THEEWATERSKLOOF LOCAL MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2022

THEEWATERSKLOOF LOCAL MUNICIPALITY

INDEX

THEEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Theewaterskloof Local Municipality performs the functions as set out in the Constitution of the Republic of South Africa, 1996.

LEGAL FORM

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

JURISDICTION

The Theewaterskloof Local Municipality includes the following areas:

Caledon	Greyton
Grabouw	Genadendal
Villiersdorp	Botrivier
Riviersonderend	Tesselaarsdal

MEMBERS OF THE COUNCIL (AFTER ELECTIONS)

Ward 1	PJ Stander
Ward 2	CT Cloete
Ward 3	CA Benjamin
Ward 4	Y van Tonder
Ward 5	M Botes
Ward 6	RL Mienies
Ward 7	M Plato-Mentoor
Ward 8	M Mpambani
Ward 9	D Jooste
Ward 10	C Smith
Ward 11	DA Jacobs
Ward 12	MS Shale
Ward 13	MA Nomkoko
Ward 14	S Fredericks
Proportional	KIJ Papier
Proportional	J Michels
Proportional	DA Appel
Proportional	B Mkwhibiso
Proportional	RM Nongxaza
Proportional	T Lesesa
Proportional	M Koegelenberg
Proportional	H Syster
Proportional	M Mathews
Proportional	J Mckenzie
Proportional	T Mangcayi
Proportional	M Gana
Proportional	T Zimmermann

MEMBERS OF THE COUNCIL (PRIOR TO ELECTIONS)

Ward 1	S Potberg
Ward 2	D du Toit
Ward 3	J Arendse
Ward 4	MM Koegelenberg
Ward 5	CM Lamprecht
Ward 6	R Brinkhuys
Ward 7	PU Stanfliet
Ward 8	A Mentile
Ward 9	D Jooste
Ward 10	M Plato-Mentoor
Ward 11	T Ndlebe
Ward 12	UT Sipunzi
Ward 13	M Bhangazana
Ward 14	N Pieterse
Proportional	C Vosloo
Proportional	N Mgqweto
Proportional	K Papier
Proportional	C November
Proportional	T Mangcayi
Proportional	S Fredericks
Proportional	B Tshabe
Proportional	C Wood
Proportional	I Mentoor
Proportional	R Mienies
Proportional	M Gana
Proportional	M le Roux
Proportional	R Nongxaza

MEMBERS OF THE MAYORAL COMMITTEE (AFTER ELECTIONS)

Executive Mayor	KIJ Papier
Deputy Executive Mayor	J Michels
Speaker	DA Appel
Executive Councillor	RL Mienies
Executive Councillor	RM Nongxaza
Executive Councillor	T Lesesa
Executive Councillor	H Syster
Executive Councillor	M Mathews

MEMBERS OF THE MAYORAL COMMITTEE (PRIOR TO ELECTIONS)

Executive Mayor	C Vosloo
Deputy Executive Mayor	K Papier
Speaker	D Du Toit
Executive Councillor	MM Koegelenberg
Executive Councillor	J Arendse
Executive Councillor	PU Stanfliet
Executive Councillor	N Pieterse
Executive Councillor	M Plato-Mentoor

MUNICIPAL MANAGER

Mr BM Ngubo (Acting)

CHIEF FINANCIAL OFFICER

Mr A Riddles (Acting)

AUDIT COMMITTEE

Mr E Lakey - Chairperson
Ms R Gani
Ms V Jobe
Mr B Vink

REGISTERED OFFICE

6 Plein Street
Caledon
7230

POSTAL ADDRESS

PO Box 24
Caledon
7230

AUDITORS

Office of the Auditor General (WC)

PRINCIPAL BANKERS

ABSA Bank Limited
Standard Bank of South Africa Limited

ATTORNEYS

Bosman & Smit Pretorius
Fairbridges Attorneys
Stadler & Swart Incorporated
Kruger & Blignaut Attorneys
Van Zyl & Associates
Maserumule Corporate Employment Law
Dirk Verdoes Attorneys Inc
Clyde & Co
Bradly Conradie Halton Cheadle
NJG Consult
Finck Attorneys
Van der Spuy & Partners
Brasika Consulting (Pty) Ltd

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations
Municipal Budget and Reporting Regulations
National Environmental Management Act
Preferential Procurement Policy Framework Act, No 5 of 2000
Occupational Health and Safety Act
mSCOA Regulation

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements year ended 30 June 2022, which are set out on pages 1 to 98 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 GRAP, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

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 2023 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.

Mr BM Ngubo
Acting Municipal Manager

31 | 08 | 2022
Date

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
ASSETS			
Current Assets		**241 585 897**	**235 056 524**
Cash and Cash Equivalents	**2**	165 982 321	164 089 992
Receivables from Exchange Transactions	**3**	36 818 349	35 270 602
Receivables from Non-Exchange Transactions	**4**	17 159 087	16 559 757
Taxes	**5**	6 827 192	6 554 917
Operating Leases	**6**	597 267	522 793
Current Portion of Long-term Receivables	**7**	1 560 573	1 895 549
Inventory	**8**	12 641 109	10 162 915
Non-Current Assets		**1 111 566 519**	**1 045 221 848**
Long-term Receivables	**7**	2 306 099	3 297 617
Investment Property	**9**	69 973 721	71 817 801
Property, Plant and Equipment	**10**	1 026 117 310	957 439 516
Intangible Assets	**11**	332 434	778 745
Heritage Assets	**12**	-	-
Non-current Investments	**13**	12 836 955	11 888 169
Total Assets		**1 353 152 417**	**1 280 278 373**
Current Liabilities		**135 627 750**	**125 868 834**
Current Portion of Long-term Liabilities	**14**	13 810 915	10 995 688
Consumer Deposits	**15**	4 968 411	4 832 729
Payables from Exchange Transactions	**16**	70 208 298	71 465 658
Unspent Conditional Government Grants	**17**	15 815 250	10 729 168
Unspent Public Contributions	**18**	302 018	329 439
Current Employee Benefits	**19**	30 522 858	27 516 153
Non-Current Liabilities		**289 724 908**	**259 951 820**
Long-term Liabilities	**14**	102 775 493	83 848 795
Employee Benefits	**20**	61 142 999	56 931 000
Non-Current Provisions	**21**	125 806 416	119 172 025
Total Liabilities		**425 352 659**	**385 820 654**
NET ASSETS		**927 799 758**	**894 457 719**
COMMUNITY WEALTH			
Accumulated Surplus		887 547 087	857 238 150
Reserves	**22**	40 252 671	37 219 568
		927 799 758	**894 457 719**

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**337 742 118**	**316 620 011**
Taxation Revenue		**127 714 860**	**121 164 337**
Property Rates	**23**	127 714 860	121 164 337
Transfer Revenue - Operating		**127 779 231**	**138 256 711**
Government Grants and Subsidies - Operating	**24**	127 049 690	137 761 584
Public Contributions and Donations	**25**	729 541	495 127
Transfer Revenue - Capital		**44 248 540**	**38 125 132**
Government Grants and Subsidies - Capital	**24**	44 214 890	35 843 766
Contributed Assets	**26**	33 650	2 281 367
Other Revenue		**37 999 487**	**19 073 830**
Availability Charges	**27**	4 735 093	4 656 737
Fines, Penalties and Forfeits	**28**	26 620 869	13 928 678
Actuarial Gains	**29**	1 682 669	76 027
Other Income (Non-Exchange)	**30**	4 960 856	412 387
REVENUE FROM EXCHANGE TRANSACTIONS		**308 132 584**	**282 263 887**
Operating Activities		**308 132 584**	**282 263 887**
Service Charges	**31**	262 935 587	247 303 902
Rental of Facilities and Equipment	**32**	2 165 371	2 060 385
Interest Earned - External Investments		10 542 388	8 097 552
Interest Earned - Outstanding Debtors		16 906 671	12 155 517
Agency Services	**33**	7 139 847	7 283 913
Licences and Permits	**34**	35 792	108 598
Other Income (Exchange)	**35**	8 406 927	5 254 020
CONSTRUCTION CONTRACTS	**36**	**29 853**	**1 555 677**
TOTAL REVENUE		**645 904 555**	**600 439 574**
EXPENDITURE			
Employee Related Costs	**37**	234 022 083	217 957 936
Remuneration of Councillors	**38**	11 899 590	12 147 720
Debt Impairment	**39**	83 302 343	62 215 194
Depreciation and Amortisation	**40**	30 091 929	22 515 198
Impairment	**41**	1 558 714	9 178 903
Finance Charges	**42**	25 836 421	21 727 594
Bulk Purchases	**43**	105 610 057	93 756 366
Contracted Services	**44**	44 754 133	43 057 421
Transfers and Grants	**45**	4 716 958	3 356 719
Other Expenditure	**46**	70 160 199	59 422 445
Loss on disposal of Non-Monetary Assets	**47**	610 096	996 933
Actuarial Losses	**48**	-	4 192 124
TOTAL EXPENDITURE		**612 562 523**	**550 524 551**
NET SURPLUS FOR THE YEAR		**33 342 032**	**49 915 023**

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2022

	CAPITAL REPLACEMENT RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2020 - Previously Reported	**24 266 886**	**824 680 244**	**848 947 130**
Correction of error restatement - refer to note 49.7	-	(4 404 428)	(4 404 428)
Balance on 30 June 2020 - Restated	**24 266 886**	**820 275 816**	**844 542 702**
Net Surplus for the year	-	49 915 017	49 915 017
Transfer to Capital Replacement Reserve	12 952 683	(12 952 683)	-
Balance on 30 June 2021 - Restated	**37 219 568**	**857 238 150**	**894 457 719**
Net Surplus for the year	-	33 342 039	33 342 039
Transfer to Capital Replacement Reserve	3 653 439	(3 653 439)	-
Capital Replacement Reserve utilised for capital purchases	(620 337)	620 337	-
Balance on 30 June 2022	**40 252 670**	**887 547 087**	**927 799 758**

THEEWATERSKLOOF LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		117 845 068	117 331 473
Service Charges and Interest on outstanding Debtors		232 519 826	219 901 702
Other Revenue and Receipts		31 868 856	25 659 778
Government Grants		177 297 925	176 601 317
Investment Income		9 226 244	7 198 213
Payments			
Suppliers and employees		(475 219 799)	(436 310 659)
Finance charges		(11 218 494)	(9 882 890)
Transfer and Grants		(4 716 958)	(3 356 719)
NET CASH FROM OPERATING ACTIVITIES	**50**	**77 602 668**	**97 142 216**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		1 239 910	816 669
Payments			
Purchase of Capital Assets		(98 692 182)	(85 599 427)
NET CASH USED INVESTING ACTIVITIES		**(97 452 272)**	**(84 782 759)**
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New loans raised		34 862 548	22 094 345
Payments			
Loans repaid		(13 120 615)	(9 552 434)
NET CASH FROM FINANCING ACTIVITIES		**21 741 933**	**12 541 911**
NET INCREASE IN CASH HELD		**1 892 329**	**24 901 368**
Cash and Cash Equivalents at the beginning of the year		164 089 992	139 188 624
Cash and Cash Equivalents at the end of the year		165 982 321	164 089 992

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Current assets					
Cash	32 129 198	72 843 665	104 972 863	116 883 630	11 910 767
Call investment deposits	55 000 000	-	55 000 000	49 098 691	(5 901 309)
Consumer debtors	75 126 277	(32 725 447)	42 400 830	46 596 458	4 195 628
Other Receivables	13 208 617	(1 039 981)	12 168 636	14 805 436	2 636 800
Current portion of long-term receivables	768 924	1 126 625	1 895 549	1 560 573	(334 976)
Inventory	6 432 500	3 730 416	10 162 915	12 641 109	2 478 193
Total current assets	**182 665 516**	**43 935 278**	**226 600 794**	**241 585 896**	**14 985 103**
Non current assets					
Long-term receivables	1 602 787	1 694 829	3 297 617	2 306 099	(991 518)
Investments	10 905 675	1 576 903	12 482 578	12 836 955	354 378
Investment property	73 092 449	(4 683 363)	68 409 086	69 973 721	1 564 635
Property, plant and equipment	1 150 260 248	(81 871 522)	1 068 388 727	1 026 117 310	(42 271 417)
Intangible Assets	642 803	6 760	649 563	332 434	(317 129)
Total non current assets	**1 236 503 963**	**(83 276 393)**	**1 153 227 570**	**1 111 566 519**	**(41 661 051)**
TOTAL ASSETS	**1 419 169 479**	**(39 341 114)**	**1 379 828 364**	**1 353 152 416**	**(26 675 948)**
LIABILITIES					
Current liabilities					
Borrowing	12 135 711	-	12 135 711	13 810 915	1 675 204
Consumer deposits	5 403 269	(328 904)	5 074 365	4 968 411	(105 954)
Trade and other payables	90 871 609	(3 096 432)	87 775 177	86 325 566	(1 449 611)
Provisions and Employee Benefits	28 540 637	(381 510)	28 159 127	30 522 858	2 363 731
Total current liabilities	**136 951 226**	**(3 806 846)**	**133 144 381**	**135 627 750**	**2 483 370**
Non current liabilities					
Borrowing	173 400 407	(43 716 469)	129 683 938	102 775 493	(26 908 444)
Provisions and Employee Benefits	151 354 550	27 562 327	178 916 877	186 949 415	8 032 538
Total non current liabilities	**324 754 956**	**(16 154 142)**	**308 600 814**	**289 724 908**	**(18 875 906)**
TOTAL LIABILITIES	**461 706 183**	**(19 960 988)**	**441 745 195**	**425 352 659**	**(16 392 536)**
NET ASSETS	**957 463 296**	**(19 380 127)**	**938 083 169**	**927 799 757**	**(10 283 412)**
COMMUNITY WEALTH					
Accumulated Surplus	933 196 410	(34 332 809)	898 863 601	887 547 087	(11 316 514)
Reserves	24 266 886	14 952 683	39 219 568	40 252 671	1 033 102
TOTAL COMMUNITY WEALTH/EQUITY	**957 463 296**	**(19 380 127)**	**938 083 169**	**927 799 757**	**(10 283 412)**

Refer to note 52.2 for explanations of material variances.

Material variances are considered to be any variances greater than R6 million.

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL APPROVED BUDGET R	ADJUSTMENTS R	FINAL APPROVED BUDGET R	VIREMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL PERFORMANCE							
REVENUE							
Property Rates	124 583 975	1 450 645	126 034 620	-	126 034 620	127 714 860	1 680 240
Service Charges - Electricity Revenue	119 225 199	(1 999 226)	117 225 973	-	117 225 973	114 624 975	(2 600 998)
Service Charges - Water Revenue	80 575 965	(1 393 048)	79 182 917	-	79 182 917	78 378 131	(804 786)
Service Charges - Sanitation Revenue	38 908 551	(1 122 573)	37 785 978	-	37 785 978	36 981 360	(804 618)
Service Charges - Refuse Revenue	38 478 797	(579 837)	37 898 960	-	37 898 960	37 686 213	(212 747)
Rental of Facilities and Equipment	2 279 000	(213 672)	2 065 328	-	2 065 328	2 165 371	100 043
Interest Earned - External Investments	11 000 000	(3 200 000)	7 800 000	-	7 800 000	10 542 388	2 742 388
Interest Earned - Outstanding Debtors	22 472 000	(6 672 000)	15 800 000	-	15 800 000	16 906 671	1 106 671
Fines, Penalties and Forfeits	15 657 318	9 463 682	25 121 000	-	25 121 000	26 620 869	1 499 869
Licences and Permits	68 370	(46 370)	22 000	-	22 000	35 792	13 792
Agency Services	8 376 389	(29 189)	8 347 200	-	8 347 200	7 139 847	(1 207 353)
Transfers Recognised - Operational	142 866 385	830 324	143 696 709	-	143 696 709	128 201 647	(15 495 062)
Other Revenue	7 892 649	1 422 484	9 315 133	-	9 315 133	14 097 325	4 782 192
Gains	-	-	-	-	-	1 682 669	1 682 669
Total Revenue (excluding capital transfers)	**612 384 598**	**(2 088 780)**	**610 295 818**	**-**	**610 295 818**	**602 778 118**	**(7 517 700)**
EXPENDITURE							
Employee Related Costs	254 167 059	(12 434 241)	241 732 818	(1 800 000)	239 932 818	238 699 223	(1 233 595)
Remuneration of Councillors	13 849 333	(1 429 492)	12 419 841	-	12 419 841	11 899 590	(520 251)
Debt Impairment	64 320 969	13 851 557	78 172 526	5 600 000	83 772 526	83 302 343	(470 183)
Depreciation and Asset Impairment	22 907 961	11 873 905	34 781 866	(3 000 000)	31 781 866	31 650 643	(131 223)
Finance Charges	15 506 590	4 844 284	20 350 874	-	20 350 874	20 011 421	(339 453)
Bulk Purchases	87 217 142	(860 000)	86 357 142	-	86 357 142	86 238 654	(118 488)
Inventory Consumed	40 700 795	(1 241 877)	39 458 918	(1 500 000)	37 958 918	34 528 216	(3 430 702)
Contracted Services	52 911 865	(3 211 837)	49 700 028	-	49 700 028	46 710 307	(2 989 721)
Transfers and Grants	16 398 560	(1 715 774)	14 682 786	-	14 682 786	1 765 601	(12 917 185)
Other Expenditure	54 998 113	8 584 354	63 582 467	-	63 582 467	58 268 534	(5 313 933)
Losses	-	-	-	700 000	700 000	610 096	(89 904)
Total Expenditure	**622 978 387**	**18 260 879**	**641 239 266**	**-**	**641 239 266**	**613 684 627**	**(27 554 639)**
Surplus/(Deficit)	(10 593 789)	(20 349 659)	(30 943 448)	-	(30 943 448)	(10 906 509)	20 036 939
Transfers and subsidies - capital (monetary) - Governmen	95 183 806	(25 289 523)	69 894 283	-	69 894 283	44 248 540	(25 645 743)
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	**84 590 017**	**(45 639 182)**	**38 950 835**	**-**	**38 950 835**	**33 342 031**	**(5 608 804)**

Refer to note 52.3 for explanations of material variances.

Material variances are considered to be any variances greater than R6 million.

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
CASH FLOW STATEMENT					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	105 720 716	5 047 078	110 767 794	117 845 068	7 077 275
Service charges	235 219 401	3 915 156	239 134 557	232 519 826	(6 614 731)
Other revenue	21 230 578	1 057 088	22 287 666	31 733 172	9 445 507
Government Grants	238 050 191	(27 844 102)	210 206 089	177 297 925	(32 908 164)
Interest	30 069 515	(8 383 400)	21 686 114	9 226 244	(12 459 870)
Payments					
Suppliers and Employees	(501 833 779)	17 448 179	(484 385 600)	(475 219 799)	9 165 801
Finance Charges	(11 350 874)	-	(11 350 874)	(11 218 494)	132 380
Transfers and Grants	(16 398 560)	1 715 774	(14 682 786)	(4 716 958)	9 965 828
Net Cash from/(used) Operating Activities	**100 707 188**	**(7 044 229)**	**93 662 960**	**77 466 985**	**(16 195 975)**
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	-	-	-	1 239 910	1 239 910
Decrease/(Increase) in Other Non-Current Investments	-	(594 408)	(594 408)	-	594 408
Payments					
Capital Assets	(181 136 164)	36 733 681	(144 402 483)	(98 692 182)	45 710 301
Net Cash from/(used) Investing Activities	**(181 136 164)**	**36 139 273**	**(144 996 891)**	**(97 452 272)**	**47 544 620**
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	62 749 589	(4 920 547)	57 829 042	34 862 548	(22 966 494)
Increase/(Decrease) in Consumer Deposits	257 299	(15 662)	241 636	135 684	(105 953)
Payments					
Repayment of Borrowing	(7 879 410)	(2 974 466)	(10 853 876)	(13 120 615)	(2 266 739)
Net Cash from/(used) Financing Activities	**55 127 478**	**(7 910 675)**	**47 216 802**	**21 877 616**	**(25 339 186)**
NET INCREASE/(DECREASE) IN CASH HELD	**(25 301 498)**	**21 184 368**	**(4 117 130)**	**1 892 329**	**6 009 458**
Cash and Cash Equivalents at the year begin	112 430 696	51 659 296	164 089 992	164 089 992	-
Cash and Cash Equivalents at the year end	87 129 198	72 843 665	159 972 863	165 982 321	6 009 458

Refer to note 52.4 for explanations of material variances.

Material variances are considered to be any variances greater than R6 million.

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise.

The annual financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – November 2013) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

In terms of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property and Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

In terms of GRAP 108 - "Statutory Receivables", the Municipality is utilising the transitional provision contained in Directive 4 that grant the Municipality a period of three years (1 July 2019 to 30 June 2022) in order to finalise the classification and impairment methods of Statutory Receivables.

1.03 PRESENTATION CURRENCY

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis.

1.05 COMPARATIVE INFORMATION

1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.05.2 Amended Accounting Policies

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

No significant amendments were made to the accounting policy in the current year.

1.06 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total actual operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

Standards of GRAP set out how an item should be recognised, measured and disclosed in the financial statements. In some cases, the Municipality does not recognise, measure, present or disclose information in accordance with the specific requirements outlined in the Standards of GRAP if the effect of applying those requirements are immaterial.

1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved to early adopt the following pronouncements to the Standards of GRAP which were issued but not yet effective:

Pronouncement	**Effective Date**
Improvements to the Standards of GRAP (2020)	1 April 2023
Amendments to GRAP 1 on Presentation of Financial Statements (2019)	1 April 2023
iGRAP 21 on The Effect of Past Decisions on Materiality	1 April 2023

The effect of the above-mentioned pronouncements to the Standards of GRAP which were early adopted is considered insignificant. The early adopted pronouncements mainly relate to the clarification of accounting principles.

The Municipality further resolved not to early adopt the following Standard of GRAP which was issued but is not yet effective:

1.08.1.1 GRAP 104 (Revised 2019) - Financial Instruments (effective 1 April 2025)

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. This Standard was revised to align it with IFRS 9 on Financial Instruments.

Preliminary investigations indicated that, other than additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date for application, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

The following Standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date for application:

1.08.2.1 GRAP 25 (Revised 2021) - Employee Benefits

The objective of this Standard is to prescribe the accounting and disclosure for employee benefits. This Standard was revised to align it with IPSAS 39 on Employee Benefits.

Preliminary investigations indicated that, other than additional disclosure, the impact of this Standard on the financial statements will not be significant.

1.08.2.2 GRAP 103 (Revised 2022) - Heritage Assets

The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.

Preliminary investigations indicate that this revised Standard may have a significant impact with regards to heritage assets which have a dual purpose. Even though some heritage assets can have cultural significance while being used in delivering services, the revised Standard will now require that all heritage assets be accounted for using GRAP 103. A consequence of this amendment is that a heritage asset will no longer be depreciated. Instead, a heritage asset should be tested for impairment when an impairment indicator has been triggered.

1.08.2.3 iGRAP 7 (Revised 2021) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

This Interpretation addresses the following:

(a) When refunds or reductions in future contributions should be regarded as available in accordance with the definition of the asset ceiling.

(b) How a minimum funding requirement might affect the availability of reductions in future contributions.

No significant impact is expected as the Municipality's current treatment is already to a large extent in line with the Interpretation's requirements.

1.09 RESERVES

1.09.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

(a) The cash funds that back up the CRR are invested until utilised.

(b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.

(c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

1.10 INVESTMENT PROPERTY

1.10.1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

Where investment property is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.10.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.10.3 Depreciation – Cost Model

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS
Buildings	20 - 100

1.10.4 Impairment

Investment property is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.10.5 Derecognition

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

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

Compensation from third parties for items of investment property that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.11 PROPERTY, PLANT AND EQUIPMENT

1.11.1 Initial Recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

1.11.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.11.3 Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
Land and Buildings		**Community Assets**	
Land	N/A	Parks and Gardens	15 - 20
Buildings	20 - 100	Cemeteries	30
Work in progress	N/A	**Leased Assets**	
		Office Equipment	3 - 15
Infrastructure			
Roads and Storm water	5 - 150	**Other Assets**	
Electricity Network	10 - 100	Computer Equipment	3 - 15
Sewerage Network	10 - 200	Furniture and Office Equipment	3 - 25
Water Network	10 - 200	Machinery and Equipment	3 - 35
Refuse Removal	20 - 50	Transport Assets	5 - 35
Work in progress	N/A		

1.11.4 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.11.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.12 INTANGIBLE ASSETS

1.12.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) its intention to complete the intangible asset and use or sell it;
(c) its ability to use or sell the intangible asset;
(d) how the intangible asset will generate probable future economic benefits or service potential;
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.12.2 Subsequent Measurement - Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses.

1.12.3 Amortisation

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The annual amortisation rates are based on the following estimated useful lives:

	Years
Computer Software	3 - 15

1.12.4 Impairment

Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.12.5 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.13 HERITAGE ASSETS

1.13.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date. The cost of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where a heritage asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.13.2 Subsequent Measurement – Cost Model

Heritage assets are carried at its cost less any accumulated impairment losses.

1.13.3 Depreciation

Heritage assets are not depreciated.

1.13.4 Impairment

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.13.5 Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset.

The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

Compensation from third parties for heritage assets that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.14 IMPAIRMENT OF NON-MONETARY ASSETS

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

Cash-generating assets are assets held with the objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

1.14.1 Recoverable amount of Cash-generating assets

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The best evidence of fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

1.14.2 Recoverable amount of Non-cash-generating assets

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

1.14.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

After the reversal of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.15 INVENTORIES

1.15.1 Initial Recognition

Inventories are assets:

(a) in the form of materials or supplies to be consumed in the production process;
(b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
(c) held for sale or distribution in the ordinary course of operations; or
(d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs incurred in bringing the inventories to their current location and condition.

1.15.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.16 EMPLOYEE BENEFITS

Defined-contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year during which they become payable.

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

1.16.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

1.16.1.1 Multi-employer defined benefit plans

The Municipality contributes to various National and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

1.16.1.2 Post Retirement Medical Benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.16.2 Long-term Benefits

1.16.2.1 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.16.3 Short-term Benefits

1.16.3.1 Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

1.16.3.2 Bonuses

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

1.16.3.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.16.3.4 Other Short-term Employee Benefits

When an employee has rendered service to the Municipality during a reporting period, the Municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
(b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.17 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The Municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.18 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

1.18.1 Municipality as Lessee

1.18.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

1.18.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

1.18.2 Municipality as Lessor

1.18.2.1 Finance Leases

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (receivable) is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease.

The asset (receivable) is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis in the Statement of Financial Performance.

1.18.2.2 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

1.19 FINANCIAL INSTRUMENTS

1.19.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.19.2 Subsequent Measurement

Financial instruments are categorised as follow:

(a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.

(b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.

(c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:

- (i) derivatives;
- (ii) combined instruments that are designated at fair value;
- (iii) instruments held for trading;
- (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

1.19.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

1.19.3.1 Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

1.19.3.2 Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.

1.19.4 Derecognition of financial instruments

1.19.4.1 Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.19.4.2 Financial liabilities

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.19.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.20 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

1.20.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

1.20.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

1.20.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

1.20.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

1.21 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

1.22 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

1.23 TAXES (VALUE ADDED TAX)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

1.24 NON-CURRENT INVESTMENTS

Investments which include investments in listed shares and fixed deposits invested in registered commercial banks.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

1.25 PAYABLES AND ANNUITY LOANS

Payables and annuity loans are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.26 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.27 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.28 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

1.28.1 Revenue from Non-Exchange Transactions

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

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.28.1.1 Taxation Revenue

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

1.28.1.2 Transfer Revenue

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

1.28.1.3 Availability Charges

Availability charges are based on the approved tariffs of the Municipality. These charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity, sewerage and solid waste) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.

1.28.1.4 Fines

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue.

1.28.1.5 Insurance Refunds

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

1.28.1.6 Unclaimed deposits

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognised all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

1.28.1.7 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

1.28.1.8 Services in-kind

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

1.28.1.9 Contributed Assets

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

1.28.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

1.28.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

1.28.2.2 Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

1.28.2.3 Rental income

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

1.28.2.4 Income from Agency Services

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.28.2.5 Other Tariffs

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

1.28.2.6 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

(a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
(b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
(c) The amount of revenue can be measured reliably.
(d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.28.2.7 Deferred payment

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

1.28.3 Construction Contracts

Contractor is an entity that performs construction work pursuant to a construction contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The Municipality participates as a non-accredited municipality in the National Housing Programme. The Municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the provincial Department of Human Settlements. The Municipality assesses the terms and conditions of each contract concluded with the provincial Department of Human Settlements to establish whether the contract is a construction contract or not.

The Accounting Standards Board (ASB) issued a *Guideline on accounting for arrangements undertaken in terms of the National Housing Programme.* The guideline makes a distinction between a project manager and a project developer.

Where the Municipality is appointed as the project manager, it will assist with the process of appointing a contractor to construct houses on behalf of the provincial Department of Human Settlements. The responsibility of appointment and payment of the contractors ultimately vest with the provincial Department of Human Settlements.

Where the Municipality is appointed as the project developer, it will take on the responsibility for the construction of the houses. As project developer the Municipality will appoint contractors and will make payments for work completed on meeting milestones agreed between itself and the contractor.

In general, where the Municipality is appointed as the project manager, it will act as an agent for the provincial Department of Human Settlements. Where the Municipality is appointed as the project developer, it is considered that the Municipality has entered into a construction contract with the provincial Department of Human Settlements.

The binding agreements entered into with the provincial Department of Human Settlements are non-commercial fixed price contracts. The objective of the arrangements is to construct low cost houses for the beneficiaries of the National Housing Programme in return for full reimbursement of costs from the Department through a housing grant or subsidy.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for the work performed to date bear to the estimate total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs shall be recognised as an expense in the period in which they are incurred.

1.29 BORROWING COSTS

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

1.30 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.31 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality’s Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.32 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.34 CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.35 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
(b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.36 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the Municipality and a related party, regardless of whether a price is charged.

Management is considered a related party and comprises those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

The Municipality is exempt from the disclosure requirements in relation to related party transactions if that transactions occurs within the normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Municipality to have adopted if dealing with that individual entity or person in the same circumstances, and the terms and conditions are within the normal operating parameters established by Municipality's legal mandate.

Where the Municipality is exempt from the disclosures in accordance with the above-mentioned paragraph, the Municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable to users of the financial statements to understand the effect of related party transactions.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

1.37 ACCOUNTING BY PRINCIPALS AND AGENTS

An agent is an is an entity that has been directed another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

The Municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement shall re-assess whether they act as a principal or an agent in accordance with this Standard.

When the Municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If an entity concludes that it is not the agent, then it is the principal in the transactions.

The Municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

(a) It does not have the power to determine the significant terms and conditions of the transaction.
(b) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
(c) It is not exposed to variability in the results of the transaction.

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The Municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether an entity is an agent.

Where the Municipality acts as a principal, it recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirement of the relevant Standards of GRAP.

Where the Municipality acts as an agent, it recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

1.38 LIVING AND NON-LIVING RESOURCES

Living resources are those resources that undergo biological transformation which comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, is not recognised as assets. The Standard only requires disclosure of the relevant resources.

The Municipality has assessed that it does not control any living resources, but is however responsible for non-living resources as set out in notes to the financial statements.

1.39 SEGMENT REPORTING

A segment is an activity of the Municipality:

(a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same Municipality);
(b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
(c) for which separate financial information is available.

Management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation.

Financial information relating to the reporting segments are aligned to the financial information distributed to management on a regular basis (similar basis of preparation). This information is utilised to measure performance of the relevant services provided by the Municipality and also to ensure that resources are appropriately allocated to various departments/segments to provide high quality services to the community.

Adjustments and eliminations made in preparing the Municipality’s financial statements, which includes the allocation basis of revenues and expenses, are prepared on a similar basis as the information distributed to management on a regular basis.

Financial information distributed to management does not include a segment/department analysis of assets and liabilities associated with each segment/department. In line with this principle utilised during the financial year, the segment reporting included in the financial statements are prepared on a similar basis which excludes such an analysis. Assets and liabilities are reported on for the Municipality as a whole.

Management reviews capital expenditure/performance on a regular basis and accordingly the relevant information is reported on per segment.

1.40 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality’s accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.40.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

GRAP implementation date for the Municipality is 1 July 2007 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2007 to the current year's reported date. Where the economic useful life of an items of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

1.40.2 Impairment of Receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.40.3 Useful lives and residual values

The useful lives of assets are based on management’s estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.40.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

1.40.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.40.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

1.40.7 Financial Instruments and Statutory Receivables

The Municipality analyses the terms and conditions of the transactions that give rise to its receivables in order to understand whether they arise directly from legislation or similar means, or from a separate contract concluded with a party. Judgement is applied in applying the principles as set out in the respective Standards of GRAP on Financial Instruments and Statutory Receivables.

1.40.8 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

1.40.9 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

In considering the revenue to which the Municipality is entitled, the Municipality considers other factors that may impact the inflow of future economic benefits or service potential on initial recognition of revenue. Such factors include fines issued which will be reduced or withdrawn after reporting date. The Municipality applies judgement based on past experience and current facts and circumstances in order to adjust the traffic fine revenue accordingly.

1.40.10 Recognition and Derecognition of Land

In order for land to be meet the definition of an asset, the Municipality must be able to prove that control is being exercised. Control of land is evidenced by either legal ownership and/or the right to direct access to land, and to restrict or deny the access of others to land.

To demonstrate access/restriction rights, the Municipality assesses whether it has a substantive right for an unlimited period through a binding arrangement.

The above-mentioned assessment is subject to management's judgements and assumptions are applied to conclude that the Municipality controls land.

1.40.11 Materiality

Since materiality is an entity-specific concept, its application may result in different outcomes based on the Municipality's circumstances. The assessment of materiality therefore requires management to apply judgement about:

(a) How information could reasonably be expected to influence the discharge of accountability by the Municipality or decisions that the users make on the basis of those financial statements.

(b) How the nature or size or both, of the information could reasonably be expected to influence users' decisions.

Figures in Rand	2022	2021

2 CASH AND CASH EQUIVALENTS

	2022	2021
Bank Accounts	116 873 931	116 550 486
Call Investment Deposits	49 098 691	47 529 807
Cash Floats	9 699	9 699
Total	**165 982 321**	**164 089 992**

Due to the short term nature of cash deposits, all balances included above are in line with their fair values.

Cash and Cash Equivalents are held to support the following commitments:

	2022	2021
Department of Human Settlements	5 334 915	5 447 325
Unspent Conditional Grants	15 815 250	10 729 168
Unspent Public Contributions	302 018	329 439
Capital Replacement Reserve	40 252 671	37 219 568
Working Capital Requirements	104 277 467	110 364 491
Total Cash and Cash Equivalents	**165 982 321**	**164 089 992**

2.1 Bank Accounts

	2022	2021
Standard Bank of South Africa Limited - Account Number 072-331-348 (Current Primary Account)	116 727 948	116 308 034
Standard Bank of South Africa Limited - Account Number 072-339-713 (Traffic Account)	-	-
ABSA Bank Limited - Account Number 40-5786-6237 (Former Primary Account)	145 982	242 452
ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)	-	-
ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)	-	-
Total	**116 873 931**	**116 550 486**

Standard Bank of South Africa Limited - Account Number 072-331-348 (Current Primary Account)

	2022	2021
Cash book balance at beginning of year	116 308 034	-
Cash book balance at end of year	116 727 948	116 308 034
Bank statement balance at beginning of year	115 513 106	-
Bank statement balance at end of year	115 941 236	115 513 106

Standard Bank of South Africa Limited - Account Number 072-339-713 (Traffic Account)

	2022	2021
Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Traffic account is cleared daily to Primary Bank Account.

ABSA Bank Limited - Account Number 40-5786-6237 (Former Primary Account)

	2022	2021
Cash book balance at beginning of year	242 452	93 110 932
Cash book balance at end of year	145 982	242 452
Bank statement balance at beginning of year	242 452	92 427 664
Bank statement balance at end of year	145 982	242 452

The Municipality has one guarantee of R15 000 in the name of the beneficiary, Eskom.

ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)

	2022	2021
Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Income account is cleared daily to Primary Bank Account.

Figures in Rand	2022	2021

2 CASH AND CASH EQUIVALENTS (CONTINUED)

ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)

	2022	2021
Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Traffic account is cleared daily to Primary Bank Account.

2.2 Call Investment Deposits

Call investment deposits consist out of the following accounts:

			2022	2021
Interneuron Capital Ltd	- Notice deposit	- Account number CA 002	430 224	430 224
ABSA Bank Limited	- 3 months investment	- Account number 93-0013-5651	13 524 570	13 082 142
ABSA Bank Limited	- 3 months investment	- Account number 93-0013-5415	27 616 972	26 700 181
ABSA Bank Limited	- Notice deposit	- Account number 90-9522-5460	7 957 148	7 747 485
			49 528 915	**47 960 031**
Less: Provision for Impairment			(430 224)	(430 224)
Total			**49 098 691**	**47 529 807**

An amount of R 430 224 (2021: R 430 224), included in Call Investment Deposits above, is invested in an institution which is under curatorship. The curators are encashing property developments financed by the investment company before distribution of funds will continue, however it is expected significant capital losses will be incurred. The dates of any possible future cashflows are not known at the reporting date and the full amount has been impaired due to the uncertainty of collectability.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2022	2021
Service Receivables	**265 107 911**	**222 299 020**
Electricity	10 254 387	8 470 493
Water	57 333 579	44 415 301
Refuse	66 016 451	57 049 027
Sewerage	59 470 656	52 152 689
Interest	67 880 692	56 891 411
Other	4 152 146	3 320 098
Other Receivables	**4 616 432**	**3 439 256**
Prepayments	3 887 751	3 077 933
Accrued Interest	728 681	361 323
Total Gross Balance	**269 724 343**	**225 738 276**
Less: Allowance for Debt Impairment	(232 905 994)	(190 467 674)
Total Net Receivable	**36 818 349**	**35 270 602**
As previously reported		36 911 669
Correction of error restatement - note 49.1		(1 641 067)
Restated balance		**35 270 602**

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 trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Refer to note 14.2 for receivables pledged as security for Long-term Liabilites.

Figures in Rand	2022	2021

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Reconciliation of Allowance for Debt Impairment

	2022	2021
Balance at the beginning of the year	190 467 674	167 531 271
Movement in the contribution to the provision	57 781 951	44 572 090
Electricity	494 440	(247 900)
Water	17 616 895	11 562 201
Refuse	12 786 745	11 712 367
Sewerage	11 588 296	11 154 817
Interest	14 338 231	9 727 003
Other	957 344	663 601
Bad Debts Written off	(15 343 631)	(21 635 687)
Electricity	(33 109)	(45 616)
Water	(4 303 495)	(17 375 185)
Refuse	(4 088 688)	(1 759 015)
Sewerage	(3 216 595)	(1 425 692)
Interest	(3 558 774)	(912 370)
Other	(142 969)	(117 810)
Balance at the end of the year	**232 905 994**	**190 467 674**

The allowance for impairment of receivables has been made for all consumer balances outstanding (excluding outstanding government debt) based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2022			
Service Receivables			
Electricity	10 254 387	(1 073 611)	9 180 776
Water	57 333 579	(44 727 620)	12 605 959
Refuse	66 016 451	(62 166 059)	3 850 392
Sewerage	59 470 656	(54 406 135)	5 064 520
Interest	67 880 692	(66 810 356)	1 070 336
Other	4 152 146	(3 722 213)	429 933
Other Receivables			
Prepayments	3 887 751	-	3 887 751
Accrued Interest	728 681	-	728 681
Total	**269 724 343**	**(232 905 994)**	**36 818 349**
30 June 2021			
Service Receivables			
Electricity	8 470 493	(612 280)	7 858 213
Water	44 415 301	(31 414 221)	13 001 081
Refuse	57 049 027	(53 468 002)	3 581 026
Sewerage	52 152 689	(46 034 434)	6 118 255
Interest	56 891 411	(56 030 900)	860 511
Other	3 320 098	(2 907 838)	412 260
Other Receivables			
Prepayments	3 077 933	-	3 077 933
Accrued Interest	361 323	-	361 324
Total	**225 738 276**	**(190 467 674)**	**35 270 602**

Figures in Rand	2022	2021

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Ageing of Receivables from Exchange Transactions

Electricity

	2022	2021
0 - 30 Days (Current)	8 163 434	6 897 944
1 to 3 months	1 452 769	1 137 570
4 months to 1 year	255 402	163 424
Over 1 year	382 781	271 555
Total	**10 254 387**	**8 470 493**

Water

	2022	2021
0 - 30 Days (Current)	12 179 302	12 691 198
1 to 3 months	6 403 029	4 793 596
4 months to 1 year	12 560 948	8 404 991
Over 1 year	26 190 301	18 525 516
Total	**57 333 579**	**44 415 301**

Refuse

	2022	2021
0 - 30 Days (Current)	4 029 306	3 529 145
1 to 3 months	4 595 910	4 451 194
4 months to 1 year	10 043 508	8 989 391
Over 1 year	47 347 726	40 079 297
Total	**66 016 451**	**57 049 027**

Sewerage

	2022	2021
0 - 30 Days (Current)	5 175 966	6 164 685
1 to 3 months	4 053 313	3 721 986
4 months to 1 year	10 272 625	9 049 334
Over 1 year	39 968 751	33 216 684
Total	**59 470 656**	**52 152 689**

Interest

	2022	2021
0 - 30 Days (Current)	2 161 977	1 328 630
1 to 3 months	5 126 376	4 132 877
4 months to 1 year	9 127 381	6 252 117
Over 1 year	51 464 958	45 177 787
Total	**67 880 692**	**56 891 411**

Other

	2022	2021
0 - 30 Days (Current)	463 089	278 939
1 to 3 months	492 768	473 816
4 months to 1 year	667 319	615 981
Over 1 year	2 528 970	1 951 363
Total	**4 152 146**	**3 320 098**

Summary Ageing of all Receivables from Exchange Transactions

	2022	2021
0 - 30 Days (Current)	32 173 075	30 890 540
1 to 3 months	22 124 166	18 711 039
4 months to 1 year	42 927 184	33 475 237
Over 1 year	167 883 486	139 222 203
Total	**265 107 911**	**222 299 020**

Figures in Rand	2022	2021

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2022	2021
Service Receivables	**60 247 815**	**53 457 636**
Property Rates	48 545 414	42 521 093
Availability Charges	11 702 401	10 936 543
Other Receivables	**32 613 545**	**22 222 176**
Unpaid Traffic Fines	32 150 600	20 721 500
Other Receivables	462 946	553 414
Unpaid Grants	-	947 263
Total Gross Balance	**92 861 361**	**75 679 812**
Less: Allowance for Debt Impairment	(75 702 273)	(59 120 055)
Total Net Receivable	**17 159 087**	**16 559 757**
As previously reported		16 029 637
Correction of error restatement - note 49.1		530 120
Restated balance		**16 559 757**

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Refer to note 14.2 for receivables pledged as security for Long-term Liabilites.

Reconciliation of Allowance for Debt Impairment

	2022	2021
Balance at the beginning of the year	59 120 055	64 982 649
Movement in the contribution to the provision	30 891 690	18 126 181
Property Rates	10 100 479	4 542 158
Availability Charges	909 861	1 223 865
Unpaid Traffic Fines	19 881 350	12 360 158
Bad Debts Written off	(14 309 472)	(23 988 774)
Property Rates	(3 845 470)	(4 646)
Availability Charges	(129 652)	(475 538)
Unpaid Traffic Fines	(10 334 350)	(23 508 590)
Balance at the end of the year	**75 702 273**	**59 120 055**

The allowance for debt impairment of property rates has been made for all balances outstanding (excluding outstanding government debt) based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

The allowance for debt impairment of unpaid traffic fines has been made for all balances outstanding based on the collection rate over the last 12 months.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2022			
Service Receivables			
Property Rates	48 545 414	(34 666 642)	13 878 772
Availability Charges	11 702 401	(11 186 631)	515 770
Other Receivables			
Unpaid Traffic Fines	32 150 600	(29 849 000)	2 301 600
Other Receivables	462 946	-	462 946
Unpaid Grants	-	-	-
Total	**92 861 361**	**(75 702 273)**	**17 159 087**

Figures in Rand		2022	2021

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2021			
Service Receivables			
Property Rates	42 521 093	(28 411 632)	14 109 461
Availability Charges	10 936 543	(10 406 423)	530 120
Other Receivables			
Unpaid Traffic Fines	20 721 500	(20 302 000)	419 500
Other Receivables	553 414	-	553 414
Unpaid Grants	947 263	-	947 263
Total	**75 679 812**	**(59 120 055)**	**16 559 757**

Ageing of Receivables from Non-Exchange Transactions

	2022	2021
Property Rates		
0 - 30 Days (Current)	8 329 431	9 518 399
1 to 3 months	5 698 902	5 520 812
4 months to 1 year	11 312 707	8 662 926
Over 1 year	23 204 374	18 818 956
Total	**48 545 414**	**42 521 093**
Availability Charges		
0 - 30 Days (Current)	447 408	396 918
1 to 3 months	664 635	632 000
4 months to 1 year	1 366 941	1 344 120
Over 1 year	9 223 416	8 563 506
Total	**11 702 401**	**10 936 543**

5 TAXES

	2022	2021
VAT Claimable/(Payable)	3 202 925	2 307 868
VAT in Suspense	(18 875 647)	(14 042 398)
VAT on Allowance for Debt Impairment	22 499 914	18 289 447
Total	**6 827 192**	**6 554 917**
As previously reported		6 554 917
Correction of error restatement - note 49.1		-
Restated balance		6 554 917

Reconciliation of VAT on Allowance for Debt Impairment

	2022	2021
Balance at beginning of year	18 289 447	16 287 548
Debt Impairment for current year	4 210 467	2 001 898
Balance at the end of the year	**22 499 914**	**18 289 447**

Figures in Rand	2022	2021

6 OPERATING LEASES

6.1 OPERATING LEASE ASSET

Operating Lease Asset	597 267	522 793

The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.

Reconciliation of Operating Lease Asset

Balance at the beginning of the year	522 793	457 759
Movement during the year	74 475	65 034
Balance at the end of the year	**597 267**	**522 793**

The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

Within 1 Year	684 596	1 101 411
Between 1 and 5 Years	1 548 758	1 319 034
After 5 Years	1 384 293	1 119 608
Total operating lease payments	**3 617 648**	**3 540 053**

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The Municipality leases a number of land and buildings for periods ranging from 2 to 99 years with escalations of between 0% and 20% per annum.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.

Significant lease agreements include, but are not limited to:

- Lease of Loerkop Caravan Park for a period of 20 years ending 30 September 2031 with an annual escalation of 10%.
- Lease of a portion of Farm 329 - Grabouw for a period of 9 years and 10 months ending 30 March 2029, with an annual escalation of 6%.
- Lease of office space at the Thusong Centre - Grabouw for a period of 3 years ending 31 March 2023 with an annual escalation of 8%

7 LONG-TERM RECEIVABLES

Receivables with repayment arrangements	6 074 560	8 561 885
Less: Allowance for Debt Impairment	(2 207 888)	(3 368 719)
Total Net Receivable	**3 866 671**	**5 193 166**
Less: Current portion of Long-term Receivables	(1 560 573)	(1 895 549)
Total	**2 306 099**	**3 297 617**

At year-end debtors amounting to R6 074 4560 (2021 - R8 561 885) arranged to settle their accounts over an re-negotiated period. Total payments to the value of R3 677 468 (2021 - R5 725 877) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	3 368 719	1 849 898
Movement in the contribution to the provision	(1 160 831)	1 518 821
Balance at the end of the year	**2 207 888**	**3 368 719**

The allowance for debt impairment of arrangements has been made for all balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

Figures in Rand	2022	2021

8 INVENTORY

	2022	2021
Maintenance Materials	11 920 222	9 433 552
Water	720 887	729 363
Total	**12 641 109**	**10 162 915**

Inventory are disclosed at the lower of cost or net realisable value.

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

No inventory were pledged as security for liabilities.

	2022	2021
Inventory written down due to losses identified during the annual stores counts	76 960	372 612
Inventory recognised as an expense during the year	11 728 972	11 058 021

9 INVESTMENT PROPERTY

	2022	2021
Investment Property - Carrying Value	**69 973 721**	**71 817 801**
As previously reported		69 981 587
Correction of error restatement - note 49.2		1 836 214
Restated balance		71 817 801

The carrying value of Investment Property is reconciled as follows:

	2022	2021
Opening Carrying Value	**71 817 801**	**73 092 451**
Cost	77 965 807	76 245 140
Accumulated Depreciation	(950 114)	(823 105)
Accumulated Impairment	(5 197 892)	(2 329 584)
Additions	-	-
Contributed Assets	-	1 850 000
Impairment	(1 558 714)	(2 868 308)
Disposals	(183 109)	(129 333)
Cost	(205 254)	(129 333)
Accumulated Depreciation	-	-
Accumulated Impairment	22 145	-
Depreciation	(102 257)	(127 009)
Closing Carrying Value	**69 973 721**	**71 817 801**
Cost	77 760 552	77 965 807
Accumulated Depreciation	(1 052 371)	(950 114)
Accumulated Impairment	(6 734 460)	(5 197 892)

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.

	2022	2021
Revenue derived from the rental of Investment Property	1 829 947	1 789 517

No significant operating expenditure was incurred on investment property during the 2021/22 and 2020/21 financial year.

10 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2022				
Land and Buildings	131 037 548	(7 680 827)	(2 660 710)	120 696 011
Infrastructure	1 035 268 157	(194 040 492)	-	841 227 665
Community Assets	763 623	(497 209)	-	266 415
Other Assets	81 026 503	(26 070 523)	-	54 955 980
Capitalised Restoration Cost	72 374 154	(53 259 218)	(10 143 696)	8 971 240
Total	**1 320 469 985**	**(281 548 268)**	**(12 804 406)**	**1 026 117 310**
30 June 2021				
Land and Buildings	130 574 094	(6 833 243)	(2 660 710)	121 080 141
Infrastructure	946 145 423	(176 193 589)	-	769 951 834
Community Assets	763 623	(474 817)	-	288 806
Other Assets	75 509 546	(24 859 963)	-	50 649 583
Capitalised Restoration Cost	71 211 934	(45 599 085)	(10 143 696)	15 469 152
Total	**1 224 204 620**	**(253 960 698)**	**(12 804 406)**	**957 439 516**
As previously reported				957 066 418
Correction of error restatement - note 49.3				373 098
Restated balance				957 439 516

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

10.1 Repairs and Maintenance were incurred on the following asset classes:

	2022	2021
Land and Buildings	6 904 239	8 859 029
Infrastructure	12 632 674	11 664 665
Community Assets	60 020	107 142
Other Assets	4 737 320	5 943 361
Total	24 334 253	26 574 196

10.2 Capital Restoration Cost

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.3 Reconciliation of Carrying Value

30 June 2022	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**130 574 094**	**463 454**	**-**	**-**	**-**	**131 037 548**	**9 493 952**	**847 585**	**-**	**-**	**10 341 537**	**120 696 011**
Land	44 523 013	-	-	-	-	44 523 013	2 660 710	-	-	-	2 660 710	41 862 303
Buildings	82 222 645	-	-	-	564 573	82 787 218	6 833 243	847 585	-	-	7 680 827	75 106 390
Work in progress	3 828 436	463 454	-	-	(564 573)	3 727 317	-	-	-	-	-	3 727 317
Infrastructure	**946 145 423**	**89 122 734**	**-**	**-**	**-**	**1 035 268 157**	**176 193 589**	**17 846 902**	**-**	**-**	**194 040 492**	**841 227 665**
Roads and Storm water	231 962 657	-	-	-	4 459 762	236 422 419	65 043 027	4 290 673	-	-	69 333 701	167 088 718
Electricity Network	123 296 802	-	-	-	4 997 289	128 294 091	22 402 273	2 592 093	-	-	24 994 366	103 299 725
Sewerage Network	216 140 707	-	-	-	5 065 546	221 206 253	41 025 803	5 236 552	-	-	46 262 355	174 943 898
Water Network	183 899 661	-	-	-	11 310 793	195 210 455	46 599 513	5 243 374	-	-	51 842 887	143 367 568
Refuse Removal	11 953 887	-	-	-	6 780 456	18 734 343	1 122 972	484 210	-	-	1 607 183	17 127 160
Work in progress	178 891 707	89 122 734	-	-	(32 613 845)	235 400 596	-	-	-	-	-	235 400 596
Community Assets	**763 623**	**-**	**-**	**-**	**-**	**763 623**	**474 817**	**22 391**	**-**	**-**	**497 209**	**266 415**
Parks and Gardens	561 924	-	-	-	-	561 924	273 118	22 391	-	-	295 509	266 415
Cemeteries	201 699	-	-	-	-	201 699	201 699	-	-	-	201 699	-
Other Assets	**75 509 546**	**8 998 105**	**(3 514 798)**	**33 650**	**-**	**81 026 503**	**24 859 963**	**3 483 080**	**-**	**(2 272 520)**	**26 070 523**	**54 955 980**
Computer Equipment	8 861 153	1 352 351	(960 548)	33 650	-	9 286 606	3 434 308	495 052	-	(595 810)	3 333 550	5 953 056
Furniture and Office Equipment	8 495 797	1 248 146	(392 169)	-	-	9 351 774	4 013 486	513 407	-	(257 526)	4 269 368	5 082 407
Machinery and Equipment	10 470 138	567 377	(433 881)	-	-	10 603 635	4 284 657	570 358	-	(242 447)	4 612 569	5 991 066
Transport Assets	47 682 457	5 830 231	(1 728 200)	-	-	51 784 488	13 127 512	1 904 263	-	(1 176 738)	13 855 037	37 929 451
Capitalised Restoration Cost	**71 211 934**	**1 575 021**	**(412 801)**	**-**	**-**	**72 374 154**	**55 742 782**	**7 660 132**	**-**	**-**	**63 402 914**	**8 971 240**
Landfill Site Rehabilitation	71 211 934	1 575 021	(412 801)	-	-	72 374 154	55 742 782	7 660 132	-	-	63 402 914	8 971 240
	1 224 204 620	**100 159 313**	**(3 927 599)**	**33 650**	**-**	**1 320 469 985**	**266 765 104**	**29 860 091**	**-**	**(2 272 520)**	**294 352 675**	**1 026 117 310**

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.3 Reconciliation of Carrying Value

30 June 2021	Cost						Accumulated Depreciation and Impairment					Carrying Value (Restated)
	Opening Balance	Additions	Disposals	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**129 397 602**	**1 146 229**	**(385 906)**	**416 169**	**-**	**130 574 094**	**8 709 640**	**784 313**	**-**	**-**	**9 493 952**	**121 080 141**
Land	44 485 543	-	-	-	37 470	44 523 013	2 660 710	-	-	-	2 660 710	41 862 303
Buildings	77 235 950	-	-	416 169	4 570 526	82 222 645	6 048 930	784 313	-	-	6 833 243	75 389 402
Work in progress	7 676 109	1 146 229	(385 906)	-	(4 607 996)	3 828 436	-	-	-	-	-	3 828 436
Infrastructure	**872 139 928**	**74 781 295**	**(775 800)**	**-**	**-**	**946 145 423**	**158 864 195**	**17 341 506**	**-**	**(12 112)**	**176 193 589**	**769 951 834**
Roads and Storm water	225 469 004	-	-	-	6 493 653	231 962 657	60 958 287	4 084 740	-	-	65 043 027	166 919 630
Electricity Network	103 344 506	-	(12 177)	-	19 964 474	123 296 802	19 775 968	2 638 417	-	(12 112)	22 402 273	100 894 529
Sewerage Network	213 614 600	-	-	-	2 526 108	216 140 707	35 838 646	5 187 157	-	-	41 025 803	175 114 904
Water Network	181 831 672	-	-	-	2 067 989	183 899 661	41 459 057	5 140 456	-	-	46 599 513	137 300 148
Refuse Removal	11 953 887	-	-	-	-	11 953 887	832 237	290 735	-	-	1 122 972	10 830 915
Work in progress	135 926 259	74 781 295	(763 622)	-	(31 052 224)	178 891 707	-	-	-	-	-	178 891 707
Community Assets	**763 623**	**-**	**-**	**-**	**-**	**763 623**	**452 426**	**22 391**	**-**	**-**	**474 817**	**288 806**
Parks and Gardens	561 924	-	-	-	-	561 924	250 726	22 391	-	-	273 118	288 806
Cemeteries	201 699	-	-	-	-	201 699	201 699	-	-	-	201 699	-
Other Assets	**66 693 566**	**9 671 904**	**(871 123)**	**15 198**	**-**	**75 509 546**	**21 489 996**	**3 706 415**	**-**	**(336 448)**	**24 859 963**	**50 649 583**
Computer Equipment	8 229 726	804 069	(186 441)	13 799	-	8 861 153	2 884 741	626 969	-	(77 402)	3 434 308	5 426 845
Furniture and Office Equipment	8 111 771	678 346	(295 718)	1 399	-	8 495 797	3 611 317	474 860	-	(72 692)	4 013 486	4 482 311
Machinery and Equipment	9 045 909	1 708 143	(283 914)	-	-	10 470 138	3 846 672	560 077	-	(122 092)	4 284 657	6 185 481
Transport Assets	41 306 161	6 481 346	(105 049)	-	-	47 682 457	11 147 265	2 044 508	-	(64 262)	13 127 512	34 554 945
Capitalised Restoration Cost	**50 645 161**	**20 566 774**	**-**	**-**	**-**	**71 211 934**	**49 027 863**	**404 325**	**6 310 595**	**-**	**55 742 782**	**15 469 152**
Landfill Site Rehabilitation	50 645 161	20 566 774	-	-	-	71 211 934	49 027 863	404 325	6 310 595	-	55 742 782	15 469 152
	1 119 639 880	**106 166 201**	**(2 032 828)**	**431 367**	**-**	**1 224 204 620**	**238 544 120**	**22 258 949**	**6 310 595**	**(348 559)**	**266 765 104**	**957 439 516**

Figures in Rand	2022	2021

11 INTANGIBLE ASSETS

	2022	2021
Intangible Assets - Carrying Value	**332 434**	**778 745**

The carrying value of intangible Assets is reconciled as follows:

	2022	2021
Opening Carrying Value	**778 745**	**907 985**
Cost	1 453 516	1 453 516
Accumulated Amortisation	(674 770)	(545 530)
Accumulated Impairment	-	-
Additions	107 890	-
Amortisation	(129 581)	(129 240)
Disposal	(424 620)	-
Cost	(939 250)	-
Accumulated Amortisation	514 630	-
Closing Carrying Value	**332 434**	**778 745**
Cost	622 156	1 453 516
Accumulated Amortisation	(289 721)	(674 770)
Accumulated Impairment	-	-

The following material intangible assets are included in the carrying value above:

Description	**Remaining amortisation period**	**Carrying Value**	
Computer software/licenses	5 - 8 years	332 434	778 745

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

12 HERITAGE ASSETS

The Municipality has four registered Heritage Assets, however, the principal usage of the assets are for service delivery and to derive rental income and are therefore recognised in Property, Plant and Equipment and Investment Property. The assets are as follows:

	2022	2021
Erf 614, Caledon - utilised as the Town Hall	519 451	524 445
Erven 12 and 14 - Villiersdorp - leased to Tourism Buro	114 861	116 096
Bridge at Meul Street, Caledon	-	-
Bridge at Farm 39, Genadendal	96	109
Total carrying value included under Property, Plant and Equipment	**634 408**	**640 650**

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

There are no contractual commitments for the acquisition, maintenance or restoration of heritage assets.

13 NON-CURRENT INVESTMENTS

	2022	2021
Listed shares	163 051	189 265
Fixed Deposits	12 673 904	11 698 904
Total	**12 836 955**	**11 888 169**

Figures in Rand	2022	2021

13 NON-CURRENT INVESTMENTS (CONTINUED)

13.1 Listed shares

Listed shares are held in public companies. No specific maturity dates and interest rates are applicable to these shares.

Listed investments comprise of the following:

	2022	2021
Sanlam - Shares Investment	163 051	189 265

13.2 Fixed Deposits

Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates of 9.75% per annum. The fixed deposit matures 4 October 2024.

The fixed deposit is ring-fenced for the repayment of stock loans as per note 14.2.

Fixed deposits consist out of the following:

	2022	2021
Nedbank - Account number 03 7881715316 0000 44 - 5 year investment	12 673 904	11 698 904

14 LONG-TERM LIABILITIES

	2022	2021
Annuity Loans	102 116 608	78 821 514
Stock Loans	14 469 800	16 022 969
Sub-Total	**116 586 408**	**94 844 483**
Less: Current portion of Long-term Liabilities	13 810 915	10 995 688
Annuity Loans	13 810 915	9 442 519
Stock Loans	-	1 553 169
Total	**102 775 493**	**83 848 795**

Long-term Liabilities were utilised as follow:

	2022	2021
Total Long-term Liabilities taken up	116 586 408	94 844 483
Used to finance Property, Plant and Equipment at cost	(116 586 408)	(94 844 483)
Unspent Borrowings	-	-

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.

14.1 Annuity Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability 2022	Carrying Value of Liability 2021
DBSA BANK - 10 & 20 year (Loan No. 102807/1)	10.74%	30/06/2028	4 531 595	5 071 581
DBSA BANK - 10 & 20 year (Loan No. 103108/1)	11.44%	30/09/2028	5 614 159	6 173 049
DBSA BANK - 20 year (103313.1)	9.85%	31/03/2029	12 895 152	14 127 092
DBSA BANK - 15 year (103313.2)	9.97%	31/03/2024	1 496 863	2 143 045
DBSA BANK - 20 year (103817/3)	11.06%	31/12/2030	7 654 027	8 176 551
STANDARD BANK- 15 year (272400572)	12.22%	30/06/2026	3 733 380	4 421 359
ABSA BANK - 15 year (40-7908-8994)	10.79%	27/06/2027	6 064 626	6 941 292
ABSA BANK - 10 year (387230963)	10.63%	27/06/2024	2 400 975	3 427 429
ABSA - 5 year (3050777771)	8.95%	30/06/2024	901 468	1 295 408
ABSA - 7 year (3050777789)	9.19%	30/06/2026	1 607 861	1 925 994
ABSA - 10 year (3050777763)	9.62%	30/06/2029	2 586 386	2 833 785
NEDBANK - 15 year (05/78310356050)	10.45%	30/06/2034	2 373 881	2 469 963
STANDARD BANK - 4 year (000600694)	6.63%	31/12/2024	4 569 155	5 903 939
STANDARD BANK - 10 year (000600703)	8.26%	28/06/2030	4 485 538	4 868 511
STANDARD BANK - 15 year (000600712)	9.76%	29/06/2035	6 135 986	6 363 656
ABSA - 7 year (3052887574)	9.19%	30/06/2027	2 327 944	2 678 860
STANDARD BANK - 15 year (000682253)	10.79%	30/12/2036	14 091 133	-
ABSA - 5 year (3054670983)	8.66%	30/10/2026	11 907 933	-
ABSA - 7 year (3054671133)	9.19%	30/10/2028	4 805 266	-
ABSA - 10 year (3054671256)	9.89%	30/10/2031	1 933 280	-
Total			**102 116 608**	**78 821 514**

Figures in Rand	2022	2021

14 LONG-TERM LIABILITIES (CONTINUED)

All annuity loans are unsecured.

Annuity loans are payable as follows:

	2022	2021
Payable within one year	23 530 004	17 066 817
Payable within two to five years	79 278 786	61 138 961
Payable after five years	46 246 833	36 544 034
Total amount payable	**149 055 624**	**114 749 812**
Less: Outstanding Future Finance Charges	(46 939 016)	(35 928 298)
Present value of annuity loans	**102 116 608**	**78 821 514**

14.2 Stock Loans

Stock Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	**Rate**	**Maturity Date**	**Carrying Value of Liability**	
DBSA BANK - 15 year (1022754)	9.39%	31/03/2022	-	1 553 169
DBSA BANK - 20 year (1022755)	9.29%	31/03/2027	8 469 800	8 469 800
DBSA BANK - 20 year (1014871)	9.46%	31/12/2024	6 000 000	6 000 000
Total			**14 469 800**	**16 022 969**

The following serve as security for stock loans:

	2022	2021
- Fixed Deposit as per note 13.2	12 673 904	11 698 904
- Cession on outstanding consumer debtors	6 000 000	6 000 000
Total	**18 673 904**	**17 698 904**

Stock loans are payable as follows:

	2022	2021
Payable within one year	1 354 582	3 053 418
Payable within two to five years	18 474 906	10 572 928
Payable after five years	-	9 256 560
Total amount payable	**19 829 488**	**22 882 906**
Less: Outstanding Future Finance Charges	(5 359 688)	(6 859 937)
Present value of stock loans	**14 469 800**	**16 022 969**

15 CONSUMER DEPOSITS

	2022	2021
Water and Electricity Deposits	**4 968 411**	**4 832 729**

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

16 PAYABLES FROM EXCHANGE TRANSACTIONS

	2022	2021
Trade Payables	31 560 043	37 406 091
Retentions	8 589 370	10 721 031
Payments Received in Advance	6 702 110	7 606 577
Department of Human Settlements	5 334 915	5 447 325
Unused Pre-paid Electricity	1 103 346	1 122 746
Sundry Deposits	15 638 481	7 747 510
Accrued Interest	709 317	819 732
Land Sales Deposits	570 717	594 644
Total	**70 208 298**	**71 465 658**
As previously reported		72 031 727
Correction of error restatement - note 49.4		(566 069)
Restated balance		**71 465 658**

Figures in Rand	2022	2021

16 PAYABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Payables are being recognised net of any discounts received.

The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

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

Sundry deposits include wayleave, hall, builders and housing deposits.

Department of Human Settlements balance consist of the following:

	2022	2021
Advances received in terms of principal-agent arrangments - note 60	5 334 916	5 447 327

17 UNSPENT CONDITIONAL GOVERNMENT GRANTS

	2022	2021
National Government	9 616 504	5 390 714
Provincial Government	5 708 319	4 938 027
District Municipality	90 000	-
Other Grant Providers	400 427	400 427
Total	**15 815 250**	**10 729 168**
As previously reported		10 794 063
Correction of error restatement - note 49.5		(64 895)
Restated balance		**10 729 168**

Detail reconciliations of all grants received and grant conditions met are included in note 24. Unspent grant balances are recognised to the extent that conditions are not yet met.

No grants were withheld in the current year.

Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.

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

18 UNSPENT PUBLIC CONTRIBUTIONS

	2022	2021
Hogeschool van Arnhem en Nijmegen (HAN)	297 868	329 439
Bursaries Fund	4 150	-
Total	**302 018**	**329 439**

Detail reconciliations of all public contributions received are included in note 25. Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met.

Due to the short term nature of unspent public contributions, the carrying value approximates the fair value of the unspent public contribution at year-end.

Figures in Rand	2022	2021

19 CURRENT EMPLOYEE BENEFITS

	2022	2021
Bonuses	5 786 275	5 637 851
Staff Leave	19 361 628	17 420 525
Performance Bonuses	-	211 495
Pension	10 768	10 768
Group Insurance	163 052	189 266
Standby and Overtime	1 672 135	1 128 248
Current portion of Non-Current Employee Benefits - note 20	3 529 000	2 918 000
Post Retirement Medical Benefits	1 928 000	1 875 000
Long Service Awards	1 601 000	1 043 000
Total	**30 522 858**	**27 516 153**
As previously reported		26 818 216
Correction of error restatement - note 49.6		697 937
Restated balance		**27 516 153**

The movement in current employee benefits are reconciled as follows:

19.1 Bonuses

	2022	2021
Opening Balance	5 637 851	5 271 519
Contribution during the year	11 530 402	11 236 970
Payments made	(11 381 977)	(10 870 639)
Balance at the end of the year	**5 786 275**	**5 637 851**

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.

19.2 Staff Leave

	2022	2021
Opening Balance	17 420 525	16 827 198
Contribution during the year	2 870 549	1 712 737
Payments made	(929 446)	(1 119 410)
Balance at the end of the year	**19 361 628**	**17 420 525**

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 or when employment is terminated.

19.3 Performance Bonuses

	2022	2021
Opening Balance	211 495	398 505
Contribution during the year	(7 603)	(21 978)
Payments made	(203 892)	(165 032)
Balance at the end of the year	**-**	**211 495**

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.

19.4 Pension

	2022	2021
Opening Balance	10 768	10 768
Payments made	-	-
Balance at the end of the year	**10 768**	**10 768**

Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.

Figures in Rand	2022	2021

19 CURRENT EMPLOYEE BENEFITS (CONTINUED)

19.5 Group Insurance

Opening Balance	189 266	181 771
Fair Value adjustment during the year	(26 214)	7 495
Balance at the end of the year	**163 052**	**189 266**

Shares accruing and to be apportioned to staff contributing to the Sanlam Group insurance scheme. The timing of the payment is uncertain. The possibility of reimbursement is being investigated.

19.6 Standby and Overtime

Balance at beginning of year	1 128 248	1 031 122
Contribution during the year	1 672 135	1 128 248
Payments made	(1 128 248)	(1 031 122)
Balance at end of year	**1 672 135**	**1 128 248**

Standby and overtime worked by staff in current financial year, but paid in following financial year.

20 EMPLOYEE BENEFITS

Post Retirement Medical Benefits	52 433 000	48 610 000
Long Service Awards	12 239 000	11 239 000
Sub-Total	**64 671 999**	**59 849 000**
Less: Current portion of Employee Benefits	**3 529 000**	**2 918 000**
Post Retirement Medical Benefits	1 928 000	1 875 000
Long Service Awards	1 601 000	1 043 000
Total	**61 142 999**	**56 931 000**
As previously reported		51 225 000
Correction of error restatement - note 49.6		5 706 000
Restated balance		**56 931 000**

20.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

Opening Balance	48 610 000	39 962 000
Contribution during the year	7 286 000	6 167 000
Current Service Cost	2 493 000	2 079 000
Interest Cost	4 793 000	4 088 000
Payments made	(1 802 937)	(1 711 124)
Actuarial Loss/(Gain)	(1 660 063)	4 192 124
Total balance at year-end	52 433 000	48 610 000
Less: Current portion	(1 928 000)	(1 875 000)
Total	**50 505 000**	**46 735 000**

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

In-service members	242	230
In-service non-members	386	408
Continuation members	35	35
Total	**663**	**673**

20 EMPLOYEE BENEFITS (CONTINUED)

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:	In-Service Members R	In-Service non-Members R	Continuation Members R	Total unfunded Liability R
30 June 2022	24 890 000	5 656 000	21 887 000	**52 433 000**
30 June 2021	22 103 000	5 082 000	21 425 000	**48 610 000**
30 June 2020	18 142 000	4 031 000	17 789 000	**39 962 000**
30 June 2019	19 925 000	4 575 000	19 323 000	**43 823 000**
30 June 2018	30 211 000	5 795 000	16 449 000	**52 455 000**

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2022	(1 065 000)	-
30 June 2021	(296 000)	-
30 June 2020	5 928 000	-
30 June 2019	(4 506 000)	-
30 June 2018	6 859 000	-

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas
LA Health
Hosmed
Samwumed
Keyhealth

Key Actuarial Assumptions used are as follows:

i) Interest Rates

	2022	2021
Discount rate	11.83%	10.05%
Health Care Cost Inflation Rate	8.44%	6.79%
Net Effective Discount Rate (Health Care Cost Inflation)	3.13%	3.05%

The discount rate used is a composite of all government bonds and is calculated using a technique that is known as "bootstrapping"

A discount rate of 11.83% per annum has been used. The corresponding index-linked yield at this term is 4.10%. These rates do not reflect any adjustment for taxation. These rates were deduced from the yield curve obtained from the Stock Exchange of South Africa after the market close on 30 June 2022.

ii) Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age for post retirement, and the SA 85-90 table for in service employees, were used by the actuaries.

iii) Normal Retirement Age

It has been assumed that in-service members will retire at age 62, which then implicitly allows for expected rates of early and ill-health retirement.

iv) Last Valuation

The last valuation was performed on 4 August 2022.

v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Figures in Rand	2022	2021

20 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis - Liability at year-end

Assumption	Eligible Employees (R)	Continuation members (R)	Total liability (R)	% change
Liability	30 546 000	21 887 000	52 433 000	
Health care inflation rate (+ 1%)	37 013 000	23 932 000	60 945 000	16%
Health care inflation rate (- 1%)	25 448 000	20 111 000	45 559 000	-13%
Discount rate (+ 1%)	25 626 000	20 176 000	45 802 000	-13%
Discount rate (- 1%)	36 857 000	23 885 000	60 742 000	16%
Post-employment mortality (+ 1 year)	29 722 000	21 113 000	50 835 000	-3%
Post-employment mortality (- 1 year)	31 363 000	22 665 000	54 028 000	3%
Average retirement age (- 1 year)	33 508 000	21 887 000	55 395 000	6%
Membership continuation (- 10%)	26 691 000	21 887 000	48 578 000	-7%

Sensitivity Analysis - Future Service and Interest Cost

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2022/23	2 669 000	6 092 000	8 761 000	
Health care inflation (+ 1%)	3 298 000	7 098 000	10 396 000	19%
Health care inflation (- 1%)	2 179 000	5 279 000	7 458 000	-15%
Discount rate (+ 1%)	2 216 000	5 756 000	7 972 000	-9%
Discount rate (- 1%)	3 253 000	6 477 000	9 730 000	11%
Post-employment mortality (+ 1 year)	2 597 000	5 903 000	8 500 000	-3%
Post-employment mortality (- 1 year)	2 737 000	6 280 000	9 017 000	3%
Average retirement age (- 1 year)	2 810 000	6 442 000	9 252 000	6%
Continuation of membership at retirement (- 10%)	2 336 000	5 636 000	7 972 000	-9%

20.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

	2022	2021
Opening Balance	11 239 000	10 429 000
Contribution during the year	2 076 000	1 757 000
Current Service Cost	1 044 000	981 000
Interest Cost	1 032 000	776 000
Payments made	(1 053 394)	(870 973)
Actuarial Loss/(Gain)	(22 606)	(76 027)
Total balance at year-end	**12 239 000**	**11 239 000**
Less: Current portion	(1 601 000)	(1 043 000)
Total	**10 638 000**	**10 196 000**

The Long Service Awards plans are defined benefit plans.

	2022	2021
As at year end, the following number of employees were eligible for Long Service Awards	628	638

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:	**Unfunded Liability R**
30 June 2022	12 239 000
30 June 2021	11 239 000
30 June 2020	10 429 000
30 June 2019	9 684 129
30 June 2018	7 194 517

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

20 EMPLOYEE BENEFITS (CONTINUED)

Experience adjustments were calculated as follows:	**Liabilities (Gain) / Loss R**	**Assets Gain / (Loss) R**
30 June 2022	106 394	-
30 June 2021	110 973	-
30 June 2020	405 329	-
30 June 2019	142 031	-
30 June 2018	482 659	-

Key Actuarial Assumptions used are as follows:

i) Interest Rates

	2022	2021
Discount rate	11.25%	9.62%
General earnings inflation rate (long-term)	7.42%	5.91%
Net discount rate	3.56%	3.50%

The discount rate used is a composite of all government bonds and is calculated using a technique that is known as "bootstrapping"

A discount rate of 11.25% per annum has been used. The corresponding liability-weighted index-linked yield is 4.07%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2022.

ii) Last Valuation

The last valuation was performed on 23 July 2022.

iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	**Current Liability (R)**	**Liability (R)**	**% Change**
General earnings inflation rate (+ 1%)	12 239 000	13 071 000	7%
General earnings inflation rate (- 1%)	12 239 000	11 490 000	-6%
Discount rate (+ 1%)	12 239 000	11 476 000	-6%
Discount rate (- 1%)	12 239 000	13 101 000	7%
Average retirement age (+ 2 years)	12 239 000	13 846 000	13%
Average retirement age (- 2 years)	12 239 000	10 793 000	-12%
Withdrawal rates (x 2)	12 239 000	9 665 000	-21%
Withdrawal rates (x 0.5)	12 239 000	14 043 000	15%

Sensitivity Analysis on the Current-service and Interest Costs (Next Financial Year)

Assumption	**Current Service Cost (R)**	**Interest Cost (R)**	**Total (R)**	**% Change**
Estimated for 2022/23	1 076 000	1 289 000	2 365 000	
General earnings inflation rate (+ 1%)	1 168 000	1 382 000	2 550 000	8%
General earnings inflation rate (- 1%)	994 000	1 205 000	2 199 000	-7%
Discount rate (+ 1%)	1 001 000	1 310 000	2 311 000	-2%
Discount rate (- 1%)	1 160 000	1 262 000	2 422 000	2%
Average retirement age (+ 2 years)	1 198 000	1 470 000	2 668 000	13%
Average retirement age (- 2 years)	966 000	1 127 000	2 093 000	-12%
Withdrawal rates (x 2)	771 000	999 000	1 770 000	-25%
Withdrawal rates (x 0.5)	1 305 000	1 492 000	2 797 000	18%

Figures in Rand	2022	2021

20 EMPLOYEE BENEFITS (CONTINUED)

20.3 Other Pension Benefits

Defined Benefit Plans

Council contributes to the following defined benefit plans:

	2022	2021
LA Retirement Fund (Former Cape Joint Pension Fund)	116 623	110 037
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2021 revealed that the fund is in an sound financial position with a funding level of 102% (30 June 2020 - 100%).		
Consolidated Retirement Fund (Former Cape Retirement Fund)	21 882 431	21 146 679
The contribution rate payable is 9% by members and 18% by Council. 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 100.5% (30 June 2020 - 100.5%).		
Total	**21 999 053**	**21 256 716**

Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the 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 LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

Defined Contribution Plans

Council contributes to the following defined contribution plans:

	2022	2021
Municipal Councillors Pension Fund	14 864	44 669
SALA Pension Fund	130 279	134 629
SAMWU National Provident Fund	2 328 346	2 410 239
National Fund for Municipal Workers	230 350	217 811
Total	**2 703 838**	**2 807 348**

The retirement benefit funds are subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Figures in Rand	2022	2021

21 NON-CURRENT PROVISIONS

	2022	2021
Provision for Rehabilitation of Landfill-sites	**125 806 416**	**119 172 025**

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

	2022	2021
Opening Balance	119 172 025	91 568 233
Contribution during the year	6 634 391	27 603 792
Increase/(Decrease) in estimate allocated to Capital Restoration Cost Asset	1 162 221	20 566 774
Decrease in estimate allocated to Statement of Financial Performance	(3 431 172)	-
Interest Cost	8 903 342	7 037 019
Total	**125 806 416**	**119 172 025**

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life.

The future obligations for rehabilitating the landfill sites has been calculated using a discount rate of 8.818% (2021 - 7.471%) which is based on the South African 5 year Government Bond yield.

The total obligation at year-end can be attributed to the following sites:

Location	Site Dimensions (m^2)	Rehabilitation cost per m^2 (Rand)	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Caledon	59 661	828	46 798 435	42 262 585
Genadendal	20 490	907	16 431 259	15 648 782
Greyton	16 978	930	14 180 185	13 011 487
Riviersonderend	10 720	1 194	11 848 791	11 049 444
Villiersdorp	21 110	919	18 009 312	17 399 161
Botrivier	17 537	1 196	18 538 434	19 800 565
Total			**125 806 416**	**119 172 025**

The estimate cost, based on an average inflation rate of 5.52% (2021 - 5.36%), and date of decommission of the sites are as follows:

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Caledon	2024	55 010 957	51 975 131
Genadendal	2026	23 039 539	20 137 245
Greyton	2026	19 060 508	17 994 415
Riviersonderend	2025	14 636 118	14 218 702
Villiersdorp	2025	22 789 257	18 919 290
Botrivier	2026	25 994 172	22 869 684
Total		**160 530 551**	**146 114 467**

22 RESERVES

	2022	2021
Capital Replacement Reserve	**40 252 671**	**37 219 568**

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

Figures in Rand	2022	2021

23 PROPERTY RATES

	2022	2021
Rateable Land and Buildings	127 714 860	121 164 337
Total	**127 714 860**	**121 164 337**
As previously reported		121 197 773
Correction of error restatement - note 49.1		(33 435)
Restated balance		**121 164 337**

Property rate levied are based on the following rateable valuations:

	2022	2021
Residential (including Residential Vacant)	6 340 245 737	6 486 581 369
Business and Commercial (Including vacant)	2 002 074 716	1 981 155 366
Industrial (Including vacant)	288 654 500	298 247 500
Mining	3 174 000	3 174 000
Public benefit Organizations	136 549 369	96 354 819
Public Service Infrastructure	65 161 000	51 552 500
Public Service Purposes (formerly included in State-owned)	591 812 692	567 046 000
Agricultural	15 870 366 672	15 829 001 391
Total Valuation	25 298 038 686	25 313 112 945

Rate that is applicable to the valuations above:

	2022	2021
Residential (including Residential Vacant)	0.9553 c/R	0.8970 c/R
Business and Commercial (Including vacant)	1.9106 c/R	1.7940 c/R
Industrial (Including vacant)	1.9106 c/R	1.7940 c/R
Mining	1.9106 c/R	1.7940 c/R
Public benefit Organizations	0.2389 c/R	0.2243 c/R
Public Service Infrastructure	0.2389 c/R	0.2243 c/R
Public Service Purposes (formerly included in State-owned)	1.9106 c/R	1.7940 c/R
Agricultural	0.1913 c/R	0.1796 c/R

Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

Rates are levied monthly and annually. Monthly rates are payable by the end of the month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it. The Municipality grants the following rebates on the valuation of property:

- R85 000 for all residential properties valued R200 000 or less.
- R145 000 if the consumer is older than 70 years and the residential property is valued R200 000 or less.
- 100% rebate if the consumer is older than 60 years and the household income is less than R5 000 per month.
- 50% rebate if the consumer is older than 60 years and the household income is less than R10 000 per month.
- 100% rebate for all registered Non-profit organisations (NPO's)

Figures in Rand	2022	2021

24 GOVERNMENT GRANTS AND SUBSIDIES

	2022	2021
Unconditional Grants - National Government	**106 976 000**	**118 783 000**
Equitable Share	106 976 000	118 783 000
Conditional Grants - National Government	**32 572 994**	**35 436 502**
Finance Management Grant (FMG)	1 636 460	1 702 037
Municipal Infrastructure Grant (MIG)	21 080 186	23 112 927
Expanded Public Works Programme (EPWP)	1 721 000	1 924 047
Integrated National Electrification Programme (INEP)	2 116 146	5 000 000
Public Works	-	-
Water and Sanitation	-	-
Municipal Disaster Relief Grant	-	150 229
Energy Efficiency & Demand Side Management Grant	3 519 202	3 547 263
Water Service Infrastructure Grant (WSIG)	2 500 000	-
Municipal Drought Relief	-	-
Conditional Grants - Provincial Government	**31 367 825**	**19 043 801**
Housing	18 089 152	5 693 273
CDW Contribution	139 797	170 000
Thusong Multi Purpose Centre	-	150 000
Main Roads Subsidy	129 932	130 000
Financial Management Support Grant (FMSG)	1 217	153 399
Library Subsidy	9 723 977	9 250 757
Municipal Capacity Building Grant	373 146	473 287
Local Government Graduate Internship Allocation	-	-
Municipal Disaster Recovery (Water Supply Grant)	-	-
Sport and Recreation	-	238 066
Municipal Drought Relief (MDR)	112 584	1 874 786
Regional socio-economic projects (RSEP)	440 564	52 600
Municipal Intervention Grant	147 770	-
Municipal Service Delivery and Capacity Building Grant (MSDCB)	1 000 000	857 632
Public Employment Support Grant	1 209 687	-
Conditional Grants - District Municipality		
Safety Audit and Safety Plan Grant	-	-
Conditional Grants - Other Grant Providers	**347 761**	**342 047**
DBSA Local Economic Development	-	-
SETA	347 761	342 047
SANRAL	-	-
Total	**171 264 580**	**173 605 350**

Disclosed as:

	2022	2021
Government Grants and Subsidies - Operating	127 049 690	137 761 584
Government Grants and Subsidies - Capital	44 214 890	35 843 766
Total	**171 264 580**	**173 605 350**

Grants per Vote (MFMA Sec 123 (c)):

	2022	2021
Equitable share	106 976 000	118 783 000
Vote 1 - Directorate Finance	5 725 903	6 061 211
Vote 4 - Electricity	5 359 328	8 752 894
Vote 6 - Executive and council	-	-
Vote 6 - Office of the Municipal Manager	1 217	4 149
Vote 8 - Directorate Technical Services and Planning	38 336 036	27 925 838
Vote 12 - Waste management	-	-
Vote 13 - Waste water management	-	-
Vote 14 - Water	2 612 584	1 874 786
Vote 15 - Directorate Development and Community Services	12 253 511	10 203 472
Total	**171 264 580**	**173 605 350**

Figures in Rand	2022	2021

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

24.01 Equitable Share

	2022	2021
Opening Unspent Balance	-	-
Grants Received / (Repaid)	106 976 000	118 783 000
Transferred to Revenue - Operating	(106 976 000)	(118 783 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

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.

24.02 Finance Management Grant (FMG)

	2022	2021
Opening Unspent Balance	-	2 037
Grants Received / (Repaid)	1 650 000	1 700 000
Transferred to Revenue - Operating	(1 610 000)	(1 682 037)
Transferred to Revenue - Capital	(26 460)	(20 000)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	13 540	-

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.

24.03 Municipal Infrastructure Grant (MIG)

	2022	2021
Opening Unspent Balance	2 875 312	175 239
Grants Received / (Repaid)	22 762 000	25 813 000
Transferred to Revenue - Operating	(3 180 794)	(3 550 205)
Transferred to Revenue - Capital	(17 899 392)	(19 562 722)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	4 557 126	2 875 312

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

24.04 Expanded Public Works Programme (EPWP)

	2022	2021
Opening Unspent Balance	6 953	76 002
Grants Received / (Repaid)	1 714 047	1 854 998
Transferred to Revenue - Operating	(1 721 000)	(1 924 047)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	6 953

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.

Figures in Rand	2022	2021

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.05 Integrated National Electrification Programme (INEP)

	2022	2021
Opening Unspent Balance	-	-
Grants Received / (Repaid)	7 120 000	5 000 000
Transferred to Revenue - Operating	(276 019)	(652 000)
Transferred to Revenue - Capital	(1 840 127)	(4 348 000)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	5 003 854	-

The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

24.06 Municipal Disaster Relief Grant

	2022	2021
Opening Unspent Balance	-	166 228
Grants Received / (Repaid)	-	(15 999)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	(150 229)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

This grant was utilised to provide for the immediate release of funds for disaster purpose.

24.07 Energy Efficiency & Demand Side Management Grant

	2022	2021
Opening Unspent Balance	-	-
Grants Received / (Repaid)	4 500 000	2 600 000
Transferred to Revenue - Operating	(504 885)	(469 000)
Transferred to Revenue - Capital	(3 014 317)	(3 078 263)
Transfer to / (from) Receivables	(947 263)	947 263
Closing Unspent Balance	33 535	-

Grant was utilised for the purchase and installation of street lights.

24.08 Water Service Infrastructure Grant (WSIG)

	2022	2021
Opening Unspent Balance	2 500 000	-
Grants Received / (Repaid)	-	2 500 000
Transferred to Revenue - Operating	(326 087)	-
Transferred to Revenue - Capital	(2 173 913)	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	2 500 000

Grant will be utilised for the replacement of water pipes.

24.09 Municipal Drought Relief

	2022	2021
Opening Unspent Balance	8 449	8 449
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	8 449	8 449

The grant will be utilised for boreholes.

Figures in Rand	2022	2021

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.10 Housing

	2022	2021
Opening Unspent Balance	277 998	-
Grants Received / (Repaid)	20 052 691	5 971 271
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(18 089 152)	(5 693 273)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	2 241 537	277 998

Housing grants was utilised for the development of erven and infrastructure.

24.11 CDW Contribution

	2022	2021
Opening Unspent Balance	105 156	163 156
Grants Received / (Repaid)	132 000	112 000
Transferred to Revenue - Operating	(139 797)	(170 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	97 359	105 156

The CDW Contribution was used to finance the activities of Community Development Workers.

24.12 Thusong Multi Purpose Centre

	2022	2021
Opening Unspent Balance	70 593	70 593
Grants Received / (Repaid)	(70 593)	150 000
Transferred to Revenue - Operating	-	(150 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	70 593

The grant is intended to be utilised for the improvement of financial governance.

24.13 Main Roads Subsidy

	2022	2021
Opening Unspent Balance	88 611	88 611
Grants Received / (Repaid)	129 932	130 000
Transferred to Revenue - Operating	(129 932)	(130 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	88 611	88 611

The subsidy is utilised for the maintenance of the provincial main roads which runs through the town centres.

24.14 Financial Management Support Grant (FMSG)

	2022	2021
Opening Unspent Balance	719 079	872 478
Grants Received / (Repaid)	(323 228)	-
Transferred to Revenue - Operating	(1 217)	(153 399)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	394 634	719 079

The grant is intended to be utilised for the improvement of financial governance.

24.15 Library Subsidy

	2022	2021
Opening Unspent Balance	1 508 467	1 648 224
Grants Received / (Repaid)	10 612 000	9 111 000
Transferred to Revenue - Operating	(9 646 761)	(9 044 496)
Transferred to Revenue - Capital	(77 216)	(206 261)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	2 396 490	1 508 467

The subsidy is utilised for the operational costs of libraries which is a provincial function.

Figures in Rand	2022	2021

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.16 Municipal Capacity Building Grant

Opening Unspent Balance	825 866	999 153
Grants Received / (Repaid)	(369 152)	300 000
Transferred to Revenue - Operating	(373 146)	(473 287)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	83 568	825 866

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

24.17 Local Government Graduate Internship Allocation

Opening Unspent Balance	20 000	20 000
Grants Received / (Repaid)	(20 000)	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	20 000

This grant will be utilised for the recruitment of interns.

24.18 Municipal Disaster Recovery (Water Supply Grant)

Opening Unspent Balance	569 425	569 425
Grants Received / (Repaid)	(569 425)	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	569 425

This grant will be utilised for boreholes.

24.19 Sport and Recreation

Opening Unspent Balance	6 636	244 702
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	(238 066)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	6 636	6 636

This grant will be utilised for boreholes.

24.20 Municipal Drought Relief (MDR)

Opening Unspent Balance	263 214	388 000
Grants Received / (Repaid)	(150 525)	1 750 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(112 584)	(1 874 786)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	105	263 214

The grant will be utilised for boreholes.

Figures in Rand	2022	2021

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.21 Regional socio-economic projects (RSEP)

	2022	2021
Opening Unspent Balance	447 400	-
Grants Received / (Repaid)	-	500 000
Transferred to Revenue - Operating	(67 110)	-
Transferred to Revenue - Capital	(373 454)	(52 600)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	6 836	447 400

This grant is earmarked for the erection of fencing, security gates and installation of shutter doors at the trading market.

24.22 Municipal Intervention Grant

	2022	2021
Opening Unspent Balance	-	-
Grants Received / (Repaid)	150 000	-
Transferred to Revenue - Operating	(147 770)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	2 230	-

This grant is utilised to provide financial assistance to municipalities to improve infrastructure, systems structure, corporate governance, service delivery and compliance with executive obligations.

24.23 Municipal Service Delivery and Capacity Building Grant (MSDCB)

	2022	2021
Opening Unspent Balance	35 582	893 214
Grants Received / (Repaid)	964 418	-
Transferred to Revenue - Operating	(391 725)	-
Transferred to Revenue - Capital	(608 275)	(857 632)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	35 582

This grant is utilised to provide financial assistance to municipalities to improve infrastructure, systems structure, corporate governance, service delivery and compliance with executive obligations.

24.24 Public Employment Support Grant

	2022	2021
Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 600 000	-
Transferred to Revenue - Operating	(1 209 687)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	390 313	-

This grant will be used to coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress.

24.25 Safety Audit and Safety Plan Grant

	2022	2021
Opening Unspent Balance	-	-
Grants Received / (Repaid)	90 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	90 000	-

This grant will be used to conduct a safety audit and draft a safety plan with the aim to establish a Community Safety Forum (CSF) for the Municipality as outlined in the National Crime Prevention Strategy and White Paper on Safety and Security.

Figures in Rand	2022	2021

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.26 DBSA Local Economic Development

	2022	2021
Opening Unspent Balance	226 477	226 477
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	226 477	226 477

This grant is utilised for the replacement of bulk sewerage line between Caledon and Myddleton.

24.27 SETA

	2022	2021
Opening Unspent Balance	-	-
Grants Received / (Repaid)	347 761	342 047
Transferred to Revenue - Operating	(347 761)	(342 047)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

This grant is for the training and development of municipal officials.

24.28 SANRAL

	2022	2021
Opening Unspent Balance	173 950	173 950
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	173 950	173 950

This grant will be utilised for the construction of a taxi rank / bus stop in Grabouw.

24.29 Total Grants

	2022	2021
Opening Unspent Balance	10 729 169	6 785 938
Grants Received / (Repaid)	177 297 926	176 601 317
Transferred to Revenue - Operating	(127 049 690)	(137 761 584)
Transferred to Revenue - Capital	(44 214 890)	(35 843 766)
Transfer to / (from) Receivables	(947 263)	947 263
Closing Unspent Balance	15 815 252	10 729 169

25 PUBLIC CONTRIBUTIONS AND DONATIONS

	2022	2021
Hogeschool van Arnhem en Nijmegen (HAN)	729 541	495 127
Bursaries Fund	-	-
Total	**729 541**	**495 127**

The movements per grant can be summarised as follows:

25.01 Hogeschool van Arnhem en Nijmegen (HAN)

	2022	2021
Opening Unspent Balance	329 439	536 036
Grants Received	697 970	288 530
Transferred to Revenue - Operating	(729 541)	(495 127)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	**297 868**	**329 439**

The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects.

Figures in Rand	2022	2021

25 PUBLIC CONTRIBUTIONS AND DONATIONS (CONTINUED)

25.02 Bursaries Fund

	2022	2021
Opening Unspent Balance	-	-
Grants Received	4 150	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	**4 150**	**-**

Contributions are made by contractors in terms of the service level agreements with the Municipality. The funds are to be utilised for bursary schemes towards the community.

26 CONTRIBUTED ASSETS

	2022	2021
Investment Property	-	1 850 000
Property, Plant and Equipment	33 650	431 367
Total	**33 650**	**2 281 367**
As previously reported		15 198
Correction of error restatement - note 49.2		1 850 000
Correction of error restatement - note 49.3		416 169
Restated balance		2 281 367

Contributed Assets consists out of the following:

	2022	2021
- Computer and Office Equipment	33 650	15 198
- Building	-	1 850 000
- Sports field	-	416 169
Total	33 650	2 281 367

The contributed assets were received from the following parties:

	2022	2021
- Insurance company replaced the assets rather than paying a refund	33 650	15 198
- Building became the property of Municipality after lease expired	-	1 850 000
- The Sports Trust	-	416 169
Total	33 650	2 281 367

27 AVAILABILITY CHARGES

	2022	2021
Electricity	1 310 984	1 179 358
Water	1 830 394	1 873 819
Refuse Removal	718 767	727 696
Sewerage and Sanitation	874 948	875 865
Total	**4 735 093**	**4 656 737**
As previously reported		-
Correction of error restatement - note 49.1		4 656 737
Restated balance		**4 656 737**

Availability charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity, sewerage and solid waste) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.

Figures in Rand	2022	2021

28 FINES, PENALTIES AND FORFEITS

Traffic	24 541 000	12 302 900
Pound Fees	430 517	130 316
Unclaimed Money	1 642 754	1 488 385
Overdue Books	6 598	7 077
Total	**26 620 869**	**13 928 678**

In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year are recognised as revenue.

29 ACTUARIAL GAINS

Post Retirement Medical Benefits	1 660 063	-
Long Service Awards	22 606	76 027
Total	**1 682 669**	**76 027**

The actuarial gains mainly originated as a result of a increase in the net discount rate being used by the actuaries to calculate the employee benefits.

30 OTHER INCOME (NON-EXCHANGE)

Landfill Sites - iGRAP 2 adjustments	3 431 172	-
Insurance Refund	1 529 684	412 387
Total	**4 960 856**	**412 387**

Landfill Sites - iGRAP2 adjustments relate to a decrease in the landfill site's rehabilitation provision of which the decrease is in excess of the carrying value of the related asset.

31 SERVICE CHARGES

Electricity	118 368 896	105 438 957
Water	86 907 199	83 474 403
Refuse Removal	51 791 925	48 596 860
Sewerage and Sanitation	49 311 037	47 077 737
Total Revenue	**306 379 056**	**284 587 957**
Less: Rebates	(43 443 469)	(37 284 055)
Electricity	(5 054 905)	(4 092 895)
Water	(10 359 461)	(8 387 616)
Refuse Removal	(14 824 479)	(13 137 842)
Sewerage and Sanitation	(13 204 624)	(11 665 701)
Total	**262 935 587**	**247 303 902**
As previously reported		253 477 071
Correction of error restatement - note 49.1		(6 173 168)
Restated balance		**247 303 902**

Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.

32 RENTAL OF FACILITIES AND EQUIPMENT

Buildings and Commonage	2 049 607	2 013 447
Halls and Sportfields	115 764	46 938
Total	**2 165 371**	**2 060 385**

Figures in Rand	2022	2021

33 AGENCY SERVICES

	2022	2021
Drivers Licences	1 151 543	1 348 913
Duplicate Registration	106 334	102 729
Instructor Certificate	825	165
Learners	167 837	170 823
Roadworthy Applications	230 346	245 074
Roadworthy Certificates	45 276	48 325
Special Permits	32 832	26 256
Temporary Permits	37 188	39 072
Vehicle Licences	3 887 743	3 738 115
Vehicle Registration	1 479 922	1 564 442
Total	**7 139 847**	**7 283 913**

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission. Refer to note 60 for additional disclosure in this regard.

The Municipality earns revenue from applications for driver's and learner's licences, issuing of public driver permits, driver's and learner's licences and the issue of roadworthy certificates.

34 LICENCES AND PERMITS

	2022	2021
Trading	16 543	108 598
Filming Fees	19 250	-
Total	**35 792**	**108 598**

35 OTHER INCOME (EXCHANGE)

	2022	2021
Building Plan Approval	1 512 325	1 217 993
Building Plans Clause Levy	116 795	106 063
Cemetery and Burial	910 348	779 536
Clearance Certificates	247 530	279 985
Collection Charges	1 182 490	1 028 849
Development Charges	1 278 945	826 505
Escort Fees	72 431	2 562
Photocopies and Faxes	59 604	43 061
Sub-division and Consolidation Fees	422 968	269 726
Sundry Income	377 457	161 987
Tender Documents	352 316	357 394
Wayleave Charges	1 873 718	180 357
Total	**8 406 927**	**5 254 020**

36 CONSTRUCTION CONTRACTS

	2022	2021
Construction of Housing Top Structures	29 853	1 555 677
Total	**29 853**	**1 555 677**

The Municipality has assessed that it acts as the Developer for the Department of Human Settlements for the construction of top structures.

As the contracts with the Department of Human Settlements are non-commercial contracts with no profit margins, the revenue recognised is based on the amount of expenditure incurred by the Municipality for the construction of the top structures, which is in terms of the stage of completion determined by the progress payments claimed by the respective sub-contractors.

Figures in Rand	2022	2021

36 CONSTRUCTION CONTRACTS (CONTINUED)

Reconciliation for the year

	2022	2021
Opening balance	-	882 222
Payments / Advances received	29 853	673 455
Expenditure incurred / Revenue Recognised	(29 853)	(1 555 677)
Gross amount due to Department of Human Settlements	-	-

37 EMPLOYEE RELATED COSTS

	2022	2021
Basic Salaries and Wages	150 309 696	139 939 992
Pension and UIF Contributions	25 922 223	25 107 649
Medical Aid Contributions	8 816 039	8 338 064
Overtime	9 692 072	8 087 326
Motor Vehicle Allowances	9 091 531	8 782 696
Cell Phone Allowances	870 375	724 961
Housing Allowances	914 566	1 833 628
Other benefits and allowances	9 327 374	8 127 844
Acting Allowances	1 185 248	1 312 631
Bargaining Council	80 480	80 240
Group Life Insurance	2 194 995	1 485 603
Standby Allowances	5 866 652	5 249 371
Contributions to Employee Benefits	17 930 347	15 987 730
Bonuses	11 530 402	11 236 970
Staff Leave	2 870 549	1 712 737
Performance Bonuses	(7 603)	(21 978)
Long Service Awards	1 044 000	981 000
Post Retirement Medical Benefits	2 493 000	2 079 000
Workmen's Compensation	1 147 860	1 028 046
Total	**234 022 083**	**217 957 936**
As previously reported		217 632 903
Correction of error restatement - note 49.6		325 033
Restated balance		**217 957 936**

Remuneration of Management Personnel

The Municipal Manager's contract was terminated on 30 June 2022. At year end, the only permanent employed director was the Director: Financial Services of which his contract was subsequently terminated on 28 July 2022. During the year interim directors were appointed on a 3 months contract period which was subject to renewal. There are no post-employment or termination benefits payable to them at the end of the contract period.

Municipal Manager - DP Lubbe (8 April 2021 - 30 June 2022)

	2022	2021
Annual Remuneration	943 322	248 417
Travelling Allowance	360 526	82 806
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	38 860	-
Total	1 342 708	331 223

Figures in Rand	2022	2021

37 EMPLOYEE RELATED COSTS (CONTINUED)

Interim Municipal Manager - JJ Jonkers (17 Jan 22 - 17 Apr 22)

	2022	2021
Annual Remuneration	638 510	-
Travelling Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	-
Total	638 510	-

Director: Financial Services - D Louw

	2022	2021
Annual Remuneration	859 797	862 047
Travelling Allowance	108 000	108 000
Contributions to UIF, Medical and Pension Funds	211 004	208 755
Performance Bonus	165 032	165 032
Total	1 343 834	1 343 834

Interim Director: Financial Services - BM Ngubo (Appointed 4 April 22)

	2022	2021
Annual Remuneration	284 877	-
Travelling Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	-
Total	284 877	-

Director: Technical and Infrastructure - DD Damons (1 Aug 21 - 31 May 2022)

	2022	2021
Annual Remuneration	780 583	-
Travelling Allowance	100 000	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	-
Total	880 583	-

Interim Director: Development and Planning - MH Gxoyiya (Appointed 24 Jan 22)

	2022	2021
Annual Remuneration	477 741	-
Travelling Allowance	-	-
Contributions to UIF, Medical and Pension Funds	19 092	-
Performance Bonus	-	-
Total	496 833	-

Interim Director: Community Services - WSE Solomons-Johannes (Appointed 24 Jan 22)

	2022	2021
Annual Remuneration	504 369	-
Travelling Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Performance Bonus	-	-
Total	504 369	-

Employees acting in management positions

The following employees acted in management positions for a significant time during the course of the year. The amounts as indicated below are the acting allowances and additional benefits received for the period in which they acted in the respective positions.

		Duration (days)			
Employee	**Acting Position**	**2022**	**2021**		
J Amansure	Municipal Manager	-	14	-	13 453
D Louw	Municipal Manager	34	194	33 954	205 142
A Riddles	Director: Finance Services	57	181	17 122	24 161
J Amansure	Director: Corporate Services	261	-	24 486	-
Total				75 562	242 756

Figures in Rand	2022	2021

38 REMUNERATION OF COUNCILLORS

	2022	2021
Executive Mayor	888 632	931 874
Deputy Executive Mayor	606 573	754 326
Speaker	717 262	754 319
Mayoral Committee Members	3 365 425	3 526 814
Other Councillors	6 321 698	6 180 387
Total	**11 899 590**	**12 147 720**

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and five Mayoral Committee members serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.

Councillors may utilize municipal transportation when engaged in official duties.

39 DEBT IMPAIRMENT

	2022	2021
Receivables from Exchange Transactions	57 781 951	44 572 090
Receivables from Non-Exchange Transactions	30 891 690	18 126 181
Long-term Receivables	(1 160 831)	1 518 821
Total Debt Impairment	**87 512 810**	**64 217 092**
Movement in VAT included in debt impairment	(4 210 467)	(2 001 898)
Total	**83 302 343**	**62 215 194**
As previously reported		62 817 073
Correction of error restatement - note 49.1		(601 880)
Restated balance		**62 215 194**

40 DEPRECIATION AND AMORTISATION

	2022	2021
Property, Plant and Equipment	29 860 091	22 258 949
Investment Property	102 257	127 009
Intangible Assets	129 581	129 240
Total	**30 091 929**	**22 515 198**
As previously reported		22 407 813
Correction of error restatement - note 49.2		13 786
Correction of error restatement - note 49.3		93 599
Restated balance		**22 515 198**

41 IMPAIRMENT

	2022	2021
Investment Property	1 558 714	2 868 308
Capitalised Restoration Cost	-	6 310 595
Total	**1 558 714**	**9 178 903**

Impairment on Investment Property relates to buildings which were vandalised.

Impairment on Capitalised Restoration Cost relates to an increase in the landfill site rehabilitation provision of which the corresponding asset is no longer in use. In terms of iGRAP 2, the increase in the provision will result in an increase in the corresponding asset, but as the asset is no longer in use, the said increase in the asset is impaired in full.

Figures in Rand	2022	2021

42 FINANCE CHARGES

	2022	2021
Cash	11 108 079	9 826 576
Long-term Liabilities	11 108 079	9 826 576
Non-cash	14 728 342	11 901 019
Post Retirement Medical Benefits	4 793 000	4 088 000
Long Service Awards	1 032 000	776 000
Rehabilitation of Landfill Sites	8 903 342	7 037 019
Total	**25 836 421**	**21 727 594**
As previously reported		21 245 594
Correction of error restatement - note 49.6		482 000
Restated balance		**21 727 594**

43 BULK PURCHASES

	2022	2021
Electricity	86 238 654	75 568 546
Water	19 371 402	18 187 819
Total	**105 610 057**	**93 756 366**

Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including Department of Water and Sanitation, Overberg Water and a number of private suppliers.

44 CONTRACTED SERVICES

	2022	2021
Alien Vegetation Control	362 176	582 933
Business and Financial Management	4 347 578	5 478 116
Clearing and Grass Cutting Services	249 848	260 378
Construction of Housing Top Structures	29 853	1 555 677
Copier Costs	156 780	192 608
Drivers Licence Cards	564 929	321 480
Electrical Contractors	2 404 287	1 258 609
Engineering - Civil	1 005 421	253 994
Fire Services	2 358 208	2 121 296
Legal Advice	2 196 658	1 881 608
Maintenance Services	12 800 652	16 577 299
Management of Informal Settlements	86 480	862 500
Refuse Haulage	3 932 276	2 333 858
Research and Advisory	195 929	572 986
Personnel and Labour	7 185 615	5 339 447
Security Services	4 523 852	489 585
Traffic Fines Management	-	162 908
Translators, Scribes and Editors	42 154	58 651
Valuation Services	175 828	49 906
Water Tests	495 760	465 805
Other Contracted Services	1 639 853	2 237 779
Total	**44 754 133**	**43 057 421**

Other Contracted Services consist out of a variety of services, including but not limited to animal care, catering services, human resources and audit committee.

Figures in Rand	2022	2021

45 TRANSFERS AND GRANTS

	2022	2021
Indigent Subsidies - Electricity	4 103 314	3 223 774
Mayoral Charity Fund	213 644	132 945
Local Economic Development	100 000	-
Visitors Information Centre	200 000	-
Small Enterprise Development Agency (SEDA)	100 000	-
Total	**4 716 958**	**3 356 719**
As previously reported		3 223 774
Correction of error restatement - note 49.8		132 945
Restated balance		**3 356 719**

46 OTHER EXPENDITURE

	2022	2021
Advertising, Publicity and Marketing	523 724	441 848
Audit Fees	3 971 782	3 990 968
Bank Charges	623 442	733 551
Commission Paid (Electricity)	1 986 026	1 984 651
Electricity - Eskom	13 997 384	10 053 115
Computer Services and Licences	9 739 502	7 196 237
Dumping fees (Karwyderskraal)	1 669 823	1 834 816
Fuel Cost	7 038 530	5 065 420
Full Time Union Representative	252 745	186 716
Hire Charges	3 463 103	2 505 583
Insurance	3 062 174	2 632 202
Maintenance Materials	9 424 647	8 284 140
Material and protective clothing	1 315 803	1 806 776
Membership fees	2 380 261	2 326 299
Postage	81 798	168 711
Printing and stationery	816 742	738 988
Refuse bags	490 822	591 648
Skills development levy	1 950 929	1 522 136
Telephone	967 265	747 234
Training	523 362	383 082
Travel and subsistence	532 710	276 055
Ward Committees	6 400	60 950
Water Purification	2 141 594	1 896 804
Sundries and Other Consumables	3 199 630	3 994 514
Total	**70 160 199**	**59 422 445**
As previously reported		59 555 390
Correction of error restatement - note 49.8		(132 945)
Restated balance		**59 422 445**

47 LOSS ON DISPOSAL OF NON-MONETARY ASSETS

	2022	2021
Proceeds	1 239 910	816 669
Less: Carrying value of Investment Property disposed	(183 109)	(129 333)
Less: Carrying value of Property, Plant and Equipment disposed	(1 242 278)	(1 684 269)
Less: Carrying value of Intangible Assets disposed	(424 620)	-
Total	**(610 096)**	**(996 933)**

Figures in Rand	2022	2021

48 ACTUARIAL LOSSES

	2022	2021
Post Retirement Medical Benefits	-	4 192 124
Total	**-**	**4 192 124**
As previously reported		3 681 140
Correction of error restatement - note 49.6		510 984
Restated balance		**4 192 124**

The actuarial loss mainly originated as a result of a decrease in the net discount rate being used by the actuaries to calculate the Post Retirements Medical Benefits.

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

49.1 Receivables from Exchange Transactions

The following errors were noted:

- Industrial effluent for 2020/21 was incorrectly calculated, resulting that both receivables and revenue were overstated by R1 110 947.
- During the 2020/21 statutory audit, the Auditor General (AGSA) raised a finding that Availability Charges should be disclosed as non-exchange revenue and not as exchange revenue. The Municipality adopted AGSA's recommendation and reclassified Availability Charges as non-exchange revenue. Accordingly, availability charges revenue and the associated net receivable amounting to R4 723 467 and R530 120 respectively, were reclassified.
- Internal charges amounting to R2 401 300 (VAT inclusive) was not cleared at year-end, which resulted in revenue being overstated. In addition, the said internal charges were also fully impaired which resulted that debt impairment was also overstated. Due to the internal charges balances being fully impaired, there were no impact on the net receivable balances.

The net effect of the above-mentioned errors were as follow:

- Receivables from Exchange Transactions - note 2	Overstated	(1 641 067)
- Receivables from Non-Exchange Transactions - note 3	Understated	530 120
- Taxes - note 5	Understated	-
- Property Rates - note 23	Overstated	(33 435)
- Availability Charges - note 27	Understated	4 656 737
- Service Charges - note 31	Overstated	(6 173 168)
- Interest Earned - Outstanding Debtors - note 49.8	Overstated	(162 961)
- Debt Impairment - note 39	Overstated	(601 880)
- Accumulated Surplus - note 49.7	Understated	-

49.2 Investment Property

The Municipality had a property lease agreement with a third party. As per the agreement, the building constructed by the third party on the property will revert back to the Municipality upon termination of the lease agreement. The agreement was terminated during 2020/21, but the building with a net carrying value of R1 836 214 was not recognised in the asset register.

The net effect of the above-mentioned error were as follow:

- Investment Property - note 9	Understated	1 836 214
- Contributed Assets - note 26	Understated	1 850 000
- Depreciation and Amortisation - note 40	Understated	13 786

Figures in Rand	2022	2021

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

49.3 Property, Plant and Equipment

The following errors were noted:

- It was noted during the physical verifications of assets that movable assets with a carrying value amounting to R47 721 were not recorded on the asset register.
- Projects completed in prior years were incorrectly disclosed as work in progress, and accordingly depreciation amounting to R90 791 was not charged.
- A building amounting to R416 169 was donated to the Municipality in the prior year, but was not recorded in the asset register.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 10	Understated	373 098
- Contributed Assets - note 26	Understated	416 169
- Depreciation and Amortisation - note 40	Understated	93 599
- Accumulated Surplus - note 49.7	Understated	50 528

49.4 Payables from Exchange Transactions

Unknown receipts amounting to R566 069 relating to 2018/19 was not recognised as revenue in the following year as per the accounting policy.

The net effect of the above-mentioned errors were as follow:

- Payables from Exchange Transactions - note 16	Overstated	(566 069)
- Accumulated Surplus - note 49.7	Understated	566 069

49.5 Unspent Conditional Government Grants

The grant conditions relating to the Economic Development grant was met, but the revenue was never recognised.

The net effect of the above-mentioned errors were as follow:

- Unspent Conditional Government Grants - note 17	Overstated	(64 895)
- Accumulated Surplus - note 49.7	Understated	64 895

49.6 Employee Benefits

The following errors were noted:

- Post Retirement Medical Benefits was incorrectly calculated due to an assumption which was incorrectly applied. The assumption related to whether a maximum subsidy threshold will be applied for post employment contributions. The assumption was that a maximum subsidy threshold would apply, however it was noted that no maximum subsidy threshold is applied for post employment contributions. Accordingly, the benefits balance was understated by R5 951 000.
- Standby hours worked by staff in June which are paid in July, were not accrued resulting that Current Employee Benefits were under by R452 937.

The net effect of the above-mentioned errors were as follow:

- Current Employee Benefits - note 19	Understated	697 937
- Employee Benefits - note 20	Understated	5 706 000
- Employee Related Costs - note 37	Understated	325 033
- Finance Charges - note 42	Understated	482 000
- Actuarial Losses - note 48	Understated	510 984
- Accumulated Surplus - note 49.7	Overstated	(5 085 920)

Figures in Rand	2022	2021

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

49.7 Accumulated Surplus

The net effect of the above-mentioned errors were as follow on Accumulated Surplus:

	2022	2021
- Receivables from Exchange Transactions - note 49.1		-
- Property, Plant and Equipment - note 49.3		50 528
- Payables from Exchange Transactions - note 49.4		566 069
- Employee Benefits - note 49.6		(5 085 920)
- Unspent Conditional Government Grants - note 49.5		64 895
Total		(4 404 428)

49.8 Statement of Financial Performance

	2022	2021
Interest Earned - Outstanding Debtors		12 155 517
As previously reported		12 318 478
Correction of error restatement - note 49.1		(162 961)

49.8 Reclassification

Mayoral Charity Fund amounting to R132 945 was incorrectly classified as Other Expenditure, rather than Transfers and Grants.

The above mentioned reclassification effected the following line items:

	2022	2021
- Transfers and Grants - note 45		132 945
- Other Expenditure - note 46		(132 945)

Figures in Rand	2022	2021
50 NET CASH FROM OPERATING ACTIVITIES		
Net Surplus for the year	33 342 032	49 915 023
Adjusted for:		
Non-cash revenue included in Net Surplus	(5 221 967)	(2 422 428)
Actuarial Gains	(1 682 669)	(76 027)
Contributed Assets	(33 650)	(2 281 367)
Rental of Facilities and Equipment - decrease in operating lease asset	(74 475)	(65 034)
Change in Provisions for Restoration of Landfill Site	(3 431 172)	-
Non-cash expenditure included in Net Surplus	149 867 692	128 122 842
Employee Related Costs - Contributions towards	19 576 268	17 123 472
Post Retirement Medical Benefits	2 493 000	2 079 000
Long Service Awards	1 044 000	981 000
Bonuses	11 530 402	11 236 970
Staff Leave	2 870 549	1 712 737
Performance Bonuses	(7 603)	(21 978)
Group Insurance	(26 214)	7 495
Standby and Overtime	1 672 135	1 128 248
Debt Impairment	83 302 343	62 215 194
Depreciation and Amortisation	30 091 929	22 515 198
Impairment	1 558 714	9 178 903
Actuarial Losses	-	4 192 124
Finance Charges	14 728 342	11 901 019
Post Retirement Medical Benefits	4 793 000	4 088 000
Long Service Awards	1 032 000	776 000
Provision for Rehabilitation of Landfill-sites	8 903 342	7 037 019
Loss on disposal of Non-Monetary Assets	610 096	996 933
Cash expenditure not included in Net Surplus	(16 499 894)	(15 768 300)
Post Retirement Medical Benefits	(1 802 937)	(1 711 124)
Long Service Awards	(1 053 394)	(870 973)
Bonuses	(11 381 977)	(10 870 639)
Staff Leave	(929 446)	(1 119 410)
Performance Bonuses	(203 892)	(165 032)
Pension	-	-
Standby and Overtime	(1 128 248)	(1 031 122)
Operating Surplus before changes in working capital	161 487 864	159 847 138
Movement in working capital	(83 885 196)	(62 704 922)
Long-term Receivables	2 487 325	(4 340 275)
Receivables from Exchange Transactions	(59 329 698)	(40 034 039)
Receivables from Non-Exchange Transactions	(31 491 021)	(16 256 278)
Taxes	3 938 192	2 413 355
Inventory	(2 478 193)	(3 730 416)
Consumer Deposits	135 684	67 942
Payables from exchange transactions	(1 257 359)	(3 579 350)
Unspent Conditional Government Grants	5 086 082	3 943 230
Unspent Public Contributions	(27 421)	(206 597)
Non-current Investments	(948 786)	(982 494)
Cash Flow from Operating Activities	**77 602 668**	**97 142 216**

Figures in Rand	2022	2021

51 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

	2022	2021
Primary Bank Account	116 873 931	116 550 486
Call and Notice Deposits	49 098 691	47 529 807
Cash Floats	9 699	9 699
Total	**165 982 321**	**164 089 992**

Refer to note 2 for more details relating to cash and cash equivalents.

52 BUDGET COMPARISONS

52.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats. The following items are affected by these classification differences:

Statement of Financial Position

Consumer Debtors consist out of both Receivables from Exchange Transactions as well as the Rates Receivable.

Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.

Trade and Other Payables incorporates Payable from exchange transactions, Unspent grants, Unspent public contributions, Taxes and Operating lease liabilities.

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

Statement of Financial Performance

The following actual results were reclassified to ensure that the performance for the year is measured on a comparable basis to the budget approved, which are guided by mSCOA and National Treasury (NT) classifications and principles:

Item	GRAP Classification	Budget Classification	Amount
Workmen's Compensation	Employee Related Costs	Other Expenditure	1 147 860
Employee Benefits	Finance Charges	Employee Related Costs	5 825 000
Water	Bulk Purchases	Inventory Consumed	19 371 402
Construction of Housing Top Structures	Contracted Services	Transfers and Grants	29 853
Indigent Subsidies - Electricity	Transfers and Grants	Other Expenditure	4 103 314
Commission Paid (Electricity)	Other Expenditure	Contracted Services	1 986 026
Sundries and Other Consumables	Other Expenditure	Inventory Consumed	2 372 749
Printing and stationery	Other Expenditure	Inventory Consumed	727 001
Maintenance Materials	Other Expenditure	Inventory Consumed	9 424 647
Refuse bags	Other Expenditure	Inventory Consumed	490 822
Water Purification	Other Expenditure	Inventory Consumed	2 141 594
Property, Plant and Equipment	Contributed Assets	Transfers and subsidies - capital (monetary) ·	33 650

The treatment of the funding received from the Department of Human Settlements (DoHS) for the Peoples Housings Project (PHP) has different treatment for GRAP and budget purposes. For budget purposes, revenue is budgeted as part of "Transfers recognised - Operational" and the respective expenditure is budgeted as Transfers and Grants, but for GRAP purposes it is treated as an agent function and accordingly no revenue or expenditure is reflected in the Statement of Financial Performance. In order to align the actuals to the budgeted amounts, the following reclassification of revenue and expenditure is required:

Item	GRAP Classification	Budget Classification	Amount
Funding received from DoHS	None	Transfers Recognised - Operational	1 122 105
Expenditure incurred on behalf of DoHS	None	Transfers and Grants	1 122 105

52 BUDGET COMPARISONS (CONTINUED)

Reconciliation of Actuals	**Actuals per Statement of Financial Performance R**	**Reclassification due to mSCOA versus GRAP classification R**	**Actuals per Budget Comparison R**
REVENUE			
Property Rates	127 714 860	-	127 714 860
Service Charges - Electricity Revenue	114 624 975	-	114 624 975
Service Charges	113 313 991		
Availability Charges	1 310 984		
Service Charges - Water Revenue	78 378 131	-	78 378 131
Service Charges	76 547 737		
Availability Charges	1 830 394		
Service Charges - Sanitation Revenue	36 981 360	-	36 981 360
Service Charges	36 106 413		
Availability Charges	874 948		
Service Charges - Refuse Revenue	37 686 213	-	37 686 213
Service Charges	36 967 446		
Availability Charges	718 767		
Rental of Facilities and Equipment	2 165 371	-	2 165 371
Interest Earned - External Investments	10 542 388	-	10 542 388
Interest Earned - Outstanding Debtors	16 906 671	-	16 906 671
Fines	26 620 869	-	26 620 869
Licences and Permits	35 792	-	35 792
Agency Services	7 139 847	-	7 139 847
Transfers and Subsidies - operating	127 079 543	1 122 105	128 201 647
Government Grants and Subsidies - Operating	127 049 690		
Construction Contracts	29 853		
Other Revenue	14 097 325	-	14 097 325
Public Contributions and Donations	729 541		
Other Income (Non-Exchange)	4 960 856		
Other Income (Exchange)	8 406 927		
Gains	1 682 669	-	1 682 669
Actuarial Gains	1 682 669		
Gain on disposal of Non-Monetary Assets	-		
Total Revenue (excluding capital transfers)	**601 656 014**	**1 122 105**	**602 778 118**

52 BUDGET COMPARISONS (CONTINUED)

EXPENDITURE			
Employee Related Costs	234 022 083	4 677 140	238 699 223
Remuneration of Councillors	11 899 590	-	11 899 590
Debt Impairment	83 302 343	-	83 302 343
Depreciation and Asset Impairment	31 650 643	-	31 650 643
Depreciation and Amortisation	30 091 929		
Impairment	1 558 714		
Finance Charges	25 836 421	(5 825 000)	20 011 421
Bulk purchases	105 610 057	(19 371 402)	86 238 654
Inventory consumed	-	34 528 216	34 528 216
Contracted Services	44 754 133	1 956 173	46 710 307
Transfers and Grants	4 716 958	(2 951 357)	1 765 601
Other Expenditure	70 160 199	(11 891 664)	58 268 534
Losses	610 096	-	610 096
Loss on disposal of Non-Monetary Assets	610 096		
Actuarial Losses	-		
Total Expenditure	**612 562 523**	**1 122 105**	**613 684 627**
Surplus/(Deficit)	**(10 906 508)**	**-**	**(10 906 509)**
Transfers and subsidies - capital (monetary) - Government	44 214 890	33 650	44 248 540
Transfers and subsidies - capital (monetary) - Other	-	-	-
Transfers and subsidies - capital (in-kind)	33 650	(33 650)	-
Surplus/(Deficit) for the year	**33 342 032**	**-**	**33 342 031**

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis in all material aspects.

52.2 Statement of Financial Position

Adjustments to Original Budget

Items in the State of Financial Position were adjusted to take into account adjustments made to the operating and capital budget and also to align balances with the actual audit outcomes of 2020/21.

Accumulated Surplus was adjusted to take into account budget adjustments made to the Statement of Financial Performance.

Actual Amounts vs Final Budget

Cash and Call Investment Deposits	Actuals were more than budget due to a general underspending of operating and capital budget which resulted in more cash available.
Property, plant and equipment	Actuals were less than budget due to underspending of capital budget by R45 million.
Borrowing	Actuals were less than budget as not all loans were taken up at year-end.
Provisions and Employee Benefits	Actuals were more than budget due to Post Retirement Medical Benefits was which incorrectly calculated due to an assumption which was incorrectly applied. Refer to prior year error note 49.6.
Accumulated Surplus	Accumulated Surplus was more than budget as a result of variances as noted under the budget comparison of the Statement of Financial Performance.

52 BUDGET COMPARISONS (CONTINUED)

52.3 Statement of Financial Performance

Adjustments to Original Budget

Interest Earned - Outstanding Debtors	Decreased due to initial budget inflated as result of income targets not reached.
Fines, Penalties and Forfeits	Traffic Fine revenue increased due to the implementation of a new traffic revenue strategy to increase the amount of traffic fines issued.
Employee Related Costs	Decreased as a result of vacant posts of directors not filled.
Debt Impairment	Increased due to the increase in traffic fine revenue of which the collection rate is relatively low.
Depreciation and Asset Impairment	Increased as a result of impairment on assets identified during the year.
Other Expenditure	Increased mainly due to software licences not included in initial budget, and own electricity usage which was more than anticipated.
Transfers and subsidies - capital (monetary) - Government	Decrease due to the MIG grant and Human Settlements grant allocation which were withheld, as well as SANRAL funding project postponed to the following financial year.

Virements

The Virement Policy as approved by Council gives authority to the Chief Financial Officer to approve transfers or adjustments falling outside the ambit of this policy. This includes virements between any vote to comply with GRAP requirements. These entries in the final virement passed is within the allowed exception of said policy.

Actual Amounts vs Final Budget

Transfers Recognised - Operational	Actuals were less than budget mainly as a result of housing projects which were suspended as a result of disputes with contractors.
Transfers and Grants	Actuals were less than budget mainly as a result of housing projects which were suspended as a result of disputes with contractors.
Transfers and subsidies - capital (monetary) - Government	Actuals were less than budget mainly as a result of housing projects which were delayed for various reasons.

52.4 Cash Flow Statement

Adjustments to Original Budget

Net Cash from/(used) Operating Activities	Decreased due to MIG and Human Settlements grant monies withheld.
Net Cash from/(used) Investing Activities	Increased due to the MIG grant and Human Settlements grant allocation which were withheld, as well as SANRAL funding project postponed to the following financial year.
Net Cash from/(used) Financing Activities	Decrease due to less loans anticipated to be taken up.

Actual Amounts vs Final Budget

Net Cash from/(used) Operating Activities	Actuals were less than budget mainly as a result of housing projects which were delayed for various reasons.
Net Cash from/(used) Investing Activities	Actuals were less than budget mainly as a result of housing projects which were delayed for various reasons.
Net Cash from/(used) Financing Activities	Actuals were less than budget as less loans were taken up as anticipated.

Figures in Rand	2022	2021

53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

53.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

	2022	2021
Opening balance	-	-
Unauthorised expenditure current year - operating	-	-
Unauthorised expenditure current year - capital	-	-
Approved by Council	-	-
Unauthorised expenditure awaiting further action	**-**	**-**

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

	2022 (Actual) R	2022 (Final Budget) R	2022 (Unauthorised) R	2021 (Unauthorised) R
Unauthorised expenditure - Operating				
Vote 1 - Directorate Finance	75 617 037	76 966 273	-	-
Vote 4 - Electricity	110 461 608	113 061 760	-	-
Vote 6 - Office of the Municipal Manager	8 870 453	10 349 990	-	-
Vote 8 - Directorate Technical Services and Planning	33 647 741	47 483 402	-	-
Vote 12 - Waste management	60 677 521	62 382 713	-	-
Vote 13 - Waste water management	47 659 189	48 463 417	-	-
Vote 14 - Water	67 158 445	68 316 907	-	-
Vote 15 - Directorate Development and Community Serv	209 592 634	214 214 804	-	-
Total	**613 684 627**	**641 239 266**	**-**	**-**
Unauthorised expenditure - Capital				
Vote 1 - Directorate Finance	130 639	456 400	-	-
Vote 4 - Electricity	7 111 393	15 861 122	-	-
Vote 6 - Office of the Municipal Manager	-	18 893	-	-
Vote 8 - Directorate Technical Services and Planning	18 800 889	34 013 778	-	-
Vote 12 - Waste management	13 641 483	14 649 083	-	-
Vote 13 - Waste water management	26 539 620	29 106 992	-	-
Vote 14 - Water	16 433 600	27 217 056	-	-
Vote 15 - Directorate Development and Community Serv	16 068 209	23 079 159	-	-
Total	**98 725 833**	**144 402 483**	**-**	**-**

53.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

	2022	2021
Opening balance	1 850	13 800
Fruitless and wasteful expenditure incurred - current year	-	1 850
Approved by Council	(1 850)	(13 800)
Fruitless and wasteful expenditure awaiting further action	**-**	**1 850**

Details of fruitless and wasteful expenditure incurred:

	2022	2021
(a) DNA tests performed due to poor recordkeeping	-	1 850
Total	**-**	**1 850**

Details of fruitless and wasteful expenditure awaiting further action:

	2022	2021
(a) DNA tests performed due to poor recordkeeping	-	1 850
Total	**-**	**1 850**

Figures in Rand	2022	2021

53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

53.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

	2022	2021
Opening balance	2 690 071	79 262 705
Opening balance correction - prior year error	-	54 763
Irregular expenditure incurred in the current year	1 980 693	4 422 448
Approved by Council	(3 915 125)	(81 049 845)
Irregular expenditure awaiting further action	**755 639**	**2 690 071**

Details of irregular expenditure incurred

	2022	2021
(a) Non-compliance with Preferential Procurement Regulations 2017	197 695	200 413
(b) Deviations not considered to be impractical or exceptional circumstances	155 471	119 146
(c) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	305 616	-
(d) The appointed supplier for broadband component and telephone system could not supply full services and the services of the previous supplier was used on a month-to-month basis.	-	1 978 535
(e) A tender process was followed for the appointment of services for the collection, transportation and depositing of cash, but due to non-eligibility a service provider could not be appointed. The previous supplier as used on a month-to-month basis.	-	197 887
(f) Services rendered without a contract, order or quotation.	12 900	960 468
(g) Non-compliance with Paragraph 12(1)(e) of the Municipal Supply Chain Management Policy	-	966 000
(h) Non-compliance with Regulations on Appointment and Conditions of Employment of Senior Managers, as per Government Gazette No. 37245; and Upper Limits for Senior Managers' Remuneration, as per Government Gazette No. 43122.	394 056	-
(i) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1)(a) of the Municipal supply chain regulations	233 683	-
(j) SCM Reg 43 Suppliers tax matters not compliant	150 839	-
(k) SCM Reg 36 (1) (v) Deviation Impractical - extension of contract due to new service provider not delivering	530 433	-
Total	**1 980 693**	**4 422 448**

Details of irregular expenditure awaiting further action:

	2022	2021
(a) Non-compliance with Preferential Procurement Regulations 2017	-	200 412
(b) Deviations not considered to be impractical or exceptional circumstances	115 000	16 100
(c) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	-	-
(d) The appointed supplier for broadband component and telephone system could not supply full services and the services of the previous supplier was used on a month-to-month basis.	-	1 114 067
(e) A tender process was followed for the appointment of services for the collection, transportation and depositing of cash, but due to non-eligibility a service provider could not be appointed. The previous supplier as used on a month-to-month basis.	-	99 360
(f) Services rendered without a contract, order or quotation.	12 900	294 131
(g) Non-compliance with Paragraph 12(1)(e) of the Municipal Supply Chain Management Policy	-	966 000
(h) Non-compliance with Regulations on Appointment and Conditions of Employment of Senior Managers, as per Government Gazette No. 37245; and Upper Limits for Senior Managers' Remuneration, as per Government Gazette No. 43122.	394 056	-
(i) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1)(a) of the Municipal supply chain regulations	233 683	-
(j) SCM Reg 43 Suppliers tax matters not compliant	-	-
(k) SCM Reg 36 (1) (v) Deviation Impractical - extension of contract due to new service provider not delivering	-	-
Total	**755 639**	**2 690 071**

Figures in Rand	2022	2021

53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Incidents/cases identified in the current year include:

	2022	2021
(a) Non-compliance with Preferential Procurement Regulations 2017	14	2
(b) Deviations not considered to be impractical or exceptional circumstances	6	2
(c) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	3	0
(d) The appointed supplier for broadband component and telephone system could not supply full services and the services of the previous supplier was used on a month-to-month basis.	0	2
(e) A tender process was followed for the appointment of services for the collection, transportation and depositing of cash, but due to non-eligibility a service provider could not be appointed. The previous supplier as used on a month-to-month basis.	0	4
(f) Services rendered without a contract, order or quotation.	2	17
(g) Non-compliance with Paragraph 12(1)(e) of the Municipal Supply Chain Management Policy	0	1
(h) Non-compliance with Regulations on Appointment and Conditions of Employment of Senior Managers, as per Government Gazette No. 37245; and Upper Limits for Senior Managers' Remuneration, as per Government Gazette No. 43122.	2	0
(i) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1)(a) of the Municipal supply chain regulations	2	0
(j) SCM Reg 43 Suppliers tax matters not compliant	1	0
(k) SCM Reg 36 (1) (v) Deviation Impractical - extension of contract due to new service provider not delivering	1	0

No irregular expenditure incurred has been recovered.

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

54 MATERIAL LOSSES

54.1 Water distribution losses

	2022	2021
Kilo litres disinfected/purified/purchased	5 189 890	5 020 639
Kilo litres sold and free basic services	3 431 679	3 272 353
Kilo litres lost during distribution	1 758 211	1 748 286
Percentage lost during distribution	33.88%	34.82%

Normal pipe bursts, field leakages and unmetered connections are responsible for water losses.

54.2 Electricity distribution losses

	2022	2021
Units purchased (Kwh)	60 798 092	62 386 291
Units sold, free basic services and standard friction losses	56 801 157	57 846 862
Units lost during distribution (Kwh)	3 996 935	4 539 429
Percentage lost during distribution	6.57%	7.28%

55 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

55.1 SALGA Contributions [MFMA 125 (1)(b)]

	2022	2021
Opening balance	(2 370 736)	(2 316 799)
Expenditure incurred	2 370 736	2 316 799
Payments	(2 416 499)	(2 370 736)
Payments in advance	**(2 416 499)**	**(2 370 736)**

Figures in Rand	2022	2021

55 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

55.2 Audit Fees [MFMA 125 (1)(c)]

	2022	2021
Opening balance	-	-
Expenditure incurred	4 567 549	4 589 613
External Audit - Auditor-General	3 971 782	3 990 968
VAT on External Audit	595 767	598 645
Payments	(4 567 549)	(4 589 613)
Outstanding Balance	-	-

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

	2022	2021
Opening balance	2 437 411	2 910 505
Net amount claimed/(declared) during the year	6 930 843	3 369 642
Net amount paid/(received) during the year	(6 097 318)	(3 842 736)
Outstanding Balance Receivable/(Payable)	**3 270 937**	**2 437 411**

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.

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

	2022	2021
Opening balance	-	-
Payroll deductions and Council Contributions during the year	36 283 560	32 650 694
Payments	(36 283 560)	(32 650 694)
Outstanding Balance	-	-

55.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]

	2022	2021
Opening balance	-	-
Payroll deductions and Council Contributions during the year	55 221 271	53 970 159
Payments made to pension and medical fund	(55 221 271)	(53 970 159)
Outstanding Balance	-	-

55.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

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

	2022	2021
MS Shale	25 945	-
MA Nomkoko	48 691	-
S Fredericks	2 394	-
M Gana	17 044	-
DA Appel	13 255	-
B Mkwhibiso	14 195	-
Total	**121 524**	-

Payment arrangements have been undertaken by listed Councillors.

Figures in Rand	2022	2021

55 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

55.7 Deviations from Supply Chain Management Regulations

Deviations from Supply Chain Management Regulations were identified on the following categories:

	2022	2021
Section 36(1)(a)(i) - Emergencies	5 363 530	3 481 981
Section 36(1)(a)(ii) - Single provider	198 131	316 473
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical to follow official procurement process	13 715 286	9 024 613
Total	**19 276 947**	**12 823 067**

Deviations from Supply Chain Management Regulations can be allocated as follow:

	2022	2021
MM Office	343 275	-
Financial Services	6 077 648	1 062 836
Corporate Services	1 900 134	-
Development Services and Community Services	8 638 553	10 360 341
Economic Development and Planning	1 742 348	-
Technical and Infrastructure and Implementation	574 988	1 399 890
Total	**19 276 947**	**12 823 067**

Deviations from Supply Chain Management Regulations were identified on the quotation/tender categories:

	2022	2021
Less than R30 000	2 357 783	3 000 679
Between R30 001 and R200 000	7 605 674	6 442 664
Between R200 001 and R2 000 000	7 100 474	3 379 724
More than R2 000 001	2 213 016	-
Total	**19 276 947**	**12 823 067**

56 CAPITAL COMMITMENTS

	2022	2021
Approved and contracted for	**48 014 951**	**67 389 594**
Infrastructure	48 014 951	63 608 724
Transport assets	-	3 780 870

This expenditure will be financed from:

	2022	2021
External Loans	24 633 674	47 290 310
Government Grants	19 126 647	18 263 662
Own Resources	4 254 630	1 835 622
Total	**48 014 951**	**67 389 594**

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).

57 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

57.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The following financial assets are exposed to credit risk:

	2022	2021
Cash and Cash Equivalents	165 972 622	164 080 293
Receivables from exchange transactions	32 930 598	32 192 669
Receivables from non-exchange transactions	515 770	530 120
Long-term Receivables	3 866 671	5 193 166
Non-current Investments	12 836 955	11 888 169
Total	**216 122 615**	**213 884 417**

57 FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash and Cash Equivalents and Non-current Investments

Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held, except for the fixed deposit that serve as security for stock loans as disclosed in note 13.2 and 14.2.

Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are 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 Council's Credit Control and Debt Collection Policy.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be past due.

Refer to note 3 and 4 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be past due.

Also refer to note 7 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No collateral is held from any consumers (other than consumer deposits).

Refer to note 14.2 for receivables pledged as security for Long-term Liabilities.

The following service receivables are past due, but not impaired:

	2022	2021
Electricity	1 243 752	1 069 364
Water	2 278 751	2 091 635
Refuse	1 437 184	1 451 353
Sewerage	1 246 754	1 283 884
Interest	892 591	779 410
Other	246 259	247 736
Availability Charges	285 904	307 340
Total	**7 631 195**	**7 230 722**

Past due receivables are aged as follow:

	2022	2021
1 to 3 months overdue	4 544 950	4 186 744
4 months to 1 year overdue	1 850 958	1 758 530
1 year overdue	1 235 287	1 285 448
Total	**7 631 195**	**7 230 722**

57.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial instruments of the Municipality is not directly exposed to any currency risk.

Figures in Rand	2022	2021

57 FINANCIAL RISK MANAGEMENT (CONTINUED)

57.3 Interest rate risk (Market Risk)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following balances are exposed to interest rate fluctuations:

	2022	2021
Cash and Cash Equivalents (excluding cash on hand)	165 972 622	164 080 293
Long-term Liabilities (including current portion)	-	-
Net balance exposed	**165 972 622**	**164 080 293**

Potential effect of changes in interest rates on surplus and deficit for the year:

	2022	2021
0.5% (2021 - 0.5%) increase in interest rates	829 863	820 401
0.5% (2021 - 0.5%) decrease in interest rates	(829 863)	(820 401)

57.4 Liquidity risk

Liquidity risk is the risk encountered by the Municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2022				
Annuity Loans	23 530 004	79 278 786	46 246 833	149 055 624
Stock Loans	1 354 582	18 474 906	-	19 829 488
Payables from exchange transactions	61 832 125	-	-	61 832 125
Total	**86 716 711**	**97 753 693**	**46 246 833**	**230 717 237**
30 JUNE 2021				
Annuity Loans	17 066 817	61 138 961	36 544 034	114 749 812
Stock Loans	3 053 418	10 572 928	9 256 560	22 882 906
Payables from exchange transactions	62 141 690	-	-	62 141 690
Total	**82 261 925**	**71 711 889**	**45 800 594**	**199 774 408**

57.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The following balance is exposed to price risk:

	2022	2021
Non-current Investments - Listed shares	163 051	189 265

Figures in Rand	2022	2021

58 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets		
Cash and Cash Equivalents	165 972 622	164 080 293
Bank Accounts	116 873 931	116 550 486
Call Investment Deposits	49 098 691	47 529 807
Receivables from exchange transactions	32 930 598	32 192 669
Electricity	9 180 776	7 858 213
Water	12 605 959	13 001 081
Refuse	3 850 392	3 581 026
Sewerage	5 064 520	6 118 255
Interest	1 070 336	860 511
Other	429 933	412 260
Accrued Interest	728 681	361 324
Receivables from non-exchange transactions	515 770	530 120
Availability Charges	515 770	530 120
Long-term Receivables	3 866 671	5 193 166
Receivables with repayment arrangements	3 866 671	5 193 166
Non-current Investments	12 673 904	11 698 904
Fixed Deposits	12 673 904	11 698 904
Total	**215 959 564**	**213 695 152**
Financial Liabilities		
Payables from Exchange Transactions	61 832 125	62 141 690
Trade Payables	31 560 043	37 406 091
Retentions	8 589 370	10 721 031
Department of Human Settlements	5 334 915	5 447 325
Sundry Deposits	15 638 481	7 747 510
Accrued Interest	709 317	819 732
Long-Term Liabilities	116 586 408	94 844 483
Annuity Loans	102 116 608	78 821 514
Stock Loans	14 469 800	16 022 969
Total	**178 418 533**	**156 986 173**

The Municipality recognised the following financial instruments at fair value:

Financial Assets		
Non-current Investments		
Listed shares	**163 051**	**189 265**

Figures in Rand	2022	2021

59 STATUTORY RECEIVABLES

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

	2022	2021
Receivables from Non-Exchange Transactions	16 180 371	14 528 960
Property Rates	13 878 772	14 109 461
Unpaid Traffic Fines	2 301 600	419 500
Taxes - VAT Claimable from SARS	3 202 925	2 307 868
Total	**19 383 296**	**16 836 828**

The amounts above are disclosed after any provision for impairment has been taken into account.

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 23 for property rates levied for the year and basis for interest and rate used on outstanding balances.

Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 28 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.

Taxes (Value Added Tax) are raised in terms of the Value Added Tax Act. No interest is paid by the South African Revenue Service on outstanding VAT claims.

Refer to note 4 for determining the recoverability of property rates and traffic fines.

Property Rates

	2022	2021
- Past due at the reporting date, and which have been impaired	33 416 355	27 493 608
- Past due that have not been impaired	6 799 628	5 509 086

60 PRINCIPAL-AGENT ARRANGEMENTS

The Municipality has assessed that the following significant principal-agent arrangements exists:

60.1 Department of Transport and Public Works

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission.

The following transactions were undertaken as part of principal-agent arrangement:

	2022	2021
Collections payable to the Department at beginning of year	599 075	61 665
Revenue collected from third parties	35 838 863	34 751 952
Commission earned on collections included in note 33	(5 498 510)	(5 458 360)
VAT on commission earned payable to the South African Revenue Services	(824 777)	(818 754)
Collections paid over to The Department	(29 800 208)	(27 937 427)
Collections payable to the Department at year-end	**314 444**	**599 075**

60.2 Department of Human Settlements

The Municipality acts as an agent for the Department of Human Settlements for the Peoples Housing Project (PHP) and to facilitate the deed transfers to qualifying beneficiaries.

The following transactions were undertaken as part of principal-agent arrangements:

	2022	2021
Balance at beginning of year	5 447 327	6 007 730
Payments received from the Department	1 201 560	18 349 698
Expenditure incurred on behalf of the Department	(1 313 971)	(18 910 101)
Balance at year-end	**5 334 916**	**5 447 327**

Figures in Rand	2022	2021

60 PRINCIPAL-AGENT ARRANGEMENTS

60.3 Other Arrangements

The Municipality has entered into arrangements with prepaid electricity vendors to provide services to the public on behalf of the Municipality. Various prepaid electricity vendors sell electricity on the Municipality's behalf. The software used results in all transactions being recorded in the Municipality's sub-system. The Municipality collects the cash receipts from the vendors on a daily basis and therefore collects the revenue in full. Prepaid vendors earn commission on the value of each transaction. The nature of these arrangements were assessed and the transactions are not considered to fall within the scope of GRAP 109.

61 EVENTS AFTER REPORTING DATE

The Chief Financial Officer resigned on 28 July 2022 after a settlement agreement was reached. At reporting date, this vacant position has not been filled.

62 IN-KIND DONATIONS AND ASSISTANCE

Property, Plant and Equipment as per note 26 were donated to the Municipality.

63 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The Municipality did not enter into any PPP's in the current and prior year.

64 CONTINGENT LIABILITIES

Summonses were served to the Municipality by three plaintiffs. The summonses relate to a protest in April 2019 whereby the plaintiffs are claiming to have been unlawfully assaulted which ultimately also led to the death of one of the plaintiffs. The first defendant in this matter is listed as the Minister of Police, while the Municipality is listed as the third defendant. The plaintiffs have a total claim of R5 993 200 against the defendants. This matter has been referred to the Municipality's insurer, which has assessed that the possible financial implication on the Municipality will be remote, if any.

65 CONTINGENT ASSETS

Council resolved on 26 April 2022 that the overpayment in respect of the former Municipal Manager’s salary of R269 768 and the overpayment of the Director Technical Service’s salary of R124 288 be dealt with as irregular expenditure and be recovered from the former Executive Mayor and prior Municipal Manager respectively. As on 30 June 2022, uncertainty still existed from the fact that the claim still needed to be instituted against the affected parties and that the said parties still needed to acknowledge the debt.

66 COVID-19

The summary below indicates the total Covid-19 response expenditure:

	2022	2021
Personal Protective Equipment and Sanitizers	72 238	471 446
Total	**72 238**	**471 446**

The Covid-19 response expenditure was funded from the following sources:

	2022	2021
Own Revenue	72 238	321 446
Grant Funding	-	150 000
Total	**72 238**	**471 446**

67 RELATED PARTIES

67.1 Related Party Loans

There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.

67.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 37 and 38.

67.3 Current Employee Benefits

The Municipality has the following accrued leave obligation towards management personnel at year-end:

		2022	2021
Mr DP Lubbe	- Municipal Manager	-	14 835
Mr D Louw	- Director: Financial Services	187 126	76 750
Total		**187 126**	**91 585**

67.4 Remuneration payable to Council

The Government Gazette for the determination of upper limits of the salaries, allowances and benefits of different members of municipal councils were issued on 2 June 2022, Notice no 2126 of Government Gazette no 46470, which stipulate that the notice takes effect from 1 July 2021. The notice was implemented after year-end of which payment was made on 25 August 2022.

	2022	2021
Remuneration payable to Council in terms of the notice	**351 522**	**-**

67.5 Related Party Transactions

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

68 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS

Section 45 of the Municipal Supply Chain Management regulations requires the disclosure of particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. The following transactions are disclosed in this regard:

Company	Relationship	Position of person in service of the state	2022	2021
Finck Attorneys	Owner Ronald Finck is the spouse Gail Finck	TWK Senior Clerk Clearances	-	11 186
Petrol & Diesel Enjin Sentrum	Owner Petrus Pretorius is the parent-in-law of Joanle Pretorius	TWK Chief Clerk	1 232 765	1 162 267
Marshall Armature Winding	Owner Gert Koegelenberg is the spouse of Martie Koegelenberg	TWK Councillor	-	2 398
Adenco Construction	Director Victor Machimana is the parent of Helen Machimana; Director Vuyo Machimana is the parent of Busisiwe Skosana and Director Daniel Jackson is the parent of Adele Kassner	Helen Machimana, Department of Welfare Limpopo Social Worker; Busisiwe Skosana, Department of Health Gauteng Nursing Sister and Adele Kassner, Department of Education Teacher	3 860 999	7 681 752
WAM Technology	Director Willem Botes is the spouse of Stella Botes and Maria le Roux is his daughter	Spouse - Department of Education Teacher Daughter - Employee at City of Cape Town (Manager of Coastal Engineering Department)	29 662	380 769
Zutari (Pty) Ltd. (Aurecon SA - Professional Services)	Parent of R Mehlala and Son of G Saaiman	R Mehlala, CFO: Eastern Cape Arts and Culture Council and G Saaiman, Auditor General	3 038 361	4 449 454
Fairbridges Attorneys	Director Waheeda Shreef is the spouse of Mohammed Jawodeen; Director Adela Petersen is the sister of Shaheed Hofmeester and Director Diane-Maree Rauch is the daughter-in-law of Henk Rauch	Mohammed Jawodeen, Non-Executive Director of the Central Energy Fund; Shaheed Hofmeester, a Teacher and Henk Rauch, Programme Manger at Petrosa.	916 294	623 517
Suid-Kaap Waardeerders	Owner Stephanus de Swardt is the spouse of Anna de Swardt	Professional Nurse at the Provincial Adminstration of Western Cape	69 283	-
NCC Environmental Services (Pty) Ltd	Director Linden Rhode is the spouse of Cahndre Rhode	Clerk at the City of Cape Town	-	2 530
FCR Abrahams	Owner Frank Abrahams is the spouse of Berdine Abrahams	TWK Debtors Clerk	117 773	14 150
Bergstan South Africa	Director Cobin Beukes is the spouse of Jacqueline Beukes	Social Worker	-	111 838
Greyton Repairs	Owner Riaan Groenewald is the spouse of Gail Groenewald	TWK Principle Clerk	-	800
Sydney Amanzi Management Solutions	Member Sydney Armoed is the father of Eslin Armoed	Knysna Municipality Supervisor	77 334	80 899

68 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2022	2021
Conlog (Pty) Ltd	Director Logandhren Moodley is the spouse of Nirvasha Moodley	Department of Health Director	-	152 581
Reginald du Plessis	Owner Reginald du Plessis is the spouse of Cerhal du Plessis and the son-in-law of Caroline Wood	Cerhal du Plessis, TWK General Worker; Caroline Wood, TWK Councillor	3 400	25 675
Bosman Smit Pretorius Inc	Owner Marriette Pretorius is the spouse of Gavin Brink	SAPS Police Officer	-	31 130
Shyzac 01 Security Solutions & Maintenance	Director Bjorn Africa is the second cousin of Annielle Martin	TWK - Senior Administrator	1 005 570	809 477
Neil Lyners and Associates	Director Neil Lyners is the brother of HG Lyners	Department of Transport and Public Works - Director	643 865	710 275
Kreesan Investments	Director Kreesan Subramoney is the son of Sivalingum Subramoney and the brother of Kubeshnie Subramoney	Sivalingum Subramoney, Deputy Director Correctional Services; Kubeshnie Subramoney, Warden	-	9 529
Red Ant Security Relocation and Eviction Services (Pty) Ltd	Director: Buthi Lesiela is the spouse of Noxolo Lesiela, employee at Mogale City Local Municipality	Employee at Mogale City Local Municipality	-	991 875
Lipus Goods and Services (Pty) Ltd.	The spouse of Templeton Tando Maku (Director) is a Chief Registry Clerk at the Department of Community Safety	Chief Registry Clerk	313 630	377 142
Mad Bulldogz Distributors	The spouse of Hein Erasmus (Director) is a Principle Clerk Salaries at TWK Mun.	Principle Clerk Salaries	1 944	19 585
AmandlaGCF Construction CC	Wendell Frazenberg, Director of AmandlaGCF Construction CC, is the brother-in-law of John Jacobs who is employed at the National Government Employment & Labour Department. Wendell Frazenberg is the brother of Unita Frazenberg, Eben Frazenberg, Jaqueline Frazenberg and Bryan Frazenberg who is employed at the National Government Deeds office, Education Department, Education Department and City of Cape Town - Traffic Department.	Teachers and Traffic Department	13 238 038	12 694 994
JVZ Construction (Pty) Ltd.	Marisa Matthee, Director of JVZ Construction (Pty) Ltd., is the spouse of RE Matthee whom is employed at the Department of Correctional Services.	Security Officer	20 315 837	7 636 616
LIT Technics (Pty) Ltd.	Jan Petrus Barnard, Director of LIT Technics (Pty) Ltd., is the independent child of Jan Barnard who works at TWK Mun.	Dep. Dir. Community Services	1 199	19 550

68 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2022	2021
Royal Haskoning DHV	Salani Sithole, Director of Royal Haskoning DHV, is the spouse of Tryphosa Sithole who is employed at the City of Johannesburg.	Associate Director	172 073	1 413 664
Abe Rewinds t/a Delta Rewinds	Abduragman Daniels, Director of Abe Rewinds t/a Delta Rewinds, is the independent child of Mischa Human who is employed by the City of Cape Town.	Clerk	444 978	54 270
Groenland Motor Truck & Bakkie	Mina Snyders, Director of Groenland Motor Truck & Bakkie, is the sister-in-law of Morrizlin Josephs and Cornelius Josephs who is employed at TWK Mun. and SAPD.	Traffic Officer and Police Officer	158 768	19 446
Renco Advisory Services	Renco Theunissen, Director of Renco Advisory Services. Ranver Theunissen is the brother of Renco, Inge Theunissen is the sister-in-law of Renco, Kassandra Theunissen is the sister of Renco, Kallie Papier is the uncle of Renco, Christolene Theunissen, Melanie Fisher and Daniel papier is the cousin of Renco.	Department of Health - Temp. Worker, Assistant Director, SCM Clerk. TWK Mun. - Deputy Mayor, Administrator - Income, Administrator, Operator	90 150	74 765
Element Consulting Engineers (Pty) Ltd.	P Rossouw, Director of Element Consulting Engineers (Pty) Ltd., is the spouse of R Rossouw who is employed by the Education Department. M Shezi, Director of Element Consulting Engineers (Pty) Ltd., is the spouse of E Shezi also employed by the Education Department.	Teachers	4 965 630	2 085 858
JLA Logistics (Pty) Ltd.	Janine Cupido, Director of JLA Logistics (Pty) Ltd., is the daughter of A Cupido who is employed at the Department of Correctional Services.	Warden	101 282	60 120
Dick Whittington Shoes (Pty) Ltd.	Dr Z.L Mkhize spouse of MM.Mkhize director of Dick Whiitington Shoes	Minister of Health	40 365	-
JPCE (Pty) Ltd.	J.Minnie spouse of Jorina Minnie director of JPCE	Head:Operation Centre and System Integration Disaster Risk Management Centre, Safety and Security Directorate	1 327 363	-
Ez Projects	K.Piquer spouse of E.Piquer director of EZ Projects	Department of Health(Professional Nurse Tulbagh Clinic)	94 055	-
EJ'S Auto and Mechanical Services (Pty) Ltd	Spouse of Sue-Ellen Januarie	Sergeant Traffic Officer	58 690	-
Zweni Energy (Pty) Ltd	Spouse of Michell Everol Thomas	Senior Clerk/Cashier	153 990	-
Total			**52 473 297**	**41 708 112**

69 NON-LIVING RESOURCES

Other than land, the Municipality identified aquifers in the Theewaterskloof municipal area as the only non-living resources of which the water is being extracted with the use of boreholes in the following towns:

- Botrivier
- Caledon
- Genadendal
- Greyton
- Tesselaarsdal
- Villiersdorp

70 SEGMENT REPORTING

70.1 General Information

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Municipality has 59 departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

No	Reportable Segment	Goods and/or services delivered
1	Governance and Administration	Supply of overall governance and administrative services to the segments below
2	Community Services	Tourism, Sportfields, Housing, Informal Settlements, Parks, Cemeteries, Halls and Cemeteries
3	Public Safety	Traffic control, animal control and pounds
4	Planning and Development	Town planning, local economic development and building control
5	Roads and Stormwater	Construction and maintenance of roads and storm water
6	Environmental Affairs	Disaster management, air pollution control and nature reserve
7	Electricity Services	Electricity Services
8	Water Services	Water Services
9	Sewerage Services	Sewerage Services
10	Refuse Services	Refuse Services

70.2 Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

70.3 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. towns), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

70.4 Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments are disclosed on the following page.

70 SEGMENT REPORTING (CONTINUED)

70.5 Specific Segment Reporting

	Governance and Administration	Community Services	Public Safety	Planning and Development	Roads and Stormwater	Environmental Affairs	Electricity Services	Water Services	Sewerage Services	Refuse Services	Total
	R	R	R	R	R	R	R	R	R	R	R
2022											
REVENUE											
External Revenue from Non-Exchange Transactions	**201 397 698**	**29 894 121**	**24 971 517**	**21 767 203**	**129 932**	**-**	**11 725 217**	**14 802 439**	**14 079 572**	**18 974 419**	**337 742 117**
Property Rates	127 714 860	-	-	-	-	-	-	-	-	-	127 714 860
Government Grants and Subsidies - Operating	69 112 474	10 038 486	-	3 494 357	129 932	-	5 559 789	10 685 548	13 204 624	14 824 479	127 049 690
Public Contributions and Donations	729 541	-	-	-	-	-	-	-	-	-	729 541
Government Grants and Subsidies - Capital	634 735	18 166 368	-	18 272 846	-	-	4 854 443	2 286 497	-	-	44 214 889
Contributed Assets	33 650	-	-	-	-	-	-	-	-	-	33 650
Availability Charges	-	-	-	-	-	-	1 310 984	1 830 394	874 948	718 767	4 735 093
Other Income (Non-Exchange)	1 529 684	-	-	-	-	-	-	-	-	3 431 172	4 960 856
Fines, penalties and forfeits	1 642 754	6 598	24 971 517	-	-	-	-	-	-	-	26 620 869
Actuarial Gains	-	1 682 669	-	-	-	-	-	-	-	-	1 682 669
External Revenue from Exchange Transactions	**31 489 529**	**988 916**	**7 248 071**	**5 468 723**	**-**	**-**	**113 313 991**	**76 547 737**	**36 108 171**	**36 967 446**	**308 132 584**
Service Charges	-	-	-	-	-	-	113 313 991	76 547 737	36 106 413	36 967 446	262 935 587
Rental of Facilities and Equipment	-	16 347	-	2 149 024	-	-	-	-	-	-	2 165 371
Interest Earned - external investments	10 542 388	-	-	-	-	-	-	-	-	-	10 542 388
Interest Earned - outstanding debtors	16 906 671	-	-	-	-	-	-	-	-	-	16 906 671
Agency Services	-	-	7 139 847	-	-	-	-	-	-	-	7 139 847
Licences and Permits	-	-	35 792	-	-	-	-	-	-	-	35 792
Other Income (Exchange)	4 040 469	972 569	72 431	3 319 699	-	-	-	-	1 759	-	8 406 927
Construction Contracts	**-**	**29 853**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**29 853**
TOTAL REVENUE	**232 887 227**	**30 912 889**	**32 219 587**	**27 235 926**	**129 932**	**-**	**125 039 208**	**91 350 176**	**50 187 743**	**55 941 865**	**645 904 554**
EXPENDITURE											
Employee Related Costs	55 939 595	53 704 311	24 785 641	29 969 473	15 979 930	-	8 590 431	9 260 181	16 741 644	19 050 879	234 022 083
Remuneration of Councillors	11 899 590	-	-	-	-	-	-	-	-	-	11 899 590
Debt Impairment	24 923 581	-	19 881 350	-	-	-	765 071	15 902 736	10 425 426	11 404 179	83 302 343
Depreciation and Amortisation	3 614 674	869 976	-	102 257	4 865 061	-	2 590 183	5 243 374	4 662 061	8 144 343	30 091 929
Impairment	-	-	-	1 558 714	-	-	-	-	-	-	1 558 714
Finance Charges	645 151	5 946 519	40 802	161 872	1 745 475	-	1 145 639	4 103 883	2 520 256	9 526 824	25 836 421
Bulk Purchases	-	-	-	-	-	-	86 238 654	19 371 402	-	-	105 610 057
Contracted Services	10 381 791	5 094 908	2 033 064	2 479 931	3 378 734	3 597 858	2 534 249	3 834 141	4 532 544	6 886 914	44 754 133
Transfers and Grants	148 049	265 595	-	200 000	-	-	4 103 314	-	-	-	4 716 958
Other Expenditure	24 710 460	5 948 435	1 953 905	3 677 723	5 331 232	160 008	4 494 068	9 442 728	8 777 258	5 664 383	70 160 199
Loss on disposal of Non-Monetary Assets	610 096	-	-	-	-	-	-	-	-	-	610 096
Total Expenditure	**132 872 987**	**71 829 744**	**48 694 762**	**38 149 969**	**31 300 431**	**3 757 866**	**110 461 608**	**67 158 445**	**47 659 189**	**60 677 521**	**612 562 523**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**100 014 240**	**(40 916 854)**	**(16 475 174)**	**(10 914 043)**	**(31 170 499)**	**(3 757 866)**	**14 577 599**	**24 191 732**	**2 528 554**	**(4 735 656)**	**33 342 031**
Less: Government Grants and Subsidies - Capital	(634 735)	(18 166 368)	-	(18 272 846)	-	-	(4 854 443)	(2 286 497)	-	-	(44 214 889)
Less: Contributed Assets	(33 650)	-	-	-	-	-	-	-	-	-	(33 650)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**99 345 854**	**(59 083 222)**	**(16 475 174)**	**(29 186 890)**	**(31 170 499)**	**(3 757 866)**	**9 723 156**	**21 905 235**	**2 528 554**	**(4 735 656)**	**(10 906 509)**
CAPITAL EXPENDITURE FOR THE YEAR	**6 894 576**	**20 573 346**	**583 904**	**479 162**	**6 468 749**	**-**	**7 111 393**	**16 433 600**	**26 539 620**	**13 641 483**	**98 725 833**

70 SEGMENT REPORTING (CONTINUED)

70.5 Specific Segment Reporting

	Governance and Administration	Community Services	Public Safety	Planning and Development	Roads and Stormwater	Environmental Affairs	Electricity Services	Water Services	Sewerage Services	Refuse Services	Total
	R	R	R	R	R	R	R	R	R	R	R
2021											
REVENUE											
External Revenue from Non-Exchange Transactions	**213 993 983**	**15 339 174**	**12 433 216**	**22 155 165**	**130 000**	**-**	**14 025 148**	**12 136 221**	**12 541 566**	**13 865 538**	**316 620 010**
Property Rates	121 164 337	-	-	-	-	-	-	-	-	-	121 164 337
Government Grants and Subsidies - Operating	87 906 124	9 432 563	-	2 539 843	130 000	-	4 561 895	8 387 616	11 665 701	13 137 842	137 761 584
Public Contributions and Donations	495 127	-	-	-	-	-	-	-	-	-	495 127
Government Grants and Subsidies - Capital	170 228	5 899 534	-	19 615 322	-	-	8 283 894	1 874 786	-	-	35 843 765
Contributed Assets	2 281 367	-	-	-	-	-	-	-	-	-	2 281 367
Availability Charges	-	-	-	-	-	-	1 179 358	1 873 819	875 865	727 696	4 656 737
Other Income (Non-Exchange)	412 387	-	-	-	-	-	-	-	-	-	412 387
Fines, penalties and forfeits	1 488 385	7 077	12 433 216	-	-	-	-	-	-	-	13 928 678
Actuarial Gains	76 027	-	-	-	-	-	-	-	-	-	76 027
External Revenue from Exchange Transactions	**22 268 600**	**828 930**	**7 395 073**	**4 461 011**	**-**	**-**	**101 346 492**	**75 092 727**	**35 412 036**	**35 459 017**	**282 263 887**
Service Charges	-	-	-	-	-	-	101 346 062	75 086 787	35 412 036	35 459 017	247 303 902
Rental of Facilities and Equipment	-	1 732	-	2 058 653	-	-	-	-	-	-	2 060 385
Interest Earned - external investments	8 097 552	-	-	-	-	-	-	-	-	-	8 097 552
Interest Earned - outstanding debtors	12 155 517	-	-	-	-	-	-	-	-	-	12 155 517
Agency Services	-	-	7 283 913	-	-	-	-	-	-	-	7 283 913
Licences and Permits	-	-	108 598	-	-	-	-	-	-	-	108 598
Other Income (Exchange)	2 015 531	827 198	2 562	2 402 358	-	-	431	5 940	-	-	5 254 020
Construction Contracts	**-**	**1 555 677**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1 555 677**
TOTAL REVENUE	**236 262 583**	**17 723 781**	**19 828 289**	**26 616 176**	**130 000**	**-**	**115 371 640**	**87 228 948**	**47 953 602**	**49 324 555**	**600 439 574**
EXPENDITURE											
Employee Related Costs	50 125 296	49 387 789	23 991 312	27 771 205	15 193 455	-	7 993 987	9 238 617	16 572 585	17 683 691	217 957 936
Remuneration of Councillors	12 147 720	-	-	-	-	-	-	-	-	-	12 147 720
Debt Impairment	14 164 896	-	12 360 158	-	-	-	-60 952	13 706 424	10 717 035	11 327 632	62 215 194
Depreciation and Amortisation	3 836 548	802 812	-	127 015	4 659 230	-	2 638 417	5 159 569	4 596 547	695 060	22 515 198
Impairment	-	-	-	2 868 308	-	-	-	-	-	6 310 595	9 178 903
Actuarial Losses	-	4 192 124	-	-	-	-	-	-	-	-	4 192 124
Finance Charges	451 208	5 086 010	49 577	157 987	1 419 584	-	1 118 245	4 066 292	2 043 401	7 335 290	21 727 594
Bulk Purchases	-	-	-	-	-	-	75 568 546	18 187 819	-	-	93 756 366
Contracted Services	6 810 382	8 206 347	1 480 102	1 347 150	4 134 707	3 575 241	1 437 168	3 028 606	5 479 419	7 558 298	43 057 421
Transfers and Grants	132 945	-	-	-	-	-	3 223 774	-	-	-	3 356 719
Other Expenditure	21 252 489	4 554 529	1 451 325	3 346 153	5 452 914	244 238	3 299 965	7 707 703	6 519 314	5 593 814	59 422 445
Loss on disposal of Non-Monetary Assets	996 933	-	-	-	-	-	-	-	-	-	996 933
Total Expenditure	**109 918 418**	**72 229 611**	**39 332 474**	**35 617 818**	**30 859 890**	**3 819 479**	**95 219 150**	**61 095 031**	**45 928 301**	**56 504 379**	**550 524 552**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**126 344 165**	**(54 505 830)**	**(19 504 185)**	**(9 001 642)**	**(30 729 890)**	**(3 819 479)**	**20 152 490**	**26 133 916**	**2 025 301**	**(7 179 824)**	**49 915 022**
Less: Government Grants and Subsidies - Capital	(170 228)	(5 899 534)	-	(19 615 322)	-	-	(8 283 894)	(1 874 786)	-	-	(35 843 765)
Less: Contributed Assets	(2 281 367)	-	-	-	-	-	-	-	-	-	(2 281 367)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**123 892 569**	**(60 405 364)**	**(19 504 185)**	**(28 616 964)**	**(30 729 890)**	**(3 819 479)**	**11 868 596**	**24 259 130**	**2 025 301**	**(7 179 824)**	**11 789 891**
CAPITAL EXPENDITURE FOR THE YEAR	**7 439 164**	**7 637 902**	**886 168**	**1 907 467**	**9 621 868**	**-**	**12 306 716**	**9 114 351**	**26 306 673**	**12 660 485**	**87 880 794**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2022

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2021	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2022
ANNUITY LOANS							
DBSA BANK - 10 & 20 year	Loan No. 102807/1	10.74%	30/06/2028	5 071 581	-	(539 986)	4 531 595
DBSA BANK - 10 & 20 year	Loan No. 103108/1	11.44%	30/09/2028	6 173 049	-	(558 890)	5 614 159
DBSA BANK - 20 year	103313.1	9.85%	31/03/2029	14 127 092	-	(1 231 940)	12 895 152
DBSA BANK - 15 year	103313.2	9.97%	31/03/2024	2 143 045	-	(646 182)	1 496 863
DBSA BANK - 20 year	103817/3	11.06%	31/12/2030	8 176 551	-	(522 524)	7 654 027
STANDARD BANK- 15 year	272400572	12.22%	30/06/2026	4 421 359	-	(687 979)	3 733 380
ABSA BANK - 15 year	40-7908-8994	10.79%	27/06/2027	6 941 292	-	(876 666)	6 064 626
ABSA BANK - 10 year	387230963	10.63%	27/06/2024	3 427 429	-	(1 026 454)	2 400 975
ABSA - 5 year	3050777771	8.95%	30/06/2024	1 295 408	-	(393 940)	901 468
ABSA - 7 year	3050777789	9.19%	30/06/2026	1 925 994	-	(318 133)	1 607 861
ABSA - 10 year	3050777763	9.62%	30/06/2029	2 833 785	-	(247 399)	2 586 386
NEDBANK - 15 year	05/78310356050	10.45%	30/06/2034	2 469 963	-	(96 082)	2 373 881
STANDARD BANK - 4 year	000600694	6.63%	31/12/2024	5 903 939	-	(1 334 784)	4 569 155
STANDARD BANK - 10 year	000600703	8.26%	28/06/2030	4 868 511	-	(382 973)	4 485 538
STANDARD BANK - 15 year	000600712	9.76%	29/06/2035	6 363 656	-	(227 670)	6 135 986
ABSA - 7 year	3052887574	9.19%	30/06/2027	2 678 860	-	(350 916)	2 327 944
STANDARD BANK - 15 year	000682253	10.79%	30/12/2036	-	15 099 032	(1 007 899)	14 091 133
ABSA - 5 year	3054670983	8.66%	30/10/2026	-	12 799 713	(891 780)	11 907 933
ABSA - 7 year	3054671133	9.19%	30/10/2028	-	5 000 000	(194 734)	4 805 266
ABSA - 10 year	3054671256	9.89%	30/10/2031	-	1 963 803	(30 523)	1 933 280
Total Annuity Loans				**78 821 514**	**34 862 548**	**(11 567 453)**	**102 116 608**
STOCK LOANS							
DBSA BANK - 15 year	1022754	9.39%	31/03/2022	1 553 169	-	(1 553 169)	-
DBSA BANK - 20 year	1022755	9.29%	31/03/2027	8 469 800	-	-	8 469 800
DBSA BANK - 20 year	1014871	9.46%	31/12/2024	6 000 000	-	-	6 000 000
Total Stock Loans				**16 022 969**	**-**	**(1 553 169)**	**14 469 800**
Total Long-Term Liabilities				**94 844 483**	**34 862 548**	**(13 120 622)**	**116 586 408**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2022

	OPENING BALANCE	GRANTS RECEIVED	GRANTS REPAID	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	TRANSFER TO / (FROM) RECEIVABLES	CLOSING BALANCE
NATIONAL GOVERNMENT	R	R	R	R	R	R	R
Equitable Share	-	106 976 000	-	(106 976 000)	-	-	-
Finance Management Grant (FMG)	-	1 650 000	-	(1 610 000)	(26 460)	-	13 540
Municipal Infrastructure Grant (MIG)	2 875 312	25 602 000	(2 840 000)	(3 180 794)	(17 899 392)	-	4 557 126
Expanded Public Works Programme (EPWP)	6 953	1 721 000	(6 953)	(1 721 000)	-	-	-
Integrated National Electrification Programme (INEP)	-	7 120 000	-	(276 019)	(1 840 127)	-	5 003 854
Energy Efficiency & Demand Side Management Grant	-	4 500 000	-	(504 885)	(3 014 317)	(947 263)	33 535
Water Service Infrastructure Grant (WSIG)	2 500 000	2 500 000	(2 500 000)	(326 087)	(2 173 913)	-	-
Municipal Drought Relief	8 449	-	-	-	-	-	8 449
Total	**5 390 714**	**150 069 000**	**(5 346 953)**	**(114 594 785)**	**(24 954 209)**	**(947 263)**	**9 616 504**
PROVINCIAL GOVERNMENT							
Housing	277 998	20 052 691	-	-	(18 089 152)	-	2 241 537
CDW Contribution	105 156	132 000	-	(139 797)	-	-	97 359
Thusong Multi Purpose Centre	70 593	-	(70 593)	-	-	-	-
Main Roads Subsidy	88 611	129 932	-	(129 932)	-	-	88 611
Financial Management Support Grant (FMSG)	719 079	-	(323 228)	(1 217)	-	-	394 634
Library Subsidy	1 508 467	10 612 000	-	(9 646 761)	(77 216)	-	2 396 490
Municipal Capacity Building Grant	825 866	250 000	(619 152)	(373 146)	-	-	83 568
Local Government Graduate Internship Allocation	20 000	-	(20 000)	-	-	-	-
Municipal Disaster Recovery (Water Supply Grant)	569 425	-	(569 425)	-	-	-	-
Sport and Recreation	6 636	-	-	-	-	-	6 636
Municipal Drought Relief (MDR)	263 214	-	(150 525)	-	(112 584)	-	105
Regional socio-economic projects (RSEP)	447 400	-	-	(67 110)	(373 454)	-	6 836
Municipal Intervention Grant	-	150 000	-	(147 770)	-	-	2 230
Municipal Service Delivery and Capacity Building Grant (MSDCB)	35 582	1 000 000	(35 582)	(391 725)	(608 275)	-	-
Public Employment Support Grant	-	1 600 000	-	(1 209 687)	-	-	390 313
Total	**4 938 027**	**33 926 623**	**(1 788 505)**	**(12 107 144)**	**(19 260 681)**	**-**	**5 708 319**
DISTRICT MUNICIPALITY							
Safety Audit and Safety Plan Grant	-	90 000	-	-	-	-	90 000
Total	**-**	**90 000**	**-**	**-**	**-**	**-**	**90 000**
OTHER GRANT PROVIDERS							
DBSA Local Economic Development	226 477	-	-	-	-	-	226 477
SETA	-	347 761	-	(347 761)	-	-	-
SANRAL	173 950	-	-	-	-	-	173 950
Total	**400 427**	**347 761**	**-**	**(347 761)**	**-**	**-**	**400 427**
ALL SPHERES OF GOVERNMENT	**10 729 168**	**184 433 384**	**(7 135 458)**	**(127 049 690)**	**(44 214 890)**	**(947 263)**	**15 815 250**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
Financial Performance						
Property rates	124 583 975	1 450 645	126 034 620	127 714 860	1 680 240	121 164 337
Service charges	277 188 512	(5 094 684)	272 093 828	267 670 679	(4 423 149)	251 960 640
Investment revenue	11 000 000	(3 200 000)	7 800 000	10 542 388	2 742 388	8 097 552
Transfers and Subsidies - operating	142 866 385	830 324	143 696 709	128 201 647	(15 495 062)	139 317 261
Other own revenue	56 745 726	3 924 935	60 670 661	68 648 544	7 977 883	41 774 652
Total Operating Revenue (excluding capital transfers)	**612 384 598**	**(2 088 780)**	**610 295 818**	**602 778 118**	**(7 517 700)**	**562 314 442**
Employee costs	254 167 059	(14 234 241)	239 932 818	238 699 223	(1 233 595)	221 793 890
Remuneration of councillors	13 849 333	(1 429 492)	12 419 841	11 899 590	(520 251)	12 147 720
Debt impairment	64 320 969	19 451 557	83 772 526	83 302 343	(470 183)	62 215 194
Depreciation and asset impairment	22 907 961	8 873 905	31 781 866	31 650 643	(131 223)	31 694 101
Finance charges	15 506 590	4 844 284	20 350 874	20 011 421	(339 453)	16 863 594
Bulk purchases	87 217 142	(860 000)	86 357 142	86 238 654	(118 488)	93 756 366
Inventory Consumed	40 700 795	(2 741 877)	37 958 918	34 528 216	(3 430 702)	19 576 059
Contracted services	52 911 865	(3 211 837)	49 700 028	46 710 307	(2 989 721)	43 485 794
Transfers and subsidies	16 398 560	(1 715 774)	14 682 786	1 765 601	(12 917 185)	1 089 472
Other expenditure	54 998 113	8 584 354	63 582 467	58 268 534	(5 313 933)	42 713 304
Losses	-	700 000	700 000	610 096	(89 904)	5 189 057
Total Expenditure	**622 978 387**	**18 260 879**	**641 239 266**	**613 684 627**	**(27 554 639)**	**550 524 552**
Surplus/(Deficit)	**(10 593 789)**	**(20 349 659)**	**(30 943 448)**	**(10 906 509)**	**20 036 939**	**11 789 891**
Transfers and subsidies - capital (monetary) - Government	95 183 806	(25 289 523)	69 894 283	44 248 540	(25 645 743)	38 125 132
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-
Surplus/(Deficit) for the year	**84 590 017**	**(45 639 182)**	**38 950 835**	**33 342 031**	**(5 608 804)**	**49 915 022**
Capital expenditure & funds sources						
Capital expenditure	**181 136 164**	**(36 733 681)**	**144 402 483**	**98 725 833**	**(45 676 650)**	**87 880 794**
Transfers recognised - capital	95 183 804	(25 289 523)	69 894 281	44 214 889	(25 679 392)	38 271 482
Borrowing	62 749 589	(4 920 547)	57 829 042	43 881 694	(13 947 348)	35 277 635
Internally generated funds	23 202 771	(6 523 611)	16 679 160	10 629 249	(6 049 911)	14 331 677
Total sources of capital funds	**181 136 164**	**(36 733 681)**	**144 402 483**	**98 725 833**	**(45 676 650)**	**87 880 794**
Cash flows						
Net cash from (used) operating	100 707 188	(7 044 229)	93 662 960	77 466 985	(16 195 975)	97 074 273
Net cash from (used) investing	(181 136 164)	36 139 273	(144 996 891)	(97 452 272)	47 544 620	(84 782 759)
Net cash from (used) financing	55 127 478	(7 910 675)	47 216 802	21 877 616	(25 339 186)	12 609 853
Net Cash Movement for the year	(25 301 498)	21 184 368	(4 117 130)	1 892 329	6 009 458	24 901 368
Cash/cash equivalents at beginning of year	112 430 696	51 659 296	164 089 992	164 089 992	-	139 188 624
Cash/cash equivalents at the year end	**87 129 198**	**72 843 664**	**159 972 862**	**165 982 321**	**6 009 458**	**164 089 992**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	1 578 000	174 680	1 752 680	869 338	(883 342)	741 154
Finance and administration	272 565 852	(22 857 722)	249 708 130	256 036 590	6 328 460	259 750 945
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	10 998 067	2 200 216	13 198 283	11 085 319	(2 112 964)	10 225 259
Sport and recreation	51 516	(33 881)	17 635	16 897	(738)	240 897
Public safety	15 823 042	9 428 958	25 252 000	25 079 740	(172 260)	12 544 376
Housing	62 979 000	(15 743 436)	47 235 564	19 241 109	(27 994 455)	7 248 950
Economic and environmental services						
Planning and development	2 719 324	1 785 927	4 505 251	4 908 895	403 644	2 395 336
Road transport	12 927 580	(4 450 380)	8 477 200	7 269 779	(1 207 421)	7 413 913
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	136 589 786	(1 370 317)	135 219 469	125 039 208	(10 180 261)	115 371 640
Water management	90 828 805	895 646	91 724 451	91 350 176	(374 275)	87 228 948
Waste water management	50 230 835	468 643	50 699 478	50 187 743	(511 735)	47 953 602
Waste management	50 276 597	2 123 363	52 399 960	55 941 865	3 541 905	49 324 555
Other	-	-	-	-	-	-
Total Revenue - Standard	**707 568 404**	**(27 378 303)**	**680 190 101**	**647 026 659**	**(33 163 442)**	**600 439 575**
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	21 641 358	(641 858)	20 999 500	24 925 864	3 926 364	18 409 675
Finance and administration	180 583 723	1 294 235	181 877 958	173 193 285	(8 684 673)	155 750 332
Internal audit	2 482 363	(57 038)	2 425 325	2 412 969	(12 356)	2 310 795
Community and public safety						
Community and social services	11 260 396	623 340	11 883 736	11 159 259	(724 477)	10 354 296
Sport and recreation	11 815 840	(1 786 328)	10 029 512	9 756 865	(272 647)	10 029 178
Public safety	37 193 048	5 332 223	42 525 271	42 397 547	(127 724)	33 304 980
Housing	25 569 831	(3 326 582)	22 243 249	9 377 718	(12 865 531)	10 678 007
Economic and environmental services						
Planning and development	13 324 249	1 619 337	14 943 586	13 894 388	(1 049 198)	11 092 531
Road transport	42 308 042	(796 240)	41 511 802	40 405 825	(1 105 977)	39 702 617
Environmental Protection	158 974	(158 974)	-	6 820	6 820	115 514
Trading services						
Energy sources	113 986 155	(924 395)	113 061 760	110 461 608	(2 600 152)	95 219 150
Water management	61 168 347	7 148 560	68 316 907	67 158 445	(1 158 462)	61 095 031
Waste water management	47 116 845	1 346 572	48 463 417	47 659 189	(804 228)	45 928 301
Waste management	53 749 686	8 633 027	62 382 713	60 677 521	(1 705 192)	56 504 379
Other	619 530	(45 000)	574 530	197 325	(377 205)	29 766
Total Expenditure - Standard	**622 978 387**	**18 260 879**	**641 239 266**	**613 684 628**	**(27 554 638)**	**550 524 552**
Surplus/(Deficit) for the year	**84 590 017**	**(45 639 182)**	**38 950 835**	**33 342 031**	**(5 608 804)**	**49 915 023**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Directorate Finance	237 322 753	(14 370 410)	222 952 343	231 604 683	8 652 340	235 121 221
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	136 589 786	(1 370 317)	135 219 469	125 039 208	(10 180 261)	115 371 640
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	1 446 000	465 376	1 911 376	730 758	(1 180 618)	499 276
Vote 7 - Housing	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	98 583 401	(25 097 012)	73 486 389	42 747 650	(30 738 739)	31 829 924
Vote 9 - Public safety	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	50 276 597	2 123 363	52 399 960	55 941 865	3 541 905	49 324 555
Vote 13 - Waste water management	50 230 835	468 643	50 699 478	50 187 743	(511 735)	47 953 602
Vote 14 - Water	90 828 805	895 646	91 724 451	91 350 176	(374 275)	87 228 948
Vote 15 - Directorate Development and Community Services	42 290 227	9 506 408	51 796 635	49 424 575	(2 372 060)	33 110 408
Total Revenue by Vote	**707 568 404**	**(27 378 303)**	**680 190 101**	**647 026 658**	**(33 163 443)**	**600 439 574**
EXPENDITURE						
Vote 1 - Directorate Finance	72 446 217	4 520 056	76 966 273	75 617 037	(1 349 236)	61 968 961
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	113 986 155	(924 395)	113 061 760	110 461 608	(2 600 152)	95 219 150
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	8 612 741	1 737 249	10 349 990	8 870 453	(1 479 537)	6 290 991
Vote 7 - Housing	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	51 368 177	(3 884 775)	47 483 402	33 647 741	(13 835 661)	31 219 569
Vote 9 - Public safety	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	53 749 686	8 633 027	62 382 713	60 677 521	(1 705 192)	56 504 379
Vote 13 - Waste water management	47 116 845	1 346 572	48 463 417	47 659 189	(804 228)	45 928 301
Vote 14 - Water	61 168 347	7 148 560	68 316 907	67 158 445	(1 158 462)	61 095 031
Vote 15 - Directorate Development and Community Services	214 530 219	(315 415)	214 214 804	209 592 634	(4 622 170)	192 298 169
Total Expenditure by Vote	**622 978 387**	**18 260 879**	**641 239 266**	**613 684 628**	**(27 554 638)**	**550 524 551**
Surplus/(Deficit) for the year	**84 590 017**	**(45 639 182)**	**38 950 835**	**33 342 030**	**(5 608 805)**	**49 915 023**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Property rates	124 583 975	1 450 645	126 034 620	127 714 860	1 680 240	121 164 337
Service charges - electricity revenue	119 225 199	(1 999 226)	117 225 973	114 624 975	(2 600 998)	102 525 420
Service charges - water revenue	80 575 965	(1 393 048)	79 182 917	78 378 131	(804 786)	76 960 606
Service charges - sanitation revenue	38 908 551	(1 122 573)	37 785 978	36 981 360	(804 618)	36 287 901
Service charges - refuse revenue	38 478 797	(579 837)	37 898 960	37 686 213	(212 747)	36 186 713
Rental of facilities and equipment	2 279 000	(213 672)	2 065 328	2 165 371	100 043	2 060 385
Interest earned - external investments	11 000 000	(3 200 000)	7 800 000	10 542 388	2 742 388	8 097 552
Interest earned - outstanding debtors	22 472 000	(6 672 000)	15 800 000	16 906 671	1 106 671	12 155 517
Fines, penalties and forfeits	15 657 318	9 463 682	25 121 000	26 620 869	1 499 869	13 928 678
Licences and permits	68 370	(46 370)	22 000	35 792	13 792	108 598
Agency services	8 376 389	(29 189)	8 347 200	7 139 847	(1 207 353)	7 283 913
Transfers and Subsidies - operating	142 866 385	830 324	143 696 709	128 201 647	(15 495 062)	139 317 261
Other revenue	7 892 649	1 422 484	9 315 133	14 097 325	4 782 192	6 161 534
Gains	-	-	-	1 682 669	1 682 669	76 027
Total Revenue (excl capital transfers)	**612 384 598**	**(2 088 780)**	**610 295 818**	**602 778 118**	**(7 517 700)**	**562 314 442**
EXPENDITURE BY TYPE						
Employee related costs	254 167 059	(14 234 241)	239 932 818	238 699 223	(1 233 595)	221 793 890
Remuneration of councillors	13 849 333	(1 429 492)	12 419 841	11 899 590	(520 251)	12 147 720
Debt impairment	64 320 969	19 451 557	83 772 526	83 302 343	(470 183)	62 215 194
Depreciation and asset impairment	22 907 961	8 873 905	31 781 866	31 650 643	(131 223)	31 694 101
Finance charges	15 506 590	4 844 284	20 350 874	20 011 421	(339 453)	16 863 594
Bulk purchases	87 217 142	(860 000)	86 357 142	86 238 654	(118 488)	93 756 366
Inventory Consumed	40 700 795	(2 741 877)	37 958 918	34 528 216	(3 430 702)	19 576 059
Contracted Services	52 911 865	(3 211 837)	49 700 028	46 710 307	(2 989 721)	43 485 794
Transfers and grants	16 398 560	(1 715 774)	14 682 786	1 765 601	(12 917 185)	1 089 472
Other expenditure	54 998 113	8 584 354	63 582 467	58 268 534	(5 313 933)	42 713 304
Losses	-	700 000	700 000	610 096	(89 904)	5 189 057
Total Expenditure	**622 978 387**	**18 260 879**	**641 239 266**	**613 684 627**	**(27 554 639)**	**550 524 552**
Surplus/(Deficit)	**(10 593 789)**	**(20 349 659)**	**(30 943 448)**	**(10 906 509)**	**20 036 939**	**11 789 891**
Transfers and subsidies - capital (monetary) - Government	95 183 806	(25 289 523)	69 894 283	44 248 540	(25 645 743)	38 125 132
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-
Surplus/(Deficit) for the year	**84 590 017**	**(45 639 182)**	**38 950 835**	**33 342 031**	**(5 608 804)**	**49 915 022**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Directorate Finance	-	-	-	-	-	-
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	8 120 000	-	8 120 000	2 344 029	(5 775 971)	6 606 976
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	17 950 000	(3 218 997)	14 731 003	7 782 964	(6 948 039)	-
Vote 9 - Public safety	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	5 037 007	4 829 467	9 866 474	8 952 835	(913 639)	6 116 964
Vote 13 - Waste water management	27 953 530	(14 204 698)	13 748 832	12 085 487	(1 663 345)	16 267 990
Vote 14 - Water	4 750 000	(1 830 125)	2 919 875	1 960 252	(959 623)	1 845 164
Vote 15 - Directorate Development and Community Services	4 780 000	(1 757 331)	3 022 669	2 819 269	(203 400)	-
Total Multi-year expenditure	**68 590 537**	**(16 181 684)**	**52 408 853**	**35 944 836**	**(16 464 017)**	**30 837 094**
Single-year expenditure						
Vote 1 - Directorate Finance	196 400	260 000	456 400	130 639	(325 761)	173 748
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	8 614 000	(872 878)	7 741 122	4 767 364	(2 973 758)	5 699 740
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	-	18 893	18 893	-	(18 893)	-
Vote 7 - Housing	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	30 044 440	(10 761 665)	19 282 775	11 017 926	(8 264 849)	5 698 140
Vote 9 - Public safety	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	4 782 609	-	4 782 609	4 688 649	(93 960)	6 543 522
Vote 13 - Waste water management	21 843 531	(6 485 371)	15 358 160	14 454 133	(904 027)	10 038 683
Vote 14 - Water	16 996 656	7 300 525	24 297 181	14 473 347	(9 823 834)	7 269 188
Vote 15 - Directorate Development and Community Services	30 067 991	(10 011 501)	20 056 490	13 248 940	(6 807 550)	21 620 680
Total Single-year expenditure	**112 545 627**	**(20 551 997)**	**91 993 630**	**62 780 997**	**(29 212 633)**	**57 043 700**
Total Capital Expenditure by Vote	**181 136 164**	**(36 733 681)**	**144 402 483**	**98 725 833**	**(45 676 650)**	**87 880 794**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	-	-	-	-	-
Finance and administration	10 719 250	293 397	11 012 647	8 269 777	(2 742 870)	10 353 320
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	997 500	1 376 718	2 374 218	259 841	(2 114 377)	622 430
Sport and recreation	7 878 493	(7 878 493)	-	-	-	99 999
Public safety	622 000	(191 657)	430 343	282 695	(147 648)	817 668
Housing	48 750 440	(14 496 752)	34 253 688	19 041 766	(15 211 922)	5 856 184
Economic and environmental services						
Planning and development	2 285	593 854	596 139	375 700	(220 439)	52 600
Road transport	14 066 578	(5 165 383)	8 901 195	6 769 958	(2 131 237)	9 690 368
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	16 734 000	(872 878)	15 861 122	7 111 393	(8 749 729)	12 306 716
Water management	21 746 656	5 470 400	27 217 056	16 433 600	(10 783 456)	9 114 351
Waste water management	49 797 061	(20 690 069)	29 106 992	26 539 620	(2 567 372)	26 306 673
Waste management	9 819 616	4 829 467	14 649 083	13 641 483	(1 007 600)	12 660 485
Other	2 285	(2 285)	-	-	-	-
Total Capital Expenditure - Standard	**181 136 164**	**(36 733 681)**	**144 402 483**	**98 725 833**	**(45 676 650)**	**87 880 794**
CAPITAL EXPENDITURE (CONTINUED)						
FUNDING SOURCES						
National Government	41 972 173	(8 695 652)	33 276 521	24 954 208	(8 322 313)	29 170 761
Provincial Government	48 790 440	(12 622 680)	36 167 760	19 260 681	(16 907 079)	8 684 552
District Municipality	-	-	-	-	-	-
Other transfers and grants	4 421 191	(3 971 191)	450 000	-	(450 000)	416 169
Transfers recognised - capital	95 183 804	(25 289 523)	69 894 281	44 214 889	(25 679 392)	38 271 482
Borrowing	62 749 589	(4 920 547)	57 829 042	43 881 694	(13 947 348)	35 277 635
Internally generated funds	23 202 771	(6 523 611)	16 679 160	10 629 249	(6 049 911)	14 331 677
Total Capital Funding	**181 136 164**	**(36 733 681)**	**144 402 483**	**98 725 833**	**(45 676 650)**	**87 880 794**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	105 720 716	5 047 078	110 767 794	117 845 068	7 077 275	117 331 473
Service charges	235 219 401	3 915 156	239 134 557	232 519 826	(6 614 731)	219 901 702
Other revenue	21 230 578	1 057 088	22 287 666	31 733 172	9 445 507	25 591 836
Government - operating	142 866 385	(1 160 597)	141 705 788	133 083 035	(8 622 753)	140 757 552
Government - capital	95 183 806	(26 683 505)	68 500 301	44 214 890	(24 285 411)	35 843 766
Interest	30 069 515	(8 383 400)	21 686 114	9 226 244	(12 459 870)	7 198 213
Payments						
Suppliers and employees	(501 833 779)	17 448 179	(484 385 600)	(475 219 799)	9 165 801	(436 310 659)
Finance charges	(11 350 874)	-	(11 350 874)	(11 218 494)	132 380	(9 882 890)
Transfers and grants	(16 398 560)	1 715 774	(14 682 786)	(4 716 958)	9 965 828	(3 356 719)
NET CASH FROM OPERATING ACTIVITIES	**100 707 188**	**(7 044 229)**	**93 662 960**	**77 466 985**	**(16 195 975)**	**97 074 273**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	1 239 910	1 239 910	816 669
Decrease (increase) other non-current receivables	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	(594 408)	(594 408)	-	594 408	-
Payments		-				
Capital assets	(181 136 164)	36 733 681	(144 402 483)	(98 692 182)	45 710 301	(85 599 427)
NET CASH USED IN INVESTING ACTIVITIES	**(181 136 164)**	**36 139 273**	**(144 996 891)**	**(97 452 272)**	**47 544 620**	**(84 782 759)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	62 749 589	(4 920 547)	57 829 042	34 862 548	(22 966 494)	22 094 345
Increase (decrease) in consumer deposits	257 299	(15 662)	241 636	135 684	(105 953)	67 942
Payments						
Repayment of borrowing	(7 879 410)	(2 974 466)	(10 853 876)	(13 120 615)	(2 266 739)	(9 552 434)
NET CASH FROM FINANCING ACTIVITIES	**55 127 478**	**(7 910 675)**	**47 216 802**	**21 877 616**	**(25 339 186)**	**12 609 853**
NET INCREASE/ (DECREASE) IN CASH HELD	**(25 301 498)**	**21 184 368**	**(4 117 130)**	**1 892 329**	**6 009 458**	**24 901 368**
Cash/cash equivalents at the year begin:	112 430 696	51 659 296	164 089 992	164 089 992	-	139 188 624
Cash/cash equivalents at the year end:	87 129 198	72 843 665	159 972 863	165 982 321	6 009 458	164 089 992