

EMTHANJENI

LOCAL MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS

30 JUNE 2023

[These financial statements have not been audited]

EMTHANJENI LOCAL MUNICIPALITY

Index

Contents	Page
Approval of the Financial Statements	1
General Information	2
Statement of Financial Position	3
Statement of Financial Performance	4
Statement of Changes In Net Assets	5
Cash Flow Statement	6
Statement of Comparison of Budget and Actual Amounts - Statement of Financial Position	7
Statement of Comparison of Budget and Actual Amounts - Statement of Financial Performance	8
Statement of Comparison of Budget and Actual Amounts - Cash Flow Statement	9
Accounting Policies	10 - 52
Notes to the Financial Statements	53 - 96
APPENDICES	
A Schedule of External Loans	97
B Segmental Statement of Financial Performance - GFS Classifications	98
C Segmental Statement of Financial Performance - Municipal Votes	99
D Segmental Analysis of Property, Plant and Equipment - GFS Classifications	100
E Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	101
F Appropriation Statements	102-107
G Statement of Remuneration of Management	108-109

EMTHANJENI LOCAL MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2023, which are set out on pages 1 to 109 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognized Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2024 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

DH Molaole
Municipal Manager

Date

EMTHANJENI LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

GENERAL INFORMATION

NATURE OF BUSINESS

Emthanjeni Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act (Act no 117 of 1998).

JURISDICTION

The Emthanjeni Municipality includes the following areas:

De Aar
Britstown
Hanover

EMTHANJENI LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

GENERAL INFORMATION

EXECUTIVE MAYOR

GL Nkumbi

SPEAKER

MC Kivedo

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Councillor

Executive Councillor

CHIEF WHIP

LE Andrews

R.Smith

LE Andrews

MUNICIPAL MANAGER

DH Molaole

CHIEF FINANCIAL OFFICER

Segomoco Jordan (Acting)

REGISTERED OFFICE

45 Dr. Pixley-ka-Seme Drive

De Aar

7000

ATTORNEYS

Calteaux & Partners

Van Zyl Attorneys

POSTAL ADDRESS:

P.O.Box 42

De Aar

7000

AUDITORS

Office of the Auditor General

PRINCIPLE BANKERS

ABSA Bank Limited

RELEVANT LEGISLATION

Collective Agreements

Division of Revenue Act

Electricity Act (Act no 41 of 1987)

Employment Equity Act (Act no 55 of 1998)

Housing Act (Act no 107 of 1997)

Infrastructure Grants

Municipal Budget and Reporting Regulations

Municipal Property Rates Act (Act no 6 of 2004)

Municipal Systems Amendment Act (Act no 7 of 2011)

Municipal Regulations on Standard Chart of Accounts

Municipal Finance Management Act (Act no 56 of 2003)

Basic Conditions of Employment Act (Act no 75 of 1997)

Municipal Planning and Performance Management Regulations

Remuneration of Public Office Bearers Act (Act no 20 of 1998)

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

SALBC Leave Regulations

Skills Development Levies Act (Act no 9 of 1999)

Supply Chain Management Regulations, 2005

The Income Tax Act

Unemployment Insurance Act (Act no 30 of 1966)

Value Added Tax Act

Water Services Act (Act no 108 of 1997)

MEMBERS OF THE EMTHANJENI LOCAL MUNICIPALITY

WARD

1

2

3

4

5

6

COUNCILLOR

FCS Swanepoel

MN Mackay

SW Makhandula

JT Brandt

GK Engelbrencht

LE Andrews

EMTHANJENI LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

GENERAL INFORMATION

7
8
Proportional
Proportional
Proportional
Proportional
Proportional
Proportional
Proportional

JM Fortuin
PP Mhali
PN Bushula
R Smith
B Swanepoel
RH Adams- Beukes
MST Booyesen
MC Kivedo
GL Nkumbi

EMTHANJENI LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Notes	2023 R	2022 Restated R
ASSETS			
Non-Current Assets		808 322 513	836 874 494
Property, Plant and Equipment	2	792 668 395	821 102 704
Investment Property	3	8 767 885	8 767 885
Intangible Assets	4	20 582	12 754
Heritage Assets	5	6 833 773	6 959 273
Investments	6	31 878	31 878
Current Assets		115 700 913	154 381 846
Inventory	8	25 516 538	25 480 862
Receivables from Exchange Transactions	9	19 579 364	58 335 813
Receivables from Non-exchange Transactions	10	24 608 223	26 000 126
Taxes	19	27 177 722	20 110 027
Cash and Cash Equivalents	11	18 819 066	24 455 018
Total Assets		924 023 426	991 256 340
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		108 228 251	92 935 622
Long-term Borrowings	12	1 832 723	604 251
Non-current Provisions	13	83 786 528	68 643 371
Non-current Employee Benefits	14	22 609 001	23 688 001
Current Liabilities		234 981 029	199 610 296
Consumer Deposits	15	2 928 192	2 818 757
Current Employee Benefits	16	14 337 794	13 985 340
Trade and Other Payables from Exchange Transactions	17.1	206 772 412	139 570 013
Trade and Other Payables from Non-Exchange Transactions	17.2	3 038 618	11 577 786
Unspent Transfers and Subsidies	18	7 721 421	15 013 816
Cash and Cash Equivalents	11		16 558 310
Current Portion of Long-term Borrowings	12	182 591	86 275
Total Liabilities		343 209 280	292 545 919
Net Assets		580 814 146	698 710 422
Capital Replacement Reserve	20	2 252 793	2 252 793
Accumulated Surplus		578 561 353	696 457 629
Total Net Assets and Liabilities		924 023 426	991 256 340

EMTHANJENI LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 R	2022 Restated R
REVENUE			
Revenue from Non-exchange Transactions		142 794 699	108 031 101
Taxation Revenue		44 921 419	39 620 403
Property Rates	21	44 921 419	39 620 403
Transfer Revenue		80 829 900	64 710 082
Government Grants and Subsidies - Capital	22	19 554 490	10 376 130
Government Grants and Subsidies - Operating	22	60 800 905	53 237 084
Provincial Service-in kind		474 505	
Contributed Property, Plant and Equipment	23	-	1 096 868
Other Revenue		17 043 381	3 700 617
Fines and Penalties	30	691 646	1 447 222
Unclaimed Deposits		8 539 167	-
Interest Earned - Non-exchange Transactions	29	7 812 568	2 253 395
Revenue from Exchange Transactions		180 526 297	155 489 213
Service Charges	25	166 854 719	145 929 228
Operational Revenue	26	2 038 156	2 090 230
Rental of Facilities and Equipment	27	1 557 874	2 393 440
Interest Earned - External Investments	28	2 706 597	1 296 990
Interest Earned - Exchange Transactions	29	6 968 818	2 861 061
Licences and Permits	24	400 134	918 264
Total Revenue		323 320 997	263 520 314
EXPENDITURE			
Employee related costs	31	97 570 493	93 670 636
Remuneration of Councillors	32	5 855 587	5 714 447
Contracted Services	33	14 354 255	13 809 560
Depreciation and Amortisation	34	55 408 473	52 668 507
Fines Written off		7 508 954	-
Finance Costs	35	22 617 777	13 963 680
Bulk Purchases	36	87 554 248	80 708 080
Inventory Consumed	8	4 553 701	2 094 194
Operating Leases		111 312	-
Operational Costs	37	22 218 460	17 719 477
Total Expenditure		317 753 261	280 348 581
Operating Surplus/(Deficit) for the Year		5 567 736	(16 828 267)
Actuarial gain/(loss)	14	2 936 759	3 227 000
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	8	12 879	(2 056 721)

Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	(126 288 149)	(26 548 513)
Gains/(Loss) on Sale of Fixed Assets	39	(125 500)	(7 057 360)
Fair value adjustment		-	1 075 924
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	40	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>(117 896 276)</u>	<u>(48 187 937)</u>

EMTHANJENI LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R
Balance at 1 JULY 2021	2 252 793	744 529 708	746 782 501
Correction of Error prior years (note 43.1)	-	-	-
Restated balance 30 JUNE 2021	2 252 793	744 529 708	746 782 501
Net Surplus/(Deficit) for the year		(48 165 021)	(48 165 021)
Balance at 30 JUNE 2022	2 252 793	696 364 686	698 617 479
Correction of Error *see note 42.1)	-	92 942	92 942
Restated balance 30 JUNE 2022	2 252 793	696 457 629	698 710 422
Net Surplus/(Deficit) for the year	-	(117 896 276)	(117 896 276)
Balance at 30 JUNE 2023	2 252 793	578 561 353	580 814 146

EMTHANJENI LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 R	2022 Restated R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Cash receipts from customers		149 235 152	143 087 037
Grants		73 063 000	59 052 000
Interest received investments		2 706 597	1 296 990
Interest earned - outstanding debtors		14 781 386	5 114 457
Taxes		(7 067 695)	(7 439 950)
Cash payments			
Employee costs		(95 437 586)	(100 047 162)
Suppliers		(95 902 784)	(89 404 819)
Finance costs		(12 550 705)	(4 679 418)
Net Cash from Operating Activities	43	28 827 365	6 979 134
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(19 215 025)	(9 979 895)
Purchase of Intangible Assets		(11 415)	0
Purchase of Investment Properties			(793)
Net Cash from Investing Activities		(19 226 440)	(9 980 688)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowing		1 508 370	-
Repayment of borrowings		(186 937)	690 526
Net Cash from Financing Activities		1 321 433	690 526
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10 922 357	(2 311 028)
Cash and Cash Equivalents at the beginning of the year		7 896 708	10 207 736
Cash and Cash Equivalents at the end of the year		18 819 066	7 896 708
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10 922 357	(2 311 028)

EMTHANJENI LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Original Budget	Budget Adjustments	Final Adjustment Budget	Shifting of Funds	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget	Explanations for material variances of R1m or 10%
	R	(i.t.o. s28 and s31 of the MFMA) R	R	(i.t.o. s31 of the MFMA) R	R	R	2023 R	%	
ASSETS									
Current Assets									
Cash (N1)	15 129 000	(1 731 000)	13 398 000			13 398 000	11 702 295	-12.66%	
Call Investment Deposits (N1)		-				-	23 675 081	0.00%	
Consumer Debtors (N2)	83 851 000	-	83 851 000			83 851 000	19 579 364	-76.65%	
Other Debtors (N3)	6	-	6			6	51 785 945	#####	
Current Portion of long-term receivables (N4)	2	-	2			2	-	-100.00%	
Inventory	56 243 000	-	56 243 000			56 243 000	25 516 538	-54.63%	
Total Current Assets	155 223 008	(1 731 000)	153 492 008	-	-	153 492 008	132 259 223	-13.83%	
Non-Current Assets									
Investments	30 000	-	30 000			30 000	31 878	6.26%	
Investment Property	5 846 000	-	5 846 000			5 846 000	8 767 885	49.98%	
Property, Plant and Equipment	893 449 000	81 225 000	974 674 000			974 674 000	792 668 395	-18.67%	
Intangible Assets	23 000	-	23 000			23 000	20 582	-10.51%	
Other Non-Current Assets (N5)		-				-	6 833 773	100.00%	
Total Non-Current Assets	899 348 000	81 225 000	980 573 000	-	-	980 573 000	808 322 513	-17.57%	
TOTAL ASSETS	1 054 571 008	79 494 000	1 134 065 008	-	-	1 134 065 008	940 581 736	-17.06%	
LIABILITIES									
Current Liabilities									
Bank Overdraft	8 508 000	-	8 508 000			8 508 000	-	0.00%	
Borrowing (N6)	1 600 000	-	1 600 000			1 600 000	182 591	100.00%	
Consumer Deposits	2 825 000	-	2 825 000			2 825 000	2 928 192	3.65%	
Trade and Other Payables (N7)	35 271 000	-	35 271 000			35 271 000	217 532 452	516.75%	
Provisions (N8)	2 210 000	-	2 210 000			2 210 000	14 337 794	548.77%	
Total Current Liabilities	50 414 000	-	50 414 000	-	-	50 414 000	234 981 029	366.10%	
Non-Current Liabilities									
Borrowing (N6)	111 400 000	-	111 400 000			111 400 000	1 832 723	-98.35%	
Provisions (N9)	101 737 000	-	101 737 000			101 737 000	106 395 529	4.58%	
Total Non-Current Liabilities	213 137 000	-	213 137 000	-	-	213 137 000	108 228 251	-49.22%	
TOTAL LIABILITIES	263 551 000	-	263 551 000	-	-	263 551 000	343 209 280	30.22%	
NET ASSETS									
Accumulated Surplus/(Deficit)	791 030 000	79 484 008	870 514 008			870 514 008	578 561 353	-33.54%	Net effect of reasons above
Reserves (N10)		-				-	2 252 793	100.00%	Net effect of reasons above
TOTAL NET ASSETS	791 030 000	79 484 008	870 514 008	-	-	870 514 008	580 814 146	-33.28%	
N1	The actual figure is the balance of cash and cash equivalents as per the Statement of Financial Position								
N2	The actual figure is the balance of Receivables from Exchange Transaction as per the Statement of Financial Position								
N3	The actual figure is the balance of current portion of non-current receivables as per the Statement of Financial Position								
N4	The actual figure is the balance of Receivables from Exchange Transaction as per the Statement of Financial Position								
N5	The actual figure is the balance of Heritage assets as per the Statement of Financial Position								
N6	The actual figure is the balance of current portion of long-term borrowings and long-term borrowings as per the Statement of Financial Position								
N7	The actual figure is the balance of Trade Payables from Exchange Transactions, Non-Exchange Transactions and Unspent Transfer and Subsidies as per the Statement of Financial Position								
N8	The actual figure is the balance of current employee benefits as per the Statement of Financial Position								
N9	The actual figure is the balance of Non-current Provisions and Non-current Employee Benefits as per the Statement of Financial Position								
N10	The actual figure is the balance of Capital Replacement Reserve as per the Statement of Financial Position								

EMTHANJENI LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget	Explanations for material variances of R1m or 10%
	R	R	R	R	R	R	2023 R	%	
REVENUE									
Property Rates	43 263 000	-	43 263 000			43 263 000	44 921 419	3.83%	
Property Rates - Penalties & Collection Charges		-				-	-	0.00%	
Service Charges - Electricity Revenue	122 785 000	2 835 000	125 620 000			125 620 000	91 488 685	-27.17%	
Service Charges - Water Revenue	39 748 000	-	39 748 000			39 748 000	51 383 240	29.27%	
Service Charges - Sanitation Revenue	24 461 000	-	24 461 000			24 461 000	15 976 509	-34.60%	
Service Charges - Refuse Revenue	14 311 000	-	14 311 000			14 311 000	8 006 285	-44.06%	
Rental of Facilities and Equipment	856 000	(231 000)	625 000			625 000	1 557 874	149.26%	
Interest Earned - External Investments	1 118 000	-	1 118 000			1 118 000	2 706 597	142.09%	
Interest Earned - Outstanding Debtors	2 164 000	-	2 164 000			2 164 000	14 781 386	583.06%	
Fines, penalties and forfeits	1 369 000	(387 000)	982 000			982 000	691 646	-29.57%	
Licenses and Permits	2 062 000	4 000	2 066 000			2 066 000	400 134	-80.63%	
Agency Services		-							
Transfers and subsidies	59 591 000	-	59 591 000			59 591 000	60 800 905	2.03%	
Other Revenue	3 869 000	(1 942 000)	1 927 000			1 927 000	2 512 661	30.39%	
Gains	800 000	(150 000)	650 000			650 000	2 811 259	332.50%	
Total Revenue (excluding capital transfers and contributions)	316 398 000	129 000	316 526 000	-	-	316 526 000	298 038 598	-5.84%	
EXPENDITURE									
Employee Related Costs	96 144 000	3 375 000	99 519 000			99 519 000	97 570 493	-1.96%	
Remuneration of Councillors	5 477 000	(79 000)	5 398 000			5 398 000	5 855 587	8.48%	
Debt Impairment	12 517 000	-	12 517 000			12 517 000	133 797 103	968.92%	
Depreciation and Asset Impairment	10 306 000	-	10 306 000			10 306 000	55 408 473	437.63%	
Finance Charges	5 510 000	-	5 510 000			5 510 000	22 617 777	310.49%	
Bulk purchases - electricity	86 301 000	-	86 301 000			86 301 000	87 554 248	1.45%	
Inventory consumed	8 620 000	3 263 000	11 883 000			11 883 000	4 553 701	-61.68%	
Contracted Services	23 257 000	2 289 000	25 546 000			25 546 000	14 354 255	-43.81%	
Transfers and Subsidies		25 855 000	25 855 000			25 855 000	-	-100.00%	
Other Expenditure	68 266 000	(38 842 000)	29 424 000			29 424 000	22 316 894	-24.15%	
Total Expenditure	316 398 000	(4 139 000)	312 258 000	-	-	312 258 000	444 028 532	42.20%	
Surplus/(Deficit)	-	4 268 000	4 268 000	-	-	4 268 000	(145 989 933)	-3520.57%	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) (N10)	41 159 000	(18 159 000)	23 000 000			23 000 000	19 554 490	-14.98%	
Transfers and subsidies - capital (in-kind - all)		-					-	100.00%	
Surplus/(Deficit) for the year	41 159 000	(13 891 000)	27 268 000	-	-	27 268 000	(126 435 443)	-563.68%	

N1 The actual figure is the balance of Interest Earned from Exchange and Non-Exchange Transactions as per the Statement of Financial Performance

N2 The actual figure is the balance of Fines and Penalties as per the Statement of Financial Performance

N3 The actual figure is the balance of Government Grants and Subsidies - Operating as per the Statement of Financial Performance

N4 The actual figure is the balance of Operational Revenue as per the Statement of Financial Performance

N5 The actual figure is the balance of Actuarial gain/(loss), Gains/(Loss) on Sale of Fixed Assets and Fair value adjustment as per the Statement of Financial Performance

N6 The actual figure is the balance of Depreciation and Amortisation and Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets as per the Statement of Financial Performance

N7 The actual figure is the balance of Finance Costs as per the Statement of Financial Performance

N8 The actual figure is the balance of Bulk Purchases as per the Statement of Financial Performance

N9 The actual figure is the balance of Operational cost, Operating lease and Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value as per Statement of Financial Performance

N10 The actual figure is the balance of Government Grants and Subsidies - Capital as per the Statement of Financial Performance

EMTHANJENI LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2023	Actual Outcome as % of Final Budget	Explanations for material variances of R1m or 10%
	R	R	R	R	R	R	R	%	
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Cash receipts from customers	202 475 000		202 445 000			202 445 000	130 378 074		
Transfers and Subsidies - Operational (N2)	59 591 000	-	59 591 000			59 591 000	60 800 905	-26.38%	
Transfers and Subsidies - Capital (N2)	41 159 000	(18 159 000)	23 000 000			23 000 000	12 262 095	-54.86%	
Interest (N3)	3 282 000	884 000	4 166 000			4 166 000	17 487 983	319.78%	
Taxes						-	(7 067 695)	0.00%	
Payments									
Suppliers and Employees (N4)	(253 024 000)	(14 133 000)	(267 157 000)			(267 157 000)	(175 936 910)	-34.14%	
Finance charges (N5)	(5 510 000)	-	(5 510 000)			(5 510 000)	(12 550 705)	127.78%	
Net Cash from/(used) Operating Activities	47 973 000	(31 408 000)	16 535 000	-	-	16 535 000	25 373 746	53.45%	
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE (N6)	800 000	(150 000)	650 000			650 000		-100.00%	
Decrease/(Increase) in Non-Current Debtors		-				-		0.00%	
Decrease/(Increase) in Other Non-Current Receivables		-				-		0.00%	
Decrease/(Increase) in Non-Current Investments		-				-		0.00%	
Payments									
Capital Assets (N7)	(41 159 000)	17 256 000	(23 903 000)			(23 903 000)	(19 226 440)	-19.56%	
Net Cash from/(used) Investing Activities	(40 359 000)	17 106 000	(23 253 000)	-	-	(23 253 000)	(19 226 440)	-17.32%	
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing		-				-	1 508 370	#DIV/0!	
Increase/(Decrease) in Consumer Deposits	83 000		83 000			83 000	-	-100.00%	
Payments									
Repayment of Borrowing	(1 600 000)	-	(1 600 000)			(1 600 000)	(186 937)	-88.32%	
Net Cash from/(used) Financing Activities	(1 517 000)	-	(1 517 000)	-	-	(1 517 000)	1 321 433		
NET INCREASE/(DECREASE) IN CASH HELD	6 097 000	(14 302 000)	(8 235 000)	-	-	(8 235 000)	7 468 739	-190.70%	Net of reasons listed above
Cash and Cash Equivalents at the year begin:	524 000	4 700 000	5 224 000			5 224 000	7 896 708	51.16%	
Cash and Cash Equivalents at the year end:	6 621 000	(9 602 000)	(3 011 000)	-	-	(3 011 000)	15 365 447	-610.31%	

N1.1
N1.2
N1.3
N2
N3
N4
N5
N6
N7

The actual figure is movement in property rates debtor (adjusted non-cash) and property rates revenue
The actual figure is movement in service receivables (adjusted non-cash), consumer deposits and service charges
The actual figure is movement in other receivables (adjusted non-cash), fines, rental income, licences and permits and operational revenue
The actual figure is movement in unspent transfer and subsidies and government grant & subsidies
The actual figure is Interest earned - outstanding debtors and Interest received investments as per the Cash flow Statement
The actual figure is Employee cost and Suppliers as per the Cash flow Statement
The actual figure is Finance cost as per the Cash flow Statement
The actual figure is Proceeds on Disposal of Fixed Assets as per the Cash flow Statement
The actual figure is Purchase of Property, Plant and Equipment as per the Cash flow Statement

INSERT ACCOUNTING POLICY

See word document

P. 10-52

2.1 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2023

	Cost/Revaluation					Accumulated Impairment			Accumulated Depreciation				Carrying Value					
	Opening Balance	Correction of Error	Additions	Change in Estimate	Transfers	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance		Correction of Error	Depreciation	Transfers	Disposals	Closing Balance
Infrastructure																		
Electrical	218 073 255	-	19 500	-	-	-	218 092 755	61 711	-	-	61 711	151 272 188	-	5 677 039	-	-	156 949 227	61 081 816
Roads	830 780 004	-	-	-	-	-	830 780 004	1 813 144	-	-	1 813 144	618 248 657	-	18 499 070	-	-	636 747 727	182 223 123
Sanitation	142 019 102	-	7 831 899	-	3 147 855	-	152 998 856	-	-	-	43 248 228	-	-	2 369 050	-	-	45 617 278	107 381 578
Solid Waste	44 035 496	-	7 755 551	-	-	-	51 791 048	3 038	-	-	3 038	19 962 238	-	6 023 086	-	-	25 985 323	25 802 086
Storm Water	605 119 095	-	-	-	-	-	605 119 095	4 128 954	-	-	4 128 954	324 978 986	-	9 806 416	-	-	334 885 401	115 128 340
Water Supply	310 369 265	-	789 310	-	-	-	311 158 575	-	-	-	131 628 203	-	-	5 463 113	-	-	137 091 316	174 067 260
WIP	15 311 807	-	4 555 161	-	(3 147 855)	-	16 719 113	-	-	-	-	-	-	-	-	-	16 719 113	16 719 113
	2 915 797 215		20 551 421		0		2 936 359 136	6 006 247			6 006 247	1 289 333 500		47 916 773			1 337 249 273	693 003 616
Community Assets																		
Cemeteries/Crematoria	3 073 942	-	-	-	-	-	3 073 942	70 937	-	-	70 937	2 284 889	-	109 819	-	-	2 394 708	608 297
Clinics/Care Centres	3 838 819	-	-	-	-	-	3 838 819	-	-	-	2 520 197	-	-	86 178	-	-	2 606 365	1 232 454
Fire/Ambulance Stations	2 783 311	-	-	-	-	-	2 783 311	-	-	-	1 815 276	-	-	58 872	-	-	1 874 148	909 162
Halls	47 813 200	-	-	-	-	-	47 813 200	-	-	-	28 292 165	-	-	1 054 825	-	-	29 347 010	18 466 190
Libraries	7 538 651	-	-	-	-	-	7 538 651	595 194	-	-	4 101 468	-	-	145 272	-	-	4 246 731	2 597 736
Sport and Recreation Facilities - Outdoor Facilities	70 974 617	-	-	-	-	-	70 974 617	1 239 129	-	-	1 239 129	37 655 842	-	2 821 860	-	-	40 477 702	29 257 786
Taxi Ranks/Bus Terminals	2 480 199	-	-	-	-	-	2 480 199	622 111	-	-	902 248	-	-	63 517	-	-	965 765	882 323
WIP - Community	6 096 246	-	-	-	-	-	6 096 246	-	-	-	-	-	-	-	-	-	6 096 246	6 096 246
	138 503 239		6 096 246		0		144 599 485	2 527 371			2 527 371	77 572 077		4 346 142			81 912 219	65 160 395
Land and Buildings																		
Land	65 573 235	-	-	-	-	-	65 573 235	1 581 492	-	-	1 581 492	30 549 689	-	1 208 268	-	-	31 787 957	32 233 786
Buildings	18 367 872	-	-	-	-	-	18 367 872	-	-	-	1 581 492	-	-	1 208 268	-	-	18 367 872	13 865 914
	47 205 363						47 205 363	1 581 492			30 549 689			1 208 268			31 787 957	32 233 786
Other Assets																		
Computer Equipment	2 535 066	-	15 114	-	-	-	2 550 180	15	-	-	15	2 100 016	-	136 131	-	-	2 236 147	314 018
Furniture And Office Equipment	8 948 433	-	136 110	-	-	-	9 084 543	1 836	-	-	1 836	7 473 640	-	387 750	-	-	7 861 391	1 215 317
Machinery And Equipment	6 038 016	-	171 680	-	-	-	6 210 700	1 578	-	-	1 578	5 262 372	-	296 940	-	-	5 559 312	609 911
Transport Assets	10 728 569	-	-	-	-	-	10 728 569	-	-	-	4 024 839	-	-	1 159 422	-	-	5 684 281	5 044 588
	28 249 064		322 909		0		28 571 973	3 429			19 460 867			1 890 153			21 581 011	7 167 834
Leases																		
Transport Assets (Lease)	148 678	-	-	-	-	-	148 678	-	-	-	16 305	-	-	49 559	-	-	65 314	82 764
Office Equipment (Lease)	148 678	-	-	-	-	-	148 678	-	-	-	16 305	-	-	49 559	-	-	65 314	82 764
	293 356						293 356				32 610			99 118			130 628	165 528
Total	2 248 182 730		26 970 577		0		2 275 153 307	10 118 938			10 118 938	1 416 961 488		59 404 886			1 472 366 374	792 668 395

2.2 PROPERTY, PLANT AND EQUIPMENT
30 JUNE 2022

	Cost/Revaluation					Accumulated Impairment					Accumulated Depreciation					Carrying Value	
	Opening Balance	Correction of Error	Additions	Change in Estimate*	Transfers	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers		Disposals
Infrastructure																	
Electrical	212 109 853	-	2 787 152	-	3 176 250	-	218 073 255	61 711	-	-	61 711	146 020 171	-	5 252 017	-	-	151 272 488
Roads	830 780 004	-	-	-	-	-	830 780 004	1 813 144	-	-	1 813 144	599 745 582	-	18 499 075	-	-	618 244 657
Sanitation	142 019 102	-	-	-	-	-	142 019 102	-	-	-	40 863 396	-	2 364 633	-	-	-	43 248 228
Solid Waste	49 399 426	-	-	(5 363 929)	-	-	44 035 496	3 038	-	-	17 153 049	-	2 808 189	-	-	-	19 962 238
Storm Water	455 119 095	-	-	-	-	-	455 119 095	4 128 354	-	-	315 085 271	-	9 891 714	-	-	-	324 976 985
Water Supply	309 566 456	-	249 240	-	-	-	310 366 295	-	-	-	126 179 220	-	5 448 963	-	-	-	131 628 203
WIP	32 321 218	-	-	-	-	-	16 311 492	-	-	-	-	-	-	-	-	-	16 311 492
	2 011 315 654	-	9 755 990	(5 363 929)	0	2 015 707 715	6 006 247	-	-	6 006 247	1 245 076 868	-	44 255 811	-	-	1 289 332 500	
Community Assets																	
Cemeteries/Crematoria	3 131 301	-	-	-	-	57 359	3 073 942	70 937	-	-	70 937	2 214 842	-	112 455	-	42 408	2 284 889
Clinic/Care Centres	3 858 703	-	-	-	19 884	3 838 819	-	-	-	-	2 452 002	-	86 603	-	18 418	-	2 520 197
Fire/Ambulance Stations	2 793 311	-	-	-	-	2 783 311	-	-	-	-	1 756 604	-	58 972	-	-	-	1 815 276
Halls	48 194 957	-	-	-	381 667	47 813 290	-	-	-	-	27 478 761	-	1 063 313	-	249 889	-	19 321 015
Libraries	7 544 373	-	-	-	4 622	7 539 751	595 194	-	-	-	595 194	-	3 869 190	-	145 305	-	4 101 441
Sport and Recreation Facilities - Outdoor Facilities	90 196 636	1	-	-	19 222 220	70 974 617	1 239 911	-	382	1 239 129	48 724 269	-	3 432 500	-	14 500 927	-	37 655 842
Taxi Rank/Bus Terminals	2 480 199	-	-	-	-	2 480 199	622 111	-	-	-	638 731	-	638 731	-	-	-	902 248
WIP - Community	-	-	1	-	-	19 685 753	138 503 739	2 527 753	-	382	2 527 371	-	87 424 399	-	4 962 455	-	14 814 778
	158 189 491	-	1	-	-	19 685 753	138 503 739	2 527 753	-	382	2 527 371	-	4 962 455	-	14 814 778	-	77 672 077
	76 853 474	-	10 696	-	-	11 290 935	65 573 235	1 738 615	-	157 123	1 581 492	-	1 481 960	-	8 764 706	-	30 549 689
Other Assets																	
Land	18 367 863	-	9	-	-	18 367 872	1 738 615	-	-	-	1 738 615	-	-	-	-	-	18 367 872
Buildings	18 455 611	-	10 697	-	-	11 290 935	47 295 303	1 738 615	-	157 123	1 581 492	-	1 481 960	-	8 764 706	-	30 549 689
Computer Equipment	2 957 435	3 318	-	-	-	125 678	2 535 065	15	-	15	2 012 841	737	212 055	-	125 618	-	2 190 016
Furniture And Office Equipment	8 933 811	73 469	-	-	65 475	8 946 433	1 842	-	6	1 836	6 837 183	13 496	748 870	-	125 509	-	7 473 640
Machinery And Equipment	6 003 117	39 071	-	-	31 977	6 039 016	1 978	-	-	1 578	4 958 754	8 682	460 084	-	35 149	-	5 392 372
Transport Assets	9 931 562	-	1 088 863	-	-	10 728 585	-	-	-	-	4 620 353	-	495 445	-	-	-	5 235 010
	27 226 335	115 858	1 194 319	-	-	287 148	28 249 364	3 435	-	6	3 429	17 838 171	22 915	1 916 456	-	286 675	19 499 867
Leases																	
Transport Assets (Lease)	-	-	148 678	-	-	-	148 678	-	-	-	-	-	-	-	-	-	148 678
Office Equipment (Lease)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	148 678	-	-	-	148 678	-	-	-	-	-	-	-	-	-	148 678
	2 273 384 563	115 858	11 109 685	(5 363 929)	0	31 263 836	2 248 182 730	10 276 049	-	157 511	10 118 538	1 388 171 894	22 915	52 632 838	-	23 866 159	1 416 561 488

*Change in estimate of landfill site

2.3 Property, Plant and Equipment which is in the process of being constructed or developed:	2023	2022
	R	R
Infrastructure Assets	16 318 806	15 311 497
Roads	2 277 046	3 606 596
Electricity	4 462 551	2 195 460
Water Supply	8 064 256	6 361 585
Storm Water	1 514 954	-
Sanitation	-	3 147 855
Community Assets	6 096 246	-
Total Property, Plant and Equipment under construction	22 415 053	15 311 497

2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:	2023	2022
	R	R
Infrastructure Assets	-	-
Roads	-	-
Storm Water	-	-
Electricity	-	-
Water Supply	-	-
Sanitation	-	-
Solid Waste	-	-
Rail	-	-
Coastal	-	-
Information and Communication	-	-
Community Assets	-	-
Other Assets	-	-
Total	-	-

Document reasons for delay.

2.5 Property, Plant and Equipment where construction or development has been halted:	2023	2022
	R	R
Infrastructure Assets	10 780 337	11 265 654
Roads	3 606 596	3 606 596
Storm Water	-	-
Electricity	1 710 143	2 195 460
Water Supply	5 463 598	5 463 598
Sanitation	-	-
Solid Waste	-	-
Rail	-	-
Coastal	-	-
Information and Communication	-	-
Community Assets	-	-
Other Assets	-	-
Total	10 780 337	11 265 654

Legal processes and funding constrains are the main reasons applicable to all the halted projects

2.6 Expenditure incurred to repair and maintain Property, Plant and Equipment:	2023	2022
	R	R
Contracted Services	1 243 907	1 304 878
Total Repairs and Maintenance	1 243 907	1 304 878

2.7 Assets pledged as security:	2023	2022
	R	R

There are no assets whose title is restricted.

2.9 Impairment losses of Property, Plant and Equipment	2023	2022
	R	R
Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:		
Infrastructure	-	-
Community Assets	-	-
Other	-	-
Total Impairment Losses	-	-

2.10 Effect of changes in accounting estimates

2023	2024	2025
R	R	R

Change in estimate	<u>-2 228 890</u>	<u>(1 744 718)</u>	<u>(1 231 444)</u>
--------------------	-------------------	--------------------	--------------------

The Municipality has reassessed the useful lives and residual values of Property, plant and equipment. This resulted in change in depreciation charge, accumulated depreciation charge and the carrying value of Property, Plant and Equipment. The effect of the change for the current and future periods are disclosed on note 2.10.

2.11 Contractual commitments for acquisition of Property, Plant and Equipment:	2023	2022
	R	R
Approved and contracted for:	89 432 017	9 066 499
Infrastructure	89 432 017	9 066 499
Total	<u>89 432 017</u>	<u>9 066 499</u>

This expenditure will be financed from:	2023	2022
	R	R
Government Grants	89 432 017	15 264 848
Total	<u>89 432 017</u>	<u>15 264 848</u>

3. INVESTMENT PROPERTY	2023 R	2022 R
Fair value at 1 July	8 767 885	7 694 692
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Transfers	-	-
Additions	-	793
Gains/(Losses) arising from changes in fair value	-	1 072 400
Fair value at 30 June	8 767 885	8 767 885
	2023 R	2022 R
Rental income from Investment Property	425 576	454 619

Rental income is received from the Weather Station and a Solar Farm.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The Municipality's Investment Property is valued annually at 30 June 2022 at fair value with reference to latest valuation roll. The valuation, which conforms to International Valuation Standards, is arrived at by reference to market evidence of transaction prices for similar properties and the professional judgement of the valuer from time to time when the circumstances requires.

4. INTANGIBLE ASSETS	2023 R	2022 R
Computer System & Software		
4.1 Net Carrying amount at 1 July	12 754	25 508
Cost	2 227 669	2 227 669
Accumulated Amortisation	(2 214 915)	(2 202 161)
Additions	11 415	-
Amortisation	(3 587)	(12 754)
Net Carrying amount at 30 June	20 582	12 754
Cost	2 239 084	2 227 669
Accumulated Amortisation	(2 218 502)	(2 214 915)
Accumulated Impairment Loss	-	-

	2023 R	2022 R
4.2 Material Intangible Assets included in the carrying value:		
	<u>Remaining Amortisation Period 2023</u>	
<u>Description</u>	<u>Carrying Value</u>	<u>Carrying Value</u>
Computer software - Kaspersky	3 680	4 732
Computer software - Home Bussiness 2021	10 627	-

No intangible asset were assed having an indefinite useful life.
No expenditure were incurred with regards to research or development cost.
There are no internally generated intangible assets at reporting date.
There are no intangible assets in process of being constructed or developed.
There are no intangible assets whose title is restricted.
There age no intangible assets pledged as security for liabilities.

	2023 R	2022 R
5. HERITAGE ASSETS		
Net Carrying amount at 1 July	6 959 273	6 959 273
Cost	6 959 273	6 959 273
Additions	-	-
Disposals	(125 500)	-
Transfers	-	-
Other changes	-	-
Impairment Loss/ Reversal of Impairment Loss	-	-
Net Carrying amount at 30 June	6 833 773	6 959 273
Cost	6 833 773	6 959 273
Accumulated Impairment Loss	-	-

There are no restrictions on the on title of Heritage assets and disposal thereof.
There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or restorations.
There are no Heritage Assets pledged as security for liabilities.
There are no Heritage Assets that are used by the municipality for more than one purpose.
No expenditure were incurred to repair and maintain heritage assets.
No compensation received from third parties for Heritage assets impaired, lost or given up.
No Heritage assets were retired active use and held for disposal

	2023 R	2022 R
6. INVESTMENTS		
Listed		
	31 878	31 878
Listed Shares	31 878	31 878
Total Investments	31 878	31 878

Shares are held in Oos Vrystaat Kaap Bedryf Bpk. No specific maturity dates and interest rates are applicable to those shares.
The Management of the municipality is of the opinion that the carrying value of investments approximate their fair value.

	2023 R	2022 R
7 OPERATING LEASE ARRANGEMENTS		
7.1 The Municipality as Lessor		
Operating Lease Asset	-	-
Reconciliation		
Balance at the beginning of the year	-	-
Correction of Error - note	-	-
Movement during the year	-	-
Lease derecognised	-	-
Balance at the end of the year	-	-

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will pay operating lease income as follows:

	2023 R	2022 R
Up to 1 Year	-	-
1 to 5 Years	-	-
More than 5 Years	-	-
Total Operating Lease Arrangements	-	-

8. INVENTORY

Consumables - Stationary and material	2 438 776	2 403 100
Land	23 061 166	23 061 166
Water	16 596	16 596
Total Inventory	25 516 538	25 480 862

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

No inventories were pledged as security for liabilities.

	2023 R	2022 R
8.1 Inventories recognise as an expense during the year:		
Consumables - Stationary and material	1 172 894	538 048
Materials and Supplies	3 380 808	1 556 146
Total	4 553 701	2 094 194

The cost of water production for the year amounted to R1.27 per kilolitre (2022: R1.27 per kilolitre)

	2023 R	2022 R
8.2 Inventories written down/reversal due to losses as identified during the annual stores counts:		
Consumables - Stationary and material		

	2023 R	2022 R
8.3 Inventories written down due to Net realisable value (NRV)		
Land	-	(2 056 721)
Land was re-measured to lowest of cost and NRV. Properties were identified where fair value was lower and therefore write off was made to fair value.		

	2023 R	2022 R
9. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Service Receivables		
Electricity	68 261 628	47 755 463
Water	114 723 951	83 493 343
Property Rentals	2 938 179	2 929 787
Waste Management	23 060 335	22 904 771
Waste Water Management	43 661 852	43 435 233
Town Commonage	5 569 436	5 091 585
Total Service Receivables	258 215 380	205 610 181
Less: Provision for Debt Impairment	(226 423 015)	(147 241 760)
Net Service Receivables	31 792 365	58 368 422
Other Receivables	25 311 167	359 757
Total: Receivables from exchange transactions (before provision)	25 311 167	359 757
Less: Provision for Debt Impairment	(37 524 167)	(392 366)
Total: Receivables from exchange transactions (after provision)	(12 213 000)	(32 609)
Total Net Receivables from Exchange Transactions	19 579 365	58 335 813

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

Other Receivables include outstanding debtors for various other services, e.g. Arrangements, Deposits, Housing, Interest, Rentals and Sundry Services like Garden Refuse, Sanitation Bags, etc.

Receivables from Exchange Transactions are billed monthly, latest end of month. No interest is charged on Receivables until the end of the following month. Thereafter interest is charged at a rate determined by council on the outstanding balance. The Municipality strictly enforces its approved credit control policy to ensure the recovery of Receivables

The Municipality receives applications that it processes. Deposits are required to be paid for all electricity and water accounts opened. There are no consumers who represent more than 5% of the total balance of Receivables

The Municipality did not pledge any of its Receivables as security for borrowing purposes.

	2023 R	2022 R
(Electricity): Ageing		
Current (0 - 30 days)	19 270 273	6 905 703
31 - 60 Days	3 041 544	4 175 067
61 - 90 Days	2 115 750	2 908 827
+ 90 Days	43 834 061	33 765 866
Total	68 261 628	47 755 463

	2023 R	2022 R
(Water): Ageing		
Current (0 - 30 days)	10 813 573	5 194 603
31 - 60 Days	2 065 599	1 716 461
61 - 90 Days	1 588 739	1 592 618
+ 90 Days	100 256 039	74 989 661
Total	114 723 951	83 493 343

	2023 R	2022 R
(Property Rentals): Ageing		

Current (0 - 30 days)	355 746	257 451
31 - 60 Days	59 162	58 341
61 - 90 Days	43 702	31 469
+ 90 Days	2 479 569	2 582 525
Total	2 938 179	2 929 787

(Waste Management): Ageing

Current (0 - 30 days)	1 908 048	495 225
31 - 60 Days	521 044	419 348
61 - 90 Days	505 633	390 338
+ 90 Days	20 125 610	21 599 860
Total	23 060 335	22 904 771

	2023 R	2022 R
<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	3 760 437	1 086 607
31 - 60 Days	1 010 038	823 187
61 - 90 Days	991 948	770 114
+ 90 Days	37 899 429	40 755 324
Total	43 661 852	43 435 233
<u>Town Commonage: Ageing</u>		
Current (0 - 30 days)	118 811	33 854
31 - 60 Days	39 604	33 616
61 - 90 Days	39 604	33 616
+ 90 Days	5 371 417	4 990 499
Total	5 569 436	5 091 585
<u>(Other): Ageing</u>		
Current (0 - 30 days)	122 097	18 973
31 - 60 Days	22 671	10 363
61 - 90 Days	17 348	10 067
+ 90 Days	38 780 766	320 353
Total	38 942 883	359 757
	38 942 883	
<u>(Total): Ageing</u>		
Current (0 - 30 days)	36 348 986	13 992 416
31 - 60 Days	6 759 663	7 236 384
61 - 90 Days	5 302 723	5 737 050
+ 90 Days	248 746 892	179 004 088
Total	297 158 263	205 969 938
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	147 634 126	126 348 139
Contribution to provision	105 985 067	15 765 101
VAT on provision	10 327 990	5 520 885
Balance at end of year	263 947 182	147 634 126
The total amount of this provision consist of:		
Services	226 423 015	147 241 760
Other Debtors	37 524 167	392 366
Total Provision for Debt Impairment on Receivables from exchange transactions	263 947 182	147 634 126

	2023 R	2022 R
Ageing of amounts past due but not impaired:		
1 month past due	-	249 327
2+ months past due	-	6 408 848
	<u>-</u>	<u>6 658 175</u>

Management determines the payment rate per debtor. Therefore each individual debtor is impaired based on the collection of debt. Government debtors is excluded from the impairment as they are considered to be fully recoverable. The indication of impairment is the non-ability of the debtor to settle their account. Indigent debtors are impaired fully.

Included in the Municipality's Receivables balance are debtors with a carrying amount of Rxx (2022: R11 446 620) which are past due at the reporting date for which the Municipality has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

10. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS	2023 R	2023 R	2023 R
	Gross balance	Provision for impairment	Net balance
Rates	104 088 102	(90 158 528)	13 929 573
Fines	627 950	(502 360)	125 590
Sundry Debtors	10 553 059	-	10 553 059
Total Receivables from non-exchange transactions	<u>115 269 111</u>	<u>(90 660 888)</u>	<u>24 608 222</u>
	2022 R	2022 R	2022 R
	Gross balance	Provision for impairment	Net balance
Rates	85 553 897	(70 357 806)	15 196 091
Fines	116 650 361	(109 141 407)	7 508 954
Payments in advance	291 715	-	291 715
Sundry Deposits	1 906 700	-	1 906 700
Sundry Debtors	1 096 667	-	1 096 667
	<u>205 499 339</u>	<u>(179 499 213)</u>	<u>26 000 126</u>

Sundry Deposits are in respect of cash deposits made to Eskom for supply of electricity and cash deposits made to various fuel stations. Included in the total is an amount of R900 000 (2022: R900 000) in respect of a deposit paid to Eskom. The remaining R69 813 (2022: R69 813) is with regards to deposits held by fuel stations and post office.

The fair value of other receivables approximate their carrying value.

Debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate, charged by the Municipality's banker, plus one percent per annum on the outstanding balance. The Municipality strictly enforces its approved credit control policy to ensure the recovery of Receivables

None of the Receivables have been pledged as security for the Municipality's financial liabilities.

	2023 R	2022 R
(Rates): Ageing		
Current (0 - 30 days)	6 658 771	1 332 643
31 - 60 Days	1 639 697	739 698
61 - 90 Days	1 569 334	645 202
+ 90 Days	94 220 299	82 836 354
Total	<u>104 088 102</u>	<u>85 553 897</u>

	2023 R	2022 R
(Payments in advance): Ageing		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	291 715
Total	<u>-</u>	<u>291 715</u>

	2023 R	2022 R
(Sundry deposits): Ageing		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	1 906 700
Total	<u>-</u>	<u>1 906 700</u>

	2023 R	2022 R
(Sundry Debtors): Ageing		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	1 096 667

Total

-

1 096 667

	R	R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	179 499 212	168 715 801
Contribution to provision	(88 838 324)	10 783 411
Balance at end of year	<u>90 660 888</u>	<u>179 499 212</u>

	2023 R	2022 R
<u>Ageing of amounts past due but not impaired</u>		
1 month past due	-	144 605
2+ months past due	-	4 597 243
	<u>-</u>	<u>4 741 848</u>

Management determines the payment rate per debtor. Therefore each individual debtor is impaired based on the collection of debt. Government debtors is excluded from the impairment as they are considered to be fully recoverable. The indication of impairment is the non-ability of the debtor to settle their account. Indigent debtors are impaired fully.

In determining the recoverability of a Rates Assessment Debtor and Receivables from Non-exchange Transactions, the Municipality considers any change in the credit quality of the Rates Assessment Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

	2023 R	2022 R
11. BANK ACCOUNTS		
11.1 <u>Cash and Cash Equivalents</u>		
Current Accounts	11 699 315	3 807 106
Current Investments	23 675 081	20 644 932
Cash On-hand	2 980	2 980
Total Cash and Cash Equivalents - Assets	<u>35 377 376</u>	<u>24 455 018</u>
	2023 R	2022 R
11.2 <u>Liabilities</u>		
Current Accounts	(16 558 310)	(16 558 310)
Total Cash and Cash Equivalents - Liabilities	<u>(16 558 310)</u>	<u>(16 558 310)</u>
	2023 R	2022 R

Cash and cash equivalents comprise cash-on-hand, Cash in banks and Investment in Money Markets, net of outstanding bank overdrafts. The carrying amount of these assets approximates their fair value.

Deposits attributable to Unspent Conditional Grants	7 721 421	15 013 816
---	-----------	------------

Bank overdraft facility of R3000 000 exist with ABSA bank

On investment account 20-6219-8906 there is limited cession of R6 160 000 as at 30 June 2023

The municipality has the following bank accounts:

Account Number - (Primary Account):

ABSA bank overdraft (primary account) - 185 0000 0081
 ABSA bank - (current account) - 4061 685 162
 ABSA bank - (current account) - 4081 497 012
 Standard bank - (current account) - 2803 50007

2023 R	2022 R
(10 288 609)	(16 558 310)
4 811 582	3 088 112
685 940	681 948
65 121	37 046
(4 725 966)	(12 751 204)

The municipality has investments with the following institutions:

Current Investments

FNB
 ABSA
 Standard Bank
 Nedbank

2023 R	2022 R
333 807	312 502
17 812 164	20 131 620
5 359 630	29 629
177 317	167 182
23 682 918	20 640 933

Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 3.3% - 5.4%

Fixed Deposits are investments with a maturity period of less than 12 months and earn interest at rate of 6.52% per month

Details of the bank accounts are as follows:

ABSA Bank Limited - De Aar Branch - 185 000 0081 (Primary Account):

Cash book balance at beginning of year
 Cash book balance at end of year

2023 R	2022 R
(16 558 310)	(19 893 866)
(16 558 310)	(16 558 310)

Bank statement balance at beginning of year
 Bank statement balance at end of year account

1 490 383	592 310
4 296 608	1 490 383

Standard Bank SA Limited - De Aar Branch - 2803 500007

Cash book balance at beginning of year
 Cash book balance at end of year

2023 R	2022 R
37 046	14 645
65 121	37 046
65 121	37 046

Bank statement balance at beginning of year account
 Bank statement balance at end of year account

36 807	14 406
64 882	36 807

ABSA Bank Limited - De Aar Branch - 4061 685 162

Cash book balance at beginning of year
 Cash book balance at end of year

2023 R	2022 R
3 088 112	3 070 009
4 811 582	3 088 112
4 811 582	3 088 112

Bank statement balance at beginning of year
 Bank statement balance at end of year

3 583	9 166
10 633	3 583

ABSA Bank Limited - De Aar Branch - 4081 497 012

Cash book balance at beginning of year
 Cash book balance at end of year

2023 R	2022 R
681 948	1 439 878
685 940	681 948
685 940	681 948

Bank statement balance at beginning of year
 Bank statement balance at end of year

294 547	1 092 646
577	294 547

The details of Investment accounts are as follows:

ABSA Bank Limited - De Aar Branch - Fixed deposit - 2062 198 906

Cash book balance at beginning of year
 Cash book balance at end of year

2023 R	2022 R
10 866 153	10 370 839
11 626 784	10 866 153
11 626 784	10 866 153

Bank statement balance at beginning of year
 Bank statement balance at end of year

10 866 153	10 370 839
11 626 784	10 866 153

Nedbank Ltd - De Aar Branch - Call account - 03/7662022900/000001

Cash book balance at beginning of year
 Cash book balance at end of year

2023 R	2022 R
167 182	163 145
181 479	167 182
181 479	167 182

Bank statement balance at beginning of year
 Bank statement balance at end of year

167 182	161 145
177 317	167 182

Standard Bank of SA Limited - De Aar Branch - Call account- 388910356-002

Cash book balance at beginning of year
 Cash book balance at end of year

2023 R	2022 R
29 629	29 374
5 359 631	29 629
5 359 631	29 629

Bank statement balance at beginning of year
 Bank statement balance at end of year

29 210	29 210
5 359 631	29 629

	2023 R	2022 R
First National Bank - De Aar Branch - Call account - 62755965583		
Cash book balance at beginning of year	312 502	301 068
Cash book balance at end of year	333 807	312 502
Bank statement balance at beginning of year	312 502	301 068
Bank statement balance at end of year	33 807	312 502

	2023 R	2022 R
Absa Bank Limited - De Aar Branch - Call deposit - 9325381089		
Cash book balance at beginning of year	974 059	948 555
Cash book balance at end of year	1 028 866	974 059
Bank statement balance at beginning of year	974 059	948 555
Bank statement balance at end of year	1 028 866	974 059

	2023 R	2022 R
Absa Bank Limited - De Aar Branch - Call deposit - 9357761647		
Cash book balance at beginning of year	8 291 408	13 761 109
Cash book balance at end of year	5 156 514	8 291 408
Bank statement balance at beginning of year	8 291 408	13 761 109
Bank statement balance at end of year	5 156 514	8 291 408

	2023 R	2022 R
12. LONG-TERM BORROWINGS		Restated
Annuity Loans - At amortised cost	1 931 472	560 000
Capitalised Lease Liability - At amortised cost	83 842	130 526
	2 015 314	690 526
Less: Current Portion transferred to Current Liabilities	(182 591)	(86 275)
Annuity Loans - At amortised cost	(135 908)	(39 592)
Capitalised Lease Liability - At amortised cost	(46 683)	(46 683)
Total Long-term Borrowings	1 832 723	604 251

An unsecured loan at amortised cost from ABSA - A principle amount of R13 000 000 at a floating rate of prime less .25% (capitalised monthly) and a maturity date of 2032, was raised on 4 May 2022. The full amount of the loan is not borrowed, but taken up with withdrawals as and when the need for the capital spending exist.

	2023 R	2022 R
13.1 The obligations under annuity loans are scheduled below:		Minimum annuity payments
Amounts payable under annuity loans:		
Payable within one year	347 448	78 893
Payable within two to five years	1 389 790	315 574
Payable after five years	1 320 753	394 467
	3 057 991	788 935
Less: Future finance obligations	(1 126 519)	(228 935)
Present value of annuity loans obligations	1 931 471	560 000

	2023 R	2022 R
12.1 The obligations under finance leases are scheduled below:		Minimum lease payments
Amounts payable under finance leases:		
Payable within one year	57 360	57 360
Payable within two to five years	33 460	90 820
Payable after five years		
	90 820	148 180
Less: Future finance obligations	(6 978)	(17 654)
Present value of finance lease obligations	83 842	130 526

	2023 R	2022 R
13. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites		
Total Non-current Provisions	83 786 527	68 643 371

	2023 R	2022 R
13.1 Landfill Sites		
Balance 1 July	68 643 370	67 337 731
Increase due to re-measurement	7 755 551	(5 363 929)
Increase/(Decrease) due to discounting	7 387 605	6 669 569
Total provision 30 June	83 786 527	68 643 370

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Britstown	Hanover	De Aar
Preliminary and General (Rand)	1 612 255	925 410	13 941 417
Site Clearance and Preparation (R2.95/m²)	19 810	9 629	222 350
Storm Water Control Measures (Rand)	1 083 192	851 077	3 605 797
Capping (Rand)	7 303 350	3 601 622	80 626 207
Leachate Management (Rand)	410 023	342 544	1 325 817
Fencing (Rand)	1 105 195	889 960	13 163

Discount Rate used	2023 %	2022 %
Britstown	12.000%	11.319%
Hanover	12.000%	11.319%
De Aar	10.510%	10.686%

The discount rate used to calculate the present value of the rehabilitation costs at each reporting period is based on a calculated risk free rate as determined by the municipality. This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

In terms of the licencing of the landfill-sites, the municipality will incur licencing and rehabilitation costs of R83 786 527 (2022: R68 643 370) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using the government bond rate that is regarded as a risk-free rate and the average Consumer Price Index from June 2022 to June 2023.

Other assumptions:

	Britstown	Hanover	De Aar
Licence type	Class B/G:C:B-	Class B/G:C:B-	G:S:B-
Area (m ²)	15 008	7 295	168 447
Unit cost (R/m ²)	1 034	1 317.91	717.14
Environmental Authorisation (Closure Licence) (Rand)	441 773	441 773	441 773
Technical ROD (Rand)	223 900	223 900	223 900
site establishment) (Rand)	251 529	251 998	
Landscape Architects (Rand)	149 575	150 370	163 350
Water use licence (Rand)	38 000	38 000	38 000
Topographical Survey (Rand)	9 083	8 337	23 369
Contingencies (Rand)	1 153 382	662 024	9 973 475
Engineering: Professional Fees (Rand)	1 333 122	883 392	8 023 635
Site Supervision (Engineer's Representative) (Rand)	272 404	221 708	1 831 700
Site Supervision (Environmental Control Officer & OHS Agent) (Rand)	105 578	112 410	345 950

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows per expert report:

Location	Estimated	2023 R	2022 R
Britstown	2038/2039	15 512 170	13 210 748
Hanover	2038/2039	9 614 153	8 633 492
De Aar	2032/2033	120 799 902	105 720 478
		145 926 225	127 564 719

14. NON-CURRENT EMPLOYEE BENEFITS

	2023 R	2022 R
Post Retirement Benefits	17 919 000	18 817 001
Long Service Awards	4 690 000	4 871 000
Total Non-current Employee Benefits	22 609 000	23 688 001

Post Retirement Health Care Benefits

	2023 R	2022 R
Balance 1 July	20 041 000	22 000 000
Contribution for the year	493 000	616 000
Increase due to discounting	2 166 000	2 042 000
Expenditure for the year	(1 206 381)	(1 451 000)
Actuarial Loss/(Gain)	(2 348 619)	(3 166 000)
Total provision 30 June	19 145 000	20 041 000
Less: Transfer of Current Portion to Current Provisions - Note 16	(1 226 000)	(1 224 000)
Balance 30 June	17 919 000	18 817 000

Long Service Awards

	2023 R	2022 R
Balance 1 July	5 402 000	5 087 000
Contribution for the year	533 000	519 000
Increase due to discounting	542 000	432 000
Expenditure for the year	(254 860)	(575 000)
Actuarial Loss/(Gain)	(588 140)	(61 000)
Total provision 30 June	5 634 000	5 402 000
Less: Transfer of Current Portion to Current Provisions - Note 16	(944 000)	(531 000)
Balance 30 June	4 690 000	4 871 000

TOTAL NON-CURRENT EMPLOYEE BENEFITS

	2023	2022
Balance 1 July	25 443 000	27 087 000
Contribution for the year	1 026 000	1 135 000
Increase due to discounting	2 708 000	2 474 000
Expenditure for the year	(1 461 241)	(2 026 000)
Actuarial Loss/(Gain)	(2 936 759)	(3 227 000)
Total employee benefits 30 June	24 779 000	25 443 000
Less: Transfer of Current Portion to Current Provisions - Note 16	(2 170 000)	(1 755 000)
Balance 30 June	22 609 000	23 688 000

14.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2023 R	2022 R
In-service (employee) members	62	47
In-service (employee) non-members	264	261
Continuation members (e.g. Retirees, widows, orphans)	29	28
Total Members	355	336

The liability in respect of past service has been estimated to be as follows:

	2023 R	2022 R
In-service members	4 895 000	5 881 000
In-service non-members	1 477 000	-
Continuation members (e.g. Retirees, widows, orphans)	12 773 000	14 160 000
Total Liability	19 145 000	20 041 000

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2 021 R	2020 R	2019 R
In-service members	6 347 000	5 316 000	6 200 480
In-service non-members	0	-	-
Continuation members	15 653 000	13 146 000	14 704 269
Total Liability	22 000 000	18 462 000	20 904 749

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas
Key Health
LA Health
Samwumed

The Current-service Cost for the ensuing year is estimated to be Rxx whereas the Interest Cost for the next year is estimated to be Rxx

Key actuarial assumptions used:	2023 %	2022 %
i) Rate of interest		
Discount rate	12.20%	11.14%
Health Care Cost Inflation Rate	7.82%	7.78%
Net Effective Discount Rate	4.06%	3.12%
ii) Mortality during employment		
SA85-90 table, adjusted for female lives.		
iii) Mortality rates post employment		
The PA 90 ultimate table, rated down by 1 year of age, with a mortality improvement p.a from 2010.		
iv) Normal retirement age		
The normal retirement age for employees is 65 years		
v) Average retirement age		
It has been assumed that in-service members will retire at age 62 for males and females, which then implicitly allows for expected rates of early and ill-health retirement.		
vi) Continuation of membership		
It has been assumed that 75% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.		
vii) Proportion of Eligible In-Service Non-Members Joining a Scheme by Retirement		
It has been assumed that 5% of eligible in-service non-members will be on a medical scheme by retirement (should they not exit employment before then) and continue with the subsidy at and after retirement.		
viii) Proportion with a spouse dependant at retirement		
It has been assumed that 60% of eligible employees on a health care arrangement at retirement will have a spouse dependant on their medical aid.		
ix) Withdrawal from Service		

Valuation: 30 June 2022

Age	Females	Males
20	9%	9%
25	8%	8%
30	6%	6%
35	5%	5%
40	5%	5%
45	4%	4%
50	3%	3%

>55

0%

0%

	2023 R	2022 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	19 145 000	20 041 000
Fair value of plan assets	-	-
	<u>19 145 000</u>	<u>20 041 000</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability(asset)	<u>19 145 000</u>	<u>20 041 000</u>
	2023 R	2022 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	20 041 000	22 000 000
Total expenses	1 452 619	1 207 000
Current service cost	493 000	616 000
Interest Cost	2 166 000	2 042 000
Benefits Paid	(1 206 381)	(1 451 000)
Actuarial (gains)/losses	(2 348 619)	(3 166 000)
Present value of fund obligation at the end of the year	<u>19 145 000</u>	<u>20 041 000</u>
Less: Transfer of Current Portion - Note 16	<u>(1 226 000)</u>	<u>(1 224 000)</u>
Balance 30 June	<u>17 919 000</u>	<u>18 817 000</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2023

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Central Assumptions	6.372	13	19.145

The effect of movements in the assumptions are as follows:

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation	7.592	14	21.508	12%
Health care inflation	7.592	14	17.171	-10%
Discount rate	7.592	14	17.257	-10%
Discount rate	7.592	14	21.429	12%
Post-retirement mortality	7.592	14	18.572	-3%
Post-retirement mortality	7.592	14	19.718	3%
Average retirement age	7.592	14	19.768	3%
Continuation of membership at retirement	7.592	14	18.330	-4%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2024

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	493 000	2 166 000	2 659 000

The effect of movements in the assumptions are as follows:

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	597 000	2 449 000	3 046 000	15%
Health care inflation	409 000	1 931 000	2 340 000	-12%
Discount rate	416 000	2 113 000	2 529 000	-5%
Discount rate	590 000	2 223 000	2 813 000	6%
Post-retirement mortality	479 000	2 094 000	2 573 000	-3%
Post-retirement mortality	505 000	2 238 000	2 743 000	3%
Average retirement age	448 000	2 228 000	2 676 000	1%
Continuation of membership at retirement	431 000	2 084 000	2 515 000	-5%

	2023 Rm	2022 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	0.301	-2.535
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2 021 Rm	2020 Rm	2019 Rm
Liabilities: (Gain) / loss	1	-0.564	(0.979)
Assets: Gain / (loss)	0	-	-

14.2 Provision for Long Service Bonuses		2023	2022
		R	R
The Long Service Bonus plans are defined benefit plans. As at year end the following number of employees were eligible for Long Service Bonuses.		326	308

The Current-service Cost for the ensuing year is estimated to be Rxx whereas the Interest Cost for the next year is estimated to be Rxx.

Key actuarial assumptions used:		2023	2022
		%	%
i) Rate of interest			
Discount rate		11.08%	10.54%
General Salary Inflation (long-term)		6.47%	7.04%
Net Effective Discount Rate applied to salary-related Long Service Bonuses		4.33%	3.27%

ii) Mortality during employment
SA85-90 ultimate table, adjusted down for female lives.

iii) Average retirement age
It has been assumed that male and female employees will retire at age 62

iv) Normal retirement age
The normal retirement age for employees is 65 years

v) Withdrawal rates

Valuation: 30 June 2022			
Age	Females	Males	
20	9%	9%	
25	8%	8%	
30	6%	6%	
35	5%	5%	
40	5%	5%	
45	4%	4%	
50	3%	3%	
55>	0%	0%	

	2023	2022
	R	R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	5 634 000	5 402 000
Fair value of plan assets	-	-
	<hr/>	<hr/>
	5 634 000	5 402 000
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
	<hr/>	<hr/>
Net liability/(asset)	5 634 000	5 402 000

	2023	2022
	R	R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	5 402 000	5 087 000
Total expenses	820 140	376 000
Current service cost	533 000	519 000
Interest Cost	542 000	432 000
Benefits Paid	(254 860)	(575 000)
Actuarial (gains)/losses	(588 140)	(61 000)
	<hr/>	<hr/>
Present value of fund obligation at the end of the year	5 634 000	5 402 000
Less: Transfer of Current Portion - Note 16	(944 000)	(531 000)
	<hr/>	<hr/>
Balance 30 June	4 690 000	4 871 000

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2 021	2020	2019
	R	R	R
Present value of fund obligations	4 512 000	4 871 000	4 702 406
Total Liability			

Sensitivity Analysis on the Accrued Liability on 30 June 2023

	Change	Liability	% change
Assumption			
Central assumptions		5 634 000	
General earnings inflation	0	5 916 000	5%
General earnings inflation	0	5 374 000	-5%
Discount rate	0	5 369 000	-5%
Discount rate	0	5 926 000	5%
Average retirement age	2 yrs	6 207 000	10%
Average retirement age	(2 yrs)	5 043 000	-10%

Withdrawal rates
Withdrawal rates

x2
x0.5

4 765 000
6 194 000

-15%
10%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2024

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumptions	533 000	542 000	1 075 000	
General earnings inflation	569 000	573 000	1 142 000	
General earnings inflation	500 000	514 000	1 014 000	
Discount rate	504 000	562 000	1 066 000	
Discount rate	565 000	520 000	1 085 000	
Average retirement age	582 000	600 000	1 182 000	
Average retirement age	481 000	471 000	952 000	
Withdrawal Rate	413 000	446 000	859 000	
Withdrawal Rate	615 000	605 000	1 220 000	
			2023 Rm	2022 Rm

Experience adjustments were calculated as follows:

Liabilities: (Gain) / loss		6 000	32 000
Assets: Gain / (loss)		-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2 021 Rm	2020 Rm	2019 Rm
Liabilities: (Gain) / loss		-21 000	55 476
Assets: Gain / (loss)		0	-

14.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE JOINT RETIREMENT FUND

The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2021 revealed that the fund has a funding level of 133% (30 June 2020 - 132.2%).

CAPE JOINT PENSION FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2021 revealed that the fund is in a sound financial position with a funding level of 100% (30 June 2020 - 100%).

SALA PENSION FUND

The contribution rate payable is 8.60% by members and 20.78% by Council. The last actuarial valuation performed for the year ended 30 June 2016 revealed that the fund is in an sound financial position with a funding level of 100% (30 June 2015 - 100%). funding level, provided that the previous statutory valuation reflected at least a 100% funding level.

SAMWU PENSIONFUND

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2008.

The statutory valuation performed as at 30 June 2008 revealed that the assets of the fund amounted to R2445,9 (30 June 2005: R1 511,5) million, with funding levels of 100.0% (30 June 2009: 100.0%). The contribution rate paid by the members (7.50%) and Council (18.00%) is sufficient to fund the benefits accruing from the fund in the future.

MUNICIPAL COUNCILLORS PENSIONFUND

Council contribute to the Municipal Retirement Workers Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. The contribution rate paid by the members (9,0%) and Council (18,0%).

15. CONSUMER DEPOSITS

	2023 R	2022 R
Electricity	50 803	18 037
Water	2 877 388	2 800 720
Total Consumer Deposits	2 928 192	2 818 757

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

For guarantees held in lieu of electricity and water deposits refer to note 54

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the Municipality can utilise the deposit as payment for the outstanding account.

	2023 R	2022 R
16. CURRENT EMPLOYEE BENEFITS		
Performance Bonuses	480 405	801 489
Staff Bonuses	2 960 669	2 794 159
Staff Leave	8 726 721	8 634 692
Current Portion of Non-Current Provisions	2 170 000	1 755 000
Current Portion of Post Retirement Benefits - Note 14	1 226 000	1 224 000
Current Portion of Long-Service Provisions - Note 14	944 000	531 000
Total current employee benefits	14 337 794	13 985 340

The movement in current employee benefits are reconciled as follows:

	2023	2022
16.1 Performance Bonuses		
Balance at beginning of year	801 489	608 715
Contribution to current portion	373 864	693 270
Expenditure incurred	(694 948)	(500 495)
Balance at end of year	480 405	801 489

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

	2023 R	2022 R
16.2 Staff Bonuses		
Balance at beginning of year	2 794 160	2 849 436
Contribution to current portion	166 509	(55 277)
Balance at end of year	2 960 669	2 794 160

Bonuses are being paid to all municipal staff. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

	2023 R	2022 R
16.3 Staff Leave		
Balance at beginning of year	8 634 692	8 611 733
Contribution to current portion	92 029	22 959
Balance at end of year	8 726 721	8 634 692

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

	2023 R	2022 R
17.1 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Salary control	206 492	89 223
Payments received in advance	6 585 038	7 293 606
Retentions	481 188	481 188
Sundry creditors	184 801	7 876 407
Sundry deposits	22 447 198	184 801
Trade Payables	176 867 695	123 644 788
Total Trade Payables	206 772 412	139 570 013

Payables are being recognised net of any discounts.

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the Municipality

Sundry deposits is relating to hire of community halls.

The carrying value of trade and other payables approximates its fair value.

	2023 R	2022 R
17.2 TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS		
Payments received in advance	1 500 000	1 538 618
Other creditors	1 538 618	10 039 167
Total trade payables	3 038 618	11 577 786

Payables are being recognised net of any discounts.

No credit period exists for Payables from Non-exchange Transactions, neither has any credit period been arranged. No interest is charged on outstanding amounts

The Municipality did default on payment of its Creditors. However, no terms for payment have been renegotiated by the Municipality.

The management of the Municipality is of the opinion that the carrying value of Creditors approximates their fair

Significant portion of other creditors relates to unknown deposits received in relation to the issue of traffic fines.

	2023 R	2022 R
18. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	7 721 422	15 013 816
National Government Grants	6 461 606	13 754 001
Provincial Government Grants	1 259 816	1 259 816
Less: Unpaid Transfers and Subsidies	-	-
Provincial Government Grants	-	27 716
Total Unspent Transfers and Subsidies	7 721 422	15 013 816

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised. The Unspent Grants are cash backed by term deposits. The Municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants

Amount available in short term investment deposits	23 675 081	20 644 932
Available Cash for Unspent Conditional Grants and Receipts	23 675 081	20 644 932

See Note 22 for the reconciliation of Grants from Government. Refer to Appendix "E" for more detail on Conditional Grants

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

	2023 R	2022 R
19. TAXES		
Net VAT (Payable)/Receivable	27 177 722	20 110 027

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The Municipality has financial risk policies in place to ensure that payments are affected before the due date.

	2023 R	2022 R
20. NET ASSET RESERVES		
RESERVES		
Capital Replacement Reserve	2 252 793	2 252 793
Total Net Asset Reserve and Liabilities	2 252 793	2 252 793

The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

	2023 R	2022 R
21. PROPERTY RATES		
<u>Valuations - 1 JULY 2022</u>		
Rateable Land and Buildings		
Business and Commercial Property	686 520 000	308 962 000
Communal Land		
Farm Properties	2 740 876 000	2 544 961 000
Formal and Informal Settlements		
Industrial Property	16 954 000	18 343 000
Mining Properties		
Municipal Properties	1 765 000	319 876 000
National Monument Properties		
Privately Owned Towns Serviced by the Owner		
Protected Areas		
Public Benefit Organisations		11 575 000
Public Service Infrastructure Properties	25 986 000	42 231 000
Residential Properties	1 597 578 000	1 240 676 000
Restitution and Redistribution Properties (Section 8(2)n)		
Small Holdings		41 127 400
Special Rating Area		
State-owned Properties	357 921 000	328 321 000
State Trust Land		
Agricultural Property		
Multiple Purposes	638 213 000	16 638 000
Other Categories	84 186 000	84 937 000
Total Property Rates	6 149 999 000	4 957 647 400
<u>Actual</u>		
Rateable Land and Buildings	52 679 849	43 302 524
Business and Commercial Property	7 888 837	9 402 712
Communal Land	-	-
Farm Properties	133 283	8 510 544
Formal and Informal Settlements	-	-
Industrial Property	-	252 801
Mining Properties	-	-
Municipal Properties	-	-
National Monument Properties	-	-
Privately Owned Towns Serviced by the Owner	-	-
Protected Areas	-	-
Public Benefit Organisations	-	-
Public Service Infrastructure Properties	-	-
Residential Properties	44 657 729	18 267 731
Restitution and Redistribution Properties (Section 8(2)n)	-	-

Small Holdings
 Special Rating Area
 State-owned Properties
 State Trust Land
 Agricultural Property
 Multiple Purposes
 Other Categories - including open space

-	
-	
-	6 425 267
-	
-	
-	
-	443 469
(7 758 430)	(3 682 122)
44 921 419	39 620 402

Less: Revenue Forgone

Total Assessment Rates

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 5 years. The last valuation came into effect on 1 July 2017. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate

Residential	0.01250	0.0134
Vacant land	0.02800	0.0262
Business and commercial	0.02500	0.0195
Agricultural	0.00325	0.0034
PSI	0.01873	0.0195
State-owned	0.02625	0.0206
Municipal Properties	0.01873	0.0000
Church	0.01250	0.0134
Industrial	0.02750	0.0245
Public benefit organisations	0.00325	0.0034

Rates are levied monthly on property owners and are payable the end of each month. Interest is levied at a rate determined by council on outstanding rates amounts.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential	The first R35 000 on the valuation is exempted.
Farm Properties	10% rebate (on application)

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of

	2023 R	2022 R
22. GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants and Subsidies - Operating	60 036 305	53 237 657
National Equitable Share	55 218 000	49 935 573
National: Financial Management Grant	1 850 000	1 700 000
National: Municipal Infrastructure Grant	-	429 800
National: COVID relief grant	-	-
National: Expanded Public Works Programme Integrated Grant	1 768 305	-
Capacity Building Grant	-	-
Housing	200 000	400 000
Provincial: Sport, Arts and Culture (Library Grant)	1 000 000	772 284
Government Grants and Subsidies - Capital	20 319 090	10 376 130
National: Integrated National Electrification Programme Grant	-	1 561 584
National: Municipal Infrastructure Grant	16 361 019	3 808 826
National: Energy Efficiency and Demand Management Grant	2 000 000	2 971 181
National: Expanded Public Works Programme Integrated Grant	-	1 001 854
National: Water services infrastructure grant	1 958 071	1 032 685
Total Government Grants and Subsidies	80 355 395	63 613 787

Included in above are the following grants and subsidies received:

Unconditional

Equitable Share
Provincial Housing Accreditation

	2023 R	2022 R
	55 418 000	50 335 573
Equitable Share	55 218 000	49 935 573
Provincial Housing Accreditation	200 000	400 000

Conditional

National: Financial Management Grant
National: Municipal Infrastructure Grant
National: Integrated National Electrification Programme Grant
National: Water services infrastructure grant
National: Expanded Public Works Programme Integrated Grant
National: Energy Efficiency and Demand Management Grant
Capacity Building Grant
Provincial: Sport, Arts and Culture (Library Grant)

	2023 R	2022 R
	24 937 395	21 825 000
National: Financial Management Grant	1 850 000	1 700 000
National: Municipal Infrastructure Grant	16 361 019	8 596 000
National: Integrated National Electrification Programme Grant	-	1 600 000
National: Water services infrastructure grant	1 958 071	4 000 000
National: Expanded Public Works Programme Integrated Grant	1 768 305	1 389 000
National: Energy Efficiency and Demand Management Grant	2 000 000	3 000 000
Capacity Building Grant	-	-
Provincial: Sport, Arts and Culture (Library Grant)	1 000 000	1 540 000
Total Government Grants and Subsidies	80 355 395	72 160 573

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

	2023 R	2022 R
Equitable share	55 218 000	49 935 573
Community and Social Services	1 200 000	1 172 284
Corporate Services	1 768 305	-
Finance	1 850 000	7 973 165
Infrastructure	20 319 090	4 532 764
Total Government Grants and Subsidies	80 355 395	63 613 786

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

	2023 R	2022 R
22.1 National Grants		
Opening balance	13 753 426	19 082 929
Grants received	71 863 000	70 220 573
Interest received	-	-
Repaid to National Revenue Fund	-	-
Transfers	-	(13 108 573)
Conditions met - Own Income	(2 526 404)	(1 278 233)
Conditions met - Operating	(59 600 905)	(52 065 373)
Conditions met - Capital	(17 028 087)	(9 097 897)
Conditions still to be met	6 461 032	13 753 426

	2023 R	2022 R
22.2 Provincial Grants		
Opening balance	1 259 816	492 100
Correction of Error	-	-
Grants received	1 200 000	1 940 000
Interest received	-	-
Transfer	-	-
Income transferred to revenue	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Own Income	-	(10 678)
Conditions met - Operating	(1 200 000)	(1 161 607)
Conditions still to be met	1 259 816	1 259 816

	2023 R	2022 R
22.3 National: Equitable Share		
Grants received	55 218 000	49 935 573
Interest received	-	-
Transfer from Municipal Infrastructure Grant and EPWP	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	<u>(55 218 000)</u>	<u>(49 935 573)</u>
Conditions still to be met	<u>-</u>	<u>-</u>

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services for the geographical area concerned.

	2023 R	2022 R
22.4 National: Financial Management Grant		
Grants received	1 850 000	1 700 000
Conditions met - Operating	(1 850 000)	(1 700 000)
Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003). The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns)

	2023 R	2022 R
22.5 Provincial: Sports, Arts and Culture (Library Grant)		
Opening balance	27 716	(740 000)
Correction of Error	-	-
Grants received	1 000 000	1 540 000
Conditions met - Own Income	-	(10 678)
Conditions met - Operating	(1 000 000)	(761 607)
Conditions still to be met	27 716	27 716

This grant was allocated for the upgrading of library operational expenditure

	2023 R	2022 R
22.6 Provincial: Housing Accreditation		
Grants received	200 000	400 000
Conditions met - Operating	(200 000)	(400 000)
Conditions still to be met	-	-

The grant was utilised for COVID expenditure

	2023 R	2022 R
22.7 National: Expanded Public Works Programme		
Opening balance	1 038 873	1 560 726
Correction of Error		
Grants received	1 073 000	1 389 000
Interest received		
Transfers to equitable share	(343 567)	(909 000)
Income transferred to revenue		
Repaid to National Revenue Fund		
Conditions met - Own Income	-	(55 501)
Conditions met - Operating	(1 582 905)	-
Conditions met - Capital	(185 400)	(946 352)
Conditions still to be met	-	1 038 873

This grant was used for the upgrading of Roads facilities.

	2023 R	2022 R
22.8 National: Integrated National Electrification Grant		
Opening balance	38 754	522 338
Correction of Error		
Grants received	-	1 600 000
Interest received		
Transfers to equitable share	(38 754)	(522 000)
Repaid to National Revenue Fund		
Conditions met - Own Income	-	(203 685)
Conditions met - Operating	-	-
Conditions met - Capital	-	(1 357 899)
Conditions still to be met	0	38 754

This grant was allocated for the construction and upgrading of electricity networks within the municipal boundaries.

	2023 R	2022 R
22.9 National: Municipal Infrastructure Grant		
Opening balance	9 680 121	16 757 320
Correction of Error		
Grants received	19 000 000	8 596 000
Interest received		
Transfers to equitable share	(5 900 000)	(11 434 573)
Repaid to National Revenue Fund	-	-
Conditions met - Own Income	(2 010 133)	(496 803)
Conditions met - Operating	(950 000)	(429 800)
Conditions met - Capital	(13 400 886)	(3 312 023)
Conditions still to be met	6 419 101	9 680 121

The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads and sewerage infrastructure as part of the upgrading of previously disadvantaged areas

	2023 R	2022 R
22.10 Provincial: Department of Education		
Opening balance	1 232 100	1 232 100

Conditions still to be met

1 232 100

1 232 100

For the construction of athletics fields

	2023	2022
	R	R
22.11 National: Water Services Infrastructure Grant		
Opening balance	2 967 315	-
Correction of Error		
Grants received	2 000 000	4 000 000
Interest received		-
Repaid to National Revenue Fund	(2 967 315)	
Conditions met - own income	(255 401)	(134 698)
Conditions met - Operating		
Conditions met - Capital	(1 702 671)	(897 987)
Conditions still to be met	<u>41 929</u>	<u>2 967 315</u>

The Water Services Infrastructure Grant was used for the development of boreholes

	2023 R	2022 R
22.12 National: Energy Efficiency and Demand Management Grant		
Opening balance	28 364	242 545
Correction of Error		
Grants received	2 000 000	3 000 000
Interest received		
Transfers to equitable share	(28 364)	(243 000)
Conditions met - own income	(260 870)	(387 545)
Conditions met - Operating	-	
Conditions met - Capital	(1 739 130)	(2 583 635)
Conditions still to be met	<u>0</u>	<u>28 364</u>
<i>The grant was for utilised for streetlights.</i>		
	2023 R	2022 R
22.15 Total Grants		
Opening balance	15 013 816	19 575 029
Grants received	82 341 000	72 160 573
Interest received	-	-
Transfers to equitable share	(6 310 685)	(13 108 573)
Repaid to National Revenue Fund	(2 967 315)	-
Conditions met - own income	(2 526 404)	(1 288 911)
Conditions met - Operating	(60 800 905)	(53 226 980)
Conditions met - Capital	(17 028 087)	(9 097 323)
Conditions still to be met/(Grant expenditure to be recovered)	<u>7 721 421</u>	<u>15 013 816</u>
	2023 R	2022 R
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	7 721 422	15 013 240
Unpaid Conditional Government Grants and Receipts		
Total	<u>7 721 422</u>	<u>15 013 240</u>
	2023 R	2022 R
23. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT		
Contributed PPE	-	1 096 868
Total Contributed Property, Plant and Equipment	<u>-</u>	<u>1 096 868</u>
<i>Description of contributed PPE</i>		
	2023 R	2022 R
24. LICENCES AND PERMITS		
Road and Transport	400 134	918 264
Total Licences and Permits	<u>400 134</u>	<u>918 264</u>
	2023 R	2022 R
25. SERVICE CHARGES		
Electricity	91 488 685	88 756 062
Service Charges	91 781 386	91 305 050
Less: Revenue Forgone	(292 701)	(2 548 988)
Water	51 383 240	34 491 726
Service Charges	55 837 553	38 610 259
Less: Revenue Forgone	(4 454 313)	(4 118 533)
Waste Management	8 006 285	7 572 333
Service Charges	13 114 902	12 392 336
Less: Revenue Forgone	(5 108 618)	(4 820 003)
Waste Water Management	15 976 509	15 109 107
Service Charges	23 761 023	22 332 045
Less: Revenue Forgone	(7 784 514)	(7 222 939)
Total Service Charges	<u>166 854 719</u>	<u>145 929 228</u>
Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
	2023 R	2022 R
26. OPERATIONAL REVENUE		
Building Plan Approval	85 038	90 945
Cemetery and Burial	422 646	566 026
Drainage Fees	-	12 806
Removal of Restrictions	-	270 448
Sale of Goods	1 009 172	44 257
Sundry income	516 314	1 099 276
Valuation Services	4 986	6 473

Total Operational Revenue

2 038 156

2 090 230

	2023 R	2022 R
27. RENTAL OF FACILITIES AND EQUIPMENT		
Investment Property	1 310 878	454 619
Property, Plant and Equipment	246 996	1 938 821
Total Rental from Fixed Assets	1 557 874	2 393 440
	2023 R	2022 R
28. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	173 162	25 121
Investments	2 533 435	1 271 868
Total Interest Earned - External Investments	2 706 597	1 296 990
	2023 R	2022 R
29. INTEREST EARNED - OUTSTANDING DEBTORS		
Exchange transactions	6 968 818	2 861 061
Non-Exchange transactions	7 812 568	2 253 395
Total Interest Earned - Outstanding Receivables	14 781 386	5 114 457
	2023 R	2022 R
30. FINES		
Traffic fines	677 624	1 244 484
Penalties for Consumers	14 022	202 738
TOTAL FINES	691 646	1 447 222
	2023 R	2022 R
31. EMPLOYEE RELATED COSTS		
Acting Allowance	25 106	87 799
Basic Salaries and Wages	68 273 767	66 773 063
Bargaining council	39 463	39 026
Bonuses	5 083 315	5 199 756
Cell Phone Allowance	359 517	335 701
Group Insurance	38 794	45 868
Housing Allowances	199 500	241 807
Medical Aid Contributions	2 142 892	3 064 354
Motor Vehicle Allowance	2 026 133	1 945 168
Other Allowances	535 503	
Overtime	3 508 746	2 210 734
Payments in lieu of leave	1 243 448	1 297 840
Pension and UIF Contributions	12 303 301	11 966 547
Performance bonus	-	192 774
Standby Allowances	765 008	1 161 198
Post retirement obligations	1 026 000	(891 000)
Current Service Cost - Long Service Awards - Note 14.2	533 000	(56 000)
Current Service Cost - Medical - Note 14.1	493 000	(835 000)
Total Employee Related Costs	97 570 493	93 670 636
KEY MANAGEMENT PERSONNEL		
The Municipal Manager are appointed on a fixed five year contract. The Directors accountable to the municipal manager are permanently		
	2023 R	2022 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - I Visser (July to December 2022)</i>		
Basic Salary	412 826	823 593
Bonus	57 366	68 633
Cell Phone Allowance	30 000	60 000
Pension and UIF contributions	80 283	150 372
Motor Vehicle Allowance	87 960	172 705
Other benefits and allowances	138 036	178 469
Payments in lieu of leave	158 130	-
Performance Bonus	180 050	130 839
Total	1 144 651	1 584 611
Municipal Manager- DH Molaole (June 2023)		
Basic Salary	48 801	-
Motor Vehicle Allowance	41 000	-
Pension and UIF contributions	177	-
Cell Phone Allowance	5 000	-
Other benefits and allowances	8 991	-
Total	103 969	-
	2023	2022

	R	R
Remuneration of the Chief Financial Officer - MF Manuel		
Basic Salary	224 025	896 100
Bonus	43 560	74 675
Pension and UIF contributions	564	2 125
Motor Vehicle Allowance	51 174	204 696
Other benefits and allowances	254	1 144
Payments in lieu of leave	157 714	
Performance Bonus	165 024	160 899
Total	642 314	1 339 639

MF Manuel was appointed as Chief Financial Officer till August 2022.

	R	R
Remuneration of Director: Corporate Services - TW Msengana		
Basic Salary	439 083	585 000
Bonus	36 625	48 750
Cell Phone Allowance	33 000	36 000
Motor Vehicle Allowance	116 500	150 000
Other benefits and allowances	121 389	97 545
Acting Allowance	2 838	
Payments in lieu of leave	124 232	
Pension and UIF contributions	129 427	164 703
Performance Bonus	135 124	97 380
Total	1 138 218	1 179 377

	2023 R	2022 R
Remuneration of Director: Community and Development Services - M Joka		
Basic Salary	512 502	508 056
Bonus	42 973	42 338
Cell Phone Allowance	40 000	36 000
Pension and UIF contributions	141 021	136 531
Housing Allowances	8 874	
Motor Vehicle Allowance	153 940	144 000
Other benefits and allowances	124 127	100 013
Payments in lieu of leave	-	60 967
Performance Bonus	120 260	87 024
Total	1 143 697	1 114 929

	2023 R	2022 R
Remuneration of Director: Infrastructure - L Thiso		
Basic Salary	524 000	516 000
Bonus	45 000	43 000
Cell Phone Allowance	36 000	36 000
Pension and UIF contributions	124 226	117 142
Motor Vehicle Allowance	129 443	117 600
Other benefits and allowances	196 388	98 816
Performance Bonus	94 490	24 353
Total	1 149 547	952 910

The director was appointed from 1 April 2021.

TOTAL KEY MANAGEMENT	2023 R	2022 R
Acting Allowance	2 838	-
Basic Salary	2 161 236	3 328 749
Bonus	225 524	277 396
Cell Phone Allowance	144 000	168 000
Pension and UIF contributions	475 697	570 873
Motor Vehicle Allowance	580 017	789 001
Housing Allowances	8 874	
Other benefits and allowances	589 184	475 986
Payments in lieu of leave	440 075	60 967
Performance Bonus	694 948	500 495
Total	5 322 394	6 171 467

32. REMUNERATION OF COUNCILLORS	2023 R	2022 R
Total Remuneration of Councillors		
Annual Remuneration	3 881 352	3 803 836
Telephone Allowance	687 200	667 009
Travelling	1 287 035	1 243 601
Pension and UIF Contributions	-	-
Total	5 855 587	5 714 447

Remuneration of Councillor - ST Sthonga		
Annual Remuneration	8 576	215 256
Telephone Allowance		15 809
Travelling		71 752
Pension and UIF Contributions	-	
Total	8 576	302 817

ST Sthonga was Mayor till November 2021

Remuneration of Councillor - MC Kivedo

Annual Remuneration	513 998	482 859
Telephone Allowance	46 800	44 400
Travelling	165 647	157 891
Pension and UIF Contributions		
Total	726 444	685 151

Remuneration of Councillor - CJ Louw

Annual Remuneration	2 716	90 064
Telephone Allowance		15 809
Travelling		30 021
Pension and UIF Contributions		
Total	2 716	135 894

CJ Louw was a councillor till November 2021

Remuneration of Councillor - NP Mkontwana

Annual Remuneration	2 716	90 064
Telephone Allowance		15 809
Travelling		30 021
Pension and UIF Contributions		
Total	2 716	135 894

NP Mkontwana was a councillor till November 2021

Remuneration of Councillor - RR Faul

Annual Remuneration	1 689	68 121
Telephone Allowance		15 809
Travelling		22 707
Pension and UIF Contributions	-	
Total	1 689	106 637

RR Faul was a councillor till November 2021

Remuneration of Councillor - WJ du Plessis

Annual Remuneration	1 689	68 121
Travelling		22 707
Tools of trade		15 809
Pension and UIF Contributions	-	
Total	1 689	106 637

WJ du Plessis was a councillor till November 2021

Remuneration of Councillor - PD van Wyk

Annual Remuneration	1 689	68 121
Telephone Allowance		15 809
Travelling		22 707
Pension and UIF Contributions		
Total	1 689	106 637

PD van Wyk was a councillor till November 2021

Remuneration of Councillor - LE Andrews

Annual Remuneration	265 936	232 704
Telephone Allowance	46 800	44 400
Travelling	86 634	76 301
Pension and UIF Contributions	-	
Total	399 369	353 404

Remuneration of Councillor - SJ Hoffman

Annual Remuneration	1 689	68 121
Telephone Allowance		15 809
Travelling		22 707
Pension and UIF Contributions	-	
Total	1 689	106 637

SJ.Hoffman was a councillor till November 2021

Remuneration of Councillor - L Billie

Annual Remuneration	2 565	87 422
Telephone Allowance		15 809
Travelling		29 141
Pension and UIF Contributions	-	
Total	2 565	132 372

L.Billie was a councillor till November 2021

Remuneration of Councillor - MO Maramba

Annual Remuneration	1 689	68 121
Telephone Allowance		15 809
Travelling		22 707
Pension and UIF Contributions	-	
Total	1 689	106 637

MO Maramba was a councillor till November 2021

Remuneration of Councillor - PP Mhaluali

Annual Remuneration	200 971	193 682
Telephone Allowance	46 800	41 709
Travelling	65 526	63 773
Pension and UIF Contributions	-	
Total	313 297	299 164

Remuneration of Councillor - D Vanel

Annual Remuneration	1 689	68 121
Telephone Allowance		15 809
Travelling		22 707
Pension and UIF Contributions	-	
Total	1 689	106 637

D.Vanel was a councillor till November 2021

Remuneration of Councillor - SP Wales

Annual Remuneration	1 689	68 121
Telephone Allowance		15 809
Travelling		22 707
Pension and UIF Contributions	-	
Total	1 689	106 637

SP Wales was a councillor till November 2021

Remuneration of Councillor - HJ Rust

Annual Remuneration	1 689	19 258
Telephone Allowance		3 700
Travelling		2 000
Pension and UIF Contributions	-	
Total	1 689	24 958

HJ Rust was a councillor till August 2021

Remuneration of Councillor - PN Bushula

Annual Remuneration	199 282	193 682
Telephone Allowance	46 800	44 400
Travelling	65 528	63 773
Pension and UIF Contributions	-	
Total	311 609	301 855

Remuneration of Councillor - JM Fortuin

Annual Remuneration	199 282	125 562
Telephone Allowance	46 800	28 591
Travelling	65 526	41 066
Total	311 608	195 218

JM Fortuin was a councillor from November 2021

Remuneration of Councillor - JT Brandt

Annual Remuneration	199 282	125 562
Telephone Allowance	46 800	28 591
Travelling	65 526	41 066
Total	311 608	195 218

JT Brandt was a councillor from November 2021

Remuneration of Councillor - MN Mackay

Annual Remuneration	256 384	159 875
Telephone Allowance	46 800	28 591
Travelling	85 793	52 095
Total	388 977	240 560

MN Mackay was a councillor from November 2021

Remuneration of Councillor - FCS Swanepoel

Annual Remuneration	199 282	125 562
Telephone Allowance	46 800	28 591
Travelling	65 528	41 066
Total	311 609	195 218

FCS Swanepel was a councillor from November 2021

Remuneration of Councillor - RH Adams Beukes

Annual Remuneration	199 282	125 562
Telephone Allowance	46 800	28 591
Travelling	65 528	41 066
Total	311 609	195 218

RH Adams Beukes was a councillor from November 2021

Remuneration of Councillor - SW Makhandula

Annual Remuneration	199 282	125 562
Telephone Allowance	46 800	28 591
Travelling	65 528	41 066
Total	311 609	195 218

SW Makhandula was a councillor from November 2021

Remuneration of Councillor - BS Swanepoel

Annual Remuneration	199 282	125 562
Telephone Allowance	46 800	28 591
Travelling	65 528	41 066
Total	311 609	195 218

BS Swanepoel was a councillor from November 2021

Remuneration of Councillor - RS Smith

Annual Remuneration	264 247	166 684
Telephone Allowance	46 800	28 591
Travelling	86 633	54 291
Total	397 680	249 566

RS Smith was a councillor from November 2021

Remuneration of Councillor - GL Nkumbi

Annual Remuneration	634 897	387 212
Telephone Allowance	46 800	28 591
Travelling	207 058	125 069
Total	888 754	540 872

GL Nkumbi was mayor from November 2021

Remuneration of Councillor - GK Engelbrecht

Annual Remuneration	199 282	129 297
Telephone Allowance	46 800	28 591
Travelling	65 528	41 066

Total

311 609

198 953

GK Engelbrecht was a councillor from November 2021

Remuneration of Councillor - MST Booyesen

Annual Remuneration

199 282

125 562

Telephone Allowance

46 800

28 591

Travelling

65 528

41 066

Total

311 609

195 218

MST Booyesen was a councillor from November 2021

In-kind Benefits

Councillors may utilise official council transportation when engaged in official duties. The Mayor has use of a council owned vehicle for official duties. The Executive Mayor and Speaker, Chief Whip are full-time Councillors. The Executive Mayor may utilise official Council transportation when engaged in official duties.

Councillors receive the use of tablets/Laptops upon commencing their term in order to perform their daily tasks. Upon completion of this term they are entitled to keep these assets at no cost.

	2023 R	2022 R
33. CONTRACTED SERVICES		
Consultants and Professional Services	8 674 090	7 751 997
Consultants and Professional Services: Business and Advisory: Accounting and Auditing	-	6 559 275
Consultants and Professional Services: Business and Advisory: Audit Committee	37 478	47 385
Consultants and Professional Services: Business and Advisory: Business and Financial Management	6 956 662	-
Consultants and Professional Services: Business and Advisory: Human Resources	-	195 969
Consultants and Professional Services: Business and Advisory: Medical Examinations	-	39 266
Consultants and Professional Services: Business and Advisory: Occupational Health and Safety	-	-
Consultants and Professional Services: Business and Advisory: Organisational	-	-
Consultants and Professional Services: Business and Advisory: Quality Control	-	-
Consultants and Professional Services: Business and Advisory: Research and Advisory	162 826	-
Consultants and Professional Services: Business and Advisory: Valuer and Assessors	-	-
Consultants and Professional Services: Business and Advisory: Project Management	-	-
Consultants and Professional Services: Infrastructure and Planning: Engineering: Civil	32 030	-
Consultants and Professional Services: Infrastructure and Planning: Engineering: Electrical	24 608	52 730
Consultants and Professional Services: Infrastructure and Planning: Engineering: Geoinformatic Services	-	-
Consultants and Professional Services: Infrastructure and Planning: Land and Quantity Surveyors	-	-
Consultants and Professional Services: Infrastructure and Planning: Town Planner	-	-
Consultants and Professional Services: Laboratory Services: Water	3 723	-
Consultants and Professional Services: Legal Cost: Collection	-	-
Consultants and Professional Services: Legal Cost: Issue of Summons	-	-
Consultants and Professional Services: Legal Cost: Legal Advice and Litigation	1 456 762	857 372
Contractors	2 398 269	2 112 830
Contractors: Building	-	-
Contractors: Catering Services	-	65 800
Contractors: Electrical	-	-
Contractors: Employee wellness	61 215	(110 346)
Contractors: Fire Protection	-	-
Contractors: Distribution of Electricity by Others: Network Charges	962 051	-
Contractors: Maintenance of Buildings and Facilities	240 616	9 880
Contractors: Maintenance of Equipment	(0)	648 845
Contractors: Maintenance of Unspecified Assets	1 003 290	646 153
Contractors: Management of Informal Settlements	-	-
Contractors: Medical Services	72 100	-
Contractors: Plants, Flowers and Other Decorations	-	-
Contractors: Pest control	-	-
Contractors: Prepaid Electricity Vendors	58 995	818 519
Contractors: Photographer	-	4 217
Contractors: Removal of Hazardous Waste	-	-
Contractors: Safeguard and Security	-	-
Contractors: Sewerage Services	-	-
Contractors: Tracing Agents and Debt Collectors	-	-
Contractors: Transportation	-	29 762
Outsourced Services	3 281 896	3 944 734
Outsourced Services: Burial Services	-	-
Outsourced Services: Business and Advisory: Occupational Health and Safety	-	-
Outsourced Services: Business and Advisory: Valuer	363 768	1 713 501
Outsourced Services: Business and Advisory: Human Resources	-	-
Outsourced Services: Business and Advisory: Research and Advisory	-	-
Outsourced Services: Organisational services	-	-
Outsourced Services: Business and Advisory: Communications	12 432	-
Outsourced Services: Catering Services	68 667	-
Outsourced Services: Cleaning Services	-	-
Outsourced Services: Driver Licence Cards	141 489	262 156
Outsourced Services: Internal Auditors	488 437	227 391
Outsourced Services: Meter Management	-	4 700
Outsourced Services: Personnel and Labor	289 953	303 280
Outsourced Services: Litter Picking and Street Cleaning	50 174	-
Outsourced Services: Professional Staff	224 689	-
Outsourced Services: Refuse Removal	-	-
Outsourced Services: Security Services	1 542 289	1 128 249
Outsourced Services: Sewerage Services	-	-
Outsourced Services: Traffic Fines Management	100 000	305 456
Total Contracted Services	14 354 255	13 809 560
	2023 R	2022 R
34. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	55 404 886	52 632 837
Intangible Assets	3 587	12 754
Total Depreciation and Amortisation	55 408 473	52 645 591
	2023 R	2022 R
35. FINANCE COSTS		
Finance leases	58 330	140 693
Non-current Provisions	7 359 072	6 669 569
Non-current Employee Benefits	2 708 000	2 474 000
Overdue creditors	12 491 561	4 584 782
Overdraft Facilities	813	94 636
Total Finance Costs	22 617 777	13 963 680
	2023 R	2022 R
36. BULK PURCHASES		
Electricity	87 554 248	80 703 807

Water

-

4 273

Total Bulk Purchases

87 554 248

80 708 080

Bulk purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the Municipal are for resale to the consumers. Electricity is purchased from Eskom whilst water is purchased from various sources.

Refer to note 48.8 on material losses for loss on electricity and water

	2023 R	2022 R
37. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	179 962	68 772
Audit Fees	4 097 557	2 051 986
Bank Charges, Facility and Card Fees	440 603	598 988
Cleaning Services	-	106 102
Commission ;Third party Vendors	20 000	
Communication:Cellular Expenditure	124 054	
Communication:Postage/Stamps/Frinking Machines	594	
Deeds	-	11 381
Digging of graves	-	8 000
Drivers Licences and Permits	-	110 126
Electricity Compliance Certificate	-	22 405
Entertainment	4 560	2 304
External Computer Service:Information Services	646 038	-
Hire Charges	-	388 297
Insurance excess	1 133 006	1 987 942
Job creation	-	-
Land Alienation Costs	-	-
Licences	-	629 913
Municipal Services	6 794 264	
Printing, Publications and Books	1 543 852	520 745
Professional Bodies, Membership and Subscription	1 478	1 750 938
Search Fees	-	-
Servitudes and Land Surveys	25 974	-
Signage	-	-
Registration Fees:Seminars_ Conferences_ Workshops and Events:National	4 999	
Skills Development Fund Levy	799 568	775 722
Storage of Files (Archiving)	-	129 000
Restoration Cost Landfill Sites	75 820	
Telephone Costs	1 600 063	1 448 797
Travel and Subsistence	1 492 000	722 345
Uniform and Protective Clothing	47 414	506 237
Ward Committee	373 065	186 000
Electricity	283 109	2 325 803
Water Resource Management Charges	55 797	
Wet Fuel	2 474 684	3 367 675
Total Operational Costs	22 218 460	17 719 477
	2023	2022
	R	R
38. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 9	52 428 599	15 764 389
Receivables from Non-exchange Revenue - Note 10	21 054 809	10 784 124
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	73 483 408	26 548 513
	2023	2022
	R	R
39. GAINS/(LOSS) ON SALE OF FIXED ASSETS		
Property, Plant and Equipment	(125 500)	(7 057 360)
Total Gains/ (Loss) on Sale of Fixed Assets	(125 500)	(7 057 360)
	2023	2022
	R	R
40. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON FIXED ASSETS		
Property, Plant and Equipment	-	-

41. RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS

Statement of Financial Position	Balance previously reported	Adjustments	Restated Balance
Accumulated Surplus/(Deficit)	696 364 686	0	696 364 686
Capital Replacement Reserve	2 252 793	-	2 252 793
External Computer Service:Information Services			
Long-term Borrowings	643 842	(0)	643 842
Non-current Provisions	68 643 371	-	68 643 371
Non-current Employee Benefits	23 688 001	-	23 688 001
Consumer Deposits	2 818 757	-	2 818 757
Provisions			
Current Employee Benefits	13 985 340	-	13 985 340
Trade and Other Payables from Exchange Transactions	139 570 013	-	139 570 013
Trade and Other Payables from Non-Exchange Transactions	11 577 786	-	11 577 786
Unspent Transfers and Subsidies	15 013 816	-	15 013 816
Cash and Cash Equivalents	16 558 310	-	16 558 310
Current Portion of Long-term Borrowings	46 683	(0)	46 683
Property, Plant and Equipment	821 009 762	-	821 009 762
Investment Property	8 767 885	-	8 767 885
Intangible Assets	12 754	-	12 754
Heritage Assets	6 959 273	-	6 959 273
Investments	31 878	-	31 878
Inventory	25 480 862	-	25 480 862
Receivables from exchange transactions	58 335 813	-	58 335 813
Receivables from non-exchange transactions	26 000 126	-	26 000 126
Unpaid Transfers and Subsidies	0	-	-
Operating Lease Asset			
Taxes	20 110 027	-	20 110 027
Cash and Cash Equivalents	24 455 018	-	24 455 018
	0	(1)	(1)

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Performance			
Property Rates	39 620 403	-	39 620 403
Government Grants and Subsidies - Capital	10 376 130	-	10 376 130
Government Grants and Subsidies - Operating	53 237 084	-	53 237 084
Contributed Property, Plant and Equipment	1 096 868	-	1 096 868
Fines and Penalties	1 447 222	-	1 447 222
Interest Earned - Non-exchange Transactions	2 253 395	-	2 253 395
Service Charges	145 929 228	-	145 929 228
Operational Revenue	2 090 230	-	2 090 230
Rental from Fixed Assets	2 393 440	-	2 393 440
Interest Earned - External Investments	1 296 990	-	1 296 990
Interest Earned - Exchange Transactions	2 861 061	-	2 861 061
Licences and Permits	918 264	-	918 264
Agency Services			
Employee related costs	93 670 636	-	93 670 636
Remuneration of Councillors	5 714 447	-	5 714 447
Contracted Services	13 809 560	-	13 809 560
Depreciation and Amortisation	52 645 591	-	52 645 591
Finance Costs	13 963 680	-	13 963 680
Bulk Purchases	80 708 080	-	80 708 080
Inventory Consumed	2 094 194	-	2 094 194
Transfers and Subsidies	0	-	-
Operational Costs	17 719 477	-	17 719 477
Actuarial gain/(loss)	3 227 000	-	3 227 000
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-2 056 721	-	(2 056 721)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	-26 548 513	-	(26 548 513)
Gains/(Loss) on Sale of Fixed Assets	-7 057 360	-	(7 057 360)
Fair value adjustment	1 075 924	-	1 075 924
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	0	-	-
Net Surplus/(Deficit) for the year	-48 165 021	-	(48 165 021)

	2022 R	2021 R
42. CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
	2022	2021
		R
42.1 Accumulated Surplus		
Balance previously reported	696 364 686	744 529 708
Correction of first time recognition of moveable assets :PPE Cost	115 858	-
Correction of first time recognition of moveable assets; PPE- Depretiation	(22 915)	-
Restated Balance	696 457 628	744 529 708
	2022	2021
		R
42.2 Long-term Borrowings		
Balance previously reported	643 842	-
Correction as result of an annuity loan incorrectly recorded	(39 592)	-
Restated Balance	604 251	-
	2022	2021
		R
42.3 Current Portion of Long-term Borrowings		
Balance previously reported	46 683	-
Correction as result of an annuity loan incorrectly recorded	39 592	-
Restated Balance	86 275	-
	2022	2021
		R
42.4 Property Plant and Equipment		
Balance previously reported	821 009 762	875 137 011
Correction of first time recognition of moveable assets :PPE Cost	115 858	-
list movements Correction of first time recognition of moveable assets; PPE- Depretiation	(22 915)	-
Restated Balance	821 102 704	875 137 011

	2021	2022	
		R	
42.5 Changes to Statement of Financial Performance			
Movement on operating account as a result of GRAP standards not implemented in prior years:			
	Balance previously reported	Adjusted	Restated Balance
Revenue			
Property Rates	39 620 403	-	39 620 403
Government Grants and Subsidies - Capital	10 376 130	-	10 376 130
Government Grants and Subsidies - Operating	53 237 084	-	53 237 084
Contributed Property, Plant and Equipment	1 096 868	-	1 096 868
Fines and Penalties	1 447 222	-	1 447 222
Interest Earned - Non-exchange Transactions	2 253 395	-	2 253 395
Service Charges	145 929 228	-	145 929 228
Operational Revenue	2 090 230	-	2 090 230
Rental of Facilities and Equipment	2 393 440	-	2 393 440
Interest Earned - External Investments	1 296 990	-	1 296 990
Interest Earned - Exchange Transactions	2 861 061	-	2 861 061
Licences and Permits from Exchange Transactions	918 264	-	918 264
Agency Services	0	-	-
Total	263 520 314	-	263 520 314
Expenditure			
Employee related costs	93 670 636	-	93 670 636
Remuneration of Councillors	5 714 447	-	5 714 447
Contracted Services	13 809 560	-	13 809 560
Depreciation and Amortisation	52 645 591	22 915	52 668 507
Finance Costs	13 963 680	-	13 963 680
Bulk Purchases	80 708 080	-	80 708 080
Inventory Consumed	2 094 194	-	2 094 194
Transfers and Subsidies	0	-	-
Operational Costs	17 719 477	-	17 719 477
Total	280 325 666	22 915	280 348 581
Gains and Losses			
Actuarial gain/(loss)	3 227 000	-	3 227 000
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-2 056 721	-	(2 056 721)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	-26 548 513	-	(26 548 513)
Gains/(Loss) on Sale of Fixed Assets	-7 057 360	-	(7 057 360)
Fair value adjustment	1 075 924	-	1 075 924
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	0	-	-
Total	-31 359 670	-	(31 359 670)
Net Surplus/(Deficit) for the year	-48 165 021	(22 915)	(48 187 937)

	2023	2022
	R	R
43. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	(117 896 276)	(48 187 937)
Adjustments for:		
Depreciation	55 404 886	52 632 837
Amortisation	3 587	12 754
Loss/(Gain) on Sale of Fixed Assets	125 500	7 057 360
Interest Accrued on new loan	3 355	-
Impairment Loss/(Reversal of Impairment Loss) - Receivables	126 288 149	26 548 513
Fines written off	7 508 954	-
Contributed Property, Plant and Equipment	-	(1 096 868)
Increase in discounting - non-current provisions	7 387 605	6 669 569
Contribution from/to provisions - Non-Current Employee Benefits - finance cost	2 708 000	2 474 000
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	-2 936 759	(3 227 000)
Contribution from/to - Current Employee Benefits	-415 000	660 952
Contribution to employee benefits – current - expenditure incurred	352 454	(500 495)
Contribution from/to employee benefits - non-current - expenditure incurred	1 026 000	1 135 000
Contribution from/to - Non-Current Employee Benefits	-1 461 241	(2 026 000)
Inventory fair value adjustment	(12 879)	2 056 721
Operating Surplus/(Deficit) before changes in working capital	78 086 337	44 209 405
Changes in working capital	(49 258 972)	(36 177 263)
Increase/(Decrease) in Trade and Other Payables Exchange	67 202 400	25 361 843
Increase/(Decrease) in Trade and Other Payables Non-exchange	(8 539 167)	1 458 564
Increase/(Decrease) in Taxes	(7 067 695)	(7 439 950)
(Increase)/Decrease in Inventory	(22 797)	(1 075 389)
Increase/(Decrease) in Consumer Deposits	109 435	139 871
(Increase)/Decrease in Receivables from Exchange Transactions	(87 531 701)	(34 663 869)
(Increase)/Decrease in Receivables from Non-Exchange Transactions	(6 117 051)	(15 397 118)
(Increase)/Decrease Unpaid Transfers and Subsidies	-	740 000
Increase/(Decrease) in Unspent Transfers and Subsidies	(7 292 395)	(5 301 214)
Cash generated/(absorbed) by operations	28 827 365	8 032 142

47.2 **Fruitless and wasteful expenditure**

	R	R
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	4 639 872	15 769 759
Fruitless and wasteful expenditure current year	11 741 651	1 732 027
Fruitless and wasteful identified by Auditor-General		2 907 844
Written off by Council		<u>(15 769 759)</u>
Fruitless and wasteful expenditure awaiting condonement	<u><u>16 381 523</u></u>	<u><u>4 639 872</u></u>

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings
Interest paid on creditors overdue accounts	None
Telkom-interest charged	None
Eskom -interest paid	None
Inzalo -EMS interest charges	None
Auditor General-Overdue charges	None
	None

2023
R

2022
R

3 005
10 774 182
354 792
609 672

4 639 247
-
624

11 741 651

4 639 871

47.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

Opening balance
Irregular expenditure identified current year
Irregular expenditure identified current year relating to the prior year
Irregular identified by the Auditor-General
Written off by Council

Irregular expenditure awaiting further action

26 464 223
2 122 820
4 386 399
2 146 874

88 309 438
2 619 302

690 863
(65 155 380)

35 120 316

26 464 223

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies for expenditure.

Irregular expenditure is disclosed inclusive of VAT

208/2019- SCM proses not followed	None	27 140 394	27 140 394
2019/2020 - Quotation process not followed	None	192 557	192 557
2019/2020 - Valid or no contracts in place for service providers constituted	None	7 372 853	7 372 853
regulations	None	43 975 506	43 975 506
2021/2022 - Quotation process not followed	None	9 628 128	9 628 128
2021/2022 - Contracts/Suppliers identified in previous financial years as irregular	None	198 750	198 750
2021/2022 - Irregular identified by the Auditor-General	None	2 420 552	2 420 552
2022/2023 - Quotation process not followed	None	690 863	690 863
2022/2023 - Contracts/Suppliers identified in previous financial years as irregular	None	967 973	-
2022/2023 - Irregular identified by the Auditor-General	None	1 154 845	
2021/2022 - Irregular identified by the Auditor-General	None	2 146 874	
	None	4 386 399	
	None		
	None		

48.

2023

2022

48.1

Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

Opening balance
Council subscriptions
Amount paid - current year
Amount paid - previous years

Balance unpaid

832 823
1 060 424
(1 060 424)

830 018
973 489
(810 684)
(160 000)

832 823

832 823

48.2

Audit fees - [MFMA 125 (1)(c)]

Opening balance
Current year audit fee
Amount paid - current year
Amount paid - previous year

3 023 925
4 037 778
(1 013 853)
(3 023 925)

4 747 942
2 648 655
(2 581 593)
(1 791 080)

3 023 924

3 023 925

48.3

VAT - [MFMA 125 (1)(c)]

VAT

27 177 722

20 110 027

Closing balance

27 177 722

20 110 027

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have

48.4

PAYE ,SDL and UIF - [MFMA 125 (1)(c)]

Opening balance

2023
R

2022
R

98 363

7

Current year payroll deductions	11 550 638	12 860 688
Amount paid - current year	(11 550 638)	(12 762 325)
Amount paid - previous year	(98 363)	(7)
Balance unpaid	0	98 363

48.5

Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

	2023 R	2022 R
Opening balance	-	-
Current year payroll deductions and Council Contributions	13 942 715	20 245 453
Amount paid - current year	(13 942 715)	(20 245 453)
Balance unpaid	-	-

48.6

Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]2023
R2022
R

The following Councillors had arrear accounts for more than 90 days as at 30 JUNE 2023:

FCS Swanepoel
 MN Mackay
 SW Makhandula
 JT Brandt
 GK Engelbrencht
 LE Andrews
 JM Fortuin
 PP Mhali
 PN Bushula
 R Smith
 B Swanepoel
 RH Adams- Beukes
 MST Booysen
 MC Kivedo
 GL Nkumbi
 D Vanel
 NP Mkontwana
 PP Mhlali
 SP Wales

Outstanding more than
90 daysOutstanding
more than 90
days

48.7

Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

30 JUNE 2023

	Single Supplier	Type of Deviation		Emergency
		Impossible	Impractical	
Jul-22	29 661	0		
Aug-22	169 501	0		
Sep-22	279 321	0		
Oct-22	378 145	0		
Nov-22	601 160	0		
Dec-22	301 006	0		
Jan-23	-	0		54 947
Feb-23	7 797	0		83 281
Mar-23	299 491	0		
Apr-23	39 010	0		
May-23	426 291	0	366 350	
Jun-23	505 301	0	1 633 649	
	3 462 975	0	1 999 999	138 228

30 JUNE 2022

	Single Supplier	Type of Deviation		Emergency
		Impossible	Impractical	
Jul-21	-	0	25 974	48 507
Aug-21	-	0	51 568	46 286
Sep-21	10 589	0	-	-
Oct-21	-	0	-	-
Nov-21	-	0	29 099,23	-
Dec-21	-	0	-	-
Jan-22	-	0	-	-
Feb-22	-	0	891 181	142 180
Mar-22	5 246	0	52 877	6 600
Apr-22	-	0	4 888	47 032
May-22	-	0	31 023	-
	15 834	-	1 086 610	290 605

Non-Compliance with Chapter 11 of the Municipal Finance Management Act

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy

Range of Deviations approved by Municipal Manager

Deviations between 0 - 2000
 Deviations between 2001 -10 000
 Deviations between 10 001 - 200 000

Total Deviations

2022/23 Amounts

48.8

Material losses2023
R2022
R

Electricity distribution losses

Units purchased (Kwh)	46 282 580	52 370 969
Units lost during distribution (Kwh)	3 137 248	6 393 978
Percentage lost during distribution	6.78%	12.21%

Initiative by Engineering to inspect meters to reduce the amount of meter tampering.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of the credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

All services are payable within 30 days from invoice date. Refer to note 9 and 10 for all balances outstanding longer than 30 days.

	2023 %	2023 R	2022 %	2022 R
<u>Non-exchange Receivables</u>				
Other (sundry debtors)	100.00%	10 553 059	100.00%	1 096 667
<u>Exchange Receivables</u>				
Electricity	24.08%	68 261 628	23.19%	47 755 463
Water	40.46%	114 723 951	40.54%	83 493 343
Property Rentals	1.04%	2 938 179	1.42%	2 929 787
Waste Management (refuse)	8.13%	23 060 335	11.12%	22 904 771
Waste Water Management (Sewerage)	15.40%	43 661 852	21.09%	43 435 233
Town Commage	1.96%	5 569 436	2.47%	5 091 585
Other	8.93%	25 311 167	0.17%	359 757
	100.00%	283 526 547	100.00%	205 969 938

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 9 and 10 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

Rates and fines are regarded as Statutory receivables and therefore does not form part of financial risk disclo

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (ABSA Bank Limited). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2023 R	2022 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from Exchange Transactions	283 526 547	205 969 938
Receivables from Non-Exchange Transactions	10 553 059	3 003 366
Cash and Cash Equivalents	35 374 396	24 452 038
	329 454 002	233 425 343

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

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

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2023				
Long-term Liabilities	404 808	1 423 250	1 320 753	-
Trade and Other Payables	206 772 412	0	-	-
	207 177 220	1 423 250	1 320 753	-
2022				
Long-term Liabilities	46 683	83 842	-	-
Trade and Other Payables	139 570 013	0	-	-
	139 616 696	83 842	-	-

50.

FINANCIAL INSTRUMENTS

2023
R

2022
R

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

50.1

Financial Assets

Investments

Housing Loans

2023
R

2022
R

Receivables from Exchange Transactions

Electricity	68 261 628	47 755 463
Water management	114 723 951	83 493 343
Property Rentals	2 938 179	2 929 787
Waste Management	23 060 335	22 904 771
Waste Water Management	43 661 852	43 435 233
Town commage	5 569 436	5 091 585
Other receivables from exchange transactions	25 311 167	359 757

Receivables from Non-Exchange Transactions

Sundry debtors	10 553 059	1 096 667
Sundry deposits		1 906 700

2023
R

2022
R

Cash and Cash Equivalents

Bank Balances	11 699 315	3 807 106
Call Deposits	23 675 081	20 644 932
Cash on hand	2 980	2 980

Total Financial Assets

SUMMARY OF FINANCIAL ASSETS

2023
R

2022
R

Financial Instruments at amortised cost:

Receivables from Exchange Transactions	Electricity	68 261 628	47 755 463
Receivables from Exchange Transactions	Water management	114 723 951	83 493 343
Receivables from Exchange Transactions	Property Rentals	2 938 179	2 929 787

Receivables from Exchange Transactions		23 060 335	22 904 771
Receivables from Exchange Transactions		43 661 852	43 435 233
Receivables from Exchange Transactions	Town commage	5 569 436	5 091 585
Receivables from Exchange Transactions		25 311 167	359 757
Receivables from Non-Exchange Transactions		10 553 059	1 096 667
Receivables from Non-Exchange Transactions		-	1 906 700
Cash and Cash Equivalents		11 699 315	3 807 106
Cash and Cash Equivalents		23 675 081	20 644 932
Cash and Cash Equivalents		2 980	2 980
		329 456 982	233 428 323

		2023 R	2022 R
Financial Instruments at fair value:			
Investments		31 878	31 878
		31 878	31 878
Total Financial Assets		329 488 860	233 460 201

50.2

Financial Liabilities

Long-term Liabilities

Annuity Loans		1 795 563	520 408
Capitalised Lease Liability		37 159	83 842

		2023	2022
		R	R
Trade and Other Payables			
Retentions		481 188	481 188
Sundry creditors	Financial Instruments a	184 801	7 876 407
Sundry deposits		22 447 198	184 801
Trade payables		176 867 695	123 644 788

		2023	2022
		R	R
Current Portion of Long-term Liabilities			
Annuity Loans		135 908	39 592
Capitalised Lease Liability		46 683	46 683

		2023	2022
		R	R
Cash and Cash Equivalents			
Bank Overdraft		16 558 310	16 558 310

		2023	2022
		R	R
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities		1 931 472	560 000
Long-term Liabilities		83 842	130 526
Trade and Other Payables		481 188	481 188
Trade and Other Payables		184 801	7 876 407
Trade and Other Payables		22 447 198	184 801
Trade and Other Payables		176 867 695	123 644 788
Cash and Cash Equivalents		16 558 310	16 558 310
		218 554 507	149 436 019

		2023	2022
		R	R
51. STATUTORY RECEIVABLES			

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

Taxes

VAT Receivable	27 177 722	20 110 027
----------------	------------	------------

Receivables from Non-Exchange Transactions

Rates	104 088 102	85 553 897
Fines	627 950	116 650 361

Total Statutory Receivables (before provision)

Less: Provision for Debt Impairment	(90 660 888)	(179 499 213)
--	--------------	---------------

Total Statutory Receivables (after provision)

	41 232 886	42 815 072
--	-------------------	-------------------

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)
Fines	- Criminal Procedures Act

	2023	2022
	R	R
(Rates): Ageing		
Current (0 - 30 days)	6 658 771	1 332 643
31 - 60 Days	1 639 697	739 698
61 - 90 Days	1 569 334	645 202
+ 90 Days	94 220 299	82 836 354
Total	104 088 102	85 553 897

	2023	2022
	R	R
Reconciliation of Provision for Debt Impairment		

Balance at beginning of year	179 499 212	168 715 801
------------------------------	-------------	-------------

Contribution to provision	(88 838 324)	10 783 411
Reversal of provision		
Balance at end of year	90 660 888	179 499 212

The impairment is due to slow payment of debtors. The national lockdown resulted in increase of debtors that did not settle their account.

Property Rates: Management determines the payment rate per debtor. Therefore each individual debtor is impaired based on the

Fines: Fines are impaired per individual fine based on collection of debt. The indication of impairment is the non-ability of the debtor to

	2023 R	2022 R
<u>Ageing of amounts past due and impaired:</u>		
1 month past due	1 639 696	391 056
2+ months past due	95 789 634	69 519 576

Management base the consideration past due and impaired on the rate debtor's payments. Per the debt control policy of the municipality past due and impaired include the category of residential, industrial & commercial and other debtors. Government debtors are not

	2023 R	2022 R
<u>Ageing of amounts past due but not impaired:</u>		
1 month past due	1 639 696	144 605
2+ months past due	4 541 256	4 597 243
	<u>6 180 952</u>	<u>4 741 848</u>

Management base the consideration on the debtor's payments. Per the debt control policy government debtors are not impaired as it is viewed that they are obliged to pay and therefore included in the category past due and not impaired

	2023 R	2022 R
<u>Interest Received from Statutory Receivables</u>		
Traffic fines	-	-
Rates	7 812 568	2 253 395
	<u>7 812 568</u>	<u>2 253 395</u>

Interest is levied at a rate determined by the council on outstanding rates amounts.

52. IN-KIND DONATIONS AND ASSISTANCE	2023 R	2022 R

53. PRIVATE PUBLIC PARTNERSHIPS	2023 R	2022 R
Council has not entered into any private public partnerships during the financial year.	-	-

54. CONTINGENCIES	2023 R	2022 R
Emthanjeni // Hamsa Consulting – Northern Cape High Court		
The litigation is in relation to capital project for the supply and install on grid streetlights. At the 30 June 2022 the litigation was still under way and therefore outcome was still uncertain.		-
Emthanjeni//Luvacon Civils		
The litigation is in relation to capital project for the implementation of boreholes. At the 30 June 2022 the litigation was still under way and therefore outcome was still uncertain.		-
Emthanjeni//Various farmers		
There is a brewing dispute between the Municipality and various land owners about the extraction of water by the Municipality from farms. It is foreseen that these land owners may institute legal claims against the Municipality in due course. At 30 June 2022 the possible claim amount could not be measured with certainty.	-	-
Emthanjeni/Sindile Xontile		
This matter is postponed until 14 September 2022 for Mr. Xontile to come to court with an attorney. Due to the nature and the fact that we do not know how long this litigation will proceed we are unable to tell in rand value what the expenses will be.	206 352	206 352

55. RELATED PARTIES	2023 R	2022 R
Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.		

55.1 Related Party Transactions	Service charges - Levied 1 July 2022- 30 June 2023	Other - Levied 1 July 2022- 30 June 2023	Outstanding Balance - 30 June 2023	Provision for impairment - 30 June 2023
Year ended 30 JUNE 2023				
Councillors				
<i>FCS Swanepoel</i>			1 739	
<i>MN Mackay</i>			651	
<i>SW Makhandula</i>			45 161	
<i>JT Brandt</i>			17 736	
<i>GK Engelbrencht</i>			-	
<i>LE Andrews</i>			10 227	

<i>JM Fortuin</i>			25 758	
<i>PP Mhali</i>			7 961	
<i>PN Bushula</i>			69 067	
<i>R Smith</i>			-	
<i>B Swanepoel</i>			11 596	
<i>RH Adams- Beukes</i>			48 897	
<i>MST Booysen</i>			2008	
<i>MC Kivedo</i>			18 581	
			<hr/>	
			-	0
			<hr/>	<hr/>
			271 445	-
			<hr/>	<hr/>

	Service charges - Levied 1 July 2022- 30 June 2023	Other - Levied 1 July 2022- 30 June 2023	Outstanding Balance - 30 June 2023	Provision for impairment - 30 June 2023
Year ended 30 JUNE 2022				
Municipal Manager and Section 57 Employees				
<i>I Visser</i> <i>Municipal Manager</i>				
<i>MF Manuel</i> <i>Director: Financial services</i>				
<i>TW Msengana</i> <i>Director: Corporate services</i>				
<i>HM Joka</i> <i>Director: Community services</i>			102 518	
<i>W Lubbe</i> <i>Director: Infrastructure and Technical Services</i>				
			<hr/>	
			-	0
			<hr/>	<hr/>
			102 518	-
			<hr/>	<hr/>

	Service charges - Levied 1 July 2021 - 30 June 2022	Other - Levied 1 July 2021 - 30 June 2022	Outstanding Balance - 30 June 2022	Provision for impairment - 30 June 2022
Year ended 30 JUNE 2022				
Councillors				
<i>FCS Swanepoel</i>	1 872	0	8 039	8 036
<i>MN Mackay</i>	6 689	0	7 976	5 571
<i>SW Makhandula</i>	4 860	0	40 982	28 605
<i>JT Brandt</i>	5 319	0	9 648	3 858
<i>GK Engelbrencht</i>	7 071	0	1 477	-
<i>LE Andrews</i>	5 079	0	6 638	2 655
<i>JM Fortuin</i>	3 504	0	19 265	9 632
<i>PP Mhaulti</i>	12 651	-1 657	9 939	-
<i>PN Bushula</i>	6 661	2 715	73 158	29 263
<i>R Smith</i>	-	0	-	-
<i>B Swanepoel</i>	3 986	0	11 491	11 491
<i>RH Adams- Beukes</i>	28 256	0	58 225	23 290
<i>MST Booysen</i>	5 001	0	8632,45	4 385
<i>MC Kivedo</i>	13 253	1 949	9 935	6 021
<i>GL Nkumbi</i>	8 229	0	0	0
	112 429	3 006	265 405	132 806
	Service Charges - Levied 1 July 2020 - 30 June 2021	Other - Levied 1 July 2020 - 30 June 2021	Outstanding Balance - 30 June 2021	Provision for impairment - 30 June 2021
Year ended 30 JUNE 2022				
Municipal Manager and Section 57 Employees				
<i>I Visser - Municipal Manager</i>	7 893	0	1 607	-
<i>MF Manuel - Director Financial Services</i>	8 522		1 733	-
<i>TW Msengana - Director Corporate Services</i>	1 414	1	7 151	3 575
<i>HM Joka - Director Community Services</i>	10 896	11 570	65 209	26 084
	28 726	11 571	75 699	29 659

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

55.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

55.3 Compensation of related parties

The compensation of related parties is set out in note 31 and 32 to the Annual Financial Statements. Councillors and management comprises of persons responsible for planning, directing and controlling the activities of the Municipality

55.4 Other related party transactions

2023
R

2022
R

Councillors and/or management of the municipality had relationships with business during the financial period as indicated below:

No purchases was made from them during the financial year and prior year.

30 JUNE 2023

Company Name	Amount	Interest
Ncedis Bakery Primary Co-Operative	-	(councillor) is a
Jupiter Construction and Enterprise	-	J.Fortuin (councillor) is a director
Ziyeka Security and Training Company	-	J.Fortuin (councillor) is a director
Pixley Seme Boys 2 Man	-	RH Adams- Beukes (councillor) is a director
Khazimla Sound Equipment	-	SW Makandula (councillor) is a director
Primary Co-operative Limited	-	SW Makandula (councillor) is a director
Inqomoso Youth General Trading	-	(councillor) is a
Emthanjeni Business Council	-	(councillor) is a
De Aar Community Forum	-	(councillor) is a
SNS Empowerment	-	(councillor) is a
Rehoboth Joan Wertheim Centre	-	R.Smith (councillor) is a director
Van Zyl Booysen Institution	-	M Booysen (councillor) is a director
Afire Skies Solutions	-	S Jordan (Actinf CFO) is a director
Dirathata	-	L Thiso (Director: Infrastructure) is a director
MOSHU 1640 MINING	-	D Molaole (Municipal Manager) is a director

The Rise of the Umpire	-	H.Joka (Director: Community Services) is a director
Phimola Keledi Burial	-	D Molaole (Municipal Manager) is a director

30 JUNE 2022

Company Name	Amount	Interest
Ncedis Bakery Primary Co-Operative	-	PP Mhlauli (councillor) is a director
Jupiter Construction and Enterprise	-	J.Fortuin (councillor) is a director
Ziyeka Security and Training Company	-	J.Fortuin (councillor) is a director
Pixley Seme Boys 2 Man	-	RH Adams- Beukes (councillor) is a director
Khazimla Sound Equipment	-	SW Makandula (councillor) is a director
Primary Co-operative Limited	-	SW Makandula (councillor) is a director
Ingomoso Youth General Trading	-	SW Makandula (councillor) is a director
Emthanjeni Business Council	-	SW Makandula (councillor) is a director
De Aar Community Forum	-	SW Makandula (councillor) is a director
SNS Empowerment	-	SW Makandula (councillor) is a director
Rehoboth Joan Wertheim Centre	-	R.Smith (councillor) is a director
Chartered Institute of Government Finance Audit and Risk Officers	-	F.Manuel (CFO) is a director
Van Zyl Booysen Institution	-	M Booysen (councillor) is a director
The Rise of the Umpire	-	H.Joka (Director: Community Services) is a director
Dirathata	-	L. Thiso (Director: Infrastructure) is a director

55.5 Municipal Supply Chain Regulations 45 - Awards to close family members of persons in the service of the state

Supplier	Relationship to Municipality	Award
G3 Group (Pty) Ltd	Director is not an official of the municipality	68 467.46
G3 Group (Pty) Ltd	Director is not an official of the municipality	116 050.00
G3 Group (Pty) Ltd	Director is not an official of the municipality	189 888.23
G3 Group (Pty) Ltd	Director is not an official of the municipality	19 997.05
G3 Group (Pty) Ltd	Director is not an official of the municipality	197 437.50
G3 Group (Pty) Ltd	Director is not an official of the municipality	42 044.00
G3 Group (Pty) Ltd	Director is not an official of the municipality	76 452.00
G3 Group (Pty) Ltd	Director is not an official of the municipality	7 500.00
G3 Group (Pty) Ltd	Director is not an official of the municipality	68 467.46
TOTAL		786 303.70

56. FINANCIAL SUSTAINABILITY

Management is of the opinion that will municipality will continue to operate as a going concern and perform it's functions as set out in the

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The current ratio decreased to 0.69 from 0.77 in the prior year.

The municipality had an actual deficit R131 708 623.80 for the current year.

The average debtors' payment days increased to 1042 days from 777 days.

The average debtor-collection period after impairment is x days (2020: xx days), while debtors impairment provision as a percentage of accounts receivable is x% (2019: 95,2%).

The average creditors payment period is 404 days (2022: 403 days).

The municipality had a positive bank balance with RBSA to an amount of R7 250 000 (2022 - R1 750 000 in arrears) as per bank statement.

The bank balance as per the cash book (primary account) for the current year is (R4 666 632) and (2022:R16 558 309)

There was an increase of R11 055 386 in cash and cash equivalents for the current year and decrease R2 311 028 for the prior year, as per cashflow statement.

The municipality has call investment deposits for the current year of R23 675 080 and R20 644 931 (2022)

The outstanding balances in respect of external loans amounts to R2 015314 (2022 - R690 526)

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

57. EVENTS AFTER REPORTING PERIOD

No events after the reporting date were identified by management that will effect the operations of the municipality or the results of those

58. PRINCIPAL/AGENT AGREEMENTS

Principal in Principal-Agent Arrangement

2023
R

2022
R

Compensation paid for agency activities

Commission - Syntell	916 821	818 519
Total Compensation paid	<u><u>916 821</u></u>	<u><u>818 519</u></u>

The municipality paid 3.11% commission plus bank cost which range between 1% to 1.75% , all VAI included, on the rand value of pre-paid electricity sales as reflected in the Syntell Vending Gateway reports. Syntell exclusively dispense and sell pre-paid electricity on behalf of the municipality. As per the agreed terms of conditions of a contract entered between the parties for a 3 year period which is due to lapse on 31 March 2024.

	2023 R	2022 R
Resources under custodianship of agent at year-end		
Computer, printer and monitor	-	
	<u> </u>	<u> </u>
	<u><u> </u></u>	<u><u> </u></u>

The above resources are under the custodianship of the agent and have not been recognised by the agent. Such resources will be

Agent in arrangement

The municipality (agent) collects licencing fees on behalf of the Provincial Department of Transport and Public Works (principal). The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end are included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

There was not a change in the significant terms and conditions from the prior year. No significant risks were noted as the municipality only collects monies on behalf of the Provincial Department of Transport and Public Works, as part of its existing service at the Traffic Department.

	2023 R	2022 R
Compensation received for agency activities		
Commission	171 456	538 344
	<u> </u>	<u> </u>
	<u><u> </u></u>	<u><u> </u></u>

EMTHANJENI LOCAL MUNICIPALITY

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

For management purposes, the municipality is organised and operates in 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.

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS - Municipal Function

- Vote 1 - Office of the Mayor
- Vote 2 - Municipal Manager
- Vote 3 - Finance
- Vote 4 - Corporate Services
- Vote 5 - Community and Social Services
- Vote 6 - Infrastructure

SECONDARY SEGMENTS

Msoo Functional Segments identified	Aggregation	Aggregation	Reportable Segment	Types of Goods/Services delivered
• Governance and Administration	Executive and council	Aggregated	Governance and Administration	Supporting service departments
	Finance and administration	Aggregated	Governance and Administration	Supporting service departments
	Internal audit	Aggregated	Governance and Administration	Supporting service departments
• Community and public safety	Community and social services	Aggregated	Community and public safety	Library services, Community halls rentals and recreation centers
	Sport and recreation	Aggregated	Community and public safety	Community and public safety
	Public safety	Aggregated	Governance and Administration	Supporting service departments
	Health services	Aggregated	Governance and Administration	Supporting service departments
• Economic and environmental services	Housing services	Aggregated	Governance and Administration	Supporting service departments
	Planning and development	Individually Reported	Economic and environmental services	Building plans
	Road transport	Aggregated	Governance and Administration	Supporting service departments
• Trading services	Environmental protection services	Aggregated	Governance and Administration	Supporting service departments
	Energy sources	Individually Reported	Energy sources	Electricity services
	Water management	Individually Reported	Water management	Water management
	Waste water management	Individually Reported	Waste water management	Waste water management
• Other	Waste management service	Individually Reported	Waste management service	Waste management service
	Abattoirs	Aggregated	Governance and Administration	Supporting service departments
	All Transport	Aggregated	Other	Airfield Rental
	Forestry	Aggregated	Governance and Administration	Supporting service departments
	Licensing and Regulation	Aggregated	Other	Licensing
	Markets	Aggregated	Governance and Administration	Supporting service departments
	Tourism	Aggregated	Other	Tourism

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does not have segment information per assets and liabilities. The cost to develop this would be excessive, therefore per GRAP standard it is not disclosed.

Management does not monitor performance geographically as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive.