



**LA DADE-KOTOPON MUNICIPAL ASSEMBLY FINANCIAL STATEMENTS FOR  
THE YEAR ENDED  
31 DECEMBER 2022**

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## GENERAL INFORMATION

### MUNICIPAL CHIEF EXECUTIVE

Hon. Solomon Kotey Nikoi  
Period Appointed: September 2019

### PRESIDING MEMBER

Hon. Emmanuel Nyarko Baah  
Period Elected:

### EXECUTIVE MANAGEMENT COMMITTEE

Mr. Daniel Nkrumah-Municipal Coordinating Director-Secretary

Mr. Ebenezer Gyasi, Development Planning – Member  
Mr. Abraham Anum Nai-Social Service – Member  
Mr. Aaron Akrong- Works – Member  
Mr. Sidney Agorvor Otchie-Justice and Security - Member  
Mr. Raphael Anum Ayikwei-Finance & Administration - Member  
Mr. Christopher Gogoe- Environment & Tourism-Member  
Ms., Elizabeth Odotei- Govt Appointee- Member  
Nii Adjei Koofeh IV- Member

### MANAGEMENT

Mr. Daniel Nkrumah, Municipal Coordinating Director  
Mrs. Hickmatu Abdulai, Municipal Finance Officer  
Mr. Jerry Odoom, Municipal Budget Officer  
Mr. Christabel Kai-Nai, Municipal HRD  
Mr. Victor Yeborwo , Procurement Manager  
Mr. Ben Debrah, Works Engineer  
Mr. Charles Antwi, Internal Auditor  
Mr. Henry Asoma-Central Administration

### BRIEF PROFILE OF La Dade – Kotopon Municipal ASSEMBLY

The La Dade-kotopon Municipal Assembly (LaDMA) is one of the twenty-nine districts in the Greater-Accra Region, Ghana and was carved out of the Accra Metropolitan Assembly in June 2012 with its capital located at La. Like all other District Assemblies, the La Dade-Kotopon Municipal Assembly was established by the Local Government Act, 1993 (Act 462) with Legislative Instrument 2133 in line with government's objective of deepening decentralization and grassroots development by bringing larger Metropolitan, Municipals and District Assemblies to manageable sizes. The Local economy is mainly manufacturing, agriculture and service. LaDMA is bounded on both North and West by Korle Klottey, on the East by Ledzokuku Krowor Municipal Assembly and on the South by the Gulf of Guinea. LaDMA has an estimated population of 140,264 with 68,099 (48.6% representing males) and 72,165 (representing 51.4% females).

### ELECTORAL AREAS

LaDMA have an oversight responsibilities on the Ten Electoral areas as follows: Mantiaase- TseAddo, Kaajanor, Adiembra, NewLakpanaa, AkoAdjei, Burma Camp, Abafum Abesse Kowe, Adobetor, Kaajanor and Cantonments.

### ADDRESS

La Dade-kotopon Municipal Assembly  
P.O. Box LA 395  
La Accra

### AUDITORS BANKERS

Ghana Audit Service  
Bank of Ghana, National Investment Bank, Zenith Bank  
La Community Bank

## STATEMENT OF MANAGEMENT RESPONSIBILITIES

The Financial Report of La Dade-Kotopon Municipal Assembly (LaDMA) 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 LaDMA.

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 LaDMA. 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 LaDMA's assets.

To the best of our knowledge, the financial statements fairly present LaDMA's financial position at 31 December 2022. 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.

LA DADE KOTOPON  
Municipal Assembly  
M  
WUA  
Daniel Nkrumah

Municipal Coordinating Director,  
Municipal Coordinating Director,

Solomon Kotey Nkoi  
Municipal Chief Executive

Municipal Chief Executive

Hickmatu Abdulai

Municipal Finance Officer  
Municipal Finance Officer

## OPINION OF THE EXTERNAL AUDITOR

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



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P.O. Box M. 96  
Accra  
21<sup>st</sup> June, 2023

### INDEPENDENT AUDITOR'S REPORT

TO THE PRESIDING MEMBER  
LA DADE-KOTOPON MUNICIPAL ASSEMBLY

#### AUDIT REPORT ON THE FINANCIAL STATEMENTS OF LA DADE - KOTOPON MUNICIPAL ASSEMBLY

##### Report on the financial statements

We have audited the accompanying financial statements of the La Dade - Kotopon Municipal Assembly (LADMA) which comprise the statement of financial position as at 31 December 2022, 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.

##### Manner in Which the Accounts Were Kept and Rendered for Audit.

The accounts for the year under review were satisfactorily kept. The financial statements and accounts were, submitted to this office for validation on 14 February 2023 as required by Section 80 (1) of the Public Financial Management Act, 2016.

##### Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of LADMA as at 31 December 2022, 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 MP's Common Fund outstanding balance of GH¢455,722.85 not treated as a Trust Fund.**

### **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 LADMA 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 Municipal Chief Executive (MCE) is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as the MCE 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 LADMA.

### **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 judgment 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 LADMA;
- 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.



**ROBERT K. FIADZO**  
**ASSISTANT AUDITOR-GENERAL, GREATER ACCRA REGION**  
**FOR: AUDITOR-GENERAL**

**Cc:** The Auditor – General,  
Audit Service,  
Accra.

The DAG/EIDA/SZ,  
Audit Service,  
Accra.

The District Auditor GAR/AMA,  
Audit Service,  
Accra.

The Regional Co-ordinating Director,  
Regional Co-ordinating Council,  
Accra.

The Municipal Co-ordinating Director,  
La Dade-Kotopon Municipal Assembly,  
La.

The Municipal Chief Executive,  
La Dade-Kotopon Municipal Assembly,  
La.

The Municipal Finance Officer,  
La Dade-Kotopon Municipal Assembly,  
La.

## FINANCIAL HIGHLIGHTS

The Financial Statements for 2022 was presented in accordance with the public financial legislative requirements and other statutes and the format required under IPSAS. The financial statements also include supplementary information that further explains and supports the information in the financial statements.

The summary highlights and analysis of the Financial Statements of LADMA for the year ended 31 December, 2022 are presented below:

### **Budget Performance**

#### *a. Budgeted receipts*

In 2022, the total actual receipt of GHC20,788,951.39 was marginally lower than the approved budget of GHC24,446,393.00 in 2022. The total receipts of GHC20,788,951.39 for 2022, compared with GHC17,911,888.51 received in 2021, showed an increase of GHC2,877,062.88 or 16.06 per cent over the prior year.

#### *b. Budgeted payments*

During the period under review, the LADMA approved budget was GHC24,446,393.05 to spend on approved activities as compared to GHC26,471,212.00 in 2021. However, actual payments came to GHC16,050,404.67 in 2022), resulting in an overall surplus of GHC4,738,546.72 compared to actual receipts of GHC20,788,951.39. The Organization also operated within the approved budget line expenditures.

### **Financial Performance**

#### *Revenue*

During the period under review, total revenue received by the LADMA amounted to GHC20,788,951.39 compared with GHC17,911,888.51 received in the previous year, showing a slight increase of 16.06 per cent. This increase is attributable to Internally Generated Funds by 11.48 per cent and donor funded grants by 46.35 per cent.

#### *Expenses*

Total Expenses incurred by the LADMA in 2022 amounted to GHC16,050,404.67 as against GHC17,267,100.20 for the previous year, showing a decrease of GHC1,216,695.53 or 7.05 per cent. Compensation for employees, Goods and Services and other expenses registered an increase when compared with those of the previous year. Except for Consumption of fixed assets were expenses in the previous year registering decrease by 3,935,618.28 or 93.37 per cent.

#### *Operational results*

During the year under review, LADMA recorded a surplus of GHC4,738,546.72 from its operations as compared to the reported surplus of GHC644,788 in 2021. The increase in the surplus recorded was primarily due to IGF and Donor/grant of GHC16,187,137.32 accrued during the year over the previous year. The net operational results were accordingly transferred to the Accumulated Fund Balances, resulting in an increase from GHC3,308,407.47 in 2021 to GHC8,046,954.19 as at the end of 2022.

### **Financial Position**

#### *Asset*

As at 31 December, 2022, total assets of LADMA stood at GHC10,167,712.40 as against GHC3,308,407.47 recorded in the previous year as a result of cash basis of preparing the financial statements, representing an increase of GHC6,859,304.93 or 207.33 per cent. Cash and cash equivalent amounting to GHC3,152,781.51 constituted 31.01 per cent of the total assets.

#### *Liabilities*

Total liabilities stood at GHC2,120,758.21 at the end of the year, at a current ratio of 1:1.56, our analysis showed that the LADMA will be able to meet its short-term obligations as and when they fall due.

#### *Fund Balances*

The LADMA's Fund Balances stood at GHC8,046,954.19 as at 31 December 2022, compared with GHC3,308,407.47 as at 31 December 2021, registering an increase of GHC4,738,546.72 translating to 143.23 per cent.

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022**

	Notes	GHC	
		2022	2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	3,152,781.51	3,300,268.47
Receivables	4	162,368.50	8,139.00
<b>Total current assets</b>		<b>3,315,150.01</b>	<b>3,308,407.47</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	6,852,562.39	0
<b>Total non-current assets</b>		<b>6,852,562.39</b>	<b>0</b>
<b>Total Assets</b>		<b>10,167,712.40</b>	<b>3,308,407.47</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables To Vendors/Suppliers	6	2,120,758.21	0
<b>Total Liabilities</b>		<b>2,120,758.21</b>	<b>0</b>
<b>Total Net Assets/Equity (Total Assets – Total Liabilities)</b>		<b>8,046,954.19</b>	<b>3,308,407.47</b>
<b>Finance By</b>			
Accumulated Fund Balance (Brought Forward)		3,308,407.47	2,663,619.16
Net Changes In Net Assets/Equity		4,738,546.72	644,788.31
<b>Total Net Assets/Equity</b>		<b>8,046,954.19</b>	<b>3,308,407.47</b>

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31  
DECEMBER 2022**

	Notes	GHC	
		2022	2021
<b>REVENUE</b>			
GoG Subvention	7	4,601,814.07	4,279,190.59
Internally Generated Funds	8	12,033,521.98	10,794,534.80
Donations and Grants	9	4,153,615.34	2,838,163.12
<b>TOTAL REVENUE</b>		<b>20,788,951.39</b>	<b>17,911,888.51</b>
<b>EXPENDITURE</b>			
Compensation of Employees	10	7,240,780.78	6,803,276.86
Goods and Services	11	7,000,833.62	5,818,158.58
Social Benefits	13	396,045.68	168,166.78
Other Expenditure	12	1,133,461.69	262,596.80
Consumption of PPE(Depreciation)	5	279,282.90	4,214,901.18
<b>TOTAL EXPENDITURE</b>		<b>16,050,404.67</b>	<b>17,267,100.20</b>
<b>SURPLUS/(DEFICIT)</b>		<b>4,738,546.72</b>	<b>644,788.31</b>

**STATEMENT OF CHANGES IN NET ASSETS AND EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	GHC			TOTAL
		Accumulated fund balance	Reserves	Asset Revaluation	
Net assets/Equity at 31 December 2021		3,308,407.47	0	0	3,308,407.47
Adjustments to opening balance					
Prior period adjustment		0	0	0	0
<b>Subtotal: Adjustments to 2021 opening balance</b>		<b>3,308,407.47</b>	<b>0</b>	<b>0</b>	<b>3,308,407.47</b>
Net result for current period (Statement II)		4,738,546.72	0	0	4,738,546.72
Reserve					
<b>Subtotal: Movements during 2022</b>		<b>4,738,546.72</b>	<b>0</b>	<b>0</b>	<b>4,738,546.72</b>
<b>Closing balance at 31 December 2022</b>		<b>8,046,956.19</b>	<b>0</b>	<b>0</b>	<b>8,046,954.19</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	GHC	
		2022	2021
<b>Cash Flows From Operating Activities</b>			
<b>Cash Receipt From Operating Activities</b>			
Decentralised Transfers/GoG Subvention	7	4,601,814.07	4,279,190.59
Internally Generated Funds	8	11,928,481.98	10,794,534.80
Donations and Grants	9	4,153,615.34	2,838,163.12
<b>Total Receipt</b>		<b>20,683,911.39</b>	<b>17,911,888.51</b>
<b>Cash Payments From Operating Activities</b>			
Compensation of Employees	10	(7,203,187.96)	(6,803,276.86)
Goods and Services	11	(6,953,096.42)	(5,818,158.58)
Social Benefits		(396,045.68)	(168,166.78)
Other Expenditure	12	(1,133,461.69)	(262,596.80)
<b>Total Payment</b>		<b>(15,685,791.75)</b>	<b>(13,052,199.02)</b>
<b>Net Cash Flows From Operating Activities</b>		<b>4,998,119.64</b>	<b>4,859,689.49</b>
<b>Cash Flows From Investing Activities</b>			
<b>Cash Receipt From Investing Activities</b>			
Recovery of Advances		25,960.50	32,199.00
<b>Total Receipt</b>		<b>25,960.50</b>	<b>32,199.00</b>
<b>Cash Payments From Investing Activities</b>			
Acquisition of Non-Financial Assets		(5,096,417.10)	(4,214,901.18)
Issue of Advances		(75,150.00)	(6,500.00)
<b>Total Payment</b>		<b>(5,171,567.10)</b>	<b>(4,189,202.18)</b>
<b>Net Cash Flows From Investing Activities</b>		<b>(5,145,606.60)</b>	<b>(4,189,202.18)</b>
<b>Cash Flows From Financing Activities</b>			
Funds held for Capital Projects			
Finance Lease			
Borrowing Proceeds/(Repayment)			
<b>Net Cash Flows From Financing Activities</b>			
<b>Net Change In Stock Of Cash</b>		<b>(147,486.96 )</b>	<b>670,487.31</b>
<b>Cash And Cash Equivalents: Beginning Of Period</b>		<b>3,300,268.47</b>	<b>2,629,781.16</b>
<b>Cash And Cash Equivalents: End Of Period</b>	3	<b>3,152,781.51</b>	<b>3,300,268.47</b>

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER**

2022

RECEIPTS	NOTE	Annual Budget GH¢	Ytd Budget GH¢	Previous Actual GH¢	Current Actual GH¢	Ytd Actual GH¢	Budget Variance GH¢
GoG Subvention	7	4,675,469.46	4,675,469.46	2,277,041.66	2,324,772.41	4,601,814.07	73,655.39
IGF	8	10,319,344.00	11,852,767.00	8,744,185.30	3,184,296.68	11,928,481.98	75,714.98
Donor/Grants	9	8,803,938.66	7,918,156.54	2,383,093.62	1,770,521.72	4,153,615.34	3,764,541.20
Financial Asset				21,460.50	4,500.00	25,960.50	25,960.50
Total Receipts/ Payments		23,798,752.12	24,446,393.00	13,425,781.08	7,284,090.81	20,709,871.89	-
Compensation of Employees	10	7,351,517.13	7,546,517.13	3,978,032.73	3,225,155.23	7,203,187.96	343,329.17
Goods and Services	11	7,163,701.17	7,142,978.26	4,846,515.13	2,106,581.29	6,953,096.42	189,881.84
Social Benefits		160,000.00	410,000.00	267,414.58	128,631.10	396,045.68	13,954.32
Other Expenses	12	946,636.21	1,170,000.00	834,899.19	298,562.50	1,133,461.69	36,538.31
Non-Financial Asset Acquisition Financial Asset		8,176,897.61	8,176,897.61	3,174,616.94	1,921,800.16	5,096,417.10	3,080,480.51
TOTAL PAYMENTS		23,798,752.12	24,446,393.00	13,157,628.57	7,699,730.28	20,857,358.85	3,589,034.15
Net Receipts/ (Payments)						(147,486.96)	
Cash and Bank Balance as at ...(Opening)							
						3,300,268.47	
Cash and Bank Balance at...(Closing)							
						3,152,781.51	

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 - GENERAL STATEMENT

1.1 These general-purpose financial statements cover operations of the LA DADE-KOTOPON MUNICIPAL ASSEMBLY, as economic reporting entity in the Public Sector of the Republic of Ghana.

1.2 In preparing the Financial Statements, Management of LaDMA takes cognisance of the 1992 Constitution, the Public Financial Management Act 2016 (Act 921) and the Public Financial Management Regulations 2019 (LI 2378), the Local Governance Act, 2016 (Act 936) and as amended by Act 940, as well as any other relevant subsidiary legislations. The 2021 financial statements have been prepared on General Government based on the Appropriation Act 2021 (Act 1069), the resolutions approving the Composite Budget of the Metropolitan, Municipal and District Assemblies (MMDAs), pursuant to Article 179 (2) (a) of the 1992 Constitution of the Republic of Ghana.

### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Policy Statement on IPSAS adoption

2.1.1 The adoption of IPSAS in Ghana was launched by the then Minister of Finance and a formal declaration was made in the 2015 budget and economic policy presented to Parliament in November, 2014. An implementation plan for IPSAS (Accrual basis) was launched on 24th November, 2018 in line with the Public Financial Management Act 2016 (Act 921).

2.1.2 The general Government of Ghana financial statement with the aim towards full accrual adopted and approved is the Modified Accrual Basis of accounting.

#### 2.2 Basis of Preparation

The financial statements have been prepared on a modified accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) with effort towards full adoption and compliance with the International Public Sector Accounting Standards (IPSAS). In preparing the financial statements, the Controller and Accountant-General takes cognizance of the Constitution of the Republic of Ghana 1992, 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, revenue and expenses of the Assembly and consist of the following:

- (a) Statement of financial position;
- (b) Statement of financial performance;
- (c) Statement of receipts and payments;
- (d) Statement of changes in net assets;
- (e) Statement of cash flows, using the direct method;
- (f) Notes to the financial statements comprising a summary of significant accounting policies and other explanatory notes;

(g) Comparative information in respect of amounts presented in the financial statements indicated in (a) to (e) above and, where relevant, comparative information for narrative and descriptive information are also presented in the notes.

### **2.3 - Measurement Basis**

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

#### **2.3.2. Functional and Presentation Currency**

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.

2.3.3. Transactions in currencies other than the functional currency (foreign currencies) are translated into Ghana Cedis at Bank of Ghana rates of exchange at the date of the transaction. The Bank of Ghana rates of exchange approximate the spot rates prevailing at the dates of the transactions. At year-end, monetary assets and liabilities denominated in foreign currencies are translated at the Bank of Ghana rates of exchange. Non-monetary foreign currencies denominated items that are measured at fair value are translated at the Bank of Ghana rate of exchange at the date on which the fair value was determined. Non-financial items measured at historical cost in a foreign currency are translated at rate prevailing at the date of measurement.

2.3.4. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the statement of financial performance on a net basis.

2.3.5 The Financial Statements are presented in Ghana Cedis and all values are rounded to the nearest Ghana Cedi.

## **Revenue**

### **2.4 - Revenue from Non-Exchange Transactions**

2.4.1. The LaDMA reports revenue in the period in which they are earned. Revenues from non-exchange transactions, such as direct and indirect taxes are recognized when earned. Non-exchange transaction is one in which the reporting entity receives something of value without directly giving value in exchange. However, exchange transactions are those in which the entities sell goods or services in exchange for a consideration. Revenue comprises the fair value of consideration received or receivable for the sale of goods or services.

2.4.2 The reported revenue in the Statement of financial performance is the principal sources, comprising the Decentralised Transfers, Internally Generated Funds, Donations and Grants as provided in Section 124 of the Local Governance Act, 2016 (Act 936).

### **2.5 - Revenue from Exchange Transactions**

2.5.1. Exchange transactions are those in which the entities sell goods or services in exchange for a consideration. Revenue comprises the fair value of consideration received or receivable for the

sale of goods or services. Local government entities recognize revenue when received except for entities with evidential certainty of receivables.

## **2.6 – Expenditures**

2.6.1. The reported expenditure in the Statement of Financial Performance is recognized when incurred. Expenditures are decreases in economic benefits or service potential during the reporting year in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets, and are recognized on an accrual basis when goods are delivered and services are rendered, regardless of the terms of payment.

2.6.2 Compensation of employees includes international, national and general temporary staff salaries of public sector employees. The allowances and benefits include other staff entitlements, such as pension contributions and payments and other salary related allowances.

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

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

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

2.6.7 Other expenditure includes contributions, professional fees, donations, court expenses, scholarships, bursaries, awards and rewards.

## **2.7 Cash and cash equivalents**

2.7.1 Cash and cash equivalents include cash on hand and deposits held at call with banks for periods of less than 90 days. As a rule, cash is held in the LaDMA controlled accounts to maximize the interest-earning potential. Interest earned is credited to the appropriate source of revenue.

## **2.8 – Receivables**

2.8.1 Receivables are recorded at their estimated realisable value after providing for doubtful and uncollectible debts. A provision for doubtful receivables related to is determined and where a request is made to Parliament for write off. Amounts due for more than 12 months after the reporting date in accordance with payment plans are classified as non-current receivables.

2.8.1 Any advances (or down payments) paid to suppliers, implementing partners, staff and others are recorded as receivables to LaDMA until the goods are received, services performed, or the amounts repaid, as appropriate.

## **2.9 - Inventory**

2.9.1 The cost of inventory is valued at the lower of cost or current replacement cost.

## 2.10 - Property, plant and equipment

2.10.1 Property, plant and equipment acquired during the year are capitalised and shown in the Statement of Financial Performance and depreciation is not charged in the year of acquisition and disposal. The fixed assets capitalized must have been depreciated using the straight-line method with the approved depreciation policy rates

2.10.2 Depreciation of assets (other than land) is calculated on a straight-line (i.e. even) basis over their estimated useful lives, as shown in the table below.

Asset class	Estimated useful life
Land	No depreciation
Buildings	50 years
Other Structures – Lorry Park/Drainage/Roads	20 years
Vehicles	5 years
Office Equipment/Communications and IT	7 years
Furniture and fixtures	10 years
Computer Software/Accessories	5 years
Other Machinery & Equipment- Plants/Earthmoving machinery and equipment	10 years

3.5.3 Disposal gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognized; such a gain or loss is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## 2.11 - Comparison to budget

2.11.1 Comparison of budget and actual amounts on a comparable basis presents the difference on the statement of financial performance between budget amounts which are prepared on a cash basis and actual revenues and expenditures prepared on modified accrual basis.

2.11.2 Approved budgets are those that permit expenses to be incurred and are approved by Parliament of Ghana and Boards of State-Owned Enterprises. For IPSAS reporting purposes, approved budgets are the appropriations authorized for each budget area under Parliament of Ghana and Boards of State-Owned Enterprises proceedings. The presentation of activities and associated expenditures in the statement of financial performance compare budget and actual amounts to reflect the cost classification categories approved by the Parliament:

- (a) Compensation of Employees;
- (b) Use of Goods and Services;
- (c) Capital Expenditure.

2.11.3 The original budget amounts are the 2021 portions of the appropriations approved by the Parliament of Ghana for the fiscal year January 1st – December 31st, 2022. Differences

between original and final budget amounts are due to revised appropriations as approved by the Parliament of Ghana and increased authorized spending for specific programme activities that the Minister of Finance has been authorized by the Parliament of Ghana and the Public Financial Management Act (2016) 921 and its accompanying regulations to accept and utilize.

2.11.4 Basis differences capture the differences resulting from preparing the budget on a cash basis against the preparation of the financial statements on modified accrual basis towards full IPSAS Accruals. In order to reconcile the budgetary results to the statement of cash flows, the non-cash elements such as consumption of fixed assets and amortization of intangible assets.

#### NOTE 3 - Cash and Cash Equivalents

	2022 GHC	2021 GHC
LCB-IGF	275,729.20	5,379.60
Zenith-IGF	- 9,287.43	334,220.42
NIB_DACF	1,074,794.25	1,433,853.43
LCB-MPCF	455,722.85	316,803.94
NIB-PWD	27,258.23	57,012.36
BOG-DDF/GOG	1,323,328.70	1,152,940.05
BOG-HIV/AIDS	5,235.71	58.67
<b>TOTAL</b>	<b>3,152,781.51</b>	<b>3,300,268.47</b>

#### NOTE 4: Receivables

Receivables			
NOTES TO THE ACCOUNTS		2022	2021
		CURRENT	PREVIOUS
		YEAR	YEAR
	SCHEDULE	GHC	GHC
IGF-unreceived		105,040.00	

Advances		57,328.50		8,139.00
<b>TOTAL</b>		<b>162,368.50</b>	<b>-</b>	<b>8,139.00</b>

**NOTE 5: Property, Plant and Equipment**

	Land	Buildings	Buildings - Warehou se	Drains	Borehole	Furniture and fixtures	Infrastructu re Assets Road Signals	Work in progress	Total
Cost as at 31 December 2022		5,832,826.6 2	90,001.50	539,731.12	89,499.00	514,000.00	65,787.05		7,131,845.29
Depreciation		174,553.60	2,250.04	17,997.04	4,474.95	73,428.57	6,578.71		279,282.90
Accumulated depreciation at 31 December 2022		174,553.60	2,250.04	17,997.04	4,474.95	73,428.57	6,578.71		279,282.90
Net carrying value at 31 December 2022		5,658,273.0 2	87,751.46	521,734.08	85,024.05	440,571.43 1	59,208.34		6,852,562.39

**NOTE 6 - Accounts Payable**

Accounts Payable	2022 GH¢	2021 GH¢
Supplier Liability	2,035,428.19	
Withholding Tax	28,679.72	
Electricity	47,737.20	
SSNIT	8,913.10	
<b>TOTAL</b>	<b>2,120,758.21</b>	

NOTE 7 - GoG Subvention

NOTES TO THE ACCOUNTS	2022 GH¢		2021 GH¢
Compensation of Employees	4,549,143.31		4,201,588.06
Central Government/Decentralised Transfers	52,670.75		77,602.53
<b>TOTAL REVENUE</b>	<b>4,601,814.06</b>	-	<b>4,279,190.59</b>

NOTE 8 – IGF Receipt

IGF Receipt	2022 GH¢		2021 GH¢
Lands and Royalties	5,932,759.12		5,094,668.54
Rates	2,132,946.79		2,061,775.74
Rents of Land, Buildings and Houses	48,000.00		105,980.00
Licenses	2,272,034.34		1,909,352.75
Fee	1,631,210.38		1,622,057.77
Fines, penalties, and forfeits	5,820.00		700.00
Miscellaneous revenue	10,751.35		
<b>TOTAL REVENUE</b>	<b>12,033,521.98</b>	-	<b>10,794,534.80</b>
<i>LESS:</i>			
Toilet Proceeds	105,040.00		
<b>Unreceived IGF</b>	<b>105,040.00</b>	-	-
<b>TOTAL</b>	<b>11,928,481.98</b>	-	<b>10,794,534.80</b>

**NOTE 9 - Donor/Grants**

NOTES TO THE ACCOUNTS		2022 GH¢		2021 GH¢
Grants(DACF/DDF/PWD/HIV/DDF)		4,120,738.37		2,783,658.36
Non Central Government		32,876.98		54,504.76
<b>TOTAL</b>		<b>4,153,615.35</b>	<b>-</b>	<b>2,838,163.12</b>

**NOTE 10 – Compensation of Employees**

	SCHEDULE	2022 GH¢		2021 GH¢
Established Position		4,549,143.31		4,201,588.06
Non Established Post		885,873.90		1,067,667.47
Allowances		1,633,196.71		1,356,410.10
13% SSF Employer Contribution		168,566.86		177,611.23
End of Service Benefit (ESB)		4,000.00		
<b>TOTAL EXPENDITURE</b>				
<i>LESS:</i>		<b>7,240,780.78</b>	<b>-</b>	<b>6,803,276.86</b>
Unpaid Compensation		37,592.82		
<b>TOTAL PAYMENT</b>		<b>7,203,187.96</b>	<b>-</b>	<b>6,803,276.86</b>

**NOTE 11 - Goods and Services**

GOODS AND SERVICES		2022 GH¢		2021 GH¢
Materials and Office Consumables		982,640.89		893,052.13
Utilities		284,528.21		385,253.11
General Cleaning		670,957.10		207,008.35

Rentals	463,280.16		440,683.89
Travel and Transport	1,478,091.39		1,469,157.34
Repairs and Maintenance	112,791.18		49,604.10
Training, Seminar and Conference	1,392,579.80		1,309,978.02
Consultancy Expenses	309,583.72		303,576.47
Special Services	944,142.02		558,028.72
Other Charges and Fees	11,247.49		14,921.85
Emergency Services	263,406.84		138,281.60
Insurance	87,584.82		48,613.00
<b>TOTAL EXPENDITURE</b>	<b>7,000,833.62</b>	<b>-</b>	<b>5,818,158.58</b>
LESS: Unpaid Goods & Services	47,737.20		
<b>TOTAL PAYMENT</b>	<b>6,953,096.42</b>	<b>-</b>	<b>5,818,158.58</b>

**NOTE 12 - Other Expenses**

<b>OTHER EXPENSES</b>			
<b>NOTES TO THE ACCOUNTS</b>	<b>2020</b>		<b>2021</b>
	<b>GH¢</b>		<b>GH¢</b>
Contributions	915,347.17		203,564.57
Scholarship & Bursaries	218,114.52		59,032.23
<b>TOTAL EXPENDITURE</b>	<b>1,133,461.69</b>	<b>-</b>	<b>262,596.80</b>

**Note 13**

<b>SOCIAL BENEFITS</b>			
Social security benefits in cash	396,045.68		168,166.78
Employer social benefits in			

cash				
<b>TOTAL EXPENDITURE</b>		<b>396,045.68</b>	<b>#</b>	<b>168,166.78</b>

**NOTE 5 - Consumption of PPE**

<b>NOTES TO THE ACCOUNTS</b>	<b>2022 GH¢</b>		<b>2021 GH¢</b>
Non - Residential Buildings	4,189,403.35		1,654,494.56
Other structures	798,242.94		1,238,948.01
Transport Equipment	68,323.10		379,751.01
Other machinery and equipment	763,470.50		375,941.96
Infrastructure Assets	1,163,648.06		350,590.33
<b>TOTAL</b>	<b>7,131,845.29</b>	<b>-</b>	<b>4,214,901.18</b>
<b>LESS:</b>			
Current year Depreciation	279,282.90		
<b>NET BOOK VALUE</b>	<b>6,852,562.39</b>	<b>-</b>	<b>4,214,901.18</b>