KWADUKUZA
MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2022

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 1 to 88, in terms of Section 126(1) of the Municipal Finance Management Act No. 56 of 2003 and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 29 of these Annual Financial Statements are within the upper limits of the framework envisaged in Section 219 of the Constitution of South Africa Act No.108 of 1996, read with the Remuneration of Public Officer Bearers Act No. 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with this Act.

N J MDAKANE
MUNICIPAL MANAGER

Date

Annual Financial Statements

for

KWADUKUZA MUNICIPALITY

for the year ended	30 June 2022
Province:	KwaZulu Natal
AFS rounding:	R

Contact Information:

Name of Municipal Manager:	Mr N J Mdakane
Name of Chief Financial Officer:	Mr S M Rajcoomar
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Name of contact at National Treasury:	Ms Una Rautenbach
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General information
Members of the Council

O L Nhaca	Mayor
T V Ntuli	Deputy Mayor
G Govender	Speaker
S L Cele	Member of the Executive Committee
T Colley	Member of the Executive Committee
T Nkosi	Member of the Executive Committee
C M Ntleko	Member of the Executive Committee
D H Mthembu	Member of the Executive Committee
M M Sibisi	Member of the Executive Committee
N Sewraj	Member of the Executive Committee
N C Mdletshe	Member of the Executive Committee
H Mbatha	Chief Whip
S K Shandu	Councillor
D N Ngema	Councillor
S O Nxele	Councillor
J M Banda	Councillor
A M Baardman	Councillor
B C Fakazi	Councillor
M E Ngidi	Councillor
N J Mpanza	Councillor
T T Dube	Councillor
S Sithole	Councillor
N Qwabe	Councillor
W N Mntambo	Councillor
B P Ndlovu	Councillor
S S Mthiyane	Councillor
C M Naicker	Councillor
S B Ntuli	Councillor
N S Bhengu	Councillor
N H Sithole	Councillor
V Mwandla	Councillor
S P Khuzwayo	Councillor
TC Nxele	Councillor
S G Mcineka	Councillor
V Govender	Councillor
T T Mkhize	Councillor
K Naidoo	Councillor
B Mvulana	Councillor
M Vembali	Councillor
N A Singh	Councillor
R Pooran	Councillor
T N Mthethwa	Councillor
P Naidoo	Councillor
F Abrahams	Councillor
N J Mbonambi	Councillor
A S Mhlongo	Councillor
M M Madlala	Councillor
P S Shezi	Councillor
E M Kolia	Councillor
J F Magwaza	Councillor
P F Masuku	Councillor
S Zungu	Councillor
S C Mwandla	Councillor
A A Singh	Councillor
S Dladla	Councillor
P L Zungu	Councillor
S C Pandaram	Councillor
S P Ashworth	Councillor
C P Dumakude	Councillor
V Mathonsi	Traditional Leader
V S Mthembu	Traditional Leader

General information (continued)

Municipal Manager

Mr N J Mdakane

Chief Financial Officer

Mr S M Rajcoomar

Grading of Local Authority

Category 4

Auditors

Auditor General South Africa (AGSA)

Primary Bankers

ABSA Bank

Registered Office:	KwaDukuza Municipality
Physical address:	14 Chief Albert Luthuli Street KwaDukuza 4450
Postal address:	PO BOX 72 KwaDukuza 4450
Telephone number:	(032) 437 5000
E-mail address:	municipalm@kwadukuza.gov.za

KWADUKUZA MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

INDEX

KWADUKUZA MUNICIPALITY
AUDITED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

	Note	2022 R	2021 - Restated R
ASSETS			
Current assets		**1 217 447 536**	**1 214 643 939**
Inventories	8	10 225 799	9 877 909
Receivables from exchange transactions	9	122 600 257	105 901 590
Receivables from non-exchange transactions	10	121 583 740	106 033 106
VAT receivable	11	12 142 442	6 997 303
Current portion of long-term receivables	7	31 479	22 313
Short term investments	12	78 426 597	150 572 381
Cash and cash equivalents	13	872 437 220	835 239 337
Non-current assets		**2 583 213 449**	**2 421 327 306**
Investment properties	2	192 670 000	171 625 000
Property, plant and equipment	3	2 389 055 561	2 247 411 395
Intangible assets	4	1 034 066	1 565 873
Heritage Assets	5	105 386	105 386
Long-term receivables	7	348 436	619 652
Total Assets		***3 800 660 985***	***3 635 971 245***
LIABILITIES			
Current liabilities		**438 829 885**	**429 267 948**
Leases	16	52 985	870 986
Employee benefit obligations	6	3 757 000	3 309 000
Trade and other payables	20	310 255 758	281 944 283
Unspent conditional grants, receipts and Public contributions	17	65 497 296	89 960 576
Current provisions	18	2 760 651	1 941 467
Consumer Deposits	21	39 877 832	36 991 209
Long service awards	6	4 035 000	2 613 000
Current portion of long term liabilities	19	12 593 362	11 637 428
Non-current liabilities		**326 590 095**	**327 968 208**
Leases	16	-	53 776
Employee benefit obligations	6	107 236 000	96 661 000
Non-current provisions	18	19 928 324	20 302 298
Long service awards	6	23 330 000	22 262 000
Long-term liabilities	19	176 095 771	188 689 134
Total Liabilities		***765 419 980***	***757 236 156***
Net Assets		***3 035 241 007***	***2 878 735 065***
NET ASSETS			
Reserves			
Revaluation reserve	14	18 313 137	18 313 137
Housing Operating Account	15	8 728 156	8 728 156
Accumulated surplus		3 008 199 713	2 851 693 771
Total Net Assets		***3 035 241 007***	***2 878 735 065***

KWADUKUZA MUNICIPALITY
AUDITED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 R	2021 - Restated R
REVENUE			
Revenue from exchange transactions			
Service charges	22	1 089 571 392	948 659 842
Rental of facilities and equipment		2 051 045	1 938 237
Interest earned outstanding debtors		6 042 994	4 471 515
Other income	23	64 888 791	66 033 720
Gain on disposal of property, plant and equipment		165 489	-
Interest received - investments	24	32 050 374	29 453 425
Housing development construction contract revenue	60	63 738 044	60 705 591
Total revenue from exchange transactions		**1 258 508 129**	**1 111 262 331**
Taxation revenue			
Property rates	25	545 078 244	522 670 144
Property rates - penalties imposed	25	13 470 630	9 785 339
Licences and permits (Non-exchange)		10 572 409	9 915 254
Transfer and other revenue			
Government grants, subsidies & Public Contributions	26 & 27	298 218 460	301 677 939
Donations	3	3 070 683	25 972 693
Fines	43	10 082 528	4 048 596
Total revenue from non-exchange transactions		**880 492 955**	**874 069 965**
Total Revenue		**2 139 001 084**	**1 985 332 296**
EXPENDITURE			
Employee related costs	28	462 204 606	426 158 240
Remuneration of councillors	29	22 210 348	22 847 709
Adjustments to Provisions	18	445 209	776 357
Depreciation and amortisation	30	86 183 461	77 739 892
Impairment loss	31	8 902 124	24 770 712
Finance costs	32	18 936 993	20 023 659
Debt Impairment and write offs	33	13 440 310	12 165 160
Bulk purchases	34	943 600 182	778 234 052
Contracted services	44	238 447 316	194 481 383
General Expenses	35	125 887 332	103 501 416
Employee and Long Services Benefits	6	13 513 000	18 333 000
Housing development construction contract expenditure	60	63 738 044	60 705 591
Total Expenditure		1 997 508 926	1 739 737 171
Operating Surplus		141 492 158	245 595 125
Loss on disposal of assets and liabilities	3	(6 031 215)	(4 684 595)
Fair value adjustments	36	21 045 000	1 525 000
		15 013 785	(3 159 595)
SURPLUS FOR THE YEAR		**156 505 942**	**242 435 530**

KWADUKUZA MUNICIPALITY
AUDITED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation Reserve R	Housing Operating Account	Total Reserves	Accumulated Surplus R	Total Net Assets R
Surplus for the year 2019/2020	**-**	**-**	**-**	182 640 870	**182 640 870**
Adjustment to Rates Revenue prior to 2020/2021 due to S78 and other related adjustments				-10 616	**-10 616**
Adjustment to depreciation prior 2020/2021 in respect of prior year completed projects now being capitalised				-592 736	**-592 736**
De-recognition of Land - prior 2019/2020				-24 550 000	**-24 550 000**
Balance at 30 June 2020	**18 313 137**	**8 728 156**	**27 041 293**	**2 609 258 242**	**2 636 299 532**
Surplus for the year 2020/2021	**-**	**-**	**-**	242 435 530	**242 435 530**
Balance at 30 June 2021	**18 313 137**	**8 728 156**	**27 041 293**	**2 851 693 771**	**2 878 735 062**
Surplus for the year 2021/2022	**-**	**-**	**-**	156 505 942	**156 505 942**
Balance at 30 June 2022	**18 313 137**	**8 728 156**	**27 041 293**	**3 008 199 713**	**3 035 241 003**
Note(s)	14	15			

Note 41 provides further details of adjustments pertaining to the 2019/2020 and 2020/2021 financials years.

	Note	2022 R	2021 - Restated R
Cash flows from operating activities			
Receipts			
Interest income		32 050 374	29 453 425
Cash received		2 051 949 344	1 931 829 191
		2 083 999 719	1 961 282 616
Payments			
Finance costs		(18 936 993)	(20 023 659)
Cash paid		(1852 903 302)	(1575 865 808)
		(1871 840 295)	(1595 889 467)
Net cash flows from operating activities	42	**212 159 424**	**365 393 149**
Cash flows from investing activities			
Purchase of Property, Plant & Equipment	3	(239 339 828)	(157 265 226)
Proceeds from sale of property, plant and equipment	3	1 855 083	-
Purchase of other intangible assets	4		(47 999)
Movement in short term investments		72 145 783	(6 672 704)
Net cash flows from investing activities		**(165 338 961)**	**(163 985 928)**
Cash flows from financing activities			
Consumer deposits		2 886 623	1 664 940
Movement in long term liabilities		(11 637 428)	(10 771 480)
Finance lease payments		(871 776)	(677 563)
Net cash flows from financing activities		**(9 622 581)**	**(9 784 103)**
Net increase/(decrease) in cash and cash equivalents		**37 197 882**	**191 623 118**
Cash and cash equivalents at the beginning of the year		835 239 337	643 616 219
Cash and cash equivalents at the end of the year	13	**872 437 220**	**835 239 337**

KWADUKUZA MUNICIPALITY
AUDITED STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

	Approved Budget	Adjustments	Adjustments Budget	30 June 2022 Final Budget	Actual amounts as per restated Budget	Actual amounts as per AFS	Reconciliation explained in Note 58	Difference between final budget and actual	Percentage Variance	Note Reference
Statement of Financial Performance										
Revenue										
Revenue from Exchange Transactions:										
Service Charges	1 144 363 000	-64 188 000	1 080 175 000	1 080 175 000	1 089 618 767	1 089 571 392	-47 376	9 396 392	1%	
Rental of facilities & Equipment	3 426 000	-600 000	2 826 000	2 826 000	2 051 045	2 051 045	-	-774 955	-27%	58.1
Interest earned outstanding debtors	9 000 000	-	9 000 000	9 000 000	6 042 994	6 042 994	-	-2 957 006	-33%	58.2
Other Income	48 843 000	316 000	49 159 000	49 159 000	38 839 858	64 888 791	26 048 933	15 729 791	32%	58.3
Gains on disposal of property, plant and equipment	2 919 000	-	2 919 000	2 919 000	165 489	165 489	-	-2 753 511	-94%	58.17
Interest received - investments	27 024 000	-633 000	26 391 000	26 391 000	32 050 374	32 050 374	-	5 659 374	21%	58.4
Housing development construction contract revenue	-	-	-	-	63 738 044	63 738 044	-	63 738 044	100%	60
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	**1 235 575 000**	**-65 105 000**	**1 170 470 000**	**1 170 470 000**	**1 232 506 572**	**1 258 508 129**	**26 001 557**	**88 038 129**		
Revenue from Non-Exchange Transactions:										
Taxation Revenue										
Property rates	577 128 000	15 600 000	592 728 000	592 728 000	554 757 058	545 078 244	-9 678 814	-47 649 756	-8%	
Property rates - penalties imposed		-			-	13 470 630	13 470 630	13 470 630	100%	58.5
Licences & permits (including agency fees)	703 000	-	703 000	703 000	10 572 409	10 572 409	-	9 869 409	1404%	58.6
Transfer and Other Revenue										
Government grants and subsidies	228 202 000	17 000	228 219 000	228 219 000	216 476 114	216 476 114	0.43	-11 742 886	-5%	
Public contributions and donations		-		-	2 573 136	3 070 683	497 547	3 070 683	100%	58.7
Fines	18 246 000	-3 979 000	14 267 000	14 267 000	19 892 286	10 082 528	-9 809 758	-4 184 472	-29%	58.8
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS:	**824 279 000**	**11 638 000**	**835 917 000**	**835 917 000**	**804 271 003**	**798 750 609**	**-5 520 394**	**-37 166 391**		
Total Revenue	**2 059 854 000**	**-53 467 000**	**2 006 387 000**	**2 006 387 000**	**2 036 777 575**	**2 057 258 738**	**20 481 163**	**50 871 738**		
Expenditure										
Employee Related Costs	511 232 000	-29 475 000	481 757 000	481 757 000	460 814 045	462 204 606	1 390 561	-19 552 394	-4%	
Remuneration of Councillors	25 399 000	-2 007 000	23 392 000	23 392 000	22 210 348	22 210 348	-	-1 181 652	-5%	
Depreciation, amortisation and impairment / reversal of impairment	98 446 000	-	98 446 000	98 446 000	95 085 584	95 085 586	2	-3 360 414	-3%	
Finance Costs	24 894 000	-5 541 000	19 353 000	19 353 000	18 936 993	18 936 993	-	-416 007	-2%	
Debt Impairment and write offs	163 109 000	-150 449 000	12 660 000	12 660 000	12 725 829	13 440 310	714 481	780 310	6%	58.9
Bulk purchases	887 793 000	49 745 000	937 538 000	937 538 000	943 701 712	943 600 182	-101 530	6 062 182	1%	
Contracted services	224 624 000	58 082 000	282 706 000	282 706 000	245 515 838	238 447 316	-7 068 522	-44 258 684	-16%	58.10
Other Expenditure	133 732 000	-2 469 000	131 263 000	131 263 000	114 598 549	139 845 541	25 246 992	8 582 541	7%	58.11
Losses	-	-	28 500 000	28 500 000	19 544 215	6 031 215	-13 513 000	-22 468 785	-79%	58.12
Transfers and subsidies	7 030 000	149 000	7 179 000	7 179 000	6 657 601	-	-6 657 601	-7 179 000	-100%	58.13
Housing development construction contract expenditure	-	-	-	-	63 738 044	63 738 044	-	63 738 044	100%	60
Total Expenditure	**2 076 259 000**	**-81 965 000**	**2 022 794 000**	**2 022 794 000**	**2 003 528 759**	**2 003 540 141**	**11 382**	**-19 253 859**		

Operating Surplus											
Transfers recognised - capital	88 744 000	6 880 000	95 624 000		95 624 000	81 432 586	81 432 586	-	-14 191 414	-15%	58.14
Contributions recognised - capital	18 180 000	-1 322 000	16 858 000		16 858 000	20 779 540	309 760	-20 469 780	-16 548 240	-98%	58.15
Fair Value Adjustments	-	-	-		-	21 045 000	21 045 000	-	21 045 000		
	106 924 000	**5 558 000**	**112 482 000**		**112 482 000**	**123 257 126**	**102 787 346**	**-20 469 780**	**-9 694 654**		
Surplus before taxation	**90 519 000**	**34 056 000**	**96 075 000**		**96 075 000**	**156 505 942**	**156 505 943**	**-**	**60 430 943**		
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement											
Surplus for the year	**90 519 000**	**34 056 000**	**96 075 000**		**96 075 000**	**156 505 942**	**156 505 943**	**-**	**60 430 943**		
Funding of Capital											
Non-Current Assets											
Transfers recognised - capital	81 061 000	5 967 000	87 028 000		87 028 000		81 432 586		-5 595 414		
Internally generated funds	220 088 000	-2 445 000	217 643 000		217 643 000		157 597 482		-60 045 518		
Public Contributions and Donations	15 252 000	-3 824 000	11 428 000		11 428 000		309 760		-11 118 240		
Borrowings	5 000 000	-5 000 000	-		-		-		-		
Total Sources of capital funds	**321 401 000**	**-5 302 000**	**316 099 000**		**316 099 000**		**239 339 828**		**-76 759 172**	-24%	58.16
Cash Flow Statement											
Cash flows from operating activities											
Payments											
Net cash from/(used) - Operating activities	**327 416 000**	**-66 917 000**	**260 499 000**		**260 499 000**		**212 159 424**		**-48 339 576**		
Cash flows from investing activities											
Net cash from/(used) - Investing activities	-321 401 000	5 301 000	-316 100 000		-316 100 000		-165 338 961		150 761 039		
Net increase/(decrease) in cash and cash equivalents	-512 000	-66 415 000	-66 927 000		-66 927 000		37 197 882		104 124 882		
Net cash from/(used) - Financing activities	-6 527 000	-4 799 000	-11 326 000		-11 326 000		-9 622 581		1 703 419		
Cash/cash equivalents at the year end	**758 150 000**	**160 735 000**	**918 885 000**		**918 885 000**		**872 437 220**		**-46 447 780**		

KWADUKUZA MUNICIPALITY
AUDITED REPORTABLE SEGMENTS
FOR THE YEAR ENDED 30 JUNE 2022

For management purposes, the municipality is organised and operates in nine key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance.
Revenues and expenditures relating to these business units are allocated at a transactional level.

	Corporate Services	Youth Development	Chief Operations Officer	Community Services & Public amenities	Community Safety	Finance	Economic Development & Planning	Civil Engineering & Human Settlements	Electrical Engineering Services	Total
	R	R	R	R	R	R	R	R	R	R
Segment Revenue										
External revenue from non- exchange transactions	62 624 259	5 957 664	10 447 344	73 743 228	23 748 938	579 472 453	27 837 678	80 575 808	37 130 583	901 537 956
External revenue from exchange transactions	1 182 828	-	-	79 767 001	25 252	29 040 746	16 823 847	64 957 737	1 034 494 854	1 226 292 266
Revenue from transactions with other segments										-
Interest revenue						31 513 626		536 749		32 050 374
Gain on disposal of property, plant and equipment	6 503			47 374		111 612				165 489
Segment Expenses										
Total segment expenses	-100 087 232	-6 902 218	-53 553 939	-225 708 976	-157 134 623	-71 862 949	-48 361 742	-155 210 199	-1 079 597 806	-1 898 419 686
Depreciation and amortisation	-2 760 298	-102 481	-152 318	-19 406 519	-2 352 328	-963 684	-1 118 961	-32 701 326	-26 625 547	-86 183 462
Interest expense								-6 651 583	-12 285 410	-18 936 993
Internal charges	-2 849 267	-	-4 300	-616 546	-382 623	-463 056	-120 686	-341 842	4 778 320	-
Surplus / deficit for the year	**-41 883 207**	**-1 047 035**	**-43 263 212**	**-92 174 439**	**-136 095 384**	**566 848 748**	**-4 939 864**	**-48 834 656**	**-42 105 005**	**156 505 944**
Other Information										
Segment assets	362 009 046	35 003 588	-18 543 671	160 415 095	-14 630 861	1 050 385 168	138 042 884	670 529 113	1 441 758 569	3 824 968 930
Segment liabilities	-53 017 461	584 270	-42 472 479	-2 863 765	-4 439 642	-420 663 264	-6 404 050	-119 002 672	-117 140 915	-765 419 978
Additions to non-current assets	6 662 586	999 650	500 492	26 921 955	3 219 177	221 078	14 674 719	105 053 806	81 086 365	239 339 828
Non-cash revenue (included above)	3 077 187	-	-	47 374	-	21 156 612	-	-	-	24 281 172
Non-cash expense (included above)	14 475 902	102 834	152 318	20 709 333	2 649 484	15 415 246	1 118 961	40 727 273	33 163 970	128 515 320
Cash flows from operating activities	-25 600 329	-1 756 744	-46 537 620	-66 114 436	-142 846 735	529 032 827	-7 597 372	752 631	-27 172 798	212 159 424
Cash flows for investing activities	-6 662 586	-999 650	-500 492	-26 921 955	-3 219 177	73 779 789	-14 674 719	-105 053 806	-81 086 365	-165 338 961
Cash flows from financing activities	-41 285	-	-	-36 466	-	1 389 228		-3 480 976	-7 453 082	-9 622 581

REPORTABLE SEGMENTS - 30 JUNE 2021

	Corporate Services	Youth Development	Chief Operations Officer	Community Services & Public amenities	Community Safety	Finance	Economic Development & Planning	Civil Engineering & Human Settlements	Electrical Engineering Services	Total
	R	R	R	R	R	R	R	R	R	R
Segment Revenue										
External revenue from non- exchange transactions	106 473 261	5 957 664	9 739 500	76 509 167	17 628 478	538 191 626	18 627 930	64 093 785	38 373 555	875 594 965
External revenue from exchange transactions	3 918 245	-	-3 936	73 677 108	128 629	29 533 176	17 257 568	61 804 330	895 493 786	1 081 808 905
Revenue from transactions with other segments	-	-	-	491 763	-	-	-		11 526 123	12 017 885
Interest revenue	-	-	-	-		29 444 751	-	8 674		29 453 425
Gain on disposal of property, plant and equipment										-
										-
Segment Expenses										-
Total segment expenses	-105 685 293	-5 330 659	-46 586 870	-219 387 235	-144 736 255	-60 096 629	-43 111 126	-128 738 811	-892 207 465	-1 645 880 342
Depreciation and amortisation	-1 628 649	-44 292	-127 378	-17 135 410	-2 089 458	-933 370	-1 089 808	-29 637 229	-25 054 298	-77 739 891
Interest expense	-	-	-	-	-	-	-	-6 967 076	-13 056 583	-20 023 659
Internal charges	-2 575 213	-	-4 300	-415 210	-360 978	-329 107	-107 983	-332 889	-7 892 206	-12 017 885
Segment Gains/Losses										
Net Gains/Losses									-777 873	-777 873
Surplus / deficit for the year	**502 351**	**582 713**	**-36 982 985**	**-86 259 817**	**-129 429 584**	**535 810 448**	**-8 423 419**	**-39 769 216**	**6 405 039**	**242 435 530**
Other Information										
Segment assets	164 686 584	-10 281 549	-64 985 788	12 299 219	193 925 314	2 809 987 259	113 722 133	-353 812 824	794 980 869	3 660 521 217
Segment liabilities	36 039 786	282 955	46 015 708	1 247 570	3 001 094	408 667 591	9 309 262	110 224 461	142 447 730	757 236 156
Additions to non-current assets	2 366 861	2 872 861	-	23 408 202	24 280 665	103 714	681 836	77 501 175	52 070 602	183 285 917
Non-cash revenue (included above)	25 972 693	-	-	-	-	1 525 000	-	-	-	27 497 693
Non-cash expense (included above)	23 325 526	44 292	127 378	42 006 779	3 130 790	2 417 521	1 089 808	33 378 542	32 949 080	138 469 716
Cash flows from operating activities	27 487 053	958 985	-43 423 976	-43 621 319	-129 124 347	510 589 813	-121 993	-4 843 671	47 492 603	365 393 148
Cash flows for investing activities	-2 366 861	-2 872 861	-	-23 408 202	-24 280 665	-6 776 418	-681 836	-55 501 175	-48 097 909	-163 985 928
Cash flows from financing activities	-56 317	-	-	-32 755	-	1 715 688	-7	-3 165 483	-8 245 230	-9 784 104

2 Investment Properties

	2022			2021		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE
INVESTMENT PROPERTY	192 670 000	-	192 670 000	171 625 000	-	171 625 000
	192 670 000	**-**	**192 670 000**	**171 625 000**	**-**	**171 625 000**

RECONCILIATION OF INVESTMENT PROPERTY- 2022

	OPENING BALANCE	FAIR VALUE ADJUSTMENTS	TRANSFERS	CLOSING BALANCE
INVESTMENT PROPERTY	171 625 000	21 045 000	-	**192 670 000**
	171 625 000	**21 045 000**	**-**	**192 670 000**

Rent income received on the above investment properties during 2021/2022 financial year is R1 738 275.84
There is no expenditure relating to repairs and maintenance in the investment properties.

RECONCILIATION OF INVESTMENT PROPERTY- 2021

	OPENING BALANCE	FAIR VALUE ADJUSTMENTS	TRANSFERS	CLOSING BALANCE
INVESTMENT PROPERTY	170 100 000	1 525 000	-	**171 625 000**
	170 100 000	**1 525 000**	**-**	**171 625 000**

3 Property, Plant and equipment

	2022			2021-restated		
	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE
COMMUNITY ASSETS	397 778 589	(138 852 042)	258 926 547	356 056 170	(121 109 915)	234 946 255
SOLID WASTE	7 051 127	(2 858 378)	4 192 749	7 730 302	(2 989 837)	4 740 464
VEHICLES	97 684 679	(55 749 372)	41 935 307	90 011 827	(52 343 296)	37 668 531
INFRASTRUCTURE ROADS AND STORMWATER	1 424 000 621	(411 452 343)	1 012 548 278	1 332 520 756	(370 713 699)	961 807 057
INFRASTRUCTURE ELECTRICAL	975 689 058	(314 360 195)	661 328 863	897 132 161	(293 286 790)	603 845 371
FURNITURE & FITTINGS	79 329 671	(58 036 082)	21 293 589	70 143 814	(53 780 948)	16 362 866
LAND	388 099 174	-	388 099 174	386 612 974	-	386 612 974
LEASED ASSETS	3 898 102	(3 167 046)	731 056	3 898 102	(2 470 255)	1 427 847
	3 373 531 021	**(984 475 458)**	**2 389 055 561**	**3 144 106 106**	**(896 694 741)**	**2 247 411 395**

RECONCILIATION OF PROPERTY,PLANT AND EQUIPMENT-2022

	OPENING BALANCE	ADDITIONS	RECLASSIFICATION OF CAPITALISED AUC	DONATIONS	RECOGNITION OF EXPENSED ITEMS	DERECOGNITION OF ASSETS	ASSETS WRITTEN OFF	DEPRECIATION	IMPAIRMENT LOSS	IMPAIRMENT REVERSAL	CLOSING BALANCE
Community Assets	**234 946 254**	42 336 785	(614 366)					(17 559 877)	(182 251)		**258 926 545**
Solid Waste	**4 740 464**	585 369.60				(688 245)		(444 841)			**4 192 748**
Vehicles	**37 668 531**	11 095 951				(852 103)		(5 977 071)			**41 935 308**
Infrastructure Roads & Stormwater	**961 807 058**	98 026 414	(3 546 548)			(2 860 528)		(33 727 458)	(7 150 659)		**1 012 548 279**
Infrastructure Electrical	**603 845 372**	65 041 131	4 000 000		11 181 335	(1 568 162)		(21 140 300)	(30 513)		**661 328 863**
Furniture & Fittings	**16 362 866**	11 072 842	160 915	320 683		(459 215)	(28 758)	(6 105 316.07)	(30 429)		**21 293 588**
Land	**386 612 974**			2 750 000		(1 263 800)					**388 099 174**
Leased Assets	**1 427 847**							(696 791)			**731 056**
	2 247 411 395	**228 158 493**	**-**	**3 070 683**	**11 181 335**	**(7 692 053)**	**(28 758)**	**(85 651 654)**	**(7 393 852)**	**-**	**2 389 055 561**

Classification of Assets Under Construction 2021/2022:

	OPENING BALANCE	ACCUMMULATED IMPAIRMENT	ADDITIONS	TRANSFERRED OUT OF AUC	IMPAIRMENT	CLOSING BALANCE
Community Assets	43 382 982	(5 545 348)	39 674 437	(13 526 093)	-	63 985 978
Infrastructure Electrical	45 422 703		65 041 131	(36 447 525)		74 016 309
Furniture & Fittings			1 644 487			1 644 487
Roads & Stormwater	107 239 278	(23 453 140)	97 951 375	(97 054 565)		84 682 947
TOTAL	**196 044 963**	**(28 998 488)**	**204 311 429**	**(147 028 183)**	**-**	**224 329 721**

Disclosure of Slow Moving Assets under Construction

Project	Value	Reason for Delay
Nonoti Beach Node Development	5 313 660	The physical ground work could only commence after obtaining the environmental authorization and completion of other intricate legislative prerequisites.
Computer Software and Applications: Tools & Systems Project	572 119	Due to the complex requirements of the project , extended planning processes were required to ensure a successful project roll-out.

Loss on disposal as reflected on the Statement of Financial Performance consists of :

	2021/2022
Derecognition of Assets	3 921 348
Assets Written Off	-
Auction Assets	2 109 868
	6 031 215

Gain on disposal as reflected on the Statement of Financial Performance consists of :

	2021/2022
Derecognition of Assets	16 100
Assets Written Off	-
Auction Assets	149 389
	165 489

RECONCILIATION OF PROPERTY,PLANT AND EQUIPMENT-2021 - RESTATED

	OPENING BALANCE	ADDITIONS	RECLASSIFICATION OF CAPITALISED AUC	DONATIONS	RECOGNITION OF EXPENSED ITEMS	DERECOGNITION OF ASSETS	ASSETS WRITTEN OFF	DEPRECIATION	IMPAIRMENT LOSS	IMPAIRMENT REVERSAL	CLOSING BALANCE
Community Assets	**222 759 013**	31 875 438	-					(16 403 886)	(3 284 311)		**234 946 254**
Solid Waste	**5 026 268**	179 350.40	-					(465 154)			**4 740 464**
Vehicles	**36 626 913**	5 772 832	-		12 990		(46 389)	(4 697 814)			**37 668 531**
Infrastructure Roads & Stormwater	**942 843 436**	73 619 946	-				(3 506 033)	(30 869 220)	(20 281 071)		**961 807 059**
Infrastructure Electrical	**582 726 722**	30 497 170	-	3 972 693	7 563 396		(782 079)	(20 060 062)	(72 468)		**603 845 372**
Furniture & Fittings	**13 182 748**	7 148 572	-				(15 845)	(3 952 437.81)	(171)		**16 362 866**
Land	**364 927 974**	-	-	22 000 000		(315 000)					**386 612 974**
Leased Assets	**1 495 812**	595 576	-					(663 541)			**1 427 847**
	2 169 588 885	**149 688 885**	**-**	**25 972 693**	**7 576 386**	**(315 000)**	**(4 350 346)**	**(77 112 115)**	**(23 638 021)**	**-**	**2 247 411 395**

Classification of Assets Under Construction 2020/2021:

CLASS	OPENING BALANCE	ACCUMMULATED IMPAIRMENT	ADDITIONS	TRANSFERRED OUT OF AUC	IMPAIRMENT	CLOSING BALANCE
Community Assets	51 562 937	(2 261 037)	30 917 862	(39 097 817)	(3 284 311)	37 837 635
Infrastructure Electrical	37 946 629		29 708 444	(22 232 370)		45 422 703
Furniture & Fittings			2 087 070	(2 087 070)		-
Roads & Stormwater	90 686 146	(3 534 651)	75 030 915	(58 477 782)	(19 918 489)	83 786 139
Solid Waste	431 823			(431 823)		-
TOTAL	**180 627 534**	**(5 795 688)**	**137 744 291**	**(122 326 862)**	**(23 202 800)**	**167 046 476**

Loss on disposal as reflected on the Statement of Financial Performance consists of :

	2020/2021
Derecognition of Assets	(315 000)
Assets Written Off	(4 350 346)
Intangible Assets	(19 250)
	(4 684 595)

4 Intangible Assets

	2022			2021		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE
Intangible Assets	21 008 960	(20 547 013)	461 947	21 008 960	(20 015 206)	993 754
Intangible Assets - Under Development	926 937	(354 818)	572 119	926 937	(354 818)	572 119
	21 935 897	**(20 901 831)**	**1 034 066**	**21 935 897**	**(20 370 024)**	**1 565 873**

Reconciliation of Intangible Assets - 2022

	OPENING BALANCE	ADDITIONS	ASSET UNDER CONSTRUCTION BROUGHT INTO USE	ASSETS WRITTEN OFF	AMORTISATION	IMPAIRMENT LOSS	CLOSING BALANCE
Intangible Assets	993 754				(531 807)	-	**461 947**
Intangible Assets - Under Development	572 119						**572 119**
	1 565 873	**-**	**-**	**-**	**(531 807)**	**-**	**1 034 066**

Reconciliation of Intangible Assets - 2021

	OPENING BALANCE	ADDITIONS	ASSET UNDER CONSTRUCTION BROUGHT INTO USE	ASSETS WRITTEN OFF	AMORTISATION	IMPAIRMENT LOSS	CLOSING BALANCE
Intangible Assets	1 640 781	-	-	(19 250)	(627 777)	-	**993 754**
Intangible Assets - Under Development	878 938	572 119	(524 120)	-	-	(354 818)	**572 119**
	2 519 719	**572 119**	**(524 120)**	**(19 250)**	**(627 777)**	**(354 818)**	**1 565 873**

5 Heritage Assets

	2022			2021		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE
	105 386	-	105 386	105 386	-	105 386
Historical Monuments	**105 386**	**-**	**105 386**	**105 386**	**-**	**105 386**

	2022	2021 - Restated
	R	R

6 EMPLOYEE BENEFIT OBLIGATIONS

6.1 Pension benefits

The Municipality’s personnel are members of one of the Natal Joint Municipal Pension retirement funds, namely the Superannuation, Retirement and Provident Funds. As the aforementioned funds are multi-employer funds, the allocation of any surplus/deficit to individual municipalities cannot be determined. Furthermore disclosure of further details such as actuarial assumptions, cannot be attributed to any specific municipality and is of no relevance to users of the municipality’s financial statements. Below is a synopsis of the most recent pension fund reports.

Superannuation

The interim valuation carried out on the Superannuation Fund as at 31 March 2021 reflected:

•The valuation reveals that the fund is 100.1% funded on the "best estimate" Funding basis as at the valuation date, and is also not fully funded on the alternative basis as set out in PF Notice No. 2 of 2016.
•Asset composition on valuation date appropriate to nature of the liabilities.
•Investment strategy suitable for the Fund.
•The view of the valuator is that the fund is in a sound financial position as at the valuation date.

Provident Fund

The interim valuation carried out on the Provident Fund as at 31 March 2021 reflected:

• The Fund is financially sound at valuation date
The valuation reveals that the Fund is 100.6% funded as at the valuation date
The contribution rate allocated towards risk benefits and expenses in the year following the valuation date is expected to be sufficient to cover the cost of these benefits and expenses.
• Asset composition appropriate to the nature of the liabilities
• Investment strategy suitable for Fund
• The fund self-insures its death benefits and disability benefits

Retirement Fund

The latest statutory valuation of the Retirement Fund (defined benefit) as at 31 March 2021 reflected:

The Fund is financially sound at valuation date
The fund is 101.0% funded on the "best estimate" Funding basis as at the valuation date, and it is not fully funded on the alternative bases as set out in PF Notice No. 2 of 2016.

	2022	**2021 - Restated**
	R	**R**

Asset composition appropriate to the nature of the liabilities
Investment strategy suitable for the Fund
Fund's self insures its risk benefits

6.2 Post-employment medical benefits

The municipality operates on 5 accredited medical aid schemes, namely Bonitas, Key Health, LA Health, Samwumed and HosMed.

Pensioners continue on the option they belonged to on the day of their retirement. The independent valuers, ZAQ Consultants and Acturaries , carry out a statutory valuation on an annual basis.

The principal actuarial assumptions used were as follows:

In estimating the liability for post-employment medical aid benefits a number of assumptions are required as per GRAP 25. APN 30 states that the assumptions should be realistic and mutually compatible. The most relevant actuarial assumptions used in this valuation are discussed below.

	2022	2021 - Restated
Discount rate per annum	13.14%	10.20%
Health care cost inflation rate	10.00%	6.85%
Net effective discount rate	2.39%	3.14%
Average retirement age	62	62
Proportion continuing membership at retirement	75%	75%
Mortality during employment	SA 85-90	SA 85-90
Mortality post-retirement	PA (90)	PA (90)-1 with a 1% mortality improvement p.a from 2010

(No explicit assumption was made about additional mortality or health care costs due to AIDS).

Percentage of in-service members withdrawing before retirement:	Males	Females	Males	Females
Age 20 - 24	9%	9%	9%	9%
Age 25 - 29	8%	8%	8%	8%
Age 30 - 34	6%	6%	6%	6%
Age 35 - 39	5%	5%	5%	5%
Age 40 - 44	5%	5%	5%	5%
Age 45 - 49	4%	4%	4%	4%
Age 50 - 54	3%	3%	3%	3%
Age 55 - 59	0%	0%	0%	0%
Age 60+	0%	0%	0%	0%

Discount Rate:

GRAP 25 defines the determination of the Discount rate assumption to be used as follows: "The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."

	2022 R	2021 - Restated R

The nominal and real zero curves as at 30 June 2022 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period, has been used. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years. Previously only one discount rate was used to value all the liabilities

	2022 R	2021 - Restated R
The amounts recognised in the Statement of Financial Position were determined as being the present value of the obligation:	**110 993 000**	**99 970 000**

Movement in the defined benefit obligation is as follows:

	2022 R	2021 - Restated R
Balance at beginning of the year	99 970 000	83 093 000
Current service cost	3 808 000	2 911 000
Interest cost	10 032 000	8 599 000
Benefit payments	(3 551 000)	(3 253 000)
Actuarial (gains)/losses	734 000	8 620 000
Balance at end of year	**110 993 000**	**99 970 000**

The amounts recognised in the Statement of Financial Performance were as follows:

	2022 R	2021 - Restated R
Current service cost	3 808 000	2 911 000
Interest cost	10 032 000	8 599 000
Benefit payments	(3 551 000)	(3 253 000)
Actuarial (gains)/losses	734 000	8 620 000
TOTAL	**11 023 000**	**16 877 000**

SENSITIVITY RESULTS

In order to illustrate the sensitivity of the results to changes in certain key variables, the liability has been recalculated using the following assumptions:
(1) A 1% increase / decrease in the medical aid inflation;
(2) A 20% increase / decrease in the assumed rate of mortality

Mortality Rate
Deviations from the assumed level of mortality experience of the current employees and the continuation members

The following table illustrates the effect of higher and lower mortality rates by increasing and decreasing the mortality rates by 20%.

	2022 R	2021 - Restated R

	-20% Mortality rate	Valuation Assumption	+20% Mortality rate
Total Accrued Liability	R 120 498 000	R 110 993 000	R 103 150 000
Interest Cost	R 12 326 000	R 11 337 000	R 10 520 000
Service Cost	R 4 372 000	R 3 980 000	R 3 653 000

Medical Aid inflation:

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liabiltiy of future retirees.

The following table illustrates the effect of a 1% p.a change in the medical aid inflation assumption. The effect is as follows:

	-1% Medical aid inflation	Valuation Assumption	+1% Medical aid inflation
Total Accrued Liability	R 98 567 000	R 110 993 000	R 123 037 000
Interest Cost	R 10 033 000	R 11 337 000	R 12 602 000
Service Cost	R 3 260 000	R 3 980 000	R 4 694 000

6.3 Long service awards and retirement gifts

The independent valuers, ZAQ Consultants and Acturaries, carry out a statutory valuation on an annual basis.

The principal actuarial assumptions used were as follows:

In estimating the liability for long service leave benefits, a number of assumptions are required as per GRAP 25. These assumptions should be realistic and mutually compatible. The most relevant actuarial assumptions used in this valuation are discussed below.

	2022	2021 - Restated
Discount rate per annum	10.80%	9.44%
General Salary Inflation (long term)	8.47%	5.84%
Net effective discount rate	2.15%	3.40%

	2022 R		2021 - Restated R	
Examples of mortality rates used were as follows:				
Average retirement age	62 years		62 years	
Mortality during employment	SA85-90		SA85-90	
Members withdrawn from service:	Males	Females	Males	Females
Age 20 - 24	9%	9%	9%	9%
Age 25 - 29	8%	8%	8%	8%
Age 30 - 34	6%	6%	6%	6%
Age 35 - 39	5%	5%	5%	5%
Age 40 - 44	5%	5%	5%	5%
Age 45 - 49	4%	4%	4%	4%
Age 50 - 54	3%	3%	3%	3%
Age 55 - 59	0%	0%	0%	0%
Age 60+	0%	0%	0%	0%

Discount Rate:

GRAP 25 defines the determination of the Discount rate assumption to be used as follows: “The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.”

The nominal and real zero curves as at 30 June 2022 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period, has been used. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years. Previously only one discount rate was used to value all the liabilities

The amounts recognised in the Statement of Financial Position were determined as follows:

	2022	2021 - Restated
Liability in the Statement of Financial Position	**27 365 000**	**24 875 000**

Movement in the defined benefit obligation is as follows:

	2022	2021 - Restated
Balance at beginning of the year	24 875 000	23 419 000
Current service cost	2 418 000	2 309 000
Interest cost	2 228 000	1 638 000
Actuarial (Gain)/losses	451 000	116 000
Benefit payments	(2 607 000)	(2 607 000)
Balance at end of year	**27 365 000**	**24 875 000**

The amounts recognised in the Statement of Financial Performance were as follows:

	2022	2021 - Restated
Current service cost	2 418 000	2 309 000
Interest cost	2 228 000	1 638 000
Actuarial (Gain)/losses	451 000	116 000
Benefit payments	(2 607 000)	(2 607 000)
TOTAL	**2 490 000**	**1 456 000**

	2022 R	2021 - Restated R

In conclusion:

	2022	2021 - Restated
Statement of Financial Position obligation for:		
Post-employment medical benefits	110 993 000	99 970 000
Current Portion	3 757 000	3 309 000
Non- Current Portion	107 236 000	96 661 000
Long Service Award	27 365 000	24 875 000
Current Portion	4 035 000	2 613 000
Non- Current Portion	23 330 000	22 262 000
	138 358 000	**124 845 000**
Statement of Financial Performance obligation for:		
Post-employment medical benefits	11 023 000	16 877 000
Long Service Award loss	2 490 000	1 456 000
	13 513 000	**18 333 000**

SENSITIVITY ANALYSIS

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions: -

(1) 20% increase/decrease in the assumed level of withdrawal rates; -
(2) 1% increase/decrease in the Normal Salary cost inflation

SENSITIVITY RESULTS

Withdrawal Rate:

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the Municipality. If the actual rates of withdrawal turn out to be higher than the rates assumed in the valuation basis, then the cost to the Municipality in the form of benefits will reduce and vice versa.

Tables 1 illustrates the effect of higher and lower withdrawal rates by increasing and decreasing the withdrawal rates by 20%.the results of the sensitivity analysis.

	-20% Withdrawal rate	Valuation Assumption	+20% Withdrawal rate
Total Accrued Liability	R 28 541 000	R 27 365 000	R 26 279 000
Current Service Cost	R 2 677 000	R 2 530 000	R 2 396 000
Interest Cost	R 3 390 000	R 3 242 000	R 3 106 000

	2022 R	2021 - Restated R

Norminal Salary Inflation:

The cost of the long service awards is dependent on the increase in the annual salaries paid to the employees. The rate at which salaries increase will this have a direct effect on the liability of future employees.

Table 2 illustrates the effect of a 15% p. a. change in the Norminal Salary inflation assumption.

	-1% Normal salary inflation	Valuation Assumption	+1% Normal salary inflation
Total Accrued Liability	R 25 834 000	R 27 365 000	R 29 048 000
Current Service Cost	R 2 362 000	R 2 530 000	R 2 718 000
Interest Cost	R 3 051 000	R 3 242 000	R 3 452 000

7 LONG-TERM RECEIVABLES

	2022 R	2021 - Restated R
Housing selling scheme loans	3 108 574	3 726 531
Less: Allowance for impairment and future housing discounts	(2 728 659)	(3 084 565)
Total	379 915	641 965
Transfer to Current Portion		
Less: Current portion transferred to current receivables	(31 479)	(22 313)
Total Receivables	**348 436**	**619 652**
Written - off during the year	663 669	48 038

HOUSING SELLING SCHEME LOANS

Loans have been granted to individuals who qualified in terms of the KwaZulu-Natal Department of Housing' s programme. The loans are repayable over terms ranging from 5 to 30 years at interest rates varying between 11.25% and 13.5%

8 INVENTORIES

	2022 R	2021 - Restated R
Housing Inventory	142 490	142 490
Consumable stores	1 191 177	1 368 042
Mechanical spares	10 627	19 540
Electrical maintenance spares	8 881 505	8 347 836
Total Inventories	**10 225 799**	**9 877 909**

Periodically, physical stock counts are carried out.

9. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2022 R	2021 - Restated R
Electricity	122 987 192	113 289 743
Estate	93 568	89 901
Refuse	22 451 197	22 458 899
VAT on Consumer debtors	24 385 830	22 134 856
Legal Fees	6 320 249	6 253 752
Encroachment and plot clearing	543 703	519 594
Sundry Adjustments	130 521	(124 865)
Interest	11 242 187	10 014 964
Add back credits included above	358 385	935 206
Less: Allowance for impairment	(65 912 575)	(69 670 460)
	122 600 257	**105 901 590**
Electricity		
Current (0 – 30 days)	111 108 691	96 185 515
31 - 60 Days	4 228 872	5 523 434
61 - 90 Days	2 260 449	3 183 601
91 - 120 Days	1 608 927	2 086 607
Greater than 120 days	3 780 253	6 310 586
Total	**122 987 192**	**113 289 743**
Estate		
Current (0 – 30 days)	1 692	1 869
31 - 60 Days	1 086	1 413
61 - 90 Days	1 086	1 105
91 - 120 Days	1 086	1 086
Greater than 120 days	88 619	84 428
Total	**93 568**	**89 901**
Refuse		
Current (0 – 30 days)	5 301 788	7 343 986
31 - 60 Days	1 103 721	1 039 482
61 - 90 Days	841 034	801 840
91 - 120 Days	787 485	724 316
Greater than 120 days	14 417 169	12 549 275
Total	**22 451 197**	**22 458 899**

9. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)

	2022 R	2021 - Restated R
VAT on Consumer Debtors - Statutory Receivables		
Current (0 – 30 days)	17 237 323	15 595 741
31 - 60 Days	864 189	879 963
61 - 90 Days	492 093	579 487
91 - 120 Days	365 417	411 582
Greater than 120 days	5 426 809	4 668 083
Total	**24 385 830**	**22 134 856**
Legal Fees		
Current (0 – 30 days)	2 286 216	359 183
31 - 60 Days	98 426	127 808
61 - 90 Days	191 187	104 749
91 - 120 Days	103 344	142 622
Greater than 120 days	3 641 075	5 519 390
Total	**6 320 249**	**6 253 752**
Encroachment and plot clearing		
Current (0 – 30 days)	36 185	5 390
31 - 60 Days	101 866	388
61 - 90 Days	23 816	-
91 - 120 Days	-	5 145
Greater than 120 days	381 836	508 672
Total	**543 703**	**519 594**
Sundry Adjustments		
Current (0 – 30 days)	135 297	(77 248)
31 - 60 Days	9 329	(41 613)
61 - 90 Days	7 115	(16 908)
91 - 120 Days	(5 651)	(3 396)
Greater than 120 days	(15 569)	14 300
Total	**130 521**	**(124 865)**
Interest		
Current (0 – 30 days)	469 617	551 806
31 - 60 Days	365 118	343 966
61 - 90 Days	333 265	322 071
91 - 120 Days	306 765	301 899
Greater than 120 days	9 767 422	8 495 222
Total	**11 242 187**	**10 014 964**

	2022 R	2021 - Restated R
Nett Credits included above		
Total	**358 385**	**935 206**

Statutory receivables included in receivables from Exchange transactions are as follows;

	2022 R	2021 - Restated R
Gross Debtors:		
VAT on Consumer Debtors	**24 385 830**	**22 134 856**
	24 385 830	**22 134 856**
Impairment:		
VAT on Consumer Debtors impairment	**(5 460 276)**	**(6 170 706)**
	(5 460 276)	**(6 170 706)**
Net Debtors:		
VAT on Consumer Debtors	**18 925 554**	**15 964 150**

Reconciliation of the Allowance for Impairment

	2022 R	2021 - Restated R
Balance at beginning of the year		
Receivables from exchange transactions	69 670 460	64 626 961
Long term receivables	3 084 565	3 142 793
Receivables from non-exchange transactions	212 556 294	209 604 737
Total balance at beginning of the year	**285 311 320**	**277 374 492**
(Release from) / Contribution to provision		
Receivables from exchange transactions	(3 757 885)	5 043 499
Long term receivables	(355 907)	(58 228)
Receivables from non-exchange transactions	10 859 556	2 951 557
Total (Release from) / Contribution to provision	**6 745 764**	**7 936 828**
Balance at end of year		
Receivables from exchange transactions	65 912 575	69 670 460
Long term receivables	2 728 659	3 084 565
Receivables from non-exchange transactions	223 415 851	212 556 294
Total Balance at end of year	**292 057 084**	**285 311 320**

	2022 R	2021 - Restated R
Bad debts written off		
Bad debts written off - Exchange Transactions	863 528	729 190
Bad debts written off - Non - Exchange Transactions	5 167 348	3 451 104
Total Bad debts written off	**6 030 876**	**4 180 294**

10. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2022 R	2021 - Restated R
Rates - Statutory Receivables	171 510 911	164 252 180
Other debtors	171 952 797	152 578 481
Department of Housing - RDP projects	251 934	251 934
Operating leases	1 283 948	1 506 804
less: Allowance for impairment	(223 415 851)	(212 556 294)
	121 583 740	**106 033 106**

	2022 R	2021 - Restated R
Rates		
Current (0 – 30 days)	35 031 513	23 417 480
31 - 60 Days	11 481 181	9 467 945
61 - 90 Days	8 089 585	7 030 175
91 - 120 Days	6 020 407	5 845 826
Greater than 120 days	110 888 225	118 490 754
Total	**171 510 911**	**164 252 180**

Other Debtors:

	2022 R	2021 - Restated R
Included in Other Debtors are:		
Traffic Fines Debtor - Statutory Receivables	121 426 432	112 253 277
Accrued Income	3 044 817	3 597 349
Ilembe water deposits	56 491	56 491
Sundry Debtors - R&G	35 479 032	33 519 617
Prepaid expenditure	10 332 903	1 064 966
Housing bridge financing and medical aid	146 104	146 104
Over payment of contractors	1 101 613	1 416 672
Department of Transport (DOT) - Motor vehicle licensing commission	365 404	524 005
	171 952 797	**152 578 481**

Statutory receivables included in receivables from non-exchange transactions are as follows;

Gross Debtors:

	2022 R	2021 - Restated R
Traffic Fines	**121 426 432**	**112 253 277**
Property Rates	**171 510 911**	**164 252 180**
	292 937 343	**276 505 458**

Impairment:

	2022 R	2021 - Restated R
Traffic Fines impairment	**(88 357 657)**	**(88 081 394)**
Property Rates impairment	**(126 686 915)**	**(116 911 505)**
	(215 044 573)	**(204 992 899)**

	2022 R	2021 - Restated R
Net Debtors:		
Traffic Fines	**33 068 775**	**24 171 883**
Property Rates	**44 823 996**	**47 340 675**
	77 892 770	**71 512 558**

Traffic fines constitute both spot fines and summonses. They are issued in terms of the Criminal Procedures Act, hence this is therefore recognised as a statutory receivable. Revenue from traffic fines is initially measured on the value stipulated on the notice, summons or equivalent document. The revenue from traffic fines is subject to further judicial process which is outside the municipality's control. These reductions are not considered in measuring the revenue and receivable on initial recognition. This is because of the high degree of uncertainty in estimating the likely outcome of this process. Once this separated process has been concluded, any reductions are accounted for as a change in estimated revenue and in accordance with IGRAP1.

Property rates is levied in terms of the Municipal Properties Rates Act, hence this is therefore recognised as a statutory receivable. The receivable is calculated by applying the Council approved rates randage against the valuation of the individual properties within the municipal juristrisdiction. Council approved rebates and exemptions are further applied to reduce the receivable. Interest and admin charges are applied on outstanding debt as per council's approved tariff of charges.

The basis of impairment takes into account the following:
The estimate was determined in accordance with the Credit Control Policy of the municipality, and the impairment methodology.
In assessing whether statutory receivables are impaired, management considered both individual receivables that may be impaired as well as groups of similar receivables that may be impaired.
The total debtors were further separated into groups of similar receivables with similar risk profiles and assessed for impairment (indigent, in liquidation, accounts not paid for 3 months or longer, handed-over and deemed not recoverable and handed over accounts that have not been paid in the last 3 months and longer - 100%)

11 VAT Receivable

	2022	2021
VAT	**12 142 442**	**6 997 303**

VAT is recognised / (accounted for) on a payments basis. Once payment is received from debtors VAT is paid over to SARS.

These amounts are receivable by the municipality as a result of transaction attracting value added tax (VAT) as legislated under the Value Added Tax Act 89 of 1991 from the South African Revenue Services.
VAT is deemed as Statutory Receivables

No impairments against the VAT receivables.

12 Short term investments

The municipality has the following short term investments

	2022	2021
Standard Bank Account - Durban Branch Account Number 058756442-087/090	-	14 539 872
Nedbank Bank Account - Treasury Branch	-	25 076 511

	2022 R	2021 - Restated R
Account Number 03/7881022337/162/163/164		
ABSA Bank Account - Stanger Branch Account Number 2079270909	30 241 597	28 757 700
Nedbank Bank Account - Treasury Branch Account Number 03/7881022337/165	-	26 734 095
Nedbank Bank Account - Treasury Branch Account Number 03/7881164077/000002	-	23 464 203
ABSA Bank Account - Stanger Branch Account Number 2079680324	-	32 000 000
ABSA Bank Account - Stanger Branch Account Number 2080460797	24 000 000	-
Standard Bank Account - Durban Branch Account Number 058756442-095	9 185 000	-
Nedbank Bank Account - Treasury Branch Account Number 03/7881022337/000169	15 000 000	-
	78 426 597	**150 572 381**

13 Cash and cash equivalents

Cash and cash equivalents consist of:	**Bank statement balances**		**Cash book balances**	
	2022	**2021**	**2022**	**2021**
Bank Balances and short term deposits	864 085 490	832 403 650	872 437 220	835 239 337

The municipality had the following Investment and Bank accounts

Account number / description	**Bank statement balances**		**Cash book balances**	
	2022	**2021**	**2022**	**2021**
First National Bank Account - Stanger Branch Account Number 62288308672	674 084	659 218	674 084	659 218
First National Bank Account - Stanger Branch Account Number 62288306147	336 330	328 912	336 330	328 912
First National Bank Account - Stanger Branch Account Number 62363519251	17 846 815	17 448 167	17 846 815	17 448 167
ABSA Account - Durban Branch Account Number 93 1800 0892	70 190 916	67 759 384	70 190 916	67 759 384
ABSA Bank Account - Stanger Branch Account Number 9330098057	36 838 166	113 977 478	36 838 166	113 977 478
ABSA Bank Account - Stanger Branch Account Number 932 12992298	827 377	801 108	827 377	801 108
ABSA Bank Account - Stanger Branch Account Number 932 1890676	248 189	240 309	248 189	240 309
ABSA Bank Account - Stanger Branch Account Number 932 1890529	918 357	889 200	918 357	889 200
ABSA Bank Account - Stanger Branch Account Number 932 1063433	3 147 716	3 047 778	3 147 716	3 047 778
ABSA Bank Account - Stanger Branch Account Number 932 1889635	4 189 965	4 056 936	4 189 965	4 056 936
ABSA Bank Account - Stanger Branch Account Number 932 1890113	285 537	276 471	285 537	276 471
ABSA Bank Account - Stanger Branch Account 932 3556707	13 289 612	12 854 848	13 289 612	12 854 848
ABSA Bank Account - Stanger Branch Account Number 932 6885911	6 472 880	6 267 370	6 472 880	6 267 370
First National Bank Account - Stanger Branch Account Number 53730256310: Cheque Account	5 140 595	149 143 536	5 140 595	-423 770 711

13 Cash and cash equivalents (Continued)

Account number / description	Bank statement balances 2022	Bank statement balances 2021	Cash book balances 2022	Cash book balances 2021
Primary Bank Account ABSA Bank Stanger Branch Account Number 4087 627126	70 446 596	75 504 350	73 952 854	648 524 598
Fines Bank Account First National Bank Account - Stanger Branch Account Number 62079758268: Cheque Account	1 423 043	1 372 542	1 423 043	1 372 542
Grants Bank Account (2) ABSA- Stanger Branch Account Number 408 8893526: Cheque Account	62 596 581	61 419 315	62 596 581	61 419 315
ABSA Bank - Stanger Branch Account Number 408 8890536	42 240	2 355 303	4 450 344	4 291 637
ABSA Bank - Stanger Branch Account Number 408 8890196	5 184 876	5 383 915	5 184 876	5 383 915
ABSA Bank - Stanger Branch Account Number 408 889105	14 312 255	11 091 192	14 312 255	11 091 192
ABSA Bank - Stanger Branch Account Number 408 8891427	38 778	39 684	38 778	39 684
ABSA Bank - Stanger Branch Account Number 408 8892732	53 534	54 107	53 534	54 107
ABSA Bank - Stanger Branch Account Number 408 8893047	64 725	142 719	64 725	142 719
ABSA Bank - Stanger Branch Account Number 408 8893306	31 036	32 116	31 036	32 116
ABSA Bank - Stanger Branch Account Number 93 5527 2791	8 850 423	14 960 206	8 850 423	14 960 206
ABSA Bank - Stanger Branch Account Number 9357410284	15 724 920	15 592 901	15 724 920	15 592 901
ABSA Bank Account - Stanger Branch Account Number 93 3046 2759	2 652 194	2 567 989	2 652 194	2 567 989
ABSA Bank Account - Stanger Branch Account Number 93 3924 6273	14 475 931	14 002 358	14 475 931	14 002 358
ABSA Bank Account - Stanger Branch Account Number 93 3252 2727	6 241 037	6 042 888	6 241 037	6 042 888
ABSA Bank Account - Stanger Branch Account Number 40 9577 4472	295 465 596	99 108 226	295 465 596	99 108 226
Standard Bank Account - Durban Branch Account Number 058756442-092	43 623 256	41 915 557	43 623 256	41 915 557
Standard Bank Account - Durban Branch Account Number 058756442-094	51 144 622	49 142 487	51 144 622	49 142 487
Nedbank Account - Stanger Branch Account Number 03/7881022337/166	65 211 668	9 789 885	65 211 668	9 789 885
Investec Bank Account - Durban Branch Account Number 1100-482666-620	43 297 209	41 402 313	43 297 209	41 402 313
ABSA Bank Account - Stanger Branch Account Number 4100653842	2 795 920	2 732 881	2 795 920	2 732 881
Nedbank Bank Account - Treasury Branch Account Number 03/7881022337/163	2 509	-	2 509	-
Petty Cash & Cash on hand	-	-	437 369	793 351
	864 085 490	**832 403 650**	**872 437 220**	**835 239 337**

	2022 R	2021 - Restated R

14 Revaluation reserve

	2022 R	2021 - Restated R
Opening balance	18 313 137	18 313 137
Movement for the year	-	-
Closing balance	**18 313 137**	**18 313 137**

15 HOUSING OPERATING ACCOUNT

The Housing Operating Account is represented by the following assets and liabilities:

	2022 R	2021 - Restated R
Fixed Assets	1 125 885	1 564 007
Housing Inventory	142 490	142 490
Debtors	458 006	626 446
Debtors: Department of Human Settlements	251 934	251 934
Accumulations	6 885 830	6 276 395
Prepaid debtors	(135 989)	(133 116)
	8 728 156	**8 728 156**

16 LEASES

	2022 R	2021 - Restated R
Minimum Finance lease payments due:		
Within one year	53 466	904 077
Later than 1 year and no later than 5 years	-	54 264
	53 466	958 341
less: Future finance charges	(481)	(33 579)
Present value of minimum lease payments	52 985	924 762
Present value of minimum Finance lease payments due:		
Within one year	52 985	870 986
Later than 1 year and no later than 5 years	-	53 776
	52 985	924 762

The municipality has entered into lease agreement with Motswako Office Solutions for the use of photocopy machines, effective 01 January 2019. The lease runs for a period of 3 years.
The municipality has entered into lease agreement with Vodacom for the use of tablets effective 01 September 2020. The lease runs for a period of 2 years.

OPERATING LEASES - RECEIVABLES (Municipality as a Lessor)
The future minimum lease payments receivable under operating leases for the actual receivables are as follows:

	2022 R	2021 - Restated R
No later than 1 year	784 104	746 766
Later than 1 year and no later than 5 years	2 595 482	3 379 586
Later than 5 years	-	-
	3 379 586	**4 126 351**

Salient leases

The municipality has entered into a non-cancellable lease with a private contractor to operate the Dolphin Caravan park. The lease runs for a period of 25 years, starting 1 July 2001. Real rental income escalates at 5% per annum.

	2022 R	2021 - Restated R
OPERATING LEASES - PAYABLES (Municipality as a Lessee)		
The future minimum lease payments payable under operating leases for the actual payables are as follows:		
No later than 1 year	424 153	392 734
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
	424 153	**392 734**

The municipality has entered into lease agreement with Shann Investments (PTY) LTD for the occupation of premises. The lease runs for a period of 3 years, which terminated on the 31 August 2018, with an option to extend for a further 2 years. Real rental expense escalates at 8% per annum. The municipality has extended the lease agreement.

17 Unspent conditional grants, receipts and Public contributions

Unspent conditional grants and receipts comprises of:

	2022 R	2021 - Restated R
Unspent conditional grants and receipts:		
Municipal Infrastructure Grant	-	4 940 243
Museum	-	6 419 725
New library	-	16 678
Housing Accreditation	6 550 354	10 161 422
Ballito Junction Road	9 873 612	9 873 612
IFA Hulletts Sports Facility	97 810	97 810
IFA Hulletts Beach Node Development	20 725	330 485
Neighbourhood Development Partnership Grant (SCADA)	-	4 724 568
Neighbourhood Development Partnership Grant (Ease of Business)	-	3 567 500
Title Deeds Restoration Grant	2 688 225	2 721 000
Natural Resource Management Project Grant (EDTEA)	1 700 000	-
Housing Grant (DOHS)	44 566 570	47 107 534
	65 497 296	**89 960 576**

Further details of amounts recognised in Revenue - refer to Note 26

18 Provisions

	2022 R	2021 - Restated R
Reconciliation of Current provision		
Reimbursement of Developers Contribution		
Opening balance	-	-
Transfer to current provisions	-	-
Utilised during the year	-	-
Total	-	-
Rehabilitation of Landfill Site		
Opening balance	1 941 467	1 837 706
Additions /(Decrease) to provisions	819 184	103 762
Total	2 760 651	1 941 467
Total Current Provision:	**2 760 651**	**1 941 467**

	2022 R	2021 - Restated R
Reconciliation of Non - Current provision - 2022:		
1. Rehabilitation of Landfill Site		
Opening balance	11 718 044	11 045 449
Additions / (Decrease) to provisions	(373 975)	672 595
Total	**11 344 069**	**11 718 044**
2. Developers Contribution		
Opening balance	5 720 051	5 259 222
Additions / (Decrease) to provisions	55 096	460 830
Utilised during the year	-	-
Total	**5 775 147**	**5 720 051**
3. Deferred Interest		
Opening balance	2 864 203	3 325 033
Additions / (Decrease) to provisions	(55 096)	(460 830)
Utilised during the year	-	-
Total	**2 809 107**	**2 864 203**
Total Non - Current Provision:	**19 928 324**	**20 302 298**
Total Current Provision:	2 760 651	1 941 467
Total Non - Current Provision	19 928 324	20 302 298
Total Provisions:	**22 688 975**	**22 243 766**
Net adjustments to Provisions	**445 209**	**776 357**

The provision created for the rehabilitation of the landfill site is based on a professional study conducted by Ecological and Environmental Services of the rehabilitation costs of the Shakaville dumpsite.

The provision reflects a total of R14 104 721 as the present value.

19 Long term Liabilities

Loans - Bank Loans
Bear interest at 8.05% to 9.73% and is redeemed in bi-annual instalments, including interest, over varying periods until 2032.
Please refer to Appendix A for further details.

	2022	2021 - Restated
Loans	188 689 134	200 326 562
Current portion transferred to Current Liabilities	(12 593 362)	(11 637 428)
Total Long Term Liabilities	**176 095 771**	**188 689 134**

		2022 R	2021 - Restated R
20	**TRADE & OTHER PAYABLES**		
	Trade payables	191 932 044	162 107 798
	Payments received in advance	33 108 597	42 333 389
	Other creditors	15 843 778	19 293 825
	Housing Agency Creditor - Department of Human Settlements	-	-
	Expenditure captured on Cash Book but not released	1 012 421	489 612
	Deposits - other	3 656 437	4 319 874
	Staff leave	23 952 490	22 561 928
	Staff bonus	11 783 632	10 478 047
	Retentions	28 966 359	20 359 809
		310 255 758	**281 944 283**

Payments in advance includes prepaid electricity accruals

		2022 R	2021 - Restated R
21	**Consumer Deposits**		
	Consumer Deposits in respect of:		
	Electricity	**39 877 832**	**36 991 209**
22	**Service charges**		
	Sale of electricity	1 011 897 755	879 902 721
	Refuse removal	77 673 637	68 757 122
		1 089 571 392	**948 659 842**
23	**Other Income**		
	Contributions demand based	19 972 232	10 754 685
	Building plan fees	10 265 589	9 616 847
	Sundries	8 969 314	12 747 160
	Admin charges	1 846 008	1 422 066
	Miscellaneous income	6 301 383	12 589 932
	Special Rating Areas Income	11 892 770	10 855 548
	Advertising	3 140 213	1 597 587
	Road Master Plans	1 436 483	2 261 159
	Burial Fees	1 064 799	1 188 736
	DCLM Re-Imbursement	-	3 000 000
		64 888 791	**66 033 720**
24	**Investment revenue**		
	Interest revenue		
	Interest Earned on Investments & Bank Accounts	**32 050 374**	**29 453 425**

	2022 R	2021 - Restated R

25 PROPERTY RATES

	2022	2021 - Restated
Residential	303 618 100	278 720 857
Commercial	151 120 768	146 605 977
Residential for commercial purposes	1 925 219	1 664 579
Education and State	10 758 755	7 826 200
Agriculture	3 245 378	3 450 609
Vacant	71 972 277	83 326 143
Public Service Infrastructure	14 747	23 978
Illegal Use/Unauthorised Use	2 423 000	1 051 800
Total Actual Assessment Rates	545 078 244	522 670 144
Property rates - penalties imposed	13 470 630	9 785 339
Assessment rates including Penalties	**558 548 874**	**532 455 483**

Property Valuations		
Residential	59 180 897 586	42 200 374 900
Commercial	8 214 053 000	6 166 306 600
Residential for commercial purposes	284 270 000	190 040 000
Education and State	562 770 000	316 526 000
Municipal	1 423 421 000	765 187 000
Agriculture	4 355 902 000	3 519 269 000
Vacant	4 030 112 100	3 704 376 000
Land reform	1 290 282 000	1 007 695 000
Monuments	2 620 000	2 019 000
Public Service Infrastructure	1 605 352 000	3 211 258 000
Worship / Public Benefit Organisations	221 490 000	171 534 000
Illegal Use/Unauthorised Use	48 460 000	21 036 000
Total Property Valuations	**81 219 629 686**	**61 275 621 500**

The last general valuation came into effect on 01July 2021

Property rates levied in terms of the Local Government: Municipal Property Rates Act No. 6 of 2004 (MPRA) with effect from 01 July 2007

Adjustments to the valuation roll in terms of Section 78 of the MPRA (as amended) are effected on an on-going basis. The adjustments take into account consolidations and subdivisions as well as property category changes.

Assessment rates: Cents in the rand on market valuation as follows:

Residential, informal settlements, land reform, monuments	0.824	0.824
Residential for commercial purposes	0.903	0.903
Agricultural	0.207	0.207
Industrial, business and commercial, vacant, public infrastructure, Municipal owned and worship	2.549	2.549
Properties used by an organ of state and used for public service purposes	2.549	2.549
Guest houses	2.307	2.307
Public service infrastructure	0.207	0.207
Illegal Use/Unauthorised Use	5.000	5.000

The first R100 000 of the valuation of residential properties are exempt from the calculation of rates
The first 30% of the valuation of public service infrastructure properties are exempt from the calculation of rates

	2022 R	2021 - Restated R
Rebates:		
Land reform, worship, state land, PBO's, monuments, informal settlements and municipal owned property	100%	100%
Additional rebates applicable:		
Excluded services	15%	15%
All Pensioners		
Pensioners under 65 years	25%	25%
Pensioners between 65 & 75 years	30%	30%
Pensioners older than 75 years	35%	35%
Industrial incentives including:		
In the first and second year, thereafter phased out by 10% per annum	100%	100%
Residential Developers incentives		
In first & second year thereafter phased out by 10% per annum	100%	100%
Bonafide Agricultural properties		
Rates are levied as follows (in terms of Section 26 of the Municipal Property Rates Act No. 6 of 2004) for the 2020/2021 financial year:		
On an annual basis, by application, and the final date of payment being:	30 September 2021	30 September 2020
On a monthly basis, and the final dates of payment being the last working day of the month from August 2020 to June 2021.		
Interest is levied on outstanding rates per annum at :	10% per annum	10% per annum
Plus collection charges two months after the final date of payment in respect of annual rate payers and 01 July in respect of monthly rate payers:	10%	10%

26 GOVERNMENT GRANTS AND SUBSIDIES

	2022 R	2021 - Restated R
Operating grants		
Equitable Share	198 138 243	219 085 000
Municipal Infrastructure Grant	61 549 000	48 200 696
Financial Management Grant	1 750 000	1 800 000
Department of Minerals and Energy	3 080 000	5 000 000
New Library Grant	742 678	845 716
Library Subsidy	5 610 000	5 427 000
Museum	8 644 725	895 992
Small Town Rehabilitation Grant	-	2 382 150
Energy Efficiency & Demand Side Management Grant	3 999 999	-
Expanded Public Works Programme	1 732 000	1 465 000
Housing Accreditation	5 642 364	2 775 645
Disaster Relief Grant	-	894 000
Neighbourhood Development Partnership Grant (SCADA)	-	572 119
Title Deeds Restoration Grant	32 775	-
Dept. Trade & Industry Grant (DTI)	6 986 917	-
	297 908 700	**289 343 318**

	2022 R	2021 - Restated R

Equitable Share

Balance unspent at the beginning of year	-	-
Current year receipts	198 138 243	219 085 000
Conditions met – transferred to revenue	(198 138 243)	(219 085 000)
	-	-

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Municipal Infrastructure Grant

Balance unspent at beginning of year	4 940 243	2 423 939
Current year receipts	61 549 000	50 717 000
Conditions met - transferred to revenue	(61 549 000)	(48 200 696)
Paid back to the National Revenue Fund	(4 940 243)	
Conditions still to be met - remain liabilities (see note 17)	-	**4 940 243**

This grant was used for municipal infrastructure.

Financial Management Grant

Current year receipts	1 750 000	1 800 000
Conditions met - transferred to revenue	(1 750 000)	(1 800 000)
Conditions still to be met - remain liabilities (see note 17)	-	-

This grant is used to assist the municipality to implement financial reforms required by the MFMA.

Department of Minerals and Energy Grant

Balance unspent at beginning of year	-	-
Current year receipts	3 080 000	5 000 000
Conditions met - transferred to revenue	(3 080 000)	(5 000 000)
Paid back to the National Revenue Fund	-	-
Conditions still to be met - remain liabilities (see note 17)	-	**-**

This grant is used for electrification projects as part of upgrading of informal settlement areas.

New Library Grant

Balance unspent at beginning of year	16 678	184 394
Current year receipts	726 000	678 000
Conditions met - transferred to revenue	(742 678)	(845 716)
Conditions still to be met - remain liabilities (see note 17)	**-**	**16 678**

This Grant is used for the payment of the cyber cadets at the Shakaskraal, Stanger Manor and KwaDukuza libraries.

	2022 R	2021 - Restated R

Museum

Balance unspent at beginning of year	6 419 725	2 101 717
Current year receipts	2 225 000	5 214 000
Conditions met - transferred to revenue	(8 644 725)	(895 992)
Conditions still to be met - remain liabilities (see note 17)	**-**	**6 419 725**

This grant is for the Museum expenditure incurred.

Small Town Rehabilitation

Balance unspent at beginning of year	-	2 382 150
Current year receipts	-	-
Conditions met - transferred to revenue	-	(2 382 150)
Conditions still to be met - remain liabilities (see note 17)	**-**	**-**

This grant is for the upgrade of Theunissen Park.

Energy Efficiency & Demand Side Management

Balance unspent at beginning of year	-	-
Current year receipts	4 000 000	-
Conditions met - transferred to revenue	(3 999 999)	-
Paid back to the National Revenue Fund	-	-
Conditions still to be met - remain liabilities (see note 17)	**1**	**-**

This grant is for community upliftment

Expanded Public Works Program

Balance unspent at beginning of year	-	-
Current year receipts	1 732 000	1 465 000
Conditions met - transferred to revenue	(1 732 000)	(1 465 000)
Conditions still to be met - remain liabilities (see note 17)	**-**	**-**

EPWP grant funding is used to expand job creation efforts in specific focus areas where labour intensive delivery methods can be measured.

	2022 R	2021 - Restated R

26 Government grants and subsidies (continued)

Library Subsidy

Balance unspent at beginning of year	-	-
Current year receipts	5 610 000	5 427 000
Conditions met - transferred to revenue	(5 610 000)	(5 427 000)
Conditions still to be met - remain liabilities (see note 17)	**-**	**-**

This grant is used to fund operational expenditure within the various libraries in KwaDukuza.

Housing Accreditation Grant

Balance unspent at beginning of year	10 161 422	11 749 891
Current year receipts	2 031 297	1 187 176
Conditions met - transferred to revenue	(5 642 364)	(2 775 645)
Conditions still to be met - remain liabilities (see note 17)	**6 550 354**	**10 161 422**

This grant is for community upliftment

Disaster Relief Grant

Balance unspent at beginning of year	-	894 000
Current year receipts	-	-
Conditions met - transferred to revenue	-	(894 000)
Conditions still to be met - remain liabilities (see note 17)	**-**	**-**

This grant is to assist with Covid 19 expenditure

Neighbourhood Development Partnership Grant (SCADA)

Balance unspent at beginning of year	4 724 568	-
Current year receipts	-	5 296 687
Conditions met - transferred to revenue	-	(572 119)
Paid back to the National Revenue Fund	(4 724 568)	
Conditions still to be met - remain liabilities (see note 17)	**-**	**4 724 568**

This grant is for Electricity Network Management.

Neighbourhood Development Partnership Grant (Ease of Business)

Balance unspent at beginning of year	3 567 500	-
Current year receipts	-	3 567 500
Conditions met - transferred to revenue	-	-
Paid back to the National Revenue Fund	(3 567 500)	
Conditions still to be met - remain liabilities (see note 17)	**-**	**3 567 500**

This grant is for Economic Development and Planning.

Title Deeds Restoration Grant

Balance unspent at beginning of year	2 721 000	-
Current year receipts	-	2 721 000
Conditions met - transferred to revenue	(32 775)	-
Conditions still to be met - remain liabilities (see note 17)	**2 688 225**	**2 721 000**

This grant is to be used to fund expenses in respect of property transfers.

Natural Resource Management Project Grant (EDTEA)

	2022 R	2021 - Restated R
Balance unspent at beginning of year	-	-
Current year receipts	1 700 000	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - remain liabilities (see note 17)	**1 700 000**	**-**

This grant is in respect of the Mavivane Transformative Riverine Management Project (TRMP) dealing with the rehabilitation of river catchments and addressing the issues of climate change.

Dept. Trade & Industry Grant (DTI)

	2022 R	2021 - Restated R
Balance unspent at beginning of year	-	-
Current year receipts	6 986 917	-
Conditions met - transferred to revenue	(6 986 917)	-
Conditions still to be met - remain liabilities (see note 17)	**-**	**-**

This grant is to be used for the funding of electrical bulk infrastructure at the KwaDukuza Mall.

27 Public Contributions

	2022 R	2021 - Restated R
IFA Hulletts Sports Facility	-	178 124
Ballito Junction Road	-	-
IFA Hulletts Beach Node Development	309 760	2 418 485
KwaDukuza Mall Development	-	9 738 012
	309 760	**12 334 621**

	2022 R	2021 - Restated R
Balance unspent at beginning of year	10 301 907	22 636 528
Current-year receipts	-	-
Conditions met - transferred to revenue	(309 760)	(12 334 621)
Balance unspent at end of year (Note 16)	**9 992 147**	**10 301 907**

Conditions still to be met - remain liabilities (see note 17)

28 Employee related costs

	2022 R	2021 - Restated R
Basic	257 719 929	244 123 626
Bonus	20 751 104	18 967 553
Medical aid - company contributions	26 413 812	25 536 261
UIF	2 069 355	1 804 161
Industrial council levies	126 423	121 810
Leave pay provision charge	8 509 405	7 597 567
Leave & bonus provision expense	1 305 585	1 517 495
Travelling allowances	16 098 553	15 423 443
Overtime payments	65 269 750	49 738 863
Housing benefits and allowances	1 092 105	1 065 704
Group Life Assurance	1 845 091	1 781 435
Pension Contributions	46 781 101	45 191 212
Standby, Uniform, Telephone and Tool allowances	14 222 392	13 289 110
	462 204 606	**426 158 240**

	2022 R	2021 - Restated R
Remuneration of the Municipal Manager		
Salary and Allowances	1 458 154	1 458 443
Travel Allowance	96 000	96 000
Cell Allowance	17 160	17 160
Performance Bonus	152 872	-
Pension	142 170	142 198
Other contributions	19 397	14 262
Leave Pay Out	82 578	
	1 968 330	**1 728 063**
Remuneration of the Chief Financial Officer		
Salary and Allowances	1 061 905	1 072 393
Travel Allowance	475 104	475 104
Cell Allowance	14 520	14 520
Performance Bonus	206 399	-
Pension	180 729	170 560
Pension Surcharge	38 185	36 036
Other contributions	17 186	12 795
	1 994 028	**1 781 407**
Executive Director: Economic Development & Planning		
Salary and Allowances	1 141 563	1 141 824
Travel Allowance	96 000	96 000
Cell Allowance	14 520	14 520
Performance Bonus	171 295	-
Pension	187 647	187 703
Pension Surcharge	39 646	39 658
Other contributions	15 490	11 540
	1 666 161	**1 491 245**
Executive Director: Corporate Services		
Salary and Allowances	-	443 185
Travel Allowance	-	32 000
Cell Allowance	-	4 840
Leave Pay	-	115 669
Performance Bonus	57 098	-
Other contributions	-	4 308
	57 098	**600 002**

The Executive Directive: Corporate Services resigned on the 31 October 2020.

	2022 R	2021 - Restated R
Executive Director: Community Safety		
Salary and Allowances	1 305 210	1 305 527
Travel Allowance	120 000	120 000
Cell Allowance	14 520	14 520
Performance Bonus	128 471	-
Other contributions	17 692	13 733
	1 585 894	**1 453 780**
Executive Director: Community Services & Public Amenities		
Salary and Allowances	1 055 263	1 055 531
Travel Allowance	180 000	180 000
Cell Allowance	14 520	14 520
Performance Bonus	171 295	-
Pension	189 947	189 996
Other contributions	15 125	11 236
	1 626 150	**1 451 283**
Chief Operations Officer		
Salary and Allowances	1 077 533	1 077 794
Travel Allowance	185 400	185 400
Cell Allowance	14 520	14 520
Performance Bonus	157 020	-
Acting allowance	8 595	10 744
Pension	162 277	162 333
Pension Surcharge	34 286	34 298
Other contributions	15 616	11 800
	1 655 248	**1 496 889**
Executive Director: Civil Engineering & Human Settlements		
Salary and Allowances	1 126 449	1 126 718
Travel Allowance	96 000	96 000
Cell Allowance	14 520	14 520
Performance Bonus	128 471	-
Pension	202 761	202 809
Other contributions	14 671	11 215
	1 582 872	**1 451 262**
Executive Director: Electrical Engineering Services		
Salary and Allowances	1 055 263	1 055 537
Travel Allowance	180 000	180 000
Cell Allowance	14 520	14 520
Performance Bonus	99 922	-
Pension	189 947	189 997
Other contributions	14 411	11 236
	1 554 063	**1 451 290**

Performance Bonuses for Municipal Manager, Chief Financial Officer and Executive Directors for the 2019/2020 and 2020/2021 financial years were approved and paid in the 2021/2022 financial year.

29 REMUNERATION OF COUNCILLORS

Mayor	897 392	804 153
Deputy Mayor	781 584	575 865
Speaker	735 224	441 738
Executive Committee (EXCO)	4 956 636	6 013 319
Councillors	13 022 329	13 145 189
Councillors’ pension contribution	1 802 383	1 861 445

		2022 R	2021 - Restated R
	Traditional leaders	14 800	6 000
		22 210 348	**22 847 709**
30	**Depreciation and amortisation**		
	Property, Plant & Equipment	85 651 655	77 112 115
	Intangible assets	531 807	627 777
		86 183 462	**77 739 892**
31	**Impairment Loss**		
	Impairments / (Impairment Reversals)		
	Property, Plant & Equipment	7 393 852	23 992 839
	Inventory	1 508 272	777 873
		8 902 124	**24 770 712**
32	**Finance costs**		
	Finance costs on borrowings	**18 936 993**	**20 023 659**
33	**Debt impairment and write offs**		
	Contributions to debt impairment provision	6 745 764	7 936 828
	Bad debts written off	6 694 545	4 228 332
		13 440 310	**12 165 160**
34	**Bulk purchases**		
	Electricity	**943 600 182**	**778 234 052**

Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom and Nersa approved a 17.8% tariff hike in favour of Eskom for the 2021/2022 financial year.

35 GENERAL EXPENSES

Included in general expenses is the following: -

	2022 R	2021 - Restated R
Replacement of faulty meters	1 310 194	1 338 378
Call out to consumer complaints	807 153	439 887
Legal costs	5 674 518	7 103 976
Marketing	849 384	104 732
Audit fee - external audit	4 811 829	3 778 471
Bank charges	3 334 368	2 611 920
Insurance general	5 014 037	3 937 005
Refuse bags/contract	1 403 826	892 175
Ward Committee	2 538 188	4 162 200
Ballito Pro expenditure	3 615 101	-
Advertising	3 421 308	2 582 116
Printing, Stationery & postage	2 810 364	2 840 488
SALGA Subscriptions	5 193 624	5 148 890
Water & Sanitation	5 002 764	4 387 914
Sundry Oils & Fuels	12 243 861	8 991 290
Street lighting consumption - Eskom supplied areas	1 119 388	705 419
Staff & councillor training costs and bursaries	1 984 699	1 635 317
Travelling & subsistence	2 692 457	1 193 627
Telephone calls / rentals	3 102 776	4 491 298

	2022 R	2021 - Restated R
Protective clothing	4 295 070	4 466 460
Non standard service connection	630 684	770 322
Software support & licences and agreements	6 578 117	5 016 695
Miscellaneous Expenses	20 949 959	14 694 849
Special Rating Area Expenditure	12 462 564	11 002 057
Rent of Property / Offices / House	2 578 091	2 563 353
EPWP	3 745 234	2 084 943
Public Affairs	74 990	343 344
Sukuma Sakhe	849 965	495 779
SALGA Games	229 262	186 026
Workman's Compensation	2 765 861	2 595 787
Skills Development Levy	3 797 695	2 936 698
TOTAL GENERAL EXPENSES	**125 887 332**	**103 501 416**

36 Fair value adjustment

	2022 R	2021 - Restated R
Investment property (Fair value model)	**21 045 000**	**1 525 000**

37 Commitments

Authorised capital expenditure

	2022 R	2021 - Restated R
Approved and Contracted for:		
Infrastructure	230 609 539	103 711 755
Community	20 843 241	43 859 844
	251 452 780	**147 571 599**
Total capital commitments		
Approved and Contracted for:	**251 452 780**	**147 571 599**

Capital Commitments are exclusive of VAT

38 Contingent liabilities

Details of Contingent Liabilities

	2022 R	2021 - Restated R
Reimbursement of capital costs of bulk supply to developers: (Vat Exc)		
The reimbursement is dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursements cannot presently be determined and therefore no provision for any liability that may result has been made in the financial statements.	107 371 310	107 371 310
C M Nmwayo - Municipality is being sued for damages - plaintiff shot in leg by municipal employee using a municipal firearm. (Unlawful arrest)	18 794 000	18 794 000
SMADA Construction - municipality is being sued for contractual damages due to cancellation of contract.	18 841 161	18 841 161
R I Marais - Claim against the municipality for certain maintenance and repair work done on a public road on behalf of the municipality and not being compensated for this.	3 750 000	3 750 000
N N P SHINGA - claim against the municipality due to a dispute in a Purchase and Sale Agreement.	-	655 897
B S P Pillay - the Plaintiff is suing a municipal employee in her personal capacity for the damages, who was acting under her course and scope of employment.	100 000	100 000
Gabade Building & Projects CC - Adjudication proceedings in respect of work done by contractor	-	673 563
Salt Rock Beach Estates - Valuation appeals board decision in respect of valuation of ERF 900 Salt Rock	-	201 000
Rejoice T Ndlovu - claim against the municipality for damages suffered in the removal of a fence	200 000	200 000
Lorris L Sunker - claim against the municipality from damages to vehicle by pot holes	16 330	16 330
Nomagugu Fakude - claim against the municipality - motor vehicle collission	132 858	132 858
Vusa Isipho Enterprises - claim against the municipality - breach of contract	-	3 500 000
Wandile Nicolson Ndaba - claim against the municipality for breach of agreement - duplication of sale of property ERF 56 Shakaville.	50 000	50 000
Basil Willian Reekie - claim against the municipality for overcharged rates	101 983	-
Catide Investments (PTY) LTD - claim against the Municipality in respect of services rendered in the Sakhamkhaya Housing Project.	900 000	-
T P Ngcobo & Associates - this matter is linked to the Sakhamkhaya Housing project.	1 006 817	-
	151 264 459	**154 286 119**

	2022 R	2021 - Restated R
39 Related parties and close family members		
Related Parties		
Staff member: P Murugan		
General Expenses for the year:	154 607	151 483
Nature of Transaction: The brother of the employee provide pest control services to the municipality.		
Councillor: G Govender		
General Expenses for the year:	78 637	42 240
Nature of Transaction: The son of the Councillor owns a company that provides panel beating and spray painting services.		
Staff member: C M Naicker		
General Expenses for the year:	1 510 886	1 096 527
Nature of Transaction: The son of the employee provided uniform and protective clothing services to the municipality.		
Staff member: R Bidesi		
General Expenses for the year:	48 373	22 793
Nature of Transaction: The relative of the employee provides electrical services to the municipality.		
Staff member: M Naidoo		
General Expenses for the year:	80 247	20 182
Nature of Transaction: The relative of the employee provides airconditioning services to the municipality.		
Staff member: N Nxumalo		
General Expenses for the year:	406 851	104 400
Nature of Transaction: The partner of the employee provides fixtures and fittings to the municipality.		
Staff member: J Sewdular		
General Expenses for the year:	2 618 150	2 253 090
Nature of Transaction: The spouse of the employee provides consultancy services in respect of various capital projects.		

Payments of remuneration to Senior Managers and Councillors - details of payments are set out in Notes 28 & 29

	2022 R	2021 - Restated R

Awards to close family members of persons in the Service of the State:

	2022
Particulars of Award	Conlog
Expenditure	R22 287
Individual's name / Service Provider	Mr Moodley & Mr Gaxeni
Relation in Service of the State	Spouse
State Employer	KZN Dept. of Health / Eskom
Particulars of Award	Rocky Park Hardware
Expenditure	R549 392
Individual's name / Service Provider	L Naidoo
Relation in Service of the State	Spouse
State Employer	Dept Of Education
Particulars of Award	Singh's Hardware
Expenditure	R512 414
Individual's name / Service Provider	Mrs Divesh
Relation in Service of the State	Spouse
State Employer	Dept Of Education
Particulars of Award	Munsoft
Expenditure	R3 522 668
Individual's name / Service Provider	M Rerani
Relation in Service of the State	Daughter
State Employer	Office of Chief Justice
Particulars of Award	PSA Africa
Expenditure	R185 352
Individual's name / Service Provider	T Frost
Relation in Service of the State	Spouse
State Employer	Dept. Of Justice
Particulars of Award	Allied Hardware
Expenditure	R47 716.38
Individual's name / Service Provider	Dr A Kazi
Relation in Service of the State	Son
State Employer	Intern Doctor - Stanger Hospital

	2022 R	2021 - Restated R

40 Change in estimate

Property, Plant and equipment

The Municipality reviewed the remaining useful lives of items of property, plant and equipment and intangible assets. Adjustments to these usefull lives affect the amount of depreciation for the current year and is expected to affect future periods as well. As a result of this adjustment, the current year total depreciation decreased by a net R106 824 and will continue to affect annual depreciation for the remainder of these assets' useful lives. The detail breakdown of the depreciation adjustment is as follows:

	2022 R	2021 - Restated R
Community Assets		(820)
Housing Assets		34
Electricity Infrastructure		(307)
Storm water		(318)
Roads Infrastructure		(1 591)
Furniture and Fittings		(7 582)
Vehicles		(333)
Intangible Assets		(95 900)
Leased Assets		(7)
		(106 824)

41 Prior period errors

The comparatives for 2020/2021 have been restated in respect of the following errors:

41.1 Restatement of Non-Exchange Receivables (Note 10)

	2022 R	2021 - Restated R
Non - exchange receivables as previously reported		**106 064 440**
Adjustments to Rates Revenue prior 2020/2021 in respect of S78 & other related adjustments		(10 616)
Adjustments to Rates Revenue 2020/2021 in respect of S78 & other related adjustments		(20 719)
Restated balance as at 30 June 2021		**106 033 106**

41.2 Restatement of Trade & Other Payables (Note 20)

	2022 R	2021 - Restated R
Trade & Other Payables as previously reported		**329 053 783**
Adjustment to General expenses - return of various sundry items to stores		(1 967)
Reclassification of Housing Agency Creditor to Housing Grant (DOHS) in terms of GRAP 11 Construction Contracts - 2020/2021 Opening Balance		(52 676 287)
Reclassification of Housing Agency Creditor to Housing Grant (DOHS) in terms of GRAP 11 Construction Contracts - 2020/2021 Receipts		(53 675 622)
Reclassification of Housing Agency Creditor to Housing Grant (DOHS) in terms of GRAP 11 Construction Contracts - 2020/2021 Interest and bank charges		(1 461 216)
Reclassification of Housing Agency Creditor to Housing Grant (DOHS) in terms of GRAP 11 Construction Contracts - 2020/2021 Exepnditure		60 705 591
Restated balance as at 30 June 2021		**281 944 282**

	2022 R	2021 - Restated R

41.3 Restatement of Property, Plant & Equipment (Note 3)

Property, Plant & Equipment as previously reported:		**2 273 160 651**
Prior year completed projects - Community Assets - now being capitalised in 2021/2022 - Cost		7 193 548
Prior year completed projects - Community Assets - now being capitalised in 2021/2022 - WIP		(7 193 548)
Prior year completed projects - Community Assets - now being capitalised in 2021/2022 - Accumulated Depreciation 2021		(207 968)
Prior year completed projects - Community Assets - now being capitalised in 2021/2022 - Accumulated Depreciation Prior 2021		(101 067)
Prior year completed projects - Roads Assets - now being capitalised in 2021/2022 - Cost		27 159 293
Prior year completed projects - Roads Assets - now being capitalised in 2021/2022 - WIP		(27 159 293)
Prior year completed projects - roads Assets - now being capitalised in 2021/2022 - Accumulated Depreciation - 2021		(216 095)
Prior year completed projects - Roads Assets - now being capitalised in 2021/2022 - Accumulated Depreciation - Prior 2021		(484 886)
Prior year completed projects - Storm Water - now being capitalised in 2021/2022 - Cost		2 404 240
Prior year completed projects - Storm Water - now being capitalised in 2021/2022 - WIP		(2 404 240)
Prior year completed projects - Storm Water - now being capitalised in 2021/2022 - accumulated Depreciation 2021		(37 180)
Prior year completed projects - Storm Water - now being capitalised in 2021/2022 - accumulated Depreciation Prior 2021		(6 783)
Prior year completed projects - Electrical -now being capitalised in 2021/2022 - Cost		7 118 723
Prior year completed projects - Electrical -now being capitalised in 2021/2022 - WIP		(7 118 723)
Prior year completed projects - Electrical -now being capitalised in 2021/2022 - Accumulated Depreciation 2021		(138 612)
Prior year completed projects - Furniture & Fittings - now being capitalised in 2021/2022 - Cost		42 582
Prior year completed projects - Furniture & Fittings - now being capitalised in 2021/2022 - WIP		(42 582)
Prior year completed projects - Furniture & Fittings - now being capitalised in 2021/2022 - Accumulated Depreciation 2021		(6 693)
De-recognition of Land prior 2019/2020		(24 550 000)
Restated balance as at 30 June 2021		**2 247 411 395**

41.4 Unspent conditional grants, receipts and Public contributions (Note 17)

Unspent conditional grants, receipts and Public contributions as previosuly reported		**42 853 042**
Reclassification of Housing Agency Creditor to Housing Grant (DOHS) in terms of GRAP 11 Construction Contracts - 2020/2021 Opening Balance		52 676 287

	2022 R	2021 - Restated R
Reclassification of Housing Agency Creditor to Housing Grant (DOHS) in terms of GRAP 11 Construction Contracts - 2020/2021 Receipts		53 675 622
Reclassification of Housing Agency Creditor to Housing Grant (DOHS) in terms of GRAP 11 Construction Contracts - 2020/2021 Interest and bank charges		1 461 216
Reclassification of Housing Agency Creditor to Housing Grant (DOHS) in terms of GRAP 11 Construction Contracts - 2020/2021 Exepnditure		(60 705 591)
Restated balance as at 30 June 2021		**89 960 576**
Reconciliation of Adjusted 2020/2021 Surplus:		
Surplus for the year as previously stated		**243 060 830**
Property rates		
Adjustments to Rates Revenue 2020/2021 in respect of S78 & other related adjustments		(20 719)
General Expenses		
Adjustment to General expenses - return of various sundry items to stores		1 967
Reallocation of 2021 expenses in relation to refuse services from General expenses to contracted services		(10 728 457)
Reallocation of 2021 expenses in relation to Grass Cutting services from General expenses to contracted services		(15 148 638)
Depreciation		
Adjustment to depreciation 2020/2021 in respect of prior year completed projects now being capitalised		(606 547)
Other Income		
Reallocation of decrease in inventory to NRV from other income to impairment loss		777 873
Impairment Loss		
Reallocation of decrease in inventory to NRV from other income to impairment loss		(777 873)
Contracted Services		
Reallocation of 2021 expenses in relation to refuse services from General expenses to contracted services		10 728 457
Reallocation of 2021 expenses in relation to Grass Cutting services from General expenses to contracted services		15 148 638
Housing development construction contract revenue		
Reclassification of Housing Agency Creditor to Housing Grant (DOHS) in terms of GRAP 11 Construction Contracts - 2020/2021		60 705 591
Housing development construction contract expenditure		
Reclassification of Housing Agency Creditor to Housing Grant (DOHS) in terms of GRAP 11 Construction Contracts - 2020/2021		(60 705 591)
Restated Surplus as at 30 June 2021		**242 435 530**

42 Cash flows from Operating Activities:

	2022 R	2021 - Restated R
Operating Surplus before working capital		
Total Surplus for the year	**156 505 942**	**242 435 530**
Adjustment for:		
Depreciation of Property, Plant and Equipment	85 651 654	77 112 115
Donations of assets	(3 070 683)	(25 972 693)
Gains on disposal of assets	(165 489)	
Loss on Disposal	6 031 215	4 684 595
Impairment loss	8 902 124	24 770 712
Amortisation of intangible assets	531 807	627 777
Contribution to provision	445 209	776 357
Retirement obligation	11 023 000	16 877 000
Long service award	2 490 000	1 456 000
Investment Properties - Fair Value	(21 045 000)	(1 525 000)
Allowance for impairment	6 745 764	7 936 828
Bad debts written off	6 030 876	4 180 294
	260 076 421	**353 359 515**
Cash Generated by Operations		
Operating Surplus before working capital	**260 076 421**	**353 359 515**
Movement in current assets and liabilities		
(Increase)/decrease in inventory	(1 856 163)	(5 882 625)
Increase/(decrease) in conditional grants and receipts	(24 463 280)	480 423
(Increase)/decrease in trade and other receivables	(44 763 891)	5 177 794
Increase/(decrease) in Trade and Other Payables	28 311 475	(37 477 337)
Increase/decrease in VAT	(5 145 139)	2 627 845
Net cash flows from operating activities	**212 159 423**	**318 285 615**
Interest earned on Investments	(32 050 374)	(29 453 425)
Finance expense	18 936 993	20 023 659

		2022 R	2021 - Restated R
43	**Fines**		
	Total revenue from Fines Income	**10 082 528**	**4 048 596**

Fines are issued in terms of S341 & S56 of the Criminal Procedures Act 51 of 1977

		2022 R	2021 - Restated R
44	**Contracted Services**		
	Refuse removal	65 075 256	46 062 494
	Grass cutting	36 972 162	32 292 227
	Specialist financial and GRAP related services	493 741	1 247 891
	Storm water	5 469 640	3 402 552
	Pothole repairs	5 742 427	3 919 302
	Other Contracted Services	10 622 471	12 972 849
	Dump charges	12 781 957	17 374 697
	Security Services	34 910 118	29 393 479
	Shark Control Expenditure	4 490 385	4 355 369
	Valuation and Valuation Rolls	1 004 900	2 901 071
	Professional Fees	4 950 058	4 951 331
	Commission on Electricity vending	6 905 286	6 391 187
	Maintenance of building facilities and equipment	32 553 113	16 388 819
	Electrical Mains Repairs	16 475 803	12 828 116
		238 447 316	**194 481 383**

46 Events after the reporting date

NERSA has approved an 8.61% increase in Eskom bulk purchase tariffs for 2022/2023. Apart from the above effect, due to the variable nature of the Eskom expenditure, the municipality is unable to determine any further financial impact.

		2022 R	2021 - Restated R
47	**Unauthorised expenditure**		
	Impairment of assets - (Non-Cash)	-	6 589 537
	Provision for bad debts - (Non-Cash)	66 312	299 194
	Bulk Purchases - (Cash)	6 163 454	5 509 371
	Disposal of Fixed and Intangible Assets - (Non-Cash)	-	4 684 595
		6 229 766	**17 082 697**
	Unauthorised budgeted overspending - Municipal vote		
	Finance Business Unit (Non Cash)	**4 019 903**	
	Analysed as follows:		
	Provision for bad debts - Non Cash	4 086 215	
	Less: Provision for bad debts Non cash recognised under item analysis	-66 312	
	Total authorised expenditure for the year	**10 249 668**	

	2022 R	2021 - Restated R
Reconciliation of Unauthorised expenditure written off		
Opening Balance	17 082 697	22 092 288
Incurred for the year	10 249 668	17 082 697
Written off by council	(318 250)	(22 092 288)
Remaining to be considered	**27 014 115**	**17 082 697**

The closing balance is inclusive of matters which have been considered by the Council's investigating committee, but awaiting submission to Council for consideration. It further includes matters that are yet to submitted and or resubmitted to Council's investigating committee for consideration.

48 Fruitless and wasteful expenditure

	2022 R	2021 - Restated R
Fruitless and wasteful expenditure	**-**	**-**
Reconciliation of Fruitless and Wasteful expenditure written-off by Council		
Opening Balance	4 238 558	4 238 558
Incurred for the year	-	-
Written Off by Council	(4 238 558)	-
Remaining to be considered	**-**	**4 238 558**

49 Irregular Expenditure:

	2022 R	2021 - Restated R
Other goods and/or services not procured through competitive bidding processes.	3 828 643	3 891 303
Irregular expenditure pertaining to grass cutting contracts.	3 619 979	15 339 942
Section 36 approvals subsequently reclassified as irregular expenditure.	3 462 237	5 260 066
Irregular expenditure pertaining to the procurement of refuse removal services.	-	22 331 788
Irregular expenditure pertaining to the procurement of security services.	37 723 743	31 919 677
	48 634 602	**78 742 776**

Reconciliation of Irregular Expenditure Written-off by Council

	2022 R	2021 - Restated R
Opening Balance	255 410 438	319 526 892
Incurred for the year	48 634 602	78 742 776
Written-off by Council	(205 757 894)	(142 859 230)
Remaining to be considered	**98 287 146**	**255 410 438**

The closing balance is inclusive of matters which have been considered by the Council's investigating committee, but awaiting submission to Council for consideration. It further includes matters that are yet to submitted and or resubmitted to Council's investigating committee for consideration.

50 Deviation from supply chain management regulations

	2022 R	2021 - Restated R
Emergency	60 000	16 602 259
Sole Provider	85 911	-
Any other exceptional case which it is impractical to follow the official procurement process	35 945 495	32 147 214
Section 36 deviation transferred to irregular expenditure	(35 813 895)	(32 330 211)
Total Section 36 deviations for the financial year	**277 511**	**16 419 262**

	2022 R	2021 - Restated R

51 Repairs and Maintenance

	2022 R	2021 - Restated R
Buildings	4 556 327	2 294 217
Electrical	28 474 111	28 111 870
Furniture and fittings	3 072 927	2 850 826
Refuse	-	24 000
Roads	16 411 448	5 649 966
Storm water	5 469 640	3 402 552
Vehicles	10 006 663	8 383 769
	67 991 116	**50 717 200**

The above note is provided for disclosure purposes only. The underlying accounts aggregated to the above is reflected under the categories of the nature of the expense they relate to on the Statement of Financial Performance , i.e.. Contracted Services and General Expenses.

52 Material losses incurred

	2022 R	2021 - Restated R
Electricity distribution losses	237 728 877	181 211 586
Bad debts written off	6 694 545	4 228 332

Electricity energy losses of 171 753 233 kWh as at June 2022 (June 2021: 153 728 734 kWh) occurred during the year which resulted in revenue loss amounting to R237 728 877 (June 2021: R 181 211 586). The National norm for electricity losses ranges from 6% to 12%. The energy loss incurred by the municipality as at June 2022 is 24.83% (June 2021: 22.82%) and is mainly due to transmission/distribution losses and illegal connections.

53 Councillor's Arrear consumer Accounts as at 30 June 2022

In terms of Section 124 (1) (b) the following particulars are disclosed in respect of any arrears owed by individual councillors during the financial year: The following councillor had debt in excess of 90 days for the months stipulated below:

Councillor: V Govender	
July 2021	507 672
August 2021	513 152
September 2021	518 912
October 2021	524 928
November 2021	530 850
December 2021	537 496
January 2022	543 118
February 2022	550 057
March 2022	556 439
April 2022	561 562
May 2022	568 107
June 2022	573 977

In terms of S124 (1) (b) the above are disclosed is respect of any arrears owed by individual Councillors during the financial year. In terms of clause 30.2 of KwaDukuza Municipality Credit Control & Debt Collection Policy, this matter has been consistently reported to the Office of the Speaker. The Councillor had debt in excess of 90 days for the months as stipulated. The above account is under dispute and is currently being reviewed and dealt with by the Office of the Speaker, Electricity Business Unit and the Municipal Legal Department.

Due to the above uncertainties this debt has been fully impaired.

		2022 R	2021 - Restated R
54	**Contributions to Organised Local Government**		
	Amount paid current year	5 168 616	4 975 893
	Audit Fees		
	Amount paid - current year	4 811 829	3 778 471
55	**VAT**		
	VAT received for the year	43 550 819	29 164 741
	VAT paid for year	1 911 615	1 487 924

VAT input receivables and VAT output payables are shown in Note 11.

All VAT returns have been submitted by the due date throughout the year.

		2022 R	2021 - Restated R
56	**PAYE and UIF**		
	Current year payroll deductions	79 826 344	71 521 899
57	**Pension and Medical Aid deductions**		
	Current year payroll deductions and council contributions	114 699 232	110 095 579

58 Budget verses Actual variances

Below is a reconcilaition between the Annual Financial Statements and the Budget Statement. All restatements are as a result of the AFS being based on the nature of the transactions.

Service Charges	
As per Budget Statement	1 089 618 767
Reconciling items:	
Service Charges: Sundry Revenue	(47 376)
As per Statement of Financial Performance	1 089 571 392

	2022 R	2021 - Restated R
Other Income		
As per Budget Statement	38 839 858	
Reconciling items:		
Operational Revenue: Collection Charges	(6 398 211)	
Operational Revenue: Suspense	16 485	
Operational Revenue: Sundries	(225 451)	
Rendering of Service: Developers Charges	19 972 232	
Sale of goods: Revenue Stamps	166 726	
Service Charges: Sundry Revenue	47 376	
Fines; Penalties and Forfeits	523 382	
Property Rates: Special Rating Areas	11 892 770	
Exepnditure:Contracted Services: Revenue Protection	53 622	
As per Statement of Financial Performance	64 888 790	
Property rates		
As per Budget Statement	554 757 058	
Reconciling items:		
Property Rates: Special Rating Areas	(11 892 770)	
Fines Revenue Illegal Dumping Site	2 213 956	
As per Statement of Financial Performance	545 078 244	
Property Rates: Penalties Imposed		
As per Budget Statement	-	
Reconciling items:		
Operational Revenue: Collection Charges	6 398 211	
Fines; Penalties and Forfeits	7 072 419	
As per Statement of Financial Performance	13 470 630	
Public contributions and donations		
As per Budget Statement	2 573 136	
Reconciling items:		
Capital Donations	497 548	
As per Statement of Financial Performance	3 070 683	
Fines Revenue		
As per Budget Statement	19 892 286	
Reconciling items:		
Fines Revenue related to Property Rates / Illegal Connections and Traffic	(9 809 758)	
As per Statement of Financial Performance	10 082 528	
Employee Related Costs		
As per Budget Statement	460 814 045	
Reconciling items:		
Leave Provision	1 390 561	
As per Statement of Financial Performance	462 204 606	
Debt Impairment & Write Off		
As per Budget Statement	12 725 829	
Reconciling items:		
Operational Revenue Incidental Cash Revenue	(225 451)	
Operational Cost Indigent Relief	663 669	
Contribution to Provisions Decommissioning Rest.	276 263	
As per Statement of Financial Performance	13 440 310	

	2022 R	2021 - Restated R
Bulk purchases		
As per Budget Statement	943 701 712	
Reconciling items:		
Eskom Utility Payment	(101 530)	
As per Statement of Financial Performance	943 600 182	

Contracted Services		
As per Budget Statement	245 515 838	
Reconciling items:		
Inventory Consumed: Materials & Supplies	700 286	
Commission on Collection	6 905 286	
Indigent Support	2 545 368	
Business and Advisory	(2 546 083)	
Legal Cost	(5 674 518)	
Contractors Electrical	(2 336 650)	
Ballito Pro Expenditure	(3 857 157)	
Contractors Maintenance	(1 124 570)	
Admin Support	(266 675)	
Animal Care	(63 606)	
Refuse Bag Contract	(1 403 826)	
Exepnditure: Contracted Services: Revenue Protection	53 622	
As per Statement of Financial Performance	238 447 316	

Other Expenditure		
As per Budget Statement	114 840 603	
Reconciling items:		
Eskom Utility Payment	101 530	
Business and Advisory	2 546 083	
Legal Cost	5 674 518	
Contractors Electrical	2 336 650	
Ballito Pro Expenditure	3 857 157	
Contractors Maintenance	1 124 570	
Admin Support	266 675	
Animal Care	63 606	
Refuse Bag Contract	1 403 826	
Transfer & Subsidies	6 657 601	
Operational Revenue	183 212	
Inventory Consumed: Materials & Supplies	(700 286)	
Commission on Collection	(6 905 286)	
Indigent Support	(3 209 037)	
Contribution to Provisions Decommissioning Rest.	(276 263)	
Employee long service benefits	13 513 000	
Leave Provision	(1 390 561)	
As per Statement of Financial Performance	140 087 597	

Losses		
As per Budget Statement	19 544 215	
Reconciling items:		
Transfers & Subsidies per category	13 513 000	
As per Statement of Financial Performance	6 031 215	

Transfers and subsidies		
As per Budget Statement	6 657 601	
Reconciling items:		
Transfers & Subsidies per category	(6 657 601)	
As per Statement of Financial Performance	-	
All transfer and subsidies accounted for under General Expenditure		

	2022 R	2021 - Restated R
Contributions Recognised Capital		
As per Budget Statement	20 779 540	
Reconciling items:		
Developers contribution	(19 972 232)	
Capital Donations	(497 548)	
As per Statement of Financial Performance	309 760	
Developers Contribution and Capital Donations is accounted for under Other Income and operational public contributions respectively.		

A high level overview of significant Operating Variances between the budget as at 30 June 2022 and Actual amounts are summarised below :

Significant for the purposes of this note is defined as greater than 15% and R 1 000 000.

Revenue:

58.1 Rental of facilities & Equipment

The Municipality has received R2,051m of the total revenue budget of R2, 826m. The budget was decreased by R600k during the Adjustment Budget process as a result of lockdown restrictions being placed on celebratory functions and sporting events. With the lifting of COVID restrictions, rental revenue from the hiring of halls and sporting facilities should increase in the new financial year.

58.2 Interest earned outstanding debtors

The variance is due to the roll out and implementation of the COVID 19 debt relief scheme.

58.3 Other Income

Major variances are due to additional revenue from advertising, sale of redundent stock and building plan fees. Unallocated deposits of R6m that is older than 3 years has been transferred to sundry income.

58.4 Interest received - Investments

Increase in interest rates by the SARB has led to the municipality receiving more interest income than anticipated.

58.5 Property rates - penalties imposed

The budget for property rates penalties imposed is included with property rates.The net variance between these categories is 6% and therefore below the threshold.

58.6 Licences & permits (including agency fees)

Vehicle licensing fees and testing fees are budgeted for under Other Income.

58.7 Public contributions and donations

Donations are unforeseen and unplanned and therefore have not been budgeted for.

58.8 Fines

A prudent budgeting approach in respect of this revenue on traffic fines was undertaken as a result of the uncertainty in collecting traffic fines revenue during this pandemic hence the budget being adjusted by R3.9m downwards. In addition to this, the outcomes of the IGRAP1 calculation has had an effect on the final revenue recognition.

Expenditure

58.9 Debt Impairment and write offs

The impact of COVID-19 and forseen reduced collection rates was considered when budgeting. However, collections were on target with the vigorous debt collection processes such as handing over accounts, calling of Customers, the COVID -19 debt relief scheme and disconnections that commenced in around July 2020

58.10 Contracted services

Due to allocation differences between contracted services and general expenses, the net variance between these categories is 6% and therefore below the threshold.

58.11 Other Expenses

Due to allocation differences between contracted services and other general expenses, the net variance between these categories is 6% and therefore below the threshold.

58.12 Losses

Due to the decommissioning of existing layers on roads to be rehabilitated and land disposal.

58.13 Transfers and subsidies

The municipality provided very minimal transfers and subsidies to any external organisations.

58.14 Transfers recognised - capital

Delays in construction work due to lockdown, the impact of the April 2022 Flood Disaster as well as the constitutional court judgement on the legality of the PPP Regulations are the primary reasons for the underspending on internally funded capital expenditure.

58.15 Contributions recognised - capital

Certain projects funded by public contributions have been delayed as per the above reasons.

58.16 Capital Budget

Delays in construction work due to lockdown, the impact of the April 2022 Flood Disaster as well as the constitutional court judgement on the legality of the PPP Regulations are the primary reasons for the underspending on internally funded capital expenditure.

58.17 Gains on disposal of property, plant and equipment

The auction yielded a lower gains than anticipated.

59 Accounting by Principals and Agents

<u>Motor Vehicle Registrations</u>

The municipality is a party to a principal-agent arrangement in terms of motor vehicle registrations and licensing. The municipality is considered to be an agent in accordance with GRAP 109, with the Provincial Department of Transport being the principal in this arrangement.

Details of the arrangement

The purpose of the principal-agent relationship is to provide a service to the community and to enhance the municipality's revenue.

	2022	2021 - Restated
	R	R

Significant terms and conditions of the arrangement are as follows:

The Provincial Department shall issue the motor vehicle license renewal form to the respective owners of the motor vehicles, indicating the amount due for the year.

The municipality provide facilities for owners of motor vehicles to pay their licenses. The Provincial Department provides the municipality with access to its IT systems to enable capturing of the amounts received and issuing of the motor vehicle licenses on their behalf. The system automatically generates the motor vehicle license upon capturing the payment of the fees due.

The municipality collects the fees due from motor vehicle owners and simultaneously issues the new licenses on behalf of the Department.

The municipality is required to pay over any revenue (cash) collected to the Department in respect of motor vehicle licenses. The municipality is entitled to payment by the Department of 8.55% of the cash collected for undertaking this activity on behalf of the Department.

Significant risks have been identified as follows:

The significant risks relates to the possible loss of any monies during transit and potential theft by employees.

Mitigation strategies and benefits associated with the relationship are as follows:

Monies collected are banked daily.

Security – Segregation of duties, each operator has their own username and password for banking details.

	2022 R	2021 - Restated R

Resources held on behalf of the principal, but recognised in the entity's own financial statements

	2022	2021
Total collections for the year	77 772 562	73 516 287
Amount recognised as revenue	6 136 172	6 288 045
Total Collected on behalf of DOT	71 636 390	67 228 242
Debtor as at year end	365 416	524 005
Creditor at year end	68 532	68 532

Liabilities and corresponding rights of reimbursement recognized as assets

No liabilities were incurred on behalf of the principal during the financial year, and hence no outstanding payments were recorded at year end.
No corresponding rights of reimbursement that have been recognized at year end.

Resources (including assets and liabilities) of the entity under the custodianship of the agent

No resources have been recognized by the agent in its financial statements. The equipment supplied by the department must be returned to DOT when the agreement is terminated.

60 Housing development construction contract revenue and expenditure

Housing Grant (DOHS)

	2022 R	2021 - Restated R
Opening balance	47 107 534	52 676 287
Current year receipts	59 695 556	53 675 622
Interest and bank charges	1 501 524	1 461 216
Housing development construction contract expenditure	(63 738 044)	(60 705 591)
Conditions still to be met - remain liabilities (see note 17)	**44 566 570**	**47 107 534**

The Housing Development Construction contracts relate to the agreements entered into between the Municipality and the KwaZulu Natal Department of Housing in respect of housing projects where the municipality is the developer in this arrangement.
This arrangement is accounted for in line with the policy for National Housing Programmes.

The Housing Development Construction contract expenses consists mainly of contracted services wherein the municipality procures the services of building contractors and other consultants in the construction of houses on its behalf.

The Housing Development Construction contract revenue is recognised when costs are incurred.

The amounts received in advance from Department of Human Settlements for work done is recognised as an unspent grant liability and disclosed on Note 17.

45 FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities.
The municipality’s Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the municipality. These risks include market risk (including, fair value and interest rate risk), credit risk and liquidity risk.
The use of financial derivatives is governed by the municipality’s policies approved by the Council, which provide written principles on interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The municipality does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

45.1 *Liquidity risk*

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.
The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the undiscounted cash flows.

2022	1 Year or less	Greater than 1 year	Total
Gross finance lease obligations	52 985	-	52 985
Long Term Borrowings	12 593 362	176 095 771	188 689 134
Trade and other payables	310 255 758	-	310 255 758
Consumer deposits	39 877 832	-	39 877 832
Foreign Currency	-	-	-
Government Grants	65 497 296	-	65 497 296
	428 277 234	**176 095 771**	**604 373 005**

2021	1 Year or less	Greater than 1 year	Total
Gross finance lease obligations	870 986	53 776	924 762
Long Term Borrowings	11 637 428	188 689 134	200 326 562
Trade and other payables	281 944 283	-	281 944 283
Consumer deposits	36 991 209	-	36 991 209
Foreign Currency	-	-	-
Government Grants	89 960 576	-	89 960 576
	421 404 481	**188 742 910**	**610 147 391**

45.2 *Maximum credit risk exposure*

Credit rate risk consist mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party

Except as detailed below, the carrying amount of financial assets recorded in the Annual Financial Statements, which is net of impairment losses, represents the municipality’s maximum exposure to credit risk without taking account of the value of any collateral obtained:

The maximum credit exposure in respect of the relevant financial instruments is as follows (domestic exposure only)

	2022	2021
Short term Investments	78 426 597	150 572 381
Cash and Cash Equivalents	872 437 220	835 239 337
Interest rate swaps	-	-
Financial guarantees	-	-
Trade and other receivables	244 563 912	212 576 661

45.3 Market Risk:

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in the market interest rates.

At year end, financial instruments exposed to interest rate risk were as follows:

	2022	2021
Bank balances and cash	872 437 220	835 239 337
Short term Investments	78 426 597	150 572 381
Maximum Interest exposure	**950 863 818**	**985 811 718**

Price risk

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

KWADUKUZA MUNICIPALITY
UNAUDITED APPENDIX A: SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDED 30 JUNE 2022

DESCRIPTION	Loan Number	Interest Rate	Date Repayable	Balance at 30/06/2021	Received during the year	Redeemed during the year	Balance at 30/06/2022
		%		R	R	R	R
Loans							
DBSA R43M LOAN	101267/1	8.05%	31/03/2026	10 415 226.39	-	2 083 045	8 332 181
DBSA R28.9M (ELECT)	61006918/19	9.73%	30/09/2030	120 720 382.59	-	6 073 406	114 646 976
DBSA: R5.888 LOAN	61006918/19	9.73%	31/12/2032	69 190 952.53	-	3 480 976	65 709 976
TOTAL EXTERNAL LOANS				**200 326 562**	**-**	**11 637 428**	**188 689 134**

KWADUKUZA MUNICIPALITY
UNAUDITED APPENDIX B : GRANTS AND SUBSIDIES RECEIVED - 2021/2022

Name of Grants	Name of organ of state or municipal entity	Unspent portion 2020/2021 financial statements	Returned to National Treasury	**Quarterly Receipts** July to Sept 1	Oct to Dec 2	Jan to Mar 3	April to June 4	**Total Receipts**	**Quarterly Expenditure** July to Sept 1	Oct to Dec 2	Jan to Mar 3	April to June 4	**Total Expenditure**	Unspent portion 2021/2022 financial statements	Grants and Subsidies delayed / withheld	Reason for delay withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
Equitable Share	National Treasury	-	-	82 558 000	66 046 243	49 534 000	-	**198 138 243**	82 558 000	66 046 243	49 534 000	-	**198 138 243**	-	NO	N/A	YES	N/A
Municipal Infrastructure Grant (MIG)	COGTA	4 940 243	-4 940 243	40 000 000	8 000 000	6 549 000	7 000 000	**61 549 000**	15 238 737	18 702 357	7 162 484	20 445 422	**61 549 000**	-	NO	N/A	YES	N/A
INEP Grant	Integrated National Electrification Grant	-	-	-	1 080 000		2 000 000	**3 080 000**	-	3 080 000	-	-	**3 080 000**	-	NO	N/A	YES	N/A
Finance Management Grant	National Treasury	-	-	1 750 000	-	-	-	**1 750 000**	373 049	177 086	271 406	928 460	**1 750 000**	-	NO	N/A	YES	N/A
EPWP	National Treasury	-	-	433 000	779 000	520 000	-	**1 732 000**	743 512	633 486	354 997	-	**1 732 000**	-	NO	N/A	YES	N/A
Museum	Office Of the Premier	6 419 725	-	-	2 000 000	225 000	-	**2 225 000**	2 593 901	5 246 220	804 604	-	**8 644 725**	-	NO	N/A	YES	N/A
New Library	Department of Arts & Culture	16 678	-	-	726 000	-	-	**726 000**	239 205	254 582	232 420	16 471	**742 678**	-	NO	N/A	YES	N/A
Housing Accreditation	Department Of Human Settlements	10 161 421	-	-	193 354	321 947	1 515 996	**2 031 297**	849 546.75	1 382 778	1 303 952	2 106 088	**5 642 364**	6 550 353	NO		YES	N/A
Library Subsidy	Department of Arts & Culture	-	-	-	5 610 000	-	**-**	**5 610 000**	133 688	3 424 729	2 051 583	-	**5 610 000**	-	NO	N/A	YES	N/A
Neighbourhood Development Partnership Grant- (NDPG)-EASE OF BUSINESS	National Treasury	3 567 500	-3 567 500	-	-	-	**-**	**-**	-	-	-	-	**-**	-	NO	N/A	YES	N/A
Neighbourhood Development Partnership Grant (NDPG)-SCADA	National Treasury	4 724 568	-4 724 568	-	-	-	**-**	**-**	-	-	-	-	**-**	-	NO	N/A	YES	N/A
Title Deeds Restoration Grant	Department Of Human Settlements	2 721 000	-	-	-	-	-	**-**	32 775.00	-	-	-	**32 775**	2 688 225	NO	N/A	YES	N/A
EDTEA	Dept Of Enviromental Affairs	-	-	-	-	-	1 700 000	**1 700 000**	-	-	-	-	**-**	1 700 000	NO	N/A	YES	N/A
EEDMS	EEDMS	-		1 000 000	1 000 000	2 000 000		**4 000 000**	3 088 794.33	903 434	7 770	-	**4 000 000**	-	NO	N/A	YES	N/A
Dept: Trade & Industry (DTI)	Department of Transport	-	-	-	-	6 986 917	-	**6 986 917**	-	-	6 986 917	-	**6 986 917**	-	NO	N/A	YES	N/A
		32 551 134	**(13 232 311)**	**125 741 000**	**85 434 596**	**66 136 863**	**12 215 996**	**289 528 456**	**105 851 208**	**99 850 915**	**68 710 133**	**23 496 441**	**297 908 702**	**10 938 578**				