



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**

# **VILLAGE COUNCIL OF BETHANIE**

**FOR THE FINANCIAL YEARS ENDED 30 JUNE 2019 AND 2020**

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**REPUBLIC OF NAMIBIA**



**TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY**

I have the honour to submit herewith my report on the accounts of the Village Council of Bethanie for the financial years ended 30 June 2019 and 2020 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act No 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

**WINDHOEK, July 2022**

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

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



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

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**SECTION A: FINANCIAL AUDIT**

**1. DISCLAIMER AUDIT OPINION**

I have audited the financial statements of the Village Council of Bethanie for the financial years ended 30 June 2019 and 2020. These financial statements comprise the statement of financial position, detailed statement of income and expenditure, statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

Because of the significance of the matters described in the Basis for Disclaimer of Audit Opinion paragraph, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements for the years then ended in accordance with International Public Sector Accounting Standard.

**2. BASIS FOR DISCLAIMER AUDIT OPINION**

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with code of ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the code of ethics. I believe that the audit evidence I have obtained is not sufficient and appropriate to provide a basis for my opinion.

Disclaimer audit opinion is expressed due to the following:

**2.1 MANAGEMENT RESPONSE**

The Acting Chief Executive Officer was given an opportunity through the management letter to correct and respond to errors and misstatements that were noted during the audit. The Acting Chief Executive Officer, however, did not respond to the management letter during the agreed timeframe. It is recommended that the Council should ensure that it promptly respond to and/or correct errors and misstatements identified during the audit as per the agreed timeframe.

**2.2 GOING CONCERN**

The Council did not disclose a material uncertainty regarding going concern in the Annual Financial Statements for both years under review as per International Public Sector Accounting Standards (IPSAS) 1 par 38. The 2019 financial year portrays that current liabilities exceeds current assets by N\$ 3 611 981. Furthermore, notable accumulated deficit of N\$ 4 455 537 was also observed. Whilst, in the 2020 financial year, the current liabilities exceeded the current assets by N\$ 4 660 543 and an accumulated deficit of N\$ 3 571 979 was also observed.

It is recommended that the Council should assess its ability to continue as a going concern and if material uncertainties related to events or conditions that may cast significant doubt upon the Council's ability to continue as a going concern exist, the Council should disclose those uncertainties and put measures in place to turn the Council into a going concern.

### **2.3 DEPRECIATION**

The valuation, accuracy and completeness of the depreciation charged amounting to N\$ 2 136 496 (2020) and N\$ 2 823 800 (2019) disclosed in the financial statement could not be confirmed due to incomplete records in the fixed asset register. It is recommended that the Council should ensure that the fixed asset register is complete and up to date.

### **2.4 BUDGET AND ACTUAL AMOUNTS**

The Council did not present a comparison of the budget and actual amount either as a separate additional financial statement or as an additional budget column in the financial statements for the financial years under review as required by paragraph 14 of IPSAS 24: Presentation of budget information in financial statements. It is recommended that the Council should ensure that it presents a comparison of the budget amounts for which it is held publicly accountable and actual amounts, either as a separate additional financial statement or as additional budget columns in the financial statements.

### **2.5 CASH FLOW STATEMENT**

The Council did not present comparative figures for the 2018 financial year in the statement of cash flow for the 2019 and 2020 financial years which is not in compliance with IPSAS 1, paragraph 53, which states that: "Except when an IPSAS permits or requires otherwise, an entity shall present comparative information in respect of the preceding periods for all amounts reported in the financial statements".

Furthermore, the Council incorrectly presented the loss on disposals amounting to N\$ 230 323 in the 2020 financial year as a cash outflow from investing activity in the statement of cash flow instead of presenting the actual cash receipts from the sale of property, plant and equipment. This is not in accordance with the examples of cash flows arising from investing activities as outlined in paragraph 25 of IPSAS 2.

Lastly, in the 2020 financial year, the Council incorrectly presented cash paid for the acquisition of property, plant and equipment as a cash inflow from investing activities instead of presenting it as a cash outflow.

The Council is recommended to ensure that the statement of cash flow is prepared in accordance with IPSAS 1 and 2 that sets out the requirements for the presentation of comparative information and the presentation of cash flow statement and the related disclosure respectively.

## **2.6 DIFFERENCES BETWEEN THE TRIAL BALANCE AND THE FINANCIAL STATEMENTS**

The following was observed in the 2019 financial year:

- A difference of N\$ 26 238 on other income between the trial balance amount of N\$ 1 709 595 and the annual financial statements of N\$ 1 683 357;
- A difference of N\$ 26 239 on general admin between the trial balance amount of N\$ 3 795 939 and the annual financial statements of N\$ 3 769 700;
- A difference of N\$ 2 136 496 on depreciation between the trial balance amount of N\$ 4 960 296 and the annual financial statements of N\$ 2 823 800;
- A difference of N\$ 2 136 497 on property, plant and equipment between the trial balance amount of N\$ 10 917 588 and the annual financial statements of N\$ 13 054 085;
- A difference of N\$ 50 000 on trade and other payables between the trial balance amount of N\$ 8 794 903 and the annual financial statements of N\$ 8 844 903; and
- A difference of N\$ 50 000 on bank overdraft between the trial balance amount of N\$ 191 726 and the annual financial statements of N\$ 141 726.

It is recommended that the Council should ensure that financial statement balances are reconciled to the trial balance at all times.

## **2.7 NON-SUBMISSION OF SUPPORTING DOCUMENTS FOR THE FOLLOWING ITEMS:**

- Trade and other payables amounting to N\$ 1 403 933 (2020) and N\$ 1 309 381 (2019);
- VAT receivables amounting to N\$ 1 397 499 (2020) and N\$ 991 601 (2019);
- Biological assets amounting to N\$ 375 500 in the 2019 financial year;
- Government grants amounting to N\$ 5 958 039 (2020) and N\$ 2 418 371 (2019);
- Subsidy – street maintenance amounting to N\$ 639 000 in the 2019 financial year; and
- Livestock sale amounting to N\$ 412 707 in the 2019 financial year.

It is recommended that the Council should ensure that all supporting documents are provided for audit verification purpose at all times.

## **2.8 GRANTS AND DONATIONS**

The Council approved grants and donations amounting to N\$ 21 635. These grants and donations were not approved by the Minister in accordance with Section 30 (Z) (ii) of the Local Authorities Act, Act No. 23 of 1992 that requires the Council to obtain prior approval from the Minister in writing to make grants or donations. It is recommended that the Council should ensure that it complies with the Local Authorities Act 23 of 1992 before accepting or making any donations in future.

## **2.9 NAMIBIAN TRAFFIC INFORMATION SYSTEM (NATIS) REFUND**

The audit could not trace the amount of N\$ 179 055 recorded in the 2019 financial year's general ledger to the Council's bank statement.

The Council issued invoices amounting to N\$ 350 033 for 2020 financial year but the recorded transactions in the general ledger for the Namibian Traffic Information System contribution amounts to N\$ 503 303. Therefore, revenue from the Namibian Traffic Information System contribution is overstated by N\$ 153 270. It is recommended that the Council should ensure that it records invoices as they are issued, and that reconciliations are performed to ensure that all funds due to the Council are received.

## **2.10 DIFFERENCE BETWEEN THE PAYROLL REPORT AND THE GENERAL LEDGER**

There is a difference of N\$ 302 118 (2019) and N\$ 132 317 (2020) between the general ledger amount of N\$ 2 241 655 (2019) and N\$ 2 026 863 (2020) and the payroll report amount of N\$ 1 939 538 and N\$ 1 894 546 for 2019 and 2020 respectively. It is recommended that the Council should ensure that it reconciles the payroll report to the general ledger.

## **2.11 COMPARATIVE INFORMATION**

The Council did not present comparative information for note 5 to 12 in the notes to the financial statements for the 2018 financial year as required by IPSAS 1, paragraph 53, which states that: "Except when an IPSAS permits or requires otherwise, an entity shall present comparative information in respect of the preceding periods for all amounts reported in the financial statements".

A difference of N\$ 248 602 was observed between the amount presented in the statement of financial position for trade and other payables amounting to N\$ 8 156 219 and the amount disclosed in the notes to the financial statements of N\$ 8 404 821 for the 2018 financial year.

Furthermore, a difference of N\$ 208 942 was noted between an amount of N\$ 15 322 414 disclosed in the 2018 audit report and N\$ 15 531 356 disclosed in the notes to the current financial statements for the 2018 financial year.

It is recommended that the Council should ensure that it presents comparative information in respect of the preceding periods for all amounts reported in the financial statements and that totals presented on the face of the financial statements corresponds to the amounts presented in the notes to the financial statements.



## **2.12 PROPERTY, PLANT AND EQUIPMENT**

The Council did not present a reconciliation of the carrying amount at the beginning and end of the period as required by IPSAS 17, paragraph 88 (e), which states that: "The financial statements shall disclose, for each class of property, plant, and equipment recognised in the financial statements, A reconciliation of the carrying amount at the beginning and end of the period showing: additions, disposal, depreciation and other changes. It is recommended that the Council should ensure proper disclosure of each class of property, plant and equipment.

## **2.13 CASH AND CASH EQUIVALENTS**

There is a difference of N\$ 595 853 in the 2019 financial year and N\$ 841 088 in the 2020 financial year between the amounts disclosed in the financial statements of N\$ 283 974 and (N\$ 116 411) and the amounts confirmed by the bank of N\$ 879 827 and N\$ 724 677 for the 2019 and the 2020 financial years respectively.

This is as a result of two business cheque accounts that were not presented in the financial statements but that were confirmed by the bank with a closing balance of N\$ 462 041 and N\$ 616 657 in the 2019 and the 2020 financial years respectively . Furthermore, the Build Together account presented in the financial statements with an amount of N\$ 7 914 (2019) and N\$ 7 784 (2020) was not confirmed by the Bank.

Lastly, the Council incorrectly presented an overdraft amount of N\$ 141 726 (2019) and N\$ 232 215 (2020) while the bank confirmed positive balances for all the Council's bank accounts.

It is recommended that the Council should ensure that all bank balances are correctly recorded in the financial statements and that all bank statement balances are reconciled to the financial statements.

## **2.14 BIOLOGICAL ASSETS**

There is a difference of N\$ 294 400 and N\$ 864 011 between the amount presented in the statement of financial position of N\$ 81 100 and N\$ 375 500 and the amount disclosed in the notes to the financial statements of N\$ 375 500 and N\$ 1 221 511 for the 2020 and the 2019 financial years respectively. It is recommended that the Council should ensure that amounts presented on the face of the financial statements corresponds to the amounts disclosed in the notes to the financial statements.

## **3. OTHER INFORMATION**

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with the audit of the financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to a report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.

- I conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

## **6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (COMPLIANCE)**

The financial statements for the financial years ended 30 June 2019 and 2020 were submitted by the Accounting Officer to the Auditor-General on 03 December 2019 and 15 March 2021 respectively. This is not in compliance with Section 85 of the Local Authorities Act, 1992 (Act No. 23 of 1992) that requires the Council to submit its financial statements three months after financial year end.

## **SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION**

### **1.1 AUDIT OF KEY PERFORMANCE INFORMATION**

I conducted an audit on the performance information of Bethanie Village Council for the strategic period 2017/2018 to 2021/2022, concurrently with the audit of financial statements for the year ended 30 June 2019 and 2020.

### **1.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND SCOPE**

A Performance Management System (PMS) is a systematic process for achievement and improvement in obtaining results from an organization and its staff members managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timelines.

The primary function of the PMS is to enable Council to achieve success in fulfilling its mandate and provide improvements in service delivery to the public.

The scoping of the key performance indicators was performed by looking at the high-level statements, which are indicated in the mandate of the Council as provided for in the Local Authorities Act, Act No. 23 of 1992 and its' Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their usefulness in assessing the entity's achievements in terms of its service performance objectives.

### **1.3 AUDIT OBJECTIVE**

The objective of the Key Performance Indicator (KPI) audit is to provide assurance whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the Council to inform the Parliament, the public and other stakeholders about its strategic priorities, programs and projects.

### **1.4 AUDIT CRITERIA**

The audit was mainly concentrated on two (2) criteria, namely:

- Usefulness of reported performance information in terms of measurability and relevancy of indicators, as well as consistency of use of indicators throughout the period under review; and
- Reliability of reported performance information in terms of whether the actual reported performance did occur and was reported accurately.

### **1.5 SUMMARY OF METHODS APPLIED**

I reviewed the Strategic Plan for the strategic period 2017/2018 to 2021/2022. This comprised of a review of the Strategic Plan, documentation review and interviews with senior and top management.

## 1.6 KEY AUDIT FINDINGS

In terms of execution of the Strategic Plan, it was noted with concern that the Strategic Plan has not been cascaded to Annual Plans and Departmental/Divisional Plans and Performance Agreements.

Furthermore, the implementation of strategic plan through annual reports, divisional reports and performance reviews on individual basis has not been done at the time of the audit. Council has furthermore, not implemented a Performance Management System.

In order to determine whether there has been activities with regard to strategic objectives, auditors sampled 16 out of 21 strategic objectives and twenty (20) key performance indicators were sampled within these strategic objectives. Furthermore, documentary proof of actions taken were requested, however none was submitted at the time of the audit. The following strategic objectives and key performance indicators were selected:

No.:	Strategic Objective	Performance measure/ indicator
1.	Prudent Financial Management	Revenue growth
		Budget execution rate
2.	Good Leadership and Corporate Governance	Leadership Survey and number of proven corruption cases
3.	Strengthen community capacity enhancement programme	Number of awareness campaigns on HIV/AIDS
4.	Provide conducive environment and encourage income generating project	Number of income generating projects established
5.	Create community awareness programmes	Number of community awareness programmes
6.	Accelerate Infrastructure development	Number of proclaimed extensions
		Number of serviced erven
7.	Promote Local economic development	Number of Public-Private Partnership entered into
8.	Good Relations and Cooperation	Relations with local business, farmers, tourism industry
9.	Develop policies	Number of policies developed
10.	Strengthen human resources capacity building	Train competent staff and Councillors
11.	Ensure performance management system roll out	% of Performance Management System roll out

No.:	Strategic Objective	Performance measure/ indicator
12.	Improve stakeholder relations	Stakeholder satisfaction ratings Number of functional partnerships
13.	Improve Water Quality and Use of Water	Water quality standard and production of water through agriculture and industry
14.	Increase Job Opportunities and Services through small and medium enterprises Development	Number of new jobs created through small and medium enterprises Number of small and medium enterprises in Business in the Village
15.	Develop Tourism	Income from Visitors
16.	Improve Low Cost Housing	Number of plots medium cost developed

### 1.7 INSUFFICIENT SUPPORTING DOCUMENTATION

The above posed a significant limitation on the auditors to ascertain whether reported performance information is useful (i.e. measurable and relevant) and reliable in terms of whether the actual reported performance did occur.

### 1.8 CONCLUSION ON SUBJECT MATTER

Because of the significance of the key audit findings section of my report, I have not been able to obtain sufficient appropriate evidence to form a conclusion on the Key Performance Information of the Council. Accordingly, I do not express a conclusion.

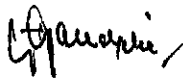
### RECOMMENDATION

It is recommended that Council develops, approves and implements a Performance Management System as a matter of urgency to ensure the attainment and adequate documentation of strategic objectives.

### 7. ACKNOWLEDGEMENTS

The assistance and co-operation by the staff of the Village Council of Bethanie during the audit is appreciated.

WINDHOEK, July 2022

  
**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**

**VILLAGE COUNCIL OF BETHANIE**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE**

**ANNEXURE A**

	Note	2020 N\$	2019 N\$	2018 N\$
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	1	115 804	425 700	235 473
Trade and Other Receivables	2	5 997 088	4 988 540	6 846 860
<b>Non-Current Assets</b>				
Property, Plant and Equipment	8	10 818 144	13 054 085	15 531 356
Biological Assets	10	<sup>a</sup> 81 100	<sup>a</sup> 375 500	<sup>b</sup> 1 221 511
<b>Total Assets</b>		<b>17 012 136</b>	<b>18 843 825</b>	<b>23 835 200</b>
<b>NET ASSETS AND LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and Other Payables	3	10 499 852	8 844 903	<sup>c</sup> 8 156 219
Bank Overdraft	1	232 215	141 726	-
Consumer Deposit		41 368	39 592	37 808
<b>Non-Current Liabilities</b>				
Long Term Borrowings	11	965 694	945 038	208 942
Employee Benefits		440 671	477 754	588 022
<b>NET ASSETS</b>				
Funds	4	5 564 816	5 577 669	7 759 513
Other Reserves	4	15 322 414	15 322 414	<sup>d</sup> 15 322 414
Accumulated Deficit		(16 054 895)	(12 505 272)	(8 237 718)
<b>Total Net Asset and Liabilities</b>		<b>17 012 135</b>	<b>18 843 825</b>	<b>23 835 200</b>

- a. There is a difference of N\$ 294 400 and N\$ 864 011 between the amount presented and the amount disclosed in the notes to the financial statements of N\$ 375 500 and N\$ 1 221 511 for the 2020 and 2019 financial years respectively.
- b. The Council did not present a note on biological assets for the 2018 financial year.
- c. There is a difference of N\$ 248 602 between the amount presented and the amount disclosed in the notes to the financial statements of N\$ 8 404 821 for the 2018 financial year.
- d. There is a difference of N\$ 208 942 between the amount referenced and the amount of N\$ 15 531 356 disclosed in the notes to the financial statements for the 2018 financial year.

## ANNEXURE B

**VILLAGE COUNCIL OF BETHANIE**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 JUNE**

	Note	2020 N\$	2019 N\$	2018 N\$
<b>Revenue</b>	13	<b>18 208 844</b>	<b>11 385 951</b>	<b>11 140 867</b>
Rates and Taxes		794 209	778 123	750 027
Government Grant and Subsidy		5 985 036	2 418 371	1 465 404
Fees, Licence, Fines and Penalties		117 743	84 378	76 407
Other Income		787 553	1 683 357	934 136
Income from Sales of Erven		10 424	19 239	25 572
Income from Water		5 203 871	2 959 498	1 363 305
Income from Refuse Removal		1 291 268	1 206 398	1 146 308
Income from Electricity Sales		4 018 740	2 236 587	5 379 708
<b>Less: Expenses</b>	14	<b>21 780 824</b>	<b>15 841 489</b>	<b>12 496 302</b>
General Administration		3 541 044	3 769 700	4 047 301
Parks And Recreation		4 092 459	513 546	615 866
Streets And Roads		298 097	792 458	607 465
Townlands		87 789	90 753	110 997
Cleansing Services		586 049	780 520	953 573
Namibian Traffic Information System		30 985	278 597	196 711
Electricity Supply		4 524 847	4 866 396	4 761 780
Water Supply		1 435 319	1 140 008	1 202 609
Depreciation		2 136 496	2 823 800	-
Loss On Disposal		230 323	-	-
Bad Debt Provision		4 854 499	895 979	-
Provision For Employee Benefits		(37 083)	(110 268)	-
<b>Deficit for the period</b>		<b>(3 571 980)</b>	<b>(4 455 538)</b>	<b>(1 355 435)</b>

- e. There is a difference of N\$ 133 285 between the amount presented and the amount of N\$ 18 075 559 disclosed in the notes to the financial statements for the 2020 financial year.
- f. There is a difference of N\$ 6 601 between the recalculated total amount of N\$ 11 147 469 in the notes to the financial statements and the total amount of N\$ 11 140 868 presented above for the 2018 financial year.



**VILLAGE COUNCIL OF BETHANIE**

**ANNEXURE C**

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

	<b>Funds</b>	<b>Reserves</b>	<b>Accumulated Surplus/(Deficits)</b>
	N\$	N\$	N\$
<b>Balance as at 1 July 2018</b>	<b>7 759 513</b>	<b>15 322 414</b>	<b>(8 237 718)</b>
Changes in Accounting Policy, Error and Correction-IPSAS 3	-	-	187 983
<b>Reinstated accumulated loss</b>	-	-	<b>(8 049 735)</b>
Decrease in Funds	(2 181 844)	-	-
Surplus/ (Deficit) for the period	-	-	(4 455 537)
<b>Balance as at 1 July 2019</b>	<b>5 577 669</b>	<b>15 322 414</b>	<b>(12 505 272)</b>
Changes in Accounting Policy, Error and Correction-IPSAS 3	-	-	22 356
<b>Reinstated accumulated loss</b>	-	-	<b>(12 482 916)</b>
Decrease in Funds	(12 853)	-	-
Deficit for the period	-	-	(3 571 979)
<b>Balance as at 30 June 2020</b>	<b>5 564 816</b>	<b>15 322 414</b>	<b>(16 054 895)</b>

## ANNEXURE D

**VILLAGE COUNCIL OF BETHANIE**  
**STATEMENT OF CASH FLOW FOR THE YEARS ENDED 30 JUNE**

	Note	2020 N\$	2019 N\$
<b>Cash flow from operating activities</b>			
<b>Receipts</b>		<b>17 202 072</b>	<b>13 246 056</b>
Receipts from exchange and other-non exchange transaction	6	11 217 036	10 827 685
Government grants and subsidies		5 985 036	2 418 371
<b>Payments</b>		<b>17 773 782</b>	<b>12 251 290</b>
Payment to suppliers and on behalf of employees	7	17 773 782	12 251 290
<b>Net cash flow from operating activities</b>	5	<b>(571 710)</b>	<b>994 766</b>
<b>Cash flow from investing activities</b>			
Purchase of property plant and equipment	8	99 444	-
Proceeds from sale of plant and equipment	9	(230 323)	(346 528)
<b>Net cash flow from investing activities</b>		<b>(130 878)</b>	<b>(346 528)</b>
<b>Cash flow from financing activities</b>			
Decrease in funds and reserves	12	€(302 203)	(599 737)
<b>Net cash flow from financing activities</b>		<b>302 203</b>	<b>(599 737)</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(400 385)</b>	<b>48 501</b>
<b>Cash and cash equivalents:</b>			
At the beginning of the year		283 974	235 473
At the end of the year		(116 411)	283 974

- g. The Council incorrectly presented this amount as an outflow, however this was correctly treated in the calculation of net increase/decrease in cash and cash equivalents.

## **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENT**

### **1. Introduction**

The Accounting Policies for Bethanie Village Council have been prepared in accordance with International Public Sector Accounting Standards (IPSASs), from July 2018. Having previously prepared its financial statements according to D3 issued by Office of The Auditor General. Where there is no specific guidance in the Standard, the Council has developed its own accounting policies which are aimed at creating information which is:

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

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

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

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

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

### **2. ACCOUNTING PRINCIPLES**

#### **2.1 Going concern**

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

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED**  
**30 JUNE 2019 AND 2020 (Continued)**

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## **2.2 Accrual concept**

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

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

## **2.3 Value Added Tax (VAT)**

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

## **2.4 Changes in accounting policy, error and corrections**

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

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

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

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

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

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30**  
**JUNE 2019 AND 2020 (Continued)**

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**2.5 Unidentified income**

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

**2.6 Events after reporting period**

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

**2.7 Contingent assets and liabilities**

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

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

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

**2.8 Cash and cash equivalent**

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

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

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED**  
**30 JUNE 2019 AND 2020 (Continued)**

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**Accounting for consumer deposit and employee benefit provision.**

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

Provision for Employee Benefit is accounted under Non-Current Liabilities, this is because, Bethanie Village Council will continue to exist in a near feasible future (Going Concern). Where there are known employees, who will retire or resign in the next 12 months, this will be accounted under current liabilities.

**3. Capital accounting**

**3.1 Recognition of Capital Expenditure**

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

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

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

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

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

**3.2 Non-current asset classification and useful life**

• Buildings and Plants	50 Years	2%
• Machinery	5 Years	20%
• Office Equipment	4 Years	25%
• Motor Vehicles	5 Years	20%
• Office Furniture and Fittings	4 Years	25%
• Computer Equipment's	4 Years	25%
• Other Assets	4 Years	25%

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED**  
**30 JUNE 2019 AND 2020 (Continued)**

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**3.2 Non-current asset classification and useful life (continued)**

- Intangible assets (impairment assessments)
- Investment properties

These are items of land and/or building held solely for the purpose of rental income generation or capital appreciation.

Asset owned by the Council which are occupied by employees or other social groups are not to be classified as investment properties.

- Assets held for sale.

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

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

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

- Investments.

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

**3.3 Investment properties-IPSAS 16**

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

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30**  
**JUNE 2019 AND 2020 (Continued)**

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### **3.4 Non-current asset valuation methodology**

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

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

#### **Impairment of non-current asset**

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

### **3.5 Disposal of non-current asset**

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

## **4 REVENUE ACCOUNTING**

### **4.1 Recognition of revenue and expenditures**

#### **REVENUE RECOGNITION**

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

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

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



**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30**  
**JUNE 2019 AND 2020 (Continued)**

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#### **4.2 Government grant and other donation**

Conditional grants, donations and funding's are recognised as revenue to the extent that the Village Council has complied with any of the criteria, conditions or obligations embodied in the agreement.

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

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

#### **4.3 Borrowing costs**

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

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

#### **4.4 Related parties disclosure**

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

#### **5. Employee cost**

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

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30**  
**JUNE 2019 AND 2020 (Continued)**

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**6. Research and other related cost**

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

**7. Provision for doubtful debts**

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

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

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

**8. Debtors with credit balance**

Only debtors with a credit balance more than N\$ 10 000 will be reclassified to be payable in the statement of financial position.

**9. Inventory for consumables**

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

**10. Budget information**

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

**Applications**

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

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30**  
**JUNE (Continued)**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
	N\$	N\$	N\$
<b>1. Cash and cash equivalent include the following items:</b>			
Build Together	7 784	7 914	7 927
Build Together decentralise	824	2 918	4 784
Build Together decentralise	3 263	5 775	7 473
Bethanie Village Council	224	1 108	1 182
Capital project	101 724	405 122	193 894
Operational bank account	-	-	17 315
Informal settlement	1 984	2 862	2 862
	<b>115 803</b>	<b>425 699</b>	<b>235 437</b>
Bank overdraft	232 215		
<b>Operational account bank reconciliation</b>			
Balance as per cash book as at 30 June		(141 726)	
Outstanding payments		724 819	
Outstanding deposits		(121 051)	
Balance as per bank statement as at 30 June		<b>462 042</b>	
<b>2. Trade and other receivables for the period include:</b>			
Debtors- services	14 937 126	9 111 785	7 918 053
Debtors	-	-	4 990 305
Sundry debtors-other	-	-	592 138
Debtors - Namibia Water Corporation Ltd	-	-	5 500
Housing debtors	2 072 077	2 440 269	-
Receivables-Value Added Tax (VAT)	1 397 499	991 601	-
	<b>18 406 702</b>	<b>12 543 655</b>	<b>13 505 996</b>
Less: Provision for doubtful debtors	(12 409 614)	(7 555 115)	(6 659 136)
	<b>5 997 088</b>	<b>4 988 540</b>	<b>6 846 860</b>

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30**  
**JUNE (Continued)**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
	N\$	N\$	N\$
<b>3. Account payable is made up of the following:</b>			
	<b>10 499 852</b>	<b>8 844 902</b>	<b>8 404 821</b>
Payables	-	239 165	239 165
Suspense account	-	9 437	9 437
Accrued payables	10 499 852	8 596 300	8 156 219
<b>4. Funds and other reserves</b>			
Student loans	-	12 853	12 853
Build together fund	4 237 551	4 237 551	6 419 394
Capital reserve fund	1 327 266	1 327 266	1 327 266
	<b>5 564 816</b>	<b>5 577 670</b>	<b>7 759 513</b>
Other reserve- Capital outlay	<b>15 322 414</b>	<b>15 322 414</b>	<b>15 531 356</b>

VILLAGE COUNCIL OF BETHANIE

ANNEXURE E

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

	2020	2019
	N\$	N\$
<b>5. Reconciliation for cash generated from operation:</b>		
Deficit from ordinary operating activities	(3 571 979)	(4 455 537)
Non-cash items:		
<b>Add</b>	<b>7 184 235</b>	<b>3 609 511</b>
Depreciation	2 136 496	2 823 800
Loss on disposal	230 323	-
Provision for bad debt	4 854 499	895 979
Provision for employee benefits	(37 083)	(110 268)
Changes in accounting policies, error and corrections	22 356	187 983
<b>Cash generated from operation before changes in working capital</b>	<b>3 634 611</b>	<b>(658 043)</b>
<b>Changes in working capital:</b>	<b>(4 206 321)</b>	<b>1 652 809</b>
Account receivables	(5 863 047)	962 341
Account payables	1 654 950	688 684
Consumer deposit	1 776	1 784
<b>Cash flow from operating activities</b>	<b>(571 710)</b>	<b>994 766</b>

**VILLAGE COUNCIL OF BETHANIE  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE (Continued)**

	2020		2019	
	Debit N\$	Credit N\$	Credit N\$	Debit N\$
<b>6. Trade and other receivables control account</b>	<b>23 238 753</b>	<b>23 238 752</b>	<b>18 272 404</b>	<b>18 272 404</b>
Balance: account receivables	4 988 540	5 997 088	6 846 860	4 988 540
Balance: consumer deposit	41 368	39 592	39 592	37 808
Revenue	18 208 845	-	11 385 952	-
Government grants	-	5 985 036	-	2 418 371
Cash received from exchange and non-exchange transactions	-	11 217 036	-	10 827 685
<b>7. Trade and other payables control account</b>	<b>30 603 370</b>	<b>30 603 371</b>	<b>23 809 725</b>	<b>23 809 724</b>
Balance: account payables	10 499 852	8 844 903	8 844 903	8 156 219
Expenses	-	21 780 824	-	15 841 488
Loss on disposal	230 323	-	-	-
Depreciation and amortization	2 136 496	-	2 823 800	-
Provision for employee benefits	(37 083)	-	(110 268)	-
Changes in accounting policies, error and corrections:	-	(22 356)	-	(187 983)
Cash paid to suppliers and on behalf of employees	17 773 782	-	12 251 290	-

VILLAGE COUNCIL OF BETHANIE  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE (Continued)

	2020		2019	
	Debit N\$	Credit N\$	Credit N\$	Debit N\$
<b>8. Property plant and equipment</b>	<b>12 954 641</b>	<b>12 954 640</b>	<b>15 877 884</b>	<b>15 877 885</b>
Balances	13 054 085	10 818 144	15 531 356	13 054 085
Depreciation	-	2 136 496	-	2 823 800
Purchase of property, plant and equipment	(99 444)	-	-	-
Proceed from sales property, plant and equipment	-	-	346 528	-

	Debit N\$	Credit N\$
<b>9. Disposal of property, plant and equipment</b>		
Loss on disposal	-	230 323
Proceed from sales property, plant and equipment	-	(230 323)

	Debit N\$	Credit N\$	Debit N\$	Credit N\$
<b>10. Biological assets</b>	<b>375 500</b>	<b>375 500</b>	<b>1 221 511</b>	<b>1 221 511</b>
Balances	375 500	81 100	1 221 511	375 500
Fair value adjustments: to retained earnings	-	294 400	-	846 011

VILLAGE COUNCIL OF BETHANIE  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE (Continued)

	2020		2019	
	Debit N\$	Credit N\$	Debit N\$	Credit N\$
<b>11. Long term borrowings</b>				
Balances	965 694	965 694	945 038	945 038
Corrections: to retained earnings	965 694	945 038	945 038	208 942
	-	20 656	-	736 096

	2020		2019	
	Debit N\$	Credit N\$	Credit N\$	Debit N\$
<b>12. Funds and reserves</b>				
Balances	20 900 083	20 900 083	23 081 927	23 081 927
Adjustment biological assets and long term loan	20 900 083	20 887 230	23 081 927	20 900 083
Decrease in reserve and funds	-	315 056	-	1 582 107
	-	(302 203)	-	599 737



VILLAGE COUNCIL OF BETHANIE

ANNEXURE E

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

	2020	2019	2018
	N\$	N\$	N\$
<b>13. Revenue earned during the period</b>	<b>18 075 559</b>	<b>11 385 952</b>	<b><sup>h</sup>11 140 868</b>
Government Grant	5 985 037	2 418 372	1 465 404
Workmen compensation refund	-	1 018	2 568
Site rental	-	7 500	10 000
Cleansing services	1 291 268	1 206 398	1 146 308
Property rates	794 209	778 123	750 027
House rentals	40 000	43 011	42 200
Sundry income	34 265	3 278	12 067
Interest on investments	848	3 627	7 296
Rental buildings	500	-	4 000
Income from duplicates	806	-	166
Sale of water	5 052 759	1 250 077	-
Trading licences	5 426	5 572	3 755
Faxes and private calls	30	60	6
Interest on arrears	112 065	78 051	71 212
Tender documents	1 327	6 727	21 900
Community hall	3 109	(25 549)	7 756
Small and medium enterprises rental fees	1 980	2 860	3 614
Transfer costs	-	1 611	3 300
Sundry income	4 052	-	645
Departmental work & charity	-	-	4 464
Subsidy - street maintenance	-	639 000	318 000
Sundry income	-	-	1 407
Burial fees	5 313	3 058	4 568
Sale of erven	10 424	19 239	25 572
Clearance certificate	252	756	1 440
Hiring of equipment	-	4 278	11 125
Grazing fees	37 953	23 508	39 030
Wood and sand sales	15 077	16 242	28 438
Prepaid sales	151 112	1 709 421	230 272

h. A difference of N\$ 6 601 was noted between the recalculated total amount of N\$ 11 147 469 and the total amount of N\$ 11 140 868 as disclosed above.

## ANNEXURE E

**VILLAGE COUNCIL OF BETHANIE**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 30**  
**JUNE (Continued)**

	2020	2019	2018
	N\$	N\$	N\$
Connection fees-water	1 812	900	937
Namibian Traffic Information System contribution	503 303	535 859	410 325
Sundry income-electricity	-	-	5 864
Sundry income-water	1 942	-	995
Administration sundries	-	-	66
Live stock sale	-	412 708	-
Hiring of movable properties	1 950	3 267	-
Duplicating services	-	395	-
Sale of water	-	-	1 133 033
Electricity sales	2 371 031	2 174 291	2 611 161
Prepaid sales	1 580 580	-	1 689 625
Electricity connection fees	5 688	6 523	-
Demand subsidy	-	-	1 015 381
Departmental work & charity	-	-	13 585
Electricity Control Board levy	13 651	5 958	-
Pre-paid electricity meter box sale	47 790	49 816	49 957

VILLAGE COUNCIL OF BETHANIE

ANNEXURE E

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

	2020	2019	2018
	N\$	N\$	N\$
<b>14. Expenditure Incurred during the period</b>	<b>21 780 824</b>	<b>15 841 489</b>	<b>12 496 302</b>
General administration	3 541 044	3 769 700	4 047 301
Parks and recreation	4 092 459	513 546	615 866
Streets and roads	298 097	792 458	607 465
Townlands	87 789	90 753	110 997
Cleansing services	586 049	780 520	953 573
Namibian Traffic Information System	30 985	278 597	196 711
Electricity supply	4 524 847	4 866 396	4 761 780
Water supply	1 435 319	1 140 008	1 202 609
Depreciation	2 136 496	2 823 800	-
Bad debt provision	4 854 499	895 979	-
Loss on disposal	230 323	-	-
Provision for employee benefits	(37 083)	(110 268)	-

