other remuneration and compensation provided to key management personnel, and close members of the family of key management personnel, by AFADZATO SOUTH DISTRICT ASSEMBLY during the reporting period, showing separately the aggregate amounts provided to:
 - i. Key management personnel; and
 - ii. Close members of the family of key management personnel
- c) In respect of loans that are not widely available to persons who are not key management personnel and loans whose availability is not widely known by members of the public, for each individual member of key management personnel and each close member of the family of key management personnel:
 - i. The amount of loans advanced during the period and terms and conditions thereof;
 - ii. The amount of loans repaid during the period;
 - iii. The amount of the closing balance of all loans and receivables;
 - and iv. Where the individual is not a director or member of

the governing body or senior management group of the entity, the relationship of the individual to such body or group.

1.28.5 Disclosure of Related Party Transactions

In respect of transactions between related parties, other than transactions that would occur within a normal supplier or client/ recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual or entity at arm's length in the same circumstances, AFADZATO SOUTH DISTRICT ASSEMBLY shall disclose:

- a) The nature of the related party relationships;
- b) The types of transactions that have occurred; and
- c) The elements of the transactions necessary to clarify the significance of these transactions to its operations and sufficient to enable the financial statements to provide relevant and reliable information for decision making and accountability purposes.

1.28.6 Disclosure of Control

Disclosure of related party relationships where control exists, irrespective of whether there have been transactions between the related parties. This would involve the disclosure of the names of any controlled entities, the name of the immediate controlling entity, and the name of the ultimate controlling entity, if any.

1.29.0 Impairment of Non-Cash Generating Assets - IPSAS 21

1.29.1 Definition

Non-Cash Generating Assets are assets other than cash-generating assets.

Cash-Generating Assets are assets held with the primary objective of generating a commercial return.

An Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Recoverable Service Amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful Life Is Either:

(a) The period of time over which an asset is expected to be used by the entity; or (b) The number of production or similar units expected to be obtained from the asset by the entity.

Value in use of a non-cash generating asset is the present value of the asset's remaining service potential.

An impairment loss of a non-cash generating assets is the amount by which the carrying amount of an asset exceeds its recoverable service amount. An impairment loss is recognised immediately in the statement of financial performance (surplus or deficit).

1.29.2 Recognition and Measurement

1.29.2.1 AFADZATO SOUTH DISTRICT ASSEMBLY recognises an impairment loss:

- a) If the recoverable service amount of an asset is less than its carrying amount; the carrying amount of the asset is reduced to its recoverable service amount. That reduction is the impairment loss.
- b) Impairment test is performed at any time during the reporting period, provided it is performed at the same time every year. Different intangible assets may be tested for impairment at different times. However, if such an intangible asset was initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.
- c) An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at revalued amount in accordance with another Standard, such as the revaluation model in IPSAS 17 and IPSAS 31.
- d) An impairment loss on a non-revalued asset is recognised in surplus or deficit. However, an impairment loss on a revalued asset is recognised in revaluation surplus to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that individual asset in accordance with IPSAS 31 or class of assets in accordance with IPSAS 17.

- e) When the amount estimated for an impairment loss is greater than the carrying amount of the asset to which it relates, the entity does not recognise a liability, unless it is required by another standard.

1.29.2.2 Indications of Impairment

In assessing whether there is any indication that an asset is impaired, the entity considers, as a minimum, the following factors from the internal and external sources:

1. Internal sources of information

- a) Evidence is available of obsolescence or physical damage of an asset
- b) Significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, such as the following:
 - the asset becoming idle,
 - plans to discontinue or restructure the operation to which an asset belongs,
 - plans to dispose of an asset before the previously expected date, and
 - reassessing the useful life of an asset as finite rather than indefinite;
- c) A decision to halt the construction of the asset before it is completed or in a usable condition;
- d) Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected

2. External sources of information

- a) During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- b) Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic, legal or political environment in which the entity operates, or in the market to which an asset is dedicated;
- c) Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

1.29.2.2 Reversal of Impairment Loss

AFADZATO SOUTH DISTRICT ASSEMBLY assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset no longer exist or has decreased. If any such indication exists the recoverable service amount of that asset is estimated.

1.29.2.2 Investments in Controlled entities, Associates and Joint ventures are financial assets that are excluded from impairments tests unless they are classified as non cash generating assets.

1.30.0 IMPAIRMENT OF CASH GENERATING ASSETS - IPSAS 26

1.30.1 Definition

Cash Generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Recoverable Amount is the higher of an asset's or a cash-generating unit's fair value less costs to sell and its value in use.

Value in Use of a cash generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

1.30.2 Recognition and Measurement of Cash Generating Assets

AFADZATO SOUTH DISTRICT ASSEMBLY recognises an impairment loss as follows:

- a) When the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is the impairment loss.
- b) An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at revalued amount in accordance with

another Standard, such as the revaluation model in IPSAS 17 and IPSAS 31.

- c) An impairment loss on a non-revalued asset is recognised in surplus or deficit. However, an impairment loss on a revalued asset is recognised in revaluation surplus to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that individual asset in accordance with IPSAS 31 or class of assets in accordance with IPSAS 17.
- d) When the amount estimated for an impairment loss is greater than the carrying amount of the asset to which it relates, the entity does not recognise a liability, unless it is required by another standard.

- e) After the recognition of an impairment loss, the depreciation

(amortization) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life

1.30.3 Impairment Loss for a Cash-Generating Unit

1.30.3.1 An impairment loss is recognised for a cash-generating unit (i.e., the smallest group of cash-generating units to which goodwill has been allocated) if the recoverable amount of the unit (group of units) is less than the carrying amount of the unit (group of units). The impairment loss is allocated to reduce the carrying amount of the cashgenerating assets of the unit (group of units) in the following order:

- (a) First, to reduce the carrying amount of any goodwill allocated to the cashgenerating unit (group of units); and
- (b) Then, to the other assets of the unit (group of units) on a pro rata basis, based on the carrying amount of each asset in the unit.

1.30.3.2 These reductions in carrying amounts shall be treated as impairment losses on individual assets and recognised.

1.30.3.3 In allocating an impairment loss, **AFADZATO SOUTH DISTRICT ASSEMBLY** does not reduce the carrying amount of an asset below the highest of:

(a) Its fair value less costs to sell (if determinable); (b) Its value in use (if determinable); and (c) Zero.

1.30.3.4 The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash -generating assets of the unit (group of units).

1.30.3.5 Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit. The carrying amount of the non-cash-generating asset reflects any impairment losses at the reporting date that have been determined under the requirements of IPSAS 21.

1.30.3.6 Investments in Controlled entities, Associates and Joint ventures are financial assets that are excluded from impairments tests unless they are classified as cash generating assets.

1.30.3.7 An impairment loss of a cash generating assets is the amount by which the carrying amount of an asset exceeds its recoverable service amount. An impairment loss is recognised immediately in the statement of financial performance (surplus or deficit).

1.30.3.3 Impairment test is performed at any time during the reporting period, provided it is performed at the same time every year. Different intangible assets are tested for impairment at different times. However, if such an intangible asset was initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

1.30.4 Indications of Impairment

In assessing whether there is any indication that an asset is impaired, the entity considers, as a minimum, the following factors from the internal and external sources:

Internal sources of information

- e) Evidence is available of obsolescence or physical damage of an asset
- f) Significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, such as the following:

- the asset becoming idle,
 - plans to discontinue or restructure the operation to which an asset belongs,
 - plans to dispose of an asset before the previously expected date, and
 - reassessing the useful life of an asset as finite rather than indefinite;
- g) A decision to halt the construction of the asset before it is completed or in a usable condition;
- h) Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected

External sources of information

- d) During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- e) Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic, legal or political environment in which the entity operates, or in the market to which an asset is dedicated;
- f) Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

1.30.5 Reversing an Impairment loss for an Individual Asset or Class of Asset

- a) A reversal of an impairment loss for an asset other than goodwill is recognised immediately in surplus or deficit unless the asset is carried at revalued amount in accordance with another Standard such as the revaluation model in IPSAS 17 and IPSAS 31.
- b) Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase in accordance with that other Standard.
- c) A reversal of an impairment loss on a revalued asset is recognised directly in the revaluation reserve and increases the revaluation surplus for that individual asset in accordance with IPSAS 31 or class of assets in accordance with IPSAS.

- d) However, to the extent that an impairment loss on the same individual revalued asset or class of revalued assets was previously recognised in surplus or deficit, a reversal of that impairment loss is also recognised in surplus or deficit in accordance with IPSAS 31 or IPSAS 17.
- e) After a reversal of an impairment loss is recognised, the depreciation (amortization) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.30.6 Reversing an Impairment Loss for a Cash-Generating Unit

- a) AFADZATO SOUTH DISTRICT ASSEMBLY allocates to the cash generating unit, a reversal of an impairment loss of that cash-generating unit except for goodwill on pro rata basis with the carrying amounts of those assets. These increases in carrying amount is treated as reversals of impairment losses for individual assets.
- b) In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of the asset is not increased above the lower of:
 - i. Its recoverable amount (if determinable); and
 - ii. The carrying amount that would have been determined (net of amortization or depreciation) if no impairment loss had been recognised for the asset in prior periods.
- c) The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated on pro rata basis to the other assets of the unit, except for goodwill.

1.31.0 Disclosure of Financial Information about the General Government Sector (GGS) - IPSAS 22

1.31.1 Definition

1.31.1.1 The General Government Sector (GGS) comprises all organizational entities of the general government as defined in statistical bases of financial reporting. This IPSAS prescribes disclosure requirement for AFADZATO SOUTH DISTRICT ASSEMBLY which elect to present information about the GGS in its consolidated

financial statement. The disclosure of appropriate information about the GGS of AFADZATO SOUTH DISTRICT ASSEMBLY is to enhance the transparency of financial reports, and provide for a better understanding of the relationship between the market and non-market activities of AFADZATO SOUTH DISTRICT ASSEMBLY, and between financial statements and statistical basis of financial reporting.

1.31.1.2 The Public Financial Corporation Sector (PFC) - comprises resident government controlled financial corporations, quasi-corporations, and non-profit institutions that primarily engage in financial intermediation and the provision of financial services for the market. Included within this sector are government-controlled banks, including central banks, and other government financial institutions that operate on a market basis.

1.31.1.3 Public Non-Financial Corporations Sector (PNFC) - The PNFC sector comprises resident government-controlled non-financial corporations, quasi-corporations, and non-profit institutions that produce goods or non-financial services for the market. Included within this sector are entities such as publicly owned utilities (e.g., Electricity Company of Ghana and Ghana Water Company) and other entities that trade in goods and services.

1.31.1.4 Commercial Public Sector entities have similar characteristics to a public corporation or public quasi-corporation defined in statistical basis of financial reporting. However, there may not be an identical mapping of these public sector entities and the PFC and PNFC sectors. For example, a commercial public sector entity that is not resident would not be classified as a PFC or a PNFC.

1.31.2 Scope of GGS

For the purpose of this policy the GGS presented in the account includes: Central Government (Ministries, Department and Agencies), and Local Government (Metropolitan, Municipal and District Assemblies); with additional information on State-Owned Enterprises (comprising Public Financial Corporations and Public Non-Financial Corporations)

1.31.3 Measurement and Disclosure

1.31.3.1 AFADZATO SOUTH DISTRICT ASSEMBLY discloses Financial information about GGS in conformity with accounting policies adopted for preparing and presenting the consolidated financial statements of government, with two exceptions;

- a) The GGS does not apply the requirement of consolidated financial statements in respect of entities in the public financial corporations and public nonfinancial corporations (SOEs).
- b) The GGS recognises its investment in public financial corporations and public non-financial corporations as an asset and shall account for that asset at the carrying amount of that assets

1.31.3.2 In presenting financial information about the General Government Sector, the following information are presented, as a minimum:

- a) Assets by major class, showing separately the investment in other sectors,
- b) Liabilities by major class,
- c) Net assets/equity;
- d) Total revaluation increments and decrements and other items of revenue and expense recognised directly in net assets/equity;
- e) Revenue by major class;
- f) Expenses by major class;
- g) Surplus or deficit;
- h) Cash flows from operating activities by major class;
- i) Cash flows from investing activities; and
- j) Cash flows from financing activities.

1.32.0 AGRICULTURE - IPSAS 27

1.32.1 Definition

Agricultural activity is the management by an entity of the biological transformation and harvest of biological assets for:

- Sale;
- Distribution at no charge or for a nominal charge; or
- Conversion into agricultural produce or into additional biological assets for sale or for distribution at no charge or for a nominal charge.

Biological Transformation comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a biological asset.

Biological Asset is a living animal or plant.

A Group of Biological Assets is an aggregation of similar living animals or plants.

Agricultural produce is the harvested produce of the entity's biological assets.

Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes. Disposal may occur through sale or through distribution at no charge or for a nominal charge.

Harvest is the detachment of produce from a biological asset or the cessation of a biological asset's life processes.

Bearer Plant is a living plant (e.g., cocoa tree, palm tree, cashew tree, mango tree, orange tree, etc.) that:

- Is used in the production and supply of agricultural produce;
- Is expected to bear produce for more than one period; and
- Has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

The following are NOT bearer plants:

- a) Plants cultivated to be harvested as agricultural produce (for example, trees grown for use as lumber):
- b) Plants cultivated to produce agricultural produce when there is likelihood that the entity will also harvest and sell the plant as agricultural produce.
- c) Annual crops (for example, maize and wheat)

When bearer plants are no longer used to bear produce they might be cut down and sold as scrap, for example, use as firewood. Such incidental scrap sales would not prevent the plant from satisfying the definition of a bearer plant

1.32.2 Recognition and Measurement

1.32.2.1 AFADZATO SOUTH DISTRICT ASSEMBLY recognises a biological asset or agricultural produce when:

- a) The entity controls the asset as a result of past events;
- b) It is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- c) The fair value or cost of the asset can be measured reliably.

The fair value of an asset is based on its present location and condition.

1.32.2.2 AFADZATO SOUTH DISTRICT ASSEMBLY measures a biological asset, whether or not acquired through an exchange transaction, on initial recognition and at each reporting date at its fair value less costs to sell, except for where the fair value cannot be measured reliably. In this case, AFADZATO SOUTH DISTRICT ASSEMBLY measures the biological asset at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, AFADZATO SOUTH DISTRICT ASSEMBLY measures the biological asset at its fair value less costs to sell.

1.32.2.3 AFADZATO SOUTH DISTRICT ASSEMBLY measures Agricultural produce at its fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying IPSAS 12, or another applicable Standard.

- a) If an active market exists for a biological asset or agricultural produce in its present location and condition, the quoted price in that market is the appropriate basis for determining the fair value of that asset. If AFADZATO SOUTH DISTRICT ASSEMBLY has access to different active markets, it uses the most relevant one. For example, if AFADZATO SOUTH DISTRICT ASSEMBLY has access to two active markets, it uses the price existing in the market expected to be used.
- b) If an active market does not exist, AFADZATO SOUTH DISTRICT ASSEMBLY uses one or more of the following, when available, in determining the fair value:
 - The most recent market transaction price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the reporting date;
 - Market prices for similar assets with adjustment to reflect differences; and
 - Sector benchmarks such as the value of an orchard expressed per export tray, bushel, or hectare, and the value of cattle expressed per kilogram of meat.
- c) If an active market does not exist and the fair value cannot be determined by the criteria above, the biological asset is measured at depreciated cost less any accumulated impairment losses.

1.32.2.3 AFADZATO SOUTH DISTRICT ASSEMBLY categorises biological assets under Agricultural Activities into <held-for-sale= and <not held-for-sale= under current and non-current asset.

NB. Biological assets not for Agricultural activities are classified under IPSAS 17 (PPE) using the appropriate recognition criteria.

1.32.3 Gains or Losses on Sale of Biological Assets

1.32.3.1 AFADZATO SOUTH DISTRICT ASSEMBLY recognises a gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is included in surplus or deficit for the period in which it arises.

1.32.3.2 A loss may arise on initial recognition of a biological asset, because costs to sell are deducted in determining fair value less costs to sell of a biological asset.

1.32.3.3 The table below provides examples of biological assets, agricultural produce, and products that are the result of processing after harvest:

Biological Assets	Agriculture Produce	Products that are the result of processing after harvest
Sheep, Goat, (similar ruminants)	Wool	Yarn, Carpet
Trees in plantation forest	Felled trees	Logs, lumber
Plants	Cotton, Harvested Cane, Flowers etc.	Thread, clothing, Sugar
Dairy Cattle (Cattle, Donkey, Horse and similar ruminants)	Milk	Cheese
Pigs	Carcass	Sausages, cured hams
Bushes	Leaf	Tea, cured tobacco
Vines	Grapes	Wine
Fruit trees	Picked fruits	Processed fruits

1.32.4 Disclosures

- a) If not disclosed elsewhere in information published within the financial statements, AFADZATO SOUTH DISTRICT ASSEMBLY describes:
- The nature of its activities involving each group of biological assets; and
 - Non-financial measures or estimates of the physical quantities of:

- i. Each group of the entity's biological assets at the end of the period; and
 - ii. Output of agricultural produce during the period.

- b) AFADZATO SOUTH DISTRICT ASSEMBLY discloses the methods and significant assumptions applied in determining the fair value of each group of agricultural produce at the point of harvest and each group of biological assets.

- c) AFADZATO SOUTH DISTRICT ASSEMBLY discloses the fair value less costs to sell of agricultural produce harvested during the period, determined at the point of harvest.

- d) AFADZATO SOUTH DISTRICT ASSEMBLY discloses:
 - The existence and carrying amounts of biological assets whose title is restricted, and the carrying amounts of biological assets pledged as security for liabilities;
 - The nature and extent of restrictions on the entity's use or capacity to sell the biological asset;
 - The amount of commitments for the development or acquisition of biological assets; and
 - Financial risk management strategies related to agricultural activity.

1.32.5 Additional Disclosures for Biological Assets Where Fair Value Cannot Be Measured Reliably

1.32.5.1 AFADZATO SOUTH DISTRICT ASSEMBLY measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses at the end of the period, and discloses the following for such biological assets:

- A description of the biological assets;
- An explanation of why fair value cannot be measured reliably;
- If possible, the range of estimates within which fair value is highly likely to lie;
- The depreciation method used;
- The useful lives or the depreciation rates used.

1.32.5.2 The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.

1.33.0 Social Benefits IPSAS 42

1.33.1 Definition

Social Benefits are cash transfers provided to specific individuals and/or households who meet eligibility criteria to mitigate the effect of social risks, and address the needs of society as a whole. Examples include Livelihood Empowerment Against Poverty (LEAP) programme, Capitation Grant, COVID-19 reliefs, retirement benefits, unemployment benefits, and child benefits.

Social Risks are events or circumstances that relate to the characteristics of individuals and/or households (for example, age, health, poverty and employment status) and may adversely affect the welfare of individuals and/or households, either by imposing additional demands on their resources or by reducing their income.

1.33.2 Recognition

In accounting for social benefits, this standard prescribes two approaches. The situation determines the suitable approach the entity applies at any given point in time;

- a) General Approach (obligating event approach), and
- b) Insurance approach.

1.33.2.1 General Approach

- a) When applying the General Approach, AFADZATO SOUTH DISTRICT ASSEMBLY recognises a liability for a social benefit scheme when there is a present obligation for an outflow of resources that result from a past event, and the present obligation can be measured in a way that achieves the qualitative characteristics and takes account of constraints in the conceptual framework.
- b) AFADZATO SOUTH DISTRICT ASSEMBLY recognises an expense for a social benefit scheme at the same point that it recognises a liability. The liability for a social benefit scheme is the best estimate of the social benefit payments that AFADZATO SOUTH DISTRICT ASSEMBLY expects to make in fulfilling the present obligations represented by the liability.
- c) The maximum amount to be recognised as a liability is the **costs** AFADZATO SOUTH DISTRICT ASSEMBLY expects to incur in making the next social benefit payment.

- d) The liability for a social benefit scheme is reduced as social benefit payments are made. Any difference between the cost of making the social benefit payments and the carrying amount of the liability in respect of the social benefit scheme is recognised in surplus or deficit in the period in which the liability is settled. Where a liability is yet to be settled, the liability is reviewed at each reporting date, and adjusted to reflect the current best estimate of the social benefit payments that the entity expects to make in fulfilling the present obligations represented by the liability.
- e) AFADZATO SOUTH DISTRICT ASSEMBLY discloses information that explains the characteristics of its social benefit schemes (such as nature, key features and funding), and explains the demographic, economic and other external factors that may affect its social benefit schemes.

1.33.2.2 Insurance Approach

- a) AFADZATO SOUTH DISTRICT ASSEMBLY is permitted, but not required to follow the insurance approach if a social benefit scheme is intended to be fully funded from contributions, and there is evidence that AFADZATO SOUTH DISTRICT ASSEMBLY manages the scheme in the same way as an issuer of insurance contract, including assessing the financial performance and financial position of the scheme on a regular basis.
- b) Insurance approach means recognising and measuring the assets, liabilities, revenue and expenses associated with that social benefit scheme by applying the standard accounting recognition criteria for revenue, expenditure, assets and liabilities.

1.33.3 Disclosure

1.33.3.1 Where AFADZATO SOUTH DISTRICT ASSEMBLY recognises and measures the assets, liabilities, revenue and expenses associated with a social benefit scheme by applying the standard accounting recognition criteria for revenue, expenditure, assets and liabilities; and with the following disclosures:

- a) The basis for determining that the insurance approach is appropriate;
- b) Any additional information required by the paragraph below (1.33.3.2).

1.33.3.2 To meet the requirements of paragraph **1.33.3.1(b)** of this policy, AFADZATO SOUTH DISTRICT ASSEMBLY discloses:

- a) Information about the characteristics of its social benefit schemes, including:
 - the nature of the social benefits provided by the schemes (for example, retirement benefits, unemployment benefits, child benefits); and
 - Key features of the social benefit schemes, such as a description of the legislative framework governing the scheme a summary of the main eligibility criteria that must be satisfied to receive the social benefits, and a statement about how additional information about the scheme can be obtained; and

- b) A description of any significant amendments to the social benefit schemes made during the reporting period, along with a description of the expected effect of the amendments. Amendments to a social benefit scheme include, but are not limited to:
 - Changes to the level of social benefits provided; and
 - Changes to the eligibility criteria, including the individuals and/or households covered by the social benefit scheme.

1.34.0 SERVICE CONCESSION ARRANGEMENTS: Grantor - IPSAS 32

1.34.1 Definition

A Service Concession Arrangement is a binding arrangement between a public sector entity and a private entity in which:

- a) The private entity uses the service concession asset to provide a public service on behalf of the public sector entity for a specified period of time; and
- b) The private entity is compensated for its services over the period of the service concession arrangement.

A Binding Arrangement, describes contracts and other arrangements that confer similar rights and obligations on the parties to it as if they were in the form of a contract.

The Public Sector Entity is the entity that grants the right to use the service concession asset to the private entity.

A Private Entity is the entity that uses the service concession asset to provide public services subject to the public sector entity's control of the asset.

A Service Concession Asset is an asset used to provide public services in a service concession arrangement that:

- a) Is provided by the private entity which:
 - The private entity constructs, develops, or acquires from a third party; or
 - Is an existing asset of the private entity; or
- b) Is provided by the public sector entity which:
 - Is an existing asset of the public sector entity; or
 - Is an upgrade to an existing asset of the public sector entity by the private entity

1.34.2 Recognition

1.34.2.1 AFADZATO SOUTH DISTRICT ASSEMBLY recognises an asset provided by the private entity and an upgrade to an existing asset of AFADZATO SOUTH DISTRICT ASSEMBLY as a service concession asset if the AFADZATO SOUTH DISTRICT ASSEMBLY:

- a) Controls or regulates what services the private entity must provide with the asset, to whom it must provide them, and at what price; and
- b) Controls through ownership, beneficial entitlement or otherwise any significant residual interest in the asset at the end of the term of the arrangement.

1.34.2.2 This Standard applies to an asset used in a service concession arrangement for its entire useful life a <whole-of-life= asset if the conditions in paragraph **1.34.2.1(a)** are met.

1.34.2.3 AFADZATO SOUTH DISTRICT ASSEMBLY initially measures the service concession asset recognised at its fair value in accordance with **1.34.2.1** and **1.34.2.2**, except where an existing asset of AFADZATO SOUTH DISTRICT ASSEMBLY meets the conditions specified in **1.34.2.2(a)** and **1.34.2.2(b)** or **1.34.2.2** for a whole-of-life asset, AFADZATO SOUTH DISTRICT ASSEMBLY reclassifies the existing asset as a service concession asset.

After initial recognition or reclassification, service concession assets is accounted for in accordance with IPSAS 17 and IPSAS 31as appropriate.

1.34.2.4 Where AFADZATO SOUTH DISTRICT ASSEMBLY recognises a service concession asset in accordance with **1.34.2.2** or **1.34.2.3** for a whole-of-life asset, AFADZATO SOUTH DISTRICT ASSEMBLY also recognises a liability. AFADZATO SOUTH DISTRICT ASSEMBLY does not recognise a liability when its existing asset is reclassified as a service concession asset in accordance with **1.34.2.3** except in circumstances where additional consideration is provided by the operator, as noted in **1.34.2.4**

1.34.2.5 The liability recognised in **1.34.2.3** is initially measured at the same amount as the service concession asset measured in accordance with **1.34.2.4**, adjusted by the amount of any other consideration (e.g., cash) from AFADZATO SOUTH DISTRICT ASSEMBLY to the private entity, or from the private entity to AFADZATO SOUTH DISTRICT ASSEMBLY .

1.34.2.6 The nature of the liability recognised is based on the nature of the consideration exchanged between AFADZATO SOUTH DISTRICT ASSEMBLY and the private entity. The nature of the consideration given by AFADZATO SOUTH DISTRICT ASSEMBLY to the private entity is determined by reference to the terms of the binding arrangement and, when relevant, contract law.

1.34.2.7 In exchange for the service concession asset, AFADZATO SOUTH DISTRICT ASSEMBLY compensates the private entity for the service concession asset by any combination of:

- a) Making payments to the private entity (the <financial liability= model);
- b) Compensating the private entity by other means (the <grant of a right to the private sector= model) such as:
 - i. Granting the private entity, the right to earn revenue from third party users of the service concession asset; or
 - ii. Granting the private entity access to another revenue-generating asset for the operator's use (e.g., a private wing of a hospital where

the remainder of the hospital is used by the grantor to treat public patients or a private parking facility adjacent to a public facility).

1.34.2.8 AFADZATO SOUTH DISTRICT ASSEMBLY treats revenues and expenses from a service concession arrangements based on these models:

- i. Where a Financial liability model is adopted, AFADZATO SOUTH DISTRICT ASSEMBLY allocates payments to the private entity according to their substance as a reduction in the liability, a finance charge, and charges for services provided by the private entity.
- ii. Where a grant of a right to the private entity model is adopted, AFADZATO SOUTH DISTRICT ASSEMBLY earns the benefit associated with the assets received in the service concession arrangement in exchange for the right granted to the private entity over the period of the arrangement. AFADZATO SOUTH DISTRICT ASSEMBLY recognises revenue and reduces the liability according to the economic substance of the service concession arrangement.

1.35.0 Investments in Associates and Joint Ventures - IPSAS 36

1.35.1 Definition

Investment in Associates and Joint Ventures is applicable to all entities that are investors with significant over, or joint control of, an investee where the investment leads to the holding of a quantifiable ownership interest.

An Associate is an entity over which the investor has significant influence.

Significant Influence is the power to participate in the financial and operating policy decisions of another entity but is not control or joint control of those policies.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

A Joint Venturer is a party to a joint venture that has joint control of that joint venture.

A Joint Arrangement is an arrangement of which two or more parties have joint control.

Joint Control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A Binding Arrangement is an arrangement that confers enforceable rights and obligations on the parties to it as if it were in the form of a contract. It includes rights from contracts or other legal rights.

1.35.2 Other Matters

1.35.2.1 Where AFADZATO SOUTH DISTRICT ASSEMBLY invests in a joint venture or an associate, AFADZATO SOUTH DISTRICT ASSEMBLY prepares consolidated financial statements as an economic entity in which assets, liabilities, net assets/equity, revenue, expenses and cash flows of the controlling entity and its controlled entities are presented as those of a single economic entity.

1.35.2.2 In preparing the consolidated financial statements as a single economic entity, AFADZATO SOUTH DISTRICT ASSEMBLY adopts the equity method of accounting for an associate or a joint venture whereby the investment is initially recognised at cost and adjusted subsequently for the post-acquisition changes in AFADZATO SOUTH DISTRICT ASSEMBLY's share of the investee's net assets/equity.

1.35.2.3 AFADZATO SOUTH DISTRICT ASSEMBLY surplus or deficit includes its share of the investee's surplus or deficit and its net assets/equity includes its share of changes in the investee's net assets/equity that have not been recognised in the investee's surplus or deficit.

1.35.2.4 AFADZATO SOUTH DISTRICT ASSEMBLY applies the equity method of accounting except where the investor is a venture capital organization, mutual fund or unit trust, and it elects or is required to measure such investments at fair value through surplus or deficit in accordance with financial instrument measurement and recognition.

1.36.0 JOINT ARRANGEMENT - IPSAS 37

1.36.1 Definition

A Joint Arrangement is an arrangement of which two or more parties have joint control.

Binding Arrangement is an arrangement that confers enforceable rights and obligations on the parties to it as if it were in the form of a contract. It includes rights from contracts or other legal rights.

A Joint Operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities.

A Joint Venture is a joint arrangement whereby the parties that have joint control have rights to the net assets of the arrangement.

Joint Control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The distinction between a joint operation and a joint venture requires assessment of the structure of the joint arrangement, the legal form of any separate vehicle, the terms of the binding arrangement and any other relevant facts and circumstances.

A Joint Operator is a party to a joint operation that has joint control of that joint operation.

A Joint Venturer is a party to a joint venture that has joint control of that joint venture.

A Party to a Joint Arrangement is an entity that participates in a joint arrangement, regardless of whether that entity has joint control of the arrangement.

A Separate Vehicle is a separately identifiable financial structure, including separate legal entities or entities recognised by statute, regardless of whether those entities have a legal personality.

1.36.2 Financial Statements of Parties to a Joint Arrangement

1.36.2.1 Joint Operations

Where AFADZATO SOUTH DISTRICT ASSEMBLY is the joint operator in a joint operation, AFADZATO SOUTH DISTRICT ASSEMBLY recognises in relation to its interest:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

1.36.2.2 Joint Venture

Where AFADZATO SOUTH DISTRICT ASSEMBLY is a Joint Venturer with an interest in a joint venture, AFADZATO SOUTH DISTRICT ASSEMBLY recognises its interest as an investment and accounts for its investment using the equity method in accordance with IPSAS 36; Investments in Associates and Joint Ventures, unless

AFADZATO SOUTH DISTRICT ASSEMBLY is exempted from applying the equity method as specified in that Standard.

AFADZATO SOUTH DISTRICT ASSEMBLY recognises the assets it controls, and expenses and liabilities it incurs, and its share of revenue earned, in both of its separate and consolidated financial statements for joint arrangement and operations it carries out for the joint arrangement.

AFADZATO SOUTH DISTRICT ASSEMBLY applies the equity method of accounting, except joint ventures where the investor is a venture capital organization, mutual fund or unit trust, and it elects or is required to measure such investments at fair value through surplus or deficit in accordance with financial instrument measurement and recognition.

1.37.0 DISCLOSURE OF INTEREST IN OTHER ENTITIES -IPSAS 38

1.37.1 Definition

An Interest in another Entity refers to involvement by way of binding arrangements or otherwise that exposes an entity to variability of benefits from the performance of the other entity. An interest in another entity can be evidenced by, but not limited to, the holding of equity or debt instruments as well as other forms of involvement such as the provision of funding, liquidity support, credit enhancement and guarantees. It includes the means by which an entity has control or joint control of, or significant influence over, another entity.

Revenue from a structured entity, for the purpose of this Standard, includes, but not limited to, recurring and non-recurring fees, interest, dividends or similar distributions, gains or losses on the re-measurement or de-recognition of interests in structured entities and gains or losses from the transfer of assets and liabilities to the structured entity.

A Structured Entity is:

- a) In the case of entities where administrative arrangements or legislation are normally the dominant factors in deciding who has control of an entity, an entity that has been designed so that administrative arrangements or legislation are not the dominant factors in deciding who controls the entity, such as when binding arrangements are significant to determining control of the entity and relevant activities are directed by means of binding arrangements; or

- b) In the case of entities where voting or similar rights are normally the dominant factor in deciding who has control of an entity, an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of binding arrangements.

1.37.2 Disclosure

1.37.3.1 AFADZATO SOUTH DISTRICT ASSEMBLY discloses information on its interest in other entities on:

- a) The significant judgments and assumptions it has made in determining:
- The nature of its interest in another entity or arrangement;
 - The type of joint arrangement in which it has an interest
 - That it meets the definition of an investment entity, if applicable.
- b) Information about its interests in:
- Controlled entities;
 - Joint arrangements and associates;
 - Structured entities that are not consolidated;
 - Non-quantifiable ownership interests;
 - Controlling interests acquired with the intention of disposal.

1.37.3.2 AFADZATO SOUTH DISTRICT ASSEMBLY discloses information regarding its interest in a controlled entity when the entity had the intention of disposing off that interest and, at the reporting date, it has an active intention to dispose-off that interest.

1.38.0 INVESTMENT PROPERTY

1.38.1 Definition

Carrying amount is the amount at which an asset is recognized in the statement of financial position.

Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction.

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation, or both, rather than for:

- a) Use in the production or supply of goods or services, or for administrative purposes; or
- b) Sale in the ordinary course of operations.

Owner-occupied property is property held by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services, or for administrative purposes.

1.38.2 Recognition

Investment property shall be recognized as an asset when, and only when:

- a) It is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity; and
- b) The cost or fair value of the investment property can be measured reliably.

1.38.3 Measurement at Recognition

Investment property shall be measured initially at its cost (transaction costs shall be included in this initial measurement).

Where an investment property is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

1.38.4 Measurement after Recognition

Investment property shall be measured after initial recognition at either; a)

Fair value

- b) Cost model (i.e., at cost less any accumulated depreciation and any accumulated impairment losses)

1.38.5 Disposal

Investment property assets are derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset, and shall be recognized in surplus or deficit in the period of the disposal.

1.38.6 Disclosure

AFADZATO SOUTH DISTRICT ASSEMBLY has elected to use the fair value for subsequent measurement of its investment property.

Other disclosures includes;

- a) Where fair value model is applied, disclosures are made on whether, and in what circumstances, property interests held under operating leases are classified and accounted for as investment property;
- b) The methods and significant assumptions applied in determining the fair value of investment property, including a statement whether the determination of fair value was supported by market evidence, or was more heavily based on other factors because of the nature of the property and lack of comparable market data;
- c) The extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. If there has been no such valuation, that fact shall be disclosed;
- d) The amounts recognized in surplus or deficit for:
 - Rental revenue from investment property;
 - Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental revenue during the period; and
 - Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental revenue during the period.

- e) The existence and amounts of restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal; and
- f) Contractual obligations to purchase, construct, or develop investment property or for repairs, maintenance, or enhancements.
- g) A reconciliation between the carrying amounts of investment property at the beginning and end of the period.

**AFADZATO SOUTH DISTRICT ASSEMBLY
NOTES TO THE ACCOUNTS**

	SCHEDULES	CURRENT 2025 GH¢	PREVIOUS 2024 GH¢
2	Cash and Cash Equivalents		
	<u>Cash Balance</u>		
	District Assembly Common Fund (Main)	17,458,374.18	14,752.03
	MP's Common Fund	441,728.06	(906.12)
	M-SHAP	14,703.86	16,504.14
	Persons With Disability (PWD)	546,673.09	77,625.00
	General Rate	15,324.72	(16,316.09)
	DPAT	97,304.90	1,162,187.46
	Ghana Productive Safety Net Program (GPSNP)	38,973.71	38,973.71
	Modernized Agriculture in Ghana (MAG)	-	2,981.12
	MDA's/ GoG	33,074.48	1,764.00
	UNICEF Support	15,125.06	0.06
	Assembly Member Allowance	83,200.00	
	MP's SIF	70.00	70.00
	Cash at Hand	16,575.38	23,680.38
	Total Cash Balance	18,761,127.44	1,321,315.69

3	Short Term Receivables		
	Other Income	65,994.91	65,994.91
	Total Current Receivables	65,994.91	65,994.91

AFADZATO SOUTH DISTRICT ASSEMBLY
NOTES TO THE ACCOUNTS

4	PROPERTY, PLANT AND EQUIPMENT					
	Buildings and Structures	Office Equipment, Furniture and Fittings	ICT Equipment	Infrastructure Assets	Transport Equipment	TOTAL
Opening Bal.	12,339,332.30	263,251.99	180,120.01	2,939,319.00	7,993,877.50	23,715,900.80
Additions (Disposals/Transfers)			-	-	-	-
Total	12,339,332.30	263,251.99	180,120.01	2,939,319.00	7,993,877.50	23,715,900.80
Accu Dep B/F	574,228.78	116,318.30	76,530.90	317,118.42	1,238,224.78	2,322,421.18
Depreciation for the year	287,114.40	58,159.15	39,798.75	161,798.56	954,052.79	1,500,923.65
Impairment Depreciation on (Disposal)			-		-	-
Total	861,343.18	174,477.45	116,329.65	478,916.98	2,192,277.57	3,823,344.83
Net Book Value at end	11,477,989.12	88,774.54	63,790.36	2,460,402.02	5,801,599.93	19,892,555.97
Net Book Value at beginning	12,339,332.30	263,251.99	180,120.01	2,939,319.00	7,993,877.50	21,393,479.62

5	Work - In - Progress		
	Buildings and Structures	1,436,503.30	1,706,353.89
	Total	1,436,503.30	1,706,353.89

6	Trade Payables		
	Goods and Services	944,409.74	727690.38
	Capex	937,487.91	1094777.19
	Compensation of Employees	66.16	-
	Total	1,881,963.81	1,822,467.57
7	NON-TAX REVENUE		
	EXCHANGE TRANSACTION		
	Sales of goods and services	-	
	Dividend Received		
	Total	-	
	NON-EXCHANGE TRANSACTION		
	Property income	34,364.00	2,220.00
	Fines, penalties, and forfeiture	4,347.00	1,210.00
	Fees and Rates	166,779.83	211,106.42
	Rates	700.00	15,000.00
Miscellaneous	25,736.23	6,100.00	
Total	231,927.06	235,636.42	
Total Non-Tax Revenue	231,927.06	235,636.42	

8	GRANT (Non-Exchange)		
	Grant in Cash		
	GoG Subventions-Payroll	4,864,739.51	4,995,487.56
	GoG Subventions-Decentralised Goods & Services	31,390.48	-
	District Assembly Common Fund (DACF)	19,584,461.51	1,902,564.36
	District Development Facility (DDF/DPAT)	-	1,816,302.00
	MP Common Fund	1,079,954.02	649,214.41
	Multi Sectoral HIV/AIDS Project (M-SHAP)	22,823.66	7,220.64
	Persons With Disability (PWD)	509,212.44	247,579.98
	Assembly Members Allowance	166,400.00	
	Other Grants	15,125.00	25,000.00
	Sub-Total	26,274,106.62	9,643,368.95
	Grant in Kind		
	GoG Subvention		
Other Grants			
Sub-Total	0	0	
Total	26,274,106.62	9,643,368.95	

9	FINANCE INCOME		
	Interest Income	-	286.43
	Income from other investing activities	-	-
	Total	-	286.43
	Summary Revenue Exchange Transactions		
	Non-Tax	-	-
	Finance Income Non-Exchange		
	Grants	26,274,106.62	9,643,368.95
Non-Tax	231,927.06	235,636.42	
Total	26,506,033.68	9,879,291.80	

10	COMPENSATION OF EMPLOYEES (EXPENDITURE)		
	Established Post	4,864,739.51	4,995,487.56
	Non Established Post	44,889.04	60,293.49
	Allowances	83,200.00	-
	Total Expenditure	4,992,828.55	5,055,781.05

12	SPECIALISED EXPENSES (EXPENDITURE)		
	Donations	1,527,077.29	869,882.88
	Contributions	700.00	104,644.44
	Scholarship & Bursaries	338,847.00	103,082.00
	Rent	3,520.00	2,000.00
	Total Expenditure	1,870,144.29	1,079,609.32

13	GRANT (Non-Exchange)		
	Grant in Cash		
	GoG Subventions-Payroll	4,864,739.51	-
	GoG Subventions-Decentralised Goods & Services	31,390.48	-
	District Assembly Common Fund (DACF)	19,584,461.51	1,902,564.36
	District Development Facility (DDF/DPAT)	-	1,816,302.00
	MP Common Fund	1,079,954.02	649,214.41
	Multi Sectoral HIV/AIDS Project (M-SHAP)	22,823.66	7,220.64
	Persons With Disability (PWD)	509,212.44	247,579.98
	Assembly Members Allowance	166,400.00	
	Other Grants	15,125.00	25,000.00
	Sub-Total	26,274,106.62	4,647,881.39
	Grant in Kind		
	GoG Subvention		
	Other Grants		
	Sub-Total	-	-
	Total	26,274,106.62	4,647,881.39

14	COMPENSATION OF EMPLOYEES (PAYMENTS)		
	Established Post	4,864,739.51	-
	Non Established Post	44,889.04	60,293.49
	Allowances	83,200.00	-
	Total Payments	4,992,828.55	60,293.49
15	GOODS AND SERVICES (PAYMENTS)		
	Materials and Office Consumables	489,483.56	276,915.76
	Utilities	326,552.79	50,188.12
	Rentals and leases	11,100.00	12,000.00
	Travel and Transport	325,202.60	292,604.12
	Repairs and Maintenance	366,413.76	418,625.64
	Training, Seminar and Conference Consultancy Expenses	616,148.32	716,942.11
	Special Services	349,583.41	196,146.50
	Charges and Fees	6,434.94	5,549.17
		Total Payment	2,490,919.38

16	PAYMENTS FOR NON-FINANCIAL ASSETS		
	Fixed asset	-	147,974.00
	Work In Progress	1,167,055.21	672,398.74
	Total Payments	1,167,055.21	820,372.74
17	SPECIALISED EXPENSES (PAYMENTS)		
	Insurance and compensation	-	
	Awards & Rewards		
	Donations	75,571.79	869,882.88
	Contributions	700.00	85,859.84
	Scholarship & Bursaries	335,627.00	103,082.00
	Rent	3,520.00	2,000.00
	Total Payments	415,418.79	1,060,824.72

SCHEDULES

AFADZATO SOUTH DISTRICT ASSEMBLY

SCHEDULE OF INTERNALLY GENERATED FUND RECEIVED AGAINST APPROPRIATION FOR THE YEAR ENDED 31ST DECEMBER, 2025

	ANNUAL BUDGET GH¢	YTD ACTUAL COLLECTION GH¢	BUDGET VARIANCES GH¢	ANNUAL BUDGET BALANCE GH¢
Property income				
Interest	700.00		(700.00)	
Lands and Royalties	19,602.32	-	(19,602.32)	19,602.32
Rates	22,446.45	700.00	(21,746.45)	21,746.45
Rents of Land, Buildings, Houses and Investment Incomes	56,300.00	34,364.00	(21,936.00)	21,936.00
Sales of goods and services				-
Licences	132,000.00	121,473.83	(10,526.17)	
Fees	100,000.00	45,306.00	(54,694.00)	54,694.00
Fines, penalties, and forfeits	5,000.00	4,347.00	(653.00)	653.00
Miscellaneous Non tax revenue	-	25,736.23	25,736.23	(25,736.23)
TOTAL	336,048.77	231,927.06	(104,121.71)	92,895.54

AFADZATO SOUTH DISTRICT ASSEMBLY
SCHEDULE OF EXPENDITURE AND ASSET BY FUND SOURCE FOR THE YEAR ENDED 31ST DECEMBER, 2025

	GoG Subventions -Payroll GH¢	GoG Subventions- Decentralised Goods & Services GH¢	District Assembly Common Fund (DACF) GH¢	District Development Facility GH¢	UNICEF SUPPORT GH¢	Modernized Agriculture in Ghana GH¢	MP Common Fund GH¢	Multi Sectoral HIV/AIDS Project (M- GH¢	Persons With Disability (PWD) GH¢	INTERNALLY GENERATED FUND (IGF) GH¢	TOTAL GH¢
Compensation Of Employees	4,864,739.51	83,200.00	-	-	-	-	-	-	-	44,889.04	4,992,828.55
Goods And Services	-	7,195.68	2,083,282.13	-	15,125.00	2,981.12	246,124.74	24,664.00	16,970.00	136,253.25	2,532,595.92
Finance Cost	-	-	-	-	-	-	-	-	-	-	-
Government Subsidy	-	-	-	-	-	-	-	-	-	-	-
Social Benefits	-	-	-	-	-	-	-	-	-	-	-
Specialised Expenses	-	-	51,845.00	1,436,905.80	-	-	358,463.49	-	6,400.00	16,530.00	1,870,144.29
Non Financial Asset	-	-	50,225.19	1,105,084.95	-	-	-	-	-	-	1,155,310.14
TOTAL	4,864,739.51	90,395.68	2,185,352.32	2,541,990.75	15,125.00	2,981.12	604,588.23	24,664.00	23,370.00	197,672.29	10,550,878.90
EXPENDITURE BREAKDOWN											
Compensation Of Employees											
Established Position	4,864,739.51	-	-	-	-	-	-	-	-	-	4,864,739.51
Allowances	-	83,200.00	-	-	-	-	-	-	-	-	83,200.00
13% Employer SSF Contribution	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	4,864,739.51	83,200.00	-	-	-	-	-	-	-	44,889.04	4,992,828.55
Goods And Services											
Materials and Office Consumables	-	-	225,480.45	-	-	-	245,434.74	-	-	18,568.37	489,483.56
Utilities	-	-	326,552.79	-	-	-	-	-	-	-	326,552.79
Rentals and leases	-	-	11,100.00	-	-	-	-	-	-	-	11,100.00
Travel and Transport	-	7,115.68	261,008.92	-	-	-	-	4,260.00	-	52,818.00	325,202.60
Repairs and Maintenance	-	-	365,828.76	-	-	-	-	-	-	585.00	366,413.76
Training, Seminar and Conference	-	-	571,407.82	-	15,125.00	2,981.12	-	20,124.00	16,240.00	31,946.92	657,824.86
Consultancy Expenses	-	-	-	-	-	-	-	-	-	-	-
Special Services	-	-	319,983.41	-	-	-	-	-	-	29,600.00	349,583.41
Charges and Fees	-	80.00	1,919.98	-	-	-	690.00	280.00	730.00	2,734.96	6,434.94
Emergency Services	-	-	-	-	-	-	-	-	-	-	-
Insurance Premium	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	7,195.68	2,083,282.13	-	15,125.00	2,981.12	246,124.74	24,664.00	16,970.00	136,253.25	2,532,595.92
Sub-Total	-	-	51,845.00	1,436,905.80	-	-	358,463.49	-	6,400.00	16,530.00	1,870,144.29
Specialised Expenses											
Awards & Rewards	-	-	-	-	-	-	-	-	-	-	-
Donations	-	-	6,625.00	1,436,905.80	-	-	69,116.49	-	6,400.00	8,030.00	1,527,077.29
Contributions	-	-	700.00	-	-	-	-	-	-	-	700.00
Scholarship & Bursaries	-	-	41,000.00	-	-	-	289,347.00	-	-	8,500.00	338,847.00
Refuse Lifting Expenses	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	3,520.00	-	-	-	-	-	-	-	3,520.00
Sub-Total	-	-	51,845.00	1,436,905.80	-	-	358,463.49	-	6,400.00	16,530.00	1,870,144.29
Non Financial Asset											
Buildings and Structures	-	-	50,225.19	505,141.67	-	-	-	-	-	-	555,366.86
Office Equipment, Furniture and Fittings	-	-	-	599,943.28	-	-	-	-	-	-	599,943.28
Sub-Total	-	-	50,225.19	1,105,084.95	-	-	-	-	-	-	1,155,310.14
GRAND TOTAL	4,864,739.51	90,395.68	2,185,352.32	2,541,990.75	15,125.00	2,981.12	604,588.23	24,664.00	23,370.00	197,672.29	10,550,878.90

**AFADZATO SOUTH DISTRICT ASSEMBLY
NON FINANCIAL ASSETS**

Work-In-Progress	WIP AS AT 31/12/2024 GH¢	COST AS AT 01/01/2025 GH¢	ADDITIONS FOR THE YEAR GH¢	COMPLETED WIP GH¢	WIP AS AT 31/12/2025 GH¢
WIP - Others	1,706,353.89	1,706,353.89	1,167,055.21	(1,436,905.80)	1,436,503.30

AFADZATO SOUTH DISTRICT ASSEMBLY		
SCHEDULE OF PAYABLES AS AT 31ST DECEMBER, 2025		
SN	DETAILS	BALANCE
A.	COMPENSATION OF EMPLOYEES	
1	DCD	66.16
		66.16
B.	USE OF GOODS AND SERVICES	
1	GOLDEN JBCADO ENTERPRISE	5,150.00
2	D'CONNIA VENTURES	2,000.00
3	DCD	1,635.00
4	DCD	1,228.75
5	DCD	1,400.00
6	DCD	1,000.00
7	DCD	400.00
8	DCD	2,626.40
9	DCD	1,800.00
10	DCD	860.00
11	DCD	1,340.00
12	DCD	200.00
13	DCD	520.00
14	DCD	3,000.00
15	DCD	13,300.00
16	DCD	345.00

17	DCD	1,500.00
18	DCD	1,700.00
19	NICHOLAS PROSPER AYIREBI	450.00
20	ZENDO UNION	500.00
21	DCD	1,936.00
22	DCD	860.00
23	AGBEYEYE ISHMAEL	840.00
24	SOLOMON KUTANI	500.00
25	MELEGBEFE CUSTOMER SERVICES	1,800.00
26	DCD	6,000.00
27	DCD	910.00
28	MELEGBEFE CUSTOMER SERVICE	669.50
29	SELACK LIMITED	1,119.00
30	DCD	1,653.68
31	DCD	1,008.00
32	DCD	604.00
33	JEMIMA ATTOR	1,000.00
34	NICHOLAS PROSPER AYIREBI	716.12
35	DCD	1,816.00
36	DCD	4,250.00
37	DCD	2,200.00

38	DCD	2,540.00
39	JULSAPRON COMPANY LIMITED	13,986.00
40	OUR ROCK VENTURES	3,066.65
41	DCD{CHARLES ETHOH}	2,500.00
42	DCD{EMMANUEL ADZIMAH}	1,350.00
43	GAKPO VICTORIA	1,000.00
44	OUR ROCK VENTURES	2,098.29
45	ERIC ICT SERVICES LIMITED	1,310.34
46	ABRAHAM KITCHER	1,480.00
47	AUTO PARTS	2,877.79
48	MELEGBEFE	6,824.94
49	EMMANUE ATTA	12,300.00
50	ONAI INNOCENT	1,825.00
51	ONAI INNOCENT	1,160.00
52	DCD{TANU BEAUTY}	500.00
53	MELEGBEFE CUSTOMER SERVICES	6,824.94
54	DCD (SEDEM AHIABOR-TEKPOR)	4,460.00
55	DCD	19,500.00
56	DCD	4,030.00
57	DCD	1,799.00
58	DCD (GELITSA SELASE)	7,678.59

59	MELEGBEFE CUSTOMER SERVICES	10,403.00
60	PROVEN GRAGE ENTERPRISE	4,667.14
61	ERIC ICT SERVICES LIMITED	25,400.00
62	DCD	2,130.00
63	DCD	8,940.00
64	PROVEN GRAGE ENTERPRISE	4,213.75
65	DCD	40,400.00
66	DCD	27,045.63
67	MELEGBEFE CUSTOMER SERVICES	17,450.80
68	OUR ROCK VENTURES	4,940.91
69	DCD	3,264.00
70	DCD (FRANCIS DOGBEVIA)	1,520.00
71	DCD	4,840.00
72	DCD	3,800.00
73	DCD	2,728.00
74	DCD	4,547.25
75	RIGHT FIRST TIME LIMITED	3,243.90
76	SALACK LIMITED	10,642.28
77	DCD	2,770.00
78	DCD (DEREK SARFO YIADOM)	855.00
79	DCD	3,340.00

80	PROVEN GRAGE ENTERPRISE	3,720.00
81	DCD	19,385.23
82	OUR ROCK VENTURES	22,260.00
83	DCD	3,071.70
84	PASCAL KOFI AGBESI	2,000.00
85	PRECIOUS MILLIGAN DZOGBENU	4,000.00
86	DCD	2,100.00
87	DCD	2,950.00
88	DCD (ONAI INNOCENT)	7,193.00
89	DCD (AGBESI PASCAL)	6,480.00
90	DCD (SELASIE AHIADU)	60.00
91	DCD (SIMON ADJEI SARPONG)	530.00
92	DCD	2,043.54
93	DCD	5,713.15
94	DCD (IA)	1,560.00
95	DCD	73,000.00
96	OUR ROCK VENTURES	9,198.14
97	DCD (PRECIOUS MILLIGAN DZOGBENU)	3,480.00
98	DCD (PRECIOUS MILLIGAN DZOGBENU)	2,120.00
99	DCD	780.00
100	DCD	4,500.00

101	DCD	2,044.69
102	DCD	4,400.00
103	DCD (ONAI INNOCENT)	1,480.00
104	DCD	2,940.00
105	D'CONIA VENTURES	33,794.15
106	OUR ROCK VENTURES	25,122.73
107	DCD	3,630.00
108	DCD	6,210.00
109	DCD (ONAI INNOCENT)	1,180.00
110	DCD (DEREK SARFO YIADOM)	2,220.00
111	DCD (DEREK SARFO YIADOM)	7,000.00
112	DCD	2,700.00
113	DCD	4,812.00
114	DCD	4,000.00
115	DCD	23,009.00
116	TOP OIL FUEL STATION	5,000.00
117	DCD	3,970.00
118	DCD	13,252.00
119	DCD	1,760.00
120	DCD	2,000.00
121	DCD	3,960.00

122	DCD	5,080.00
123	DCD	8,400.00
124	JORNINAS COMPANY	51,936.10
125	DCD	920.00
126	DCD	1,440.00
127	DCD	9,600.00
128	DCD	4,000.00
129	DCD	850.00
130	DCD	1,725.00
131	DCD	3,000.00
132	DCD	3,905.00
133	DCD	93,405.00
134	DCD	1,680.00
135	DCD	2,040.00
136	DAPHIL ENTERPRISE	2,462.69
137	GOIL GHANA LTD	3,000.00
138	GOIL GHANA LTD	1,260.00
139	TOP OIL FUEL STATION	3,000.00
140	EXCLUSIVE VISION GHANA LTD	8,750.00
141	TOP OIL FUEL STATION	500.00
142	DCD	1,000.00

143	TOP OIL FUEL STATION	3,500.00
144	ELECTRICITY COMPANY OF GHANA (ECG)	747.88
145	DCD	6,000.00
146	DCD	5,000.00
147	DCD	1,680.00
148	DCD	9,905.74
149	PRECIOUS MILLIGAN DZOGBENU	1,716.49
150	SELACK LTD	1,000.00
151	DCD	3,750.00
152	DCD	350.00
153	OUR ROCK VENTURES	9,970.00
154	DCD	2,511.74
155	DCD	2,093.12
156	DCD	2,511.00
		944,409.74
C.	CAPITAL EXPENDITURE (ASSETS)	
1	MANYAWO COMPANY LIMITED	16,665.95
2	EYRAMY LINES LIMITED	34,822.17
3	PROXIMITY DEVELOPMENT GROUP LTD	13,670.62
4	RIGHT FIRST TIME LIMITED	28,701.24
5	PROXIMITY DEVELOPMENT GROUP LTD	43,026.86

6	KEKOM VENTURES LIMITED	25,304.72
7	ESTATE DE-ROYALS LIMITED	15,201.92
8	SAM ANS LIMITED	1,794.70
9	PROXIMITY DEVELOPMENT GROUP LTD	5,901.80
10	MIRABO COMPANY LIMITED	3,728.62
11	RADET CONSTRUCTION LIMITED	2,041.27
12	SPK KOSAP LIMITED	17,955.29
13	RADET CONSTRUCTION LIMITED	4,740.00
14	VISLAH CONSTRUCTION WORKS LTD	4,885.96
15	EUWIN LIMITED	4,496.00
16	MANYAWO COMPANY LIMITED	864.00
17	VISLAH CONSTRUCTION WORKS LTD	15,616.70
18	OLIVE 360 LIMITED	14,653.24
19	RADET CONSTRUCTION LIMITED	2,041.27
20	JOHNMORK CONST. LIMITED	4,387.14
21	EUWIN LIMITED	22,749.97
22	D'CONIA VENTURES	599,996.80
23	JEAMOH BLOCKER	28,090.51
24	NIMEK COMPANY LIMITED	26,151.16
		937,487.91
		1,881,963.81