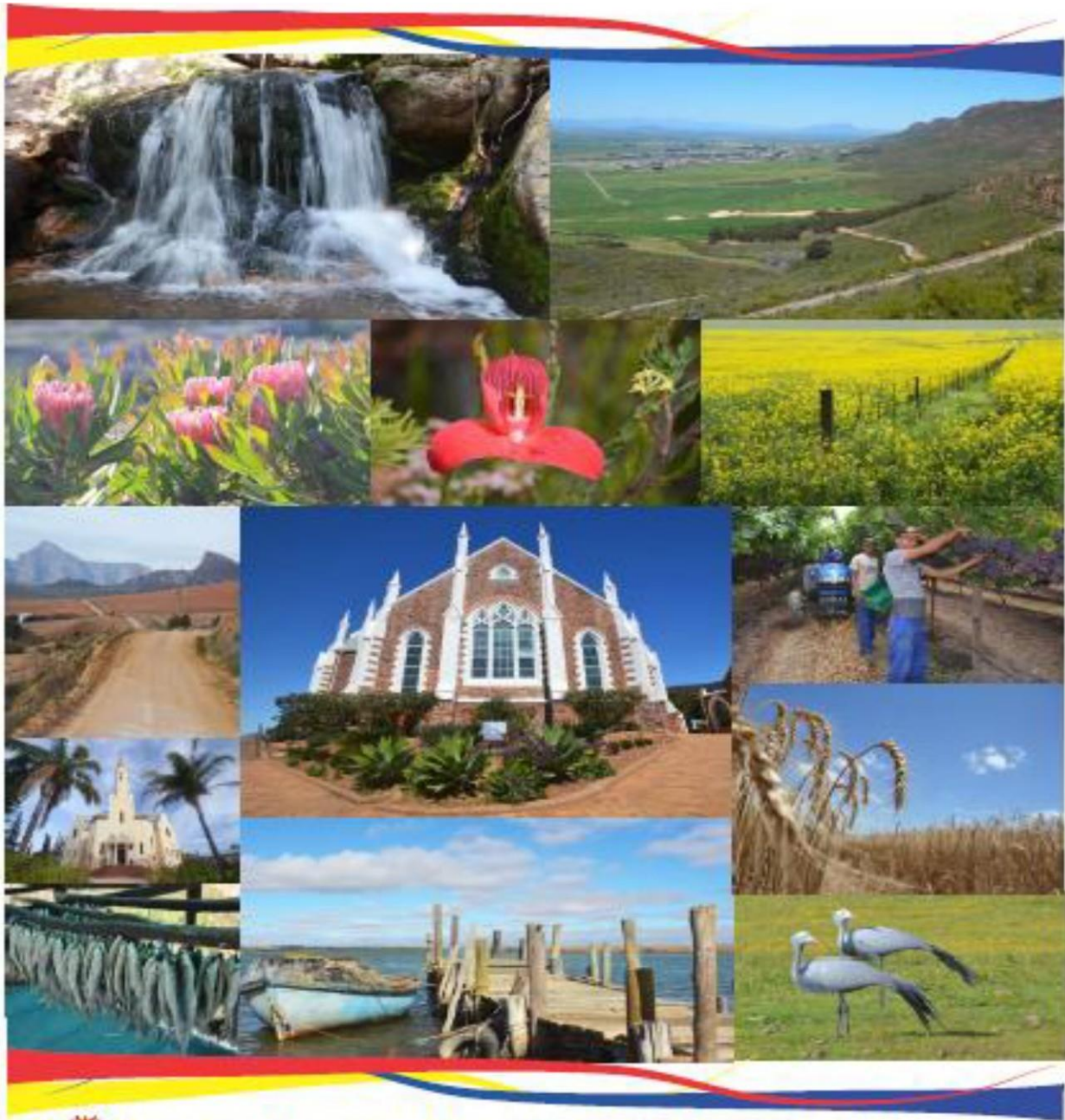
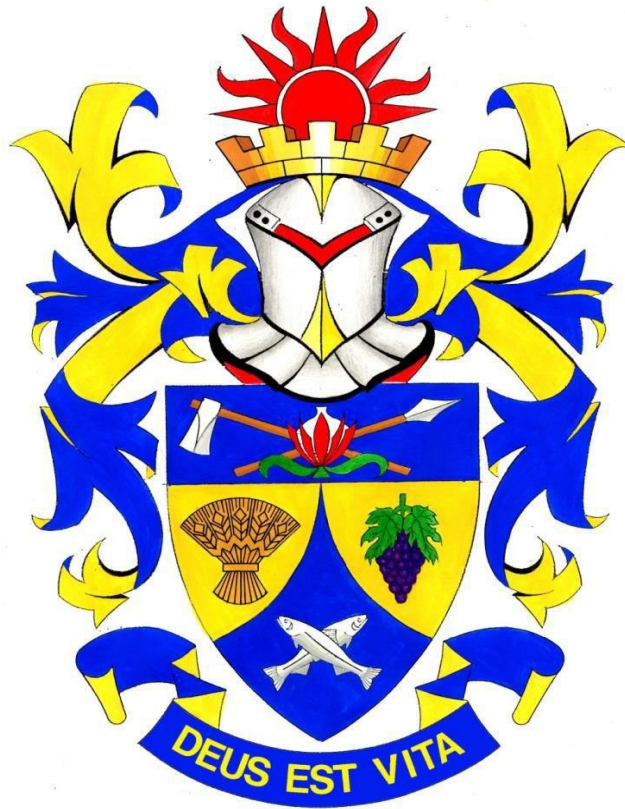


VOLUME II: ANNUAL REPORT:2021/22



UNISIPAUTEIT - BERGRIVIER • UNICIPAUTY
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BERGRIVIER LOCAL MUNICIPALITY



AUDIT REPORT OF AUDITOR GENERAL

Report of the auditor-general to Western Cape Provincial Parliament and the council on the Bergrivier Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Bergrivier Municipality set out on pages 4 to 92, which comprise the statement of financial position as at 30 June 2022, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amount for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Bergrivier Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Context for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2022.

governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objective presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
21. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the municipality's annual performance report for the year ended 30 June 2022:

Objective	Pages in the annual performance report
Strengthen financial sustainability and further enhance good governance	7 - 22

31. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
32. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

| Internal control deficiencies

34. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

30 November 2022



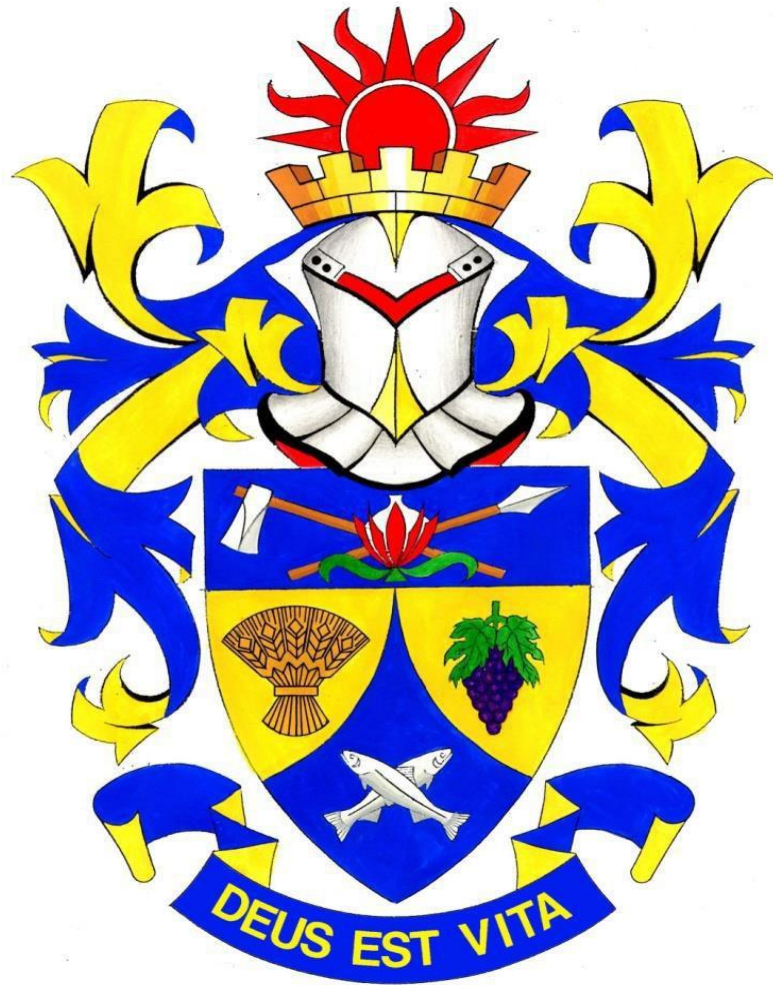
AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

BERGRIVIER LOCAL MUNICIPALITY



REPORT OF AUDIT COMMITTEE

REPORT OF THE PERFORMANCE, RISK AND AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. INTRODUCTION

The Performance, Risk and Audit Committee (PRAC) is an independent statutory committee appointed by the Council in terms of section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

2. PERFORMANCE, RISK AND AUDIT COMMITTEE: Members

During the period from 01 July 2021 to 30 June 2022, the PRAC consisted of five members none of whom are councilors or officials of the Municipality. The committee members were:

- Mr. Chris De Jager (Chairperson)
- Mrs. R Gani
- Ms. G Bolton
- Mr. Burton van Staaden (term ended 30 August 2021)
- Mrs. M Kinnes*
- Mr. D Smith*

**Mrs. Merle Kinnes was appointed as a Performance, Risk and Audit Committee member on 01 September 2021 and attended her first meeting on 02 December 2021.*

**Mr. Danie Smith was appointed as a Performance, Risk and Audit Committee member on 01 April 2022 and attended his first meeting on 06 June 2022.*

3. PRAC MEETINGS

The committee met on the following dates during the year under review:

MEMBERS	CAPACITY	27 AUG 2021	02 DEC 2021	17 MAR 2022	06 JUN 2022
Mr. Chris De Jager	Chairperson	Yes	Yes	Yes	Yes
Mrs. G Bolton	Member	Yes	Yes	Yes	Yes
Mrs. R Gani	Member	Yes	Yes	Yes	Yes
Mr. B van Staaden	Member	Yes	Term ended		
Mrs. M Kinnes	Member		Yes	Apology	Yes
Mr. Danie Smith	Member				Yes

4. PERFORMANCE, RISK AND AUDIT COMMITTEE ROLE AND RESPONSIBILITIES

The PRAC was fully functional and fulfilled its responsibilities for the year under review. The committee operated in accordance with the adopted Audit Committee Charter, which was approved by Council. The provisions contained in section 166 of the Local Government: Municipal Finance Management Act, 2003 and Internal Audit Framework, which was developed by National Treasury, are included in the Charter.

5. PERFORMANCE MANAGEMENT

In terms of paragraph 4(a) of the Municipal Planning and Performance Management Regulations of 2000, the PRAC must:

- (i) review the quarterly reports submitted to it in terms of sub regulation (1)(c)(ii);
- (ii) review the municipality's performance management system and make recommendations in this regard to the council of that municipality; and
- (iii) at least twice during a financial year submit an audit report to the municipal council concerned.

During the 2021/2022 financial year the committee reviewed all the quarterly performance reports. Mrs G Bolton, as representative of the committee, attended the formal performance evaluations of the Municipal Manager and Directors.

The PRAC is satisfied that an effective performance management system is in place, and that it is competently managed and operated.

6. REPORTS REVIEWED FOR THE PERIOD 01 JULY 2021 TO JUNE 2022

The PRAC has reviewed the following reports for the period under review:

- 6.1. Quarterly Performance Management (x4 reports)
- 6.2. Operation Clean Audit monitoring reports
- 6.3. Inventory (2 Stock take reports)
- 6.4. Eunomia Compliance Report
- 6.5. DORA
- 6.6. Maintenance of Proclaimed Main Roads
- 6.7. Traffic services e-Natis transactions
- 6.8. Application of approved tariffs
- 6.9. Ethics
- 6.10. Land invasion
- 6.11. Follow-up audit reports
- 6.12. Audit and Management reports of the Auditor-General on the Annual Financial Statements

7. POLICIES REVIEWED FOR THE 2021/2022 FINANCIAL YEAR:

The following policies were reviewed by the PRAC:

- 7.1. Internal Audit Work Procedures
- 7.2. Internal Audit Charter
- 7.3. Performance, Risk and Audit Committee Charter
- 7.4. Risk Management Policy
- 7.5. Risk Management Strategy and Implementation Plan
- 7.6. Risk Committee Charter
- 7.7. Anti-Fraud and Corruption Policy

8. EFFECTIVENESS OF THE INTERNAL AUDIT DEPARTMENT

Legislation in South Africa requires the establishment, roles, and responsibilities of internal audit units. Internal audit units form part of the internal control and governance structures of the municipality and play an important role in its monitoring activities. Internal audit provides an independent assessment of the municipality governance, risk management and internal control processes.

The internal audit unit of a municipality must prepare a risk-based audit plan and internal audit programme for each financial year. It must advise the accounting officer and report to PRAC

on implementing the internal audit plan and matters relating to internal audit, internal controls, accounting procedures and practices, risk and risk management, performance management, loss control and compliance with the MFMA. The internal audit unit must also perform such other duties as may be assigned by the accounting officer.

No deficiencies have been identified in this regard.

9. 2021/2022 DRAFT ANNUAL FINANCIAL STATEMENTS

The committee had an opportunity to review the 2021/2022 draft annual financial statements on 26 August 2022 and commented thereon.

10. REPORT OF THE AUDITOR-GENERAL FOR THE 2021/2022 FINANCIAL YEAR

The PRAC has taken note of the Auditor General's Audit and Management Reports for the 2021/2022 financial year and will together with the municipal administration endeavor to ensure that all internal controls deficiencies are addressed as soon as possible.

11. INTERNAL CONTROLS

Notwithstanding internal control deficiencies reported on by the Auditor-General, the PRAC is satisfied that sufficient effective internal control procedures are designed and implemented by the municipality, and that it is effectively applied.

12. INDEPENDENCE


The PRAC has at all times acted independently during its engagements with the officials and Councilors of the municipality.

13. CLEAN AUDIT REPORT

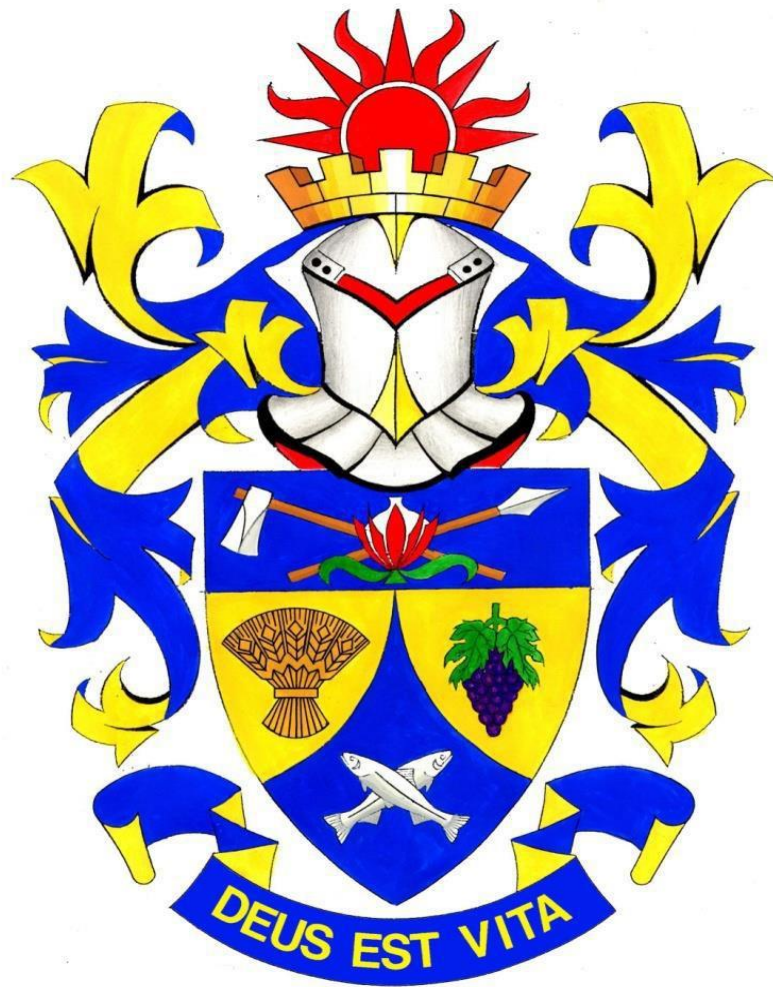
The PRAC wishes to congratulate the municipality for achieving another clean audit report for the 2021/2022 financial year. This is attributed to a team effort, and our compliments to every contributor thereto.

C De Jager

Chairperson: Performance, Risk and Audit Committee

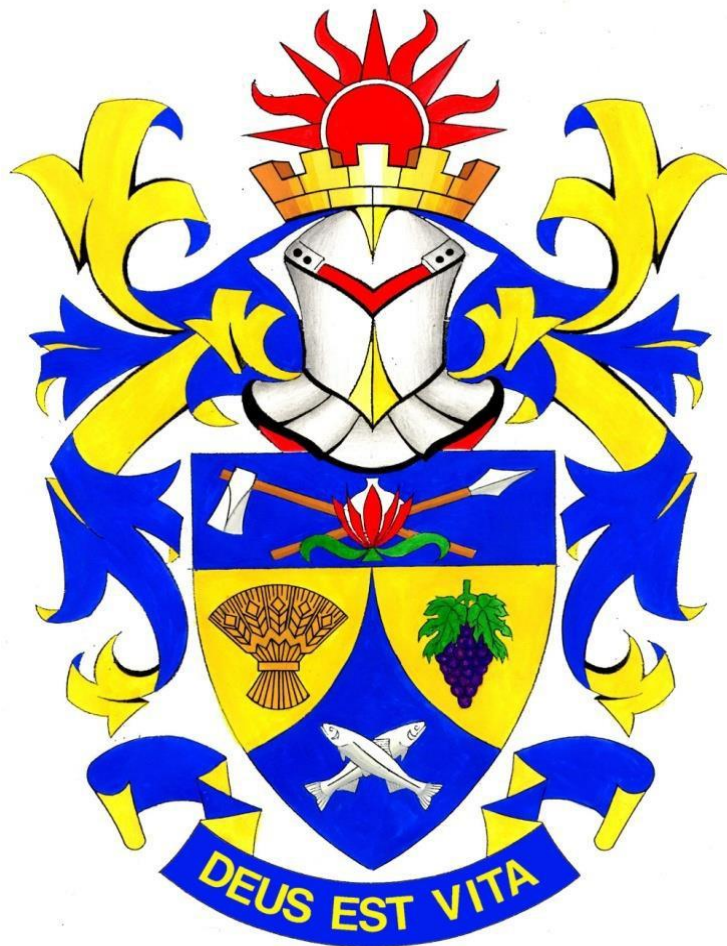


BERGRIVIER LOCAL MUNICIPALITY



AUDITED ANNUAL FINANCIAL STATEMENTS 30 JUNE 2022

BERGRIVIER LOCAL MUNICIPALITY



AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2022



AUDITOR-GENERAL
SOUTH AFRICA

30 Nov 2022

BERGRIVIER LOCAL MUNICIPALITY

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AUDITOR-GENERAL
SOUTH AFRICA

30 Nov 2022

BERGRIVIER LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Bergrivier Local Municipality performs the functions as set out in the Constitution of South Africa, 1996

LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act, 1998 (Act 117 of 1998).

JURISDICTION

The Bergrivier Local Municipality includes the following areas:

Piketberg	Eendekuil	Aurora
Porterville	Redelinghuys	Wittewater
Velddrif	Dwarskersbos	Goedverwacht

MEMBERS OF THE COUNCIL (AFTER NOV 21 ELECTIONS)

Ward 1	Cllr J Daniels
Ward 2	Cllr AJ du Plooy
Ward 3	Ald A de Vries
Ward 4	Ald RM van Rooy
Ward 5	Ald MA Wessels
Ward 6	Cllr A Small
Ward 7	Cllr JJ Moolman
Proportional	Ald R Swarts
Proportional	Cllr SS Lesch
Proportional	Cllr R Laubscher
Proportional	Ald EB Manuel
Proportional	Cllr IS Adams
Proportional	Cllr BU Maarman

MEMBERS OF THE COUNCIL (PRIOR TO NOV 21 ELECTIONS)

Ward 1	Cllr J Daniels
Ward 2	Cllr AJ du Plooy
Ward 3	Ald A de Vries
Ward 4	Ald RM van Rooy
Ward 5	Cllr A van Wyk
Ward 6	Cllr A Small
Ward 7	Ald SM Crafford
Proportional	Cllr SR Swartz
Proportional	Ald MA Wessels
Proportional	Cllr D De Bruin
Proportional	Ald SIJ Smit
Proportional	Cllr IS Adams
Proportional	Cllr SS Lesch

MEMBERS OF THE MAYORAL COMMITTEE (AFTER NOV 21 ELECTIONS)

Executive Mayor	Ald RM van Rooy
Deputy Executive Mayor	Ald MA Wessels
Executive Councillor	Cllr J Daniels
Executive Councillor	Ald A de Vries

MEMBERS OF THE MAYORAL COMMITTEE (PRIOR TO NOV 21 ELECTIONS)

Executive Mayor	Ald RM van Rooy
Deputy Executive Mayor	Ald SM Crafford
Executive Councillor	Cllr AJ du Plooy
Executive Councillor	Ald MA Wessels

MUNICIPAL MANAGER

Adv. H Linde

CHIEF FINANCIAL OFFICER

Mr FM Lötter (Resigned 31 July 2022)
Mrs N Bothma (Acting from 1 August 2022 - 31 Augustus 2022)
Mr D Louw (Appointed to start 1 September 2022)

AUDIT COMMITTEE

Mr CB de Jager (Chairperson)
Ms R Gani
Ms G Bolton
Ms M Kinnes
Mr D Smith

REGISTERED OFFICE

13 Church Street
Piketberg



AUDITOR-GENERAL
SOUTH AFRICA

30 Nov 2022

BERGRIVIER LOCAL MUNICIPALITY

GENERAL INFORMATION

POSTAL ADDRESS

PO Box 60
Piketberg
7320

AUDITORS

Office of the Auditor General (WC)

PRINCIPAL BANKERS

Nedbank Limited

ATTORNEYS

MH Sethosa Inc.
Marais Muller Hendricks Inc.
Van der Spuy and Associates
De Villiers van Zyl Inc.
Sune van der Merwe Attorneys
Brand and Partners

RELEVANT LEGISLATION

Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
Collective Agreements
Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)
Division of Revenue Act
Electricity Act, 1987 (Act 41 of 1987)
Employment Equity Act, 1998 (Act 55 of 1998)
Employment Services, 2014 (Act 4 of 2014)
Housing Act, 1997 (Act 107 of 1997)
Labour Relations Act, 1995 (Act 66 of 1995)
Municipal Budget and Reporting Regulations
Municipal Finance Management Act, 2003 (Act 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act, 2004 (Act 6 of 2004)
Municipal Regulations on a Standard Chart of Accounts, 2014
Municipal Structures Act, 1998 (Act 117 of 1998) as amended
Municipal Systems Act, 2000 (Act 32 of 2000) as amended
National Environmental Management Act, 2008 (Act 62 of 2008)
National Minimum Wage Act 9 of 2018
Occupational Health and Safety Act, 1993 (Act 85 of 1993)
Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998)
SALGBC Leave Regulations
Skills Development Levies Act, 1999 (Act 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act, 1966 (Act 30 of 1966)
Unemployment Insurance Contributions Act 4 of 2002
Value Added Tax Act
Water Services Act, 1997 (Act 108 of 1997)



AUDITOR-GENERAL
SOUTH AFRICA

30 Nov 2022

BERGRIVIER 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 for the year ended 30 June 2022, which are set out on pages 1 to 93 in terms of Section 126 (1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) 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 is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing 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 Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



Adv. H Linde
Municipal Manager

31 August 2022

Date



AUDITOR-GENERAL
SOUTH AFRICA

30 Nov 2022

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BERGRIVIER LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
ASSETS			
Current Assets		236 059 345	221 548 570
Cash and Cash Equivalents	2	143 588 264	141 645 797
Receivables from Exchange Transactions	3	43 632 742	32 928 401
Receivables from Non-Exchange Transactions	4	45 455 505	43 342 467
Operating Lease Asset	5	18 481	31 028
Current Portion of Long-term Receivables	6	2 409 493	2 516 338
Inventory	7	954 860	1 084 539
Non-Current Assets		507 808 900	477 966 576
Long-term Receivables	6	6 253 120	4 429 997
Investment Property	8	14 687 670	14 752 109
Property, Plant and Equipment	9	483 301 147	455 098 684
Intangible Assets	10	3 112 951	3 231 774
Heritage Assets	11	454 012	454 012
Total Assets		743 868 245	699 515 146
Current Liabilities			
Current Liabilities		68 055 142	70 424 475
Current Portion of Long-term Liabilities	12	9 656 967	7 879 478
Consumer Deposits	13	4 786 082	4 319 428
Payables from Exchange Transactions	14	33 167 052	32 881 465
Taxes	15	496 959	1 013 301
Unspent Conditional Government Grants	16	4 563 122	8 752 963
Unspent Public Contributions	17	123 819	-
Operating Lease Liability	5	30 295	2 211
Current Employee Benefits	18	15 230 845	15 575 629
Non-Current Liabilities		208 567 461	190 737 563
Long-term Liabilities	12	65 834 277	60 841 281
Employee Benefits	19	41 521 000	38 717 000
Non-Current Provisions	20	101 212 184	91 179 282
Total Liabilities		276 622 603	261 162 038
NET ASSETS		467 245 642	438 353 109
COMMUNITY WEALTH			
Accumulated Surplus		431 877 170	407 244 037
Capital Replacement Reserve	21	35 107 900	30 848 500
Housing Development Fund	21	260 572	260 572
		467 245 642	438 353 109



AUDITOR-GENERAL
SOUTH AFRICA

30 Nov 2022

BERGRIVIER LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		203 970 624	210 906 007
Taxation Revenue		84 410 540	78 811 149
Property Rates	22	84 410 540	78 811 149
Transfer Revenue		88 762 795	99 508 775
Government Grants and Subsidies - Operating	23	68 724 780	70 020 927
Government Grants and Subsidies - Capital	23	20 038 015	19 792 815
Contributed Assets	24	-	9 695 034
Other Revenue		30 797 290	32 586 083
Availability Charges	25	10 219 015	10 589 805
Insurance Refund		449 380	251 809
Fines, penalties and forfeits	26	18 737 152	21 744 468
Actuarial Gains	27	1 391 744	-
REVENUE FROM EXCHANGE TRANSACTIONS		241 942 701	208 709 685
Operating Activities		241 942 701	208 709 685
Service Charges	28	212 962 297	185 136 297
Rental of Facilities and Equipment	29	6 488 097	4 292 426
Interest Earned - external investments	30	7 447 059	5 663 349
Interest Earned - outstanding debtors		5 166 250	4 941 766
Licences and Permits		84 694	94 336
Agency Services	31	4 676 053	4 707 682
Other Income	32	4 872 043	3 873 829
Gain on disposal of Non-Monetary Assets	44	246 208	-
CONSTRUCTION CONTRACTS	33	-	4 865 154
TOTAL REVENUE		445 913 325	424 480 846
EXPENDITURE			
Employee Related Costs	34	146 665 018	135 119 215
Remuneration of Councillors	35	6 800 868	6 654 639
Debt Impairment	36	13 606 101	33 015 587
Depreciation and Amortisation	37	27 624 860	21 865 133
Finance Charges	38	17 970 731	15 441 561
Bulk Purchases	39	125 095 464	105 128 105
Contracted Services	40	32 895 292	24 524 389
Transfers and Grants	41	6 736 094	5 866 810
Other Expenditure	42	39 626 366	34 931 773
Actuarial Losses	43	-	2 135 498
Loss on disposal of Non-Monetary Assets	44	-	2 228 389
TOTAL EXPENDITURE		417 020 794	386 911 099
NET SURPLUS FOR THE YEAR		28 892 532	37 569 747



AUDITOR-GENERAL
SOUTH AFRICA

30 Nov 2022

BERGRIVIER LOCAL MUNICIPALITY

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

	CAPITAL REPLACEMENT RESERVE R	HOUSING DEVELOPMENT FUND R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2020 - Previously Reported	30 848 500	260 572	370 424 327	401 533 399
Correction of error restatement - note 45.5	-	-	(750 037)	(750 037)
Balance on 30 June 2020 - Restated	30 848 500	260 572	369 674 289	400 783 361
Net Surplus for the year	-	-	37 569 747	37 569 747
Transfer to Capital Replacement Reserve	15 655 740	-	(15 655 740)	-
Property, Plant and Equipment purchased	(15 655 740)	-	15 655 740	-
Balance on 30 June 2021 - Restated	30 848 500	260 572	407 244 037	438 353 109
Net Surplus for the year	-	-	28 892 533	28 892 533
Transfer to Capital Replacement Reserve	21 257 946	-	(21 257 946)	-
Property, Plant and Equipment purchased	(16 998 546)	-	16 998 546	-
Balance on 30 June 2022	35 107 900	260 572	431 877 170	467 245 642



AUDITOR-GENERAL
SOUTH AFRICA

30 Nov 2022

BERGRIVIER LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		83 107 956	78 216 702
Service Charges and Interest on outstanding Debtors		214 279 354	191 435 007
Other Revenue and receipts		22 695 752	24 775 194
Government Grants		84 572 954	93 533 798
Investment Income		7 429 272	5 642 121
Payments			
Suppliers and employees		(349 254 713)	(299 488 153)
Finance charges		(7 206 042)	(6 568 711)
Transfer and Grants		(6 736 094)	(5 866 810)
NET CASH FROM OPERATING ACTIVITIES	46	48 888 439	81 679 148
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Non-Monetary Assets		616 852	751 135
Payments			
Purchase of Capital Assets		(54 333 311)	(51 724 435)
NET CASH USED INVESTING ACTIVITIES		(53 716 458)	(50 973 300)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New loans raised		14 650 000	15 200 000
Payments			
Loans repaid		(7 879 514)	(6 072 485)
NET CASH FROM FINANCING ACTIVITIES		6 770 486	9 127 515
NET INCREASE IN CASH HELD		1 942 467	39 833 363
Cash and Cash Equivalents at the beginning of the year		141 645 797	101 812 433
Cash and Cash Equivalents at the end of the year		143 588 264	141 645 797



AUDITOR-GENERAL
SOUTH AFRICA

30 Nov 2022

BERGRIVIER LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 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	16 035 661	40 411 312	56 446 973	22 809 942	(33 637 031)
Call investment deposits	70 000 000	-	70 000 000	120 778 322	50 778 322
Consumer debtors	84 439 684	(15 042 482)	69 397 202	82 945 949	13 548 747
Other Receivables	9 236 520	(1 624 816)	7 611 704	6 160 779	(1 450 925)
Current portion of long-term receivables	5 512	2 510 826	2 516 338	2 409 493	(106 845)
Inventory	2 123 712	(1 039 172)	1 084 539	954 860	(129 680)
Total current assets	181 841 089	25 215 668	207 056 756	236 059 345	29 002 589
Non current assets					
Long-term receivables	300 961	4 129 036	4 429 997	6 253 120	1 823 123
Investment property	15 097 107	(174 618)	14 922 489	14 687 670	(234 819)
Property, plant and equipment	454 940 974	28 133 098	483 074 072	483 301 147	227 075
Intangible Assets	3 733 481	187 371	3 920 852	3 112 951	(807 901)
Other non-current assets	454 012	-	454 012	454 012	-
Total non current assets	474 526 535	32 274 887	506 801 422	507 808 900	1 007 478
TOTAL ASSETS	656 367 624	57 490 554	713 858 178	743 868 245	30 010 067
LIABILITIES					
Current liabilities					
Borrowing	8 409 183	(993 894)	7 415 288	9 656 967	2 241 679
Consumer deposits	4 324 898	394 530	4 719 428	4 786 082	66 654
Trade and other payables	30 555 719	3 209 572	33 765 291	38 381 247	4 615 957
Provisions and Employee Benefits	16 081 786	515 012	16 596 798	15 230 845	(1 365 953)
Total current liabilities	59 371 586	3 125 219	62 496 805	68 055 142	5 558 337
Non current liabilities					
Borrowing	67 396 169	1 763 481	69 159 650	65 834 277	(3 325 373)
Provisions and Employee Benefits	117 762 449	24 563 832	142 326 281	142 733 184	406 903
Total non current liabilities	185 158 618	26 327 313	211 485 931	208 567 461	(2 918 470)
TOTAL LIABILITIES	244 530 204	29 452 532	273 982 737	276 622 603	2 639 866
NET ASSETS	411 837 420	28 038 022	439 875 442	467 245 642	27 370 201
COMMUNITY WEALTH					
Accumulated Surplus	376 357 348	32 409 022	408 766 369	431 877 170	23 110 801
Reserves	35 480 072	(4 371 000)	31 109 072	35 368 472	4 259 400
TOTAL COMMUNITY WEALTH/EQUITY	411 837 420	28 038 022	439 875 442	467 245 642	27 370 201

Refer to note 48.2 for explanations of material variances.

Material variances are considered to be any variances greater than R4 million.



AUDITOR-GENERAL
SOUTH AFRICA

30 Nov 2022

BERGRIVIER LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 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	86 623 594	(400 000)	86 223 594	-	86 223 594	84 410 540	(1 813 054)
Service Charges - Electricity Revenue	146 330 091	2 110 001	148 440 092	-	148 440 092	144 644 873	(3 795 219)
Service Charges - Water Revenue	29 943 825	3 596 000	33 539 825	-	33 539 825	36 020 120	2 480 295
Service Charges - Sanitation Revenue	14 960 000	505 000	15 465 000	-	15 465 000	15 866 105	401 105
Service Charges - Refuse Revenue	24 751 000	974 000	25 725 000	-	25 725 000	26 650 214	925 214
Rental of Facilities and Equipment	1 413 000	(8 000)	1 405 000	-	1 405 000	1 505 830	100 830
Interest Earned - External Investments	6 382 000	647 000	7 029 000	-	7 029 000	7 447 059	418 059
Interest Earned - Outstanding Debtors	5 700 000	(1 000 000)	4 700 000	-	4 700 000	5 166 250	466 250
Fines	23 225 000	(1 945 000)	21 280 000	-	21 280 000	18 737 152	(2 542 848)
Licences and Permits	73 000	-	73 000	-	73 000	84 694	11 694
Agency Services	4 627 000	885 000	5 512 000	-	5 512 000	4 676 053	(835 947)
Transfers Recognised - Operational	68 846 957	4 093 945	72 940 902	-	72 940 902	68 724 780	(4 216 122)
Other Revenue	8 541 000	1 176 000	9 717 000	-	9 717 000	9 623 359	(93 641)
Gains	-	2 600 000	2 600 000	-	2 600 000	1 637 952	(962 048)
Total Revenue (excluding capital transfers)	421 416 467	13 233 946	434 650 413	-	434 650 413	425 194 980	(9 455 433)
EXPENDITURE							
Employee Related Costs	145 585 375	7 757 548	153 342 923	(1 163 332)	152 179 591	146 034 922	(6 144 669)
Remuneration of Councillors	6 977 800	(349 800)	6 628 000	200 000	6 828 000	6 800 868	(27 132)
Debt Impairment	37 185 000	(4 220 858)	32 964 142	-	32 964 142	13 606 101	(19 358 041)
Depreciation and Asset Impairment	24 463 950	2 797 050	27 261 000	-	27 261 000	27 624 860	363 860
Finance Charges	18 149 000	(164 929)	17 984 071	-	17 984 071	17 970 731	(13 340)
Bulk purchases - electricity	113 800 000	1 740 000	115 540 000	-	115 540 000	118 995 098	3 455 098
Inventory consumed	15 811 000	2 075 977	17 886 977	(258 175)	17 628 802	15 361 683	(2 267 119)
Contracted Services	28 850 000	7 766 019	36 616 019	1 725 137	38 341 156	32 895 292	(5 445 864)
Transfers and Grants	6 485 000	523 577	7 008 577	-	7 008 577	6 736 094	(272 483)
Other Expenditure	37 970 900	1 228 214	39 199 114	(503 630)	38 695 484	30 995 144	(7 700 340)
Losses	-	2 600 000	2 600 000	-	2 600 000	-	(2 600 000)
Total Expenditure	435 278 025	21 752 798	457 030 823	-	457 030 823	417 020 793	(40 010 030)
Surplus/(Deficit)	(13 861 558)	(8 518 852)	(22 380 410)	-	(22 380 410)	8 174 186	30 554 596
Transfers and subsidies - capital (monetary) - Government	23 790 043	(1 548 326)	22 241 717	-	22 241 717	19 804 396	(2 437 321)
Transfers and subsidies - capital (monetary) - Other	504 000	(214 000)	290 000	-	290 000	913 949	623 949
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	10 432 485	(10 281 178)	151 307	-	151 307	28 892 532	28 741 225

Refer to note 48.3 for explanations of material variances.

Material variances are considered to be any variances greater than R4 million.



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SOUTH AFRICA

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BERGRIVIER LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 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	84 190 033	(4 937 456)	79 252 576	83 107 956	3 855 380
Service charges	201 764 526	14 674 617	216 439 143	214 279 354	(2 159 788)
Other revenue	17 642 000	3 126 858	20 768 858	22 229 098	1 460 240
Government Grants	87 637 000	(957 760)	86 679 240	84 572 954	(2 106 286)
Interest	8 760 335	924 965	9 685 300	7 429 272	(2 256 028)
Payments					
Suppliers and Employees	(346 547 907)	(19 991 958)	(366 539 865)	(349 254 713)	17 285 152
Finance Charges	(7 206 000)	(71)	(7 206 071)	(7 206 042)	29
Transfers and Grants	(6 485 000)	(523 577)	(7 008 577)	(6 736 094)	272 483
Net Cash from/(used) Operating Activities	39 754 986	(7 684 383)	32 070 604	48 421 785	16 351 181
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	504 000	(214 000)	290 000	616 852	326 852
Payments					
Capital Assets	(56 187 043)	373 436	(55 813 607)	(54 333 311)	1 480 296
Net Cash from/(used) Investing Activities	(55 683 043)	159 436	(55 523 607)	(53 716 458)	1 807 149
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	14 650 000	1 083 657	15 733 657	14 650 000	(1 083 657)
Increase/(Decrease) in Consumer Deposits	220 007	179 993	400 000	466 654	66 654
Payments					
Repayment of Borrowing	(8 409 183)	529 705	(7 879 478)	(7 879 514)	(36)
Net Cash from/(used) Financing Activities	6 460 824	1 793 355	8 254 179	7 237 141	(1 017 039)
NET INCREASE/(DECREASE) IN CASH HELD	(9 467 232)	(5 731 592)	(15 198 824)	1 942 467	17 141 291
Cash and Cash Equivalents at the year begin	95 502 893	46 142 904	141 645 797	141 645 797	-
Cash and Cash Equivalents at the year end	86 035 661	40 411 312	126 446 973	143 588 264	17 141 291

Refer to note 48.4 for explanations of material variances.

Material variances are considered to be any variances greater than R4 million.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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, 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 a prior year comparatives are restated accordingly.



BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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. The 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 not be significant.

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

1.09.2 Housing Development Fund (HDF)

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress, as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income from houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

- (a) The HDF is fully cash-backed.
- (b) The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy and also for housing development projects approved by the MEC for Human Settlements.
- (c) Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.

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
Land	N/A
Buildings	5 - 100



BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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, 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 net subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or is associated with the asset.

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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		Leased Assets	
Land	N/A	Furniture and Office Equipment	2 - 5
Buildings	5 - 100		
Work in progress	N/A	Community Assets	
		Community Facilities	5 - 50
Infrastructure		Sport and Recreational Facilities	5 - 50
Electrical	5 - 50	Work in progress	N/A
Roads	5 - 50		
Sanitation	5 - 100	Other Assets	
Solid Waste	3 - 50	Computer Equipment	3 - 15
Storm Water	5 - 50	Furniture and Office Equipment	5 - 30
Water Supply	3 - 100	Machinery and Equipment	2 - 30
Work in progress	N/A	Transport Assets	2 - 30

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.

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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	5 - 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 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 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.



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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 used 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.

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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 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 (defined-contribution fund), and will have no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay employee benefits relating to employee service in the current and prior periods. The contributions to fund for 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.



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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 60% (70% for employment prior to 1 October 2018) as contribution and the remaining 40% (30% for employment prior to 1 October 2018) 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

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- (a) Wages, salaries and social security contributions;
- (b) Short-term compensated absences (such as paid annual leave and paid sick leave) where the cost is due to be settled within twelve months after the end of the reporting period in which the employee service; and
- (c) non-monetary benefits (for example, medical care, and free or subsidised goods or services such as cellphones) for current employees.



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When an employee has rendered service to the municipality during a reporting period, the municipality recognise 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 recognise 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

1.16.3.1 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.

1.17 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 , obligation, the provision is derecognised.



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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, costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance costs and financial liabilities are significantly different from similar charges usually obtained in an open market, specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the amount is amortised over the period of the loan transactions.



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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 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 c asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality c the financial asset and also recognises a collateralised borrowing for the proceeds received.



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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, receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights a retained in the transfer.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 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.

1.25 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.

1.26 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 potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability that the conditions have not been met. Where such requirements are not enforceable, or where past experience transferor has never enforced the requirement to return the transferred asset, other future economic benefit breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.



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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.

1.27 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.

1.27.1 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.

1.27.1.1 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.

1.27.1.2 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.

1.27.1.3 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.

1.27.1.4 Fines

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

1.27.1.5 Insurance Refund

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.

1.27.1.6 Unclaimed deposits

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits in account will be treated as revenue. This policy is in line with prescribed debt principle as enforced by law.



BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1.27.1.7 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.

1.27.1.8 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 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.

1.27.1.9 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.

1.27.2 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.

1.27.2.1 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.

1.27.2.2 Interest earned

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



BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1.27.2.3 Rental income

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

1.27.2.4 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.

1.27.2.5 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.

1.27.2.6 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.

1.27.2.7 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.

1.27.3 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 contractor is shared 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 houses. As a project developer the Municipality will appoint contractors and will make payments for work completed on meeting milestones and the contractor.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

1.28 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.

1.29 SERVICE CONCESSION ARRANGEMENTS

Service concession arrangement is a contractual arrangement between a grantor and an operator in which an operator uses the services concession asset to provide a mandated function on behalf of a grantor for a specified period, where the operator is compensated for its services over the period of service concession arrangement.

A grantor is the entity that grants the right to use the service concession asset to the operator, which in this case will be the Municipality.

A mandated function involves the delivery of a public service by an operator on behalf of a grantor that falls within the grantor's mandate.

An operator is the entity that uses the service concession asset to provide a mandated function subject to the grantor's control of the asset.

A service concession asset is an asset used to provide a mandated function in a service concession arrangement that:

- (a) is provided by the operator which:
 - the operator constructs, develops, or acquires from a third party; or
 - is an existing asset of the operator; or
- (b) is provided by the grantor which:
 - is an existing asset of the grantor; or
 - is an upgrade to an existing asset of the grantor.

The Municipality recognises an asset provided by the operator and an upgrade to an existing asset of the Municipality, as a service concession asset if the Municipality controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and if the Municipality controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement. This applies to an asset used in a service concession arrangement for its entire economic life (a "whole-of-life" asset).

After initial recognition or reclassification, service concession assets are clearly identified from other assets within the same asset category, and are clearly identified from owned and/or leased assets.

Where the Municipality recognises a service concession asset, and the asset is not an existing asset of the Municipality (grantor) also recognises a liability.

The Municipality does not recognise a liability when an existing asset of the Municipality is reclassified as a service concession asset in circumstances where additional consideration is provided by the operator.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The Municipality initially measures the service concession asset as follows:

- (a) Where the asset is not an existing asset of the Municipality, the asset is measured at its fair value.
- (b) Where the asset is an existing asset of the Municipality and it meets the recognition criteria of a service concession asset, the asset is reclassified as a service concession asset, and the asset is accounted for in accordance with the policy on Investment property, Property, plant and equipment, Intangible assets, or Heritage assets, as appropriate.

The Municipality initially measures the liability at the same amount as the service concession asset, adjusted by the amount of any other consideration from the Municipality to the operator, or from the operator to the Municipality.

Where the Municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the Municipality accounts for the liability as a financial liability.

The Municipality allocates the payments to the operator and accounts for them according to their substance as a reduction in the liability recognised, a finance charge, and charges for services provided by the operator.

The finance charge and charges for services provided by the operator in a service concession arrangement are accounted for as expenses.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the entity to the operator are allocated by reference to the relative fair values of the service concession asset and the services.

Where the asset and service components are not separately identifiable, the service component of payments from the Entity to the operator is determined using estimation techniques.

Where the Municipality does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue-generating asset, the Municipality accounts for the liability as the unearned portion of the revenue arising from the exchange of assets between the Municipality and the operator.

The Municipality recognises revenue and reduces the liability according to the substance of the service concession arrangement.

If the Municipality pays for the construction, development, acquisition, or upgrade of a service concession asset partly by incurring a financial liability and partly by the grant of a right to the operator, it accounts separately for each part of the total liability.

The Municipality accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the policy on Provisions, Contingent liabilities and contingent assets and Financial instruments.

The Municipality accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the Standard of GRAP on Revenue from exchange transactions.

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 P₁ Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipal Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the State Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 measured 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 o normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which it expect the Municipality to have adopted if dealing with that individual entity or person in the same circumstances, and conditions are within the normal operating parameters established by Municipality's legal mandate.

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 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 it 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 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 relevant Standards of GRAP.

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration

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



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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 item 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 arise directly from legislation or similar means, or from a separate contract concluded with a party. Judgement principles as set out in the respective Standards of GRAP on Financial Instruments and Statutory Receivables.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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Figures in Rand

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CASH AND CASH EQUIVALENTS

	2022	2021
Bank Accounts	22 790 092	9 051 931
Investment Deposits	120 778 322	132 574 016
Cash Floats	19 850	19 850
Total	143 588 264	141 645 797

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:

Unspent Conditional Grants	4 563 122	8 752 963
Unspent Borrowings	-	1 540 000
Capital Replacement Reserve	35 107 900	30 848 500
Cash portion of Housing Development Fund	260 572	260 572
Department of Human Settlements	525 958	790 997
Cash available for working capital requirements	103 130 712	99 452 764
Total Cash and Cash Equivalents	143 588 264	141 645 797

Bank Accounts

ABSA Bank Limited - Account number 11-8056-0153 (Primary Bank Account)	-	-
Nedbank Limited - Account number 11-6976-1380 (Primary Bank Account)	22 790 092	9 051 931
Nedbank Limited - Account number 11-6976-1402 (Traffic Account)	-	-
Total	22 790 092	9 051 931

Bank accounts consists out of the following accounts:

ABSA Bank Limited - Account number 11-8056-0153 (Primary Bank Account)

Cash book balance at beginning of year	-	2 040 810
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	2 040 810
Bank statement balance at end of year	-	-
Account was closed on 23 August 2021		

Nedbank Limited - Account number 11-6976-1380 (Primary Bank Account)

Cash book balance at beginning of year	9 051 931	39 594 288
Cash book balance at end of year	22 790 092	9 051 931
Bank statement balance at beginning of year	8 478 144	39 114 846
Bank statement balance at end of year	22 263 286	8 478 144

Nedbank Limited - Account number 11-6976-1402 (Traffic Account)

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	-	-

Account is cleared on a monthly basis to Nedbank Primary Bank Account.

Investment Deposits

Call investment deposits consist out of the following accounts:

ABSA	- Call Account	- Account Number 93-6177-2313	10 458 366	61 422 328
ABSA NEDBANK	- Fixed Deposit	- Account Number 20-8049-4253	40 051 463	-
NEDBANK	- Fixed Deposit	- Account Number 03/7881004312/000043	-	30 607 167
NEDBANK	- Fixed Deposit	- Account Number 03/7881004312/000044	-	30 409 479
STANDARD BANK	- Fixed Deposit	- Account Number 03/7881004312/000047	30 216 986	-
STANDARD BANK	- Fixed Deposit	- Account Number 00078722675/008	-	10 135 041
	- Fixed Deposit	- Account Number 00078722675/010	40 051 507	-
Total			120 778 322	132 574 016

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3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Service Receivables

Electricity
Water
Refuse
Sewerage
Interest
Other

70 118 019

61 158 092

15 804 253
13 105 258
14 433 578
8 382 389
14 363 985
4 028 556

10 371 152
12 139 345
12 691 126
7 138 025
14 487 130
4 331 314

Other Receivables

Prepaid Expenses
West Coast District Municipality

2 407 385

2 650 972

1 143 233
1 264 152

1 003 992
1 646 979

Total Gross Balance

72 525 404

63 809 064

Less: Allowance for Debt Impairment

(28 892 662)

(30 880 663)

Total Net Receivable

43 632 742

32 928 401

As previously reported

46 662 146

Correction of error restatement - note 45.1

(13 733 745)

Restated balance

32 928 401

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.

Prepaid Expenses mainly relate to membership and licence fees of which the benefits will be received in the following year.

The West Coast District Municipality (WCDM) receivable is raised in terms of the services concession agreement. In terms of the agreement, the local municipalities determine a tariff, in consultation with the WCDM, that allows the WCDM to recover the costs it incurs in the provision of the bulk water services. At year-end, WCDM calculates the surplus generated from the service concession arrangement, and accordingly the surplus is distributed to the local municipalities based on their water purchases for the year.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year

30 880 663

40 147 643

Movement in the contribution to the provision

4 775 781

4 241 823

Electricity
Water
Refuse
Sewerage
Interest
Other

654 188
1 342 917
1 255 085
1 009 527
252 645
261 418

(595 864)
89 469
1 642 307
856 292
1 882 515
367 104

Bad Debts Written off

(6 763 782)

(13 508 803)

Electricity
Water
Refuse
Sewerage
Interest
Other

(141 434)
(1 296 521)
(1 460 625)
(869 563)
(2 287 800)
(71)

(178 809)
(2 915 930)
(4 752 269)
(3 062 593)
(1 130 827)

Balance at the end of the year

28 868 960

The Allowance for impairment of Receivables has been made for all consumer balances outstanding 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.



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<i>Figures in Rand</i>		2022	2021
3	RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
		Gross Balance	Allowance for
		R	Debt Impairment
			R
			Net Receivable
			R
30 June 2022			
	Service Receivables		
	Electricity	15 804 253	(1 508 271)
	Water	13 105 258	(6 245 654)
	Refuse	14 433 578	(8 349 606)
	Sewerage	8 382 389	(4 947 671)
	Interest	14 363 985	(6 143 854)
	Other	4 028 556	(1 697 606)
	Other Receivables		
	Prepayments	1 143 233	-
	West Coast District Municipality	1 264 152	-
	Total	72 525 404	(28 892 662)
			43 632 742
30 June 2021			
	Service Receivables		
	Electricity	10 371 152	(995 517)
	Water	12 139 345	(6 199 258)
	Refuse	12 691 126	(8 555 146)
	Sewerage	7 138 025	(4 807 707)
	Interest	14 487 130	(8 174 107)
	Other	4 331 314	(2 148 929)
	Other Receivables		
	Prepayments	1 003 992	-
	West Coast District Municipality	1 646 979	-
	Total	63 809 064	(30 880 663)
			32 928 401
Ageing of Receivables from Exchange Transactions			
Electricity			
	Current (0 - 30 days)	12 079 771	8 134 798
	Past Due (31 - 60 Days)	777 504	761 943
	Past Due (61 - 90 Days)	469 280	263 376
	Past Due (90 Days +)	2 477 698	1 211 035
	Total	15 804 253	10 371 152
Water			
	Current (0 - 30 days)	3 998 039	3 483 257
	Past Due (31 - 60 Days)	1 182 089	1 196 844
	Past Due (61 - 90 Days)	599 295	739 653
	Past Due (90 Days +)	7 325 835	6 719 591
	Total	13 105 258	12 139 345
Refuse			
	Current (0 - 30 days)	2 311 681	2 000 726
	Past Due (31 - 60 Days)	1 029 254	943 518
	Past Due (61 - 90 Days)	571 814	525 126
	Past Due (90 Days +)	10 520 828	10 000 000
	Total	14 433 577	13 470 370



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Sewerage		
Current (0 - 30 days)	1 316 752	1 148 053
Past Due (31 - 60 Days)	601 610	579 360
Past Due (61 - 90 Days)	356 229	401 347
Past Due (90 Days +)	6 107 799	5 009 264
Total	8 382 389	7 138 025
Interest		
Current (0 - 30 days)	504 296	486 938
Past Due (31 - 60 Days)	457 881	466 513
Past Due (61 - 90 Days)	401 141	472 894
Past Due (90 Days +)	13 000 667	13 060 786
Total	14 363 985	14 487 130
Other		
Current (0 - 30 days)	84 499	127 119
Past Due (31 - 60 Days)	64 354	55 547
Past Due (61 - 90 Days)	45 264	45 182
Past Due (90 Days +)	3 834 440	4 103 467
Total	4 028 556	4 331 314
Summary Ageing of all Receivables from Exchange Transactions		
Current (0 - 30 days)	20 295 038	15 380 891
Past Due (31 - 60 Days)	4 112 692	4 003 725
Past Due (61 - 90 Days)	2 443 022	2 557 579
Past Due (90 Days +)	43 267 266	39 215 898
Total	70 118 019	61 158 092
4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Service Receivables	57 936 062	62 312 631
Property Rates	40 274 271	39 865 495
Availability Charges	17 661 791	22 447 136
Other Receivables	25 665 975	32 298 853
Unpaid Traffic Fines	21 459 560	24 597 230
Sundry Receivables	1 114 256	1 497 439
Unpaid Grants	-	97 000
Fraud Investigations	2 503 408	5 536 220
Deposits	588 751	570 964
Total Gross Balance	83 602 037	94 611 484
Less: Allowance for Debt Impairment	(38 146 532)	(51 269 017)
Total Net Receivable	45 455 505	43 342 467
As previously reported		30 316 239
Correction of error restatement - note 45.1		13 026 228
Restated balance		

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.



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4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	51 269 017	42 376 934
Movement in the contribution to the provision	6 934 686	24 308 940
Property Rates	(4 203 763)	4 158 733
Availability Charges	(3 514 521)	902 038
Unpaid Traffic Fines	13 548 440	16 487 861
Sundry Receivables	64 572	2 054 016
Unpaid Grants	97 000	113 815
Fraud Investigations	942 959	592 477
Bad Debts Written off	(20 057 171)	(15 416 857)
Property Rates	(893 807)	(537 029)
Availability Charges	(11 769)	(40 684)
Unpaid Traffic Fines	(16 149 470)	(12 142 097)
Sundry Receivables	(64 572)	(2 583 232)
Unpaid Grants	(97 000)	(113 815)
Fraud Investigations	(2 840 553)	-
Balance at the end of the year	38 146 532	51 269 017

The Allowance for impairment of receivables has been made for all consumer balances outstanding 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 cumulative collection rate. All unpaid traffic fines older than 1 year are impaired in full.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2022			
Service Receivables			
Property Rates	40 274 271	(12 032 362)	28 241 909
Availability Charges	17 661 791	(4 183 108)	13 478 683
Other Receivables			
Unpaid Traffic Fines	21 459 560	(19 937 760)	1 521 800
Sundry Receivables	1 114 256	-	1 114 256
Unpaid Grants	-	-	-
Fraud Investigations	2 503 408	(1 993 302)	510 106
Deposits	588 751	-	588 751
Total	83 602 037	(38 146 532)	45 455 505
30 June 2021			
Service Receivables			
Property Rates	39 865 495	(17 129 932)	22 735 563
Availability Charges	22 447 136	(7 709 398)	14 737 738
Other Receivables			
Unpaid Traffic Fines	24 597 230	(22 538 790)	2 058 440
Sundry Receivables	1 497 439	-	1
Unpaid Grants	97 000	-	-
Fraud Investigations	5 536 220	(3 890 896)	1
Deposits	570 964	-	-
Total	94 611 484	(51 269 017)	43

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
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4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Ageing of Property Rates

Current (0 - 30 days)	6 184 969	5 856 314
Past Due (31 - 60 Days)	1 878 664	1 855 196
Past Due (61 - 90 Days)	838 177	1 029 371
Past Due (90 Days +)	31 372 461	31 124 615
Total	40 274 271	39 865 495

Ageing of Availability Charges

Current (0 - 30 days)	948 555	877 240
Past Due (31 - 60 Days)	524 501	555 047
Past Due (61 - 90 Days)	350 274	458 517
Past Due (90 Days +)	15 838 461	20 556 332
Total	17 661 791	22 447 136

5 OPERATING LEASES

5.1 OPERATING LEASE ASSET

Operating Lease Asset

18 481	31 028
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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	31 028	47 768
Movement during the year	(12 547)	(16 740)
Balance at the end of the year	18 481	31 028

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

Within 1 Year	922 336	906 959
Between 1 and 5 Years	3 088 896	3 251 273
After 5 Years	2 341 949	3 085 947
Total operating lease payments	6 353 181	7 244 179

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 leases are in respect of land and buildings being leased. The renewal option after lapsing of the contracts are available. Significant lease agreements include, but are not limited to the following:

- Lease of Piketberg commonage for a period of 9 years and 11 months ending 28 February 2030 with no annual escalation.
- Lease of houses on Erf 486 Velddrif for period of 3 years ending 31 March 2024, with an annual escalation of 10%.

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



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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5 OPERATING LEASES (CONTINUED)

5.2 OPERATING LEASE LIABILITY

Operating Lease Liability	30 295	2 211
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The operating lease liability is derived from contracts where the Municipality acts as the lessee in the agreement.

Reconciliation of Operating Lease Liability

Balance at the beginning of the year	2 211	13 211
Movement during the year	28 085	(11 000)
Balance at the end of the year	30 295	2 211

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

Within 1 Year	212 880	32 439
Between 1 and 5 Years	975 223	-
After 5 Years	301 615	-
Total operating lease payments	1 489 718	32 439

Operating leases consist out of the following leases:

- Lease of office space for a period of 6 years and 11 months (ending July 2028) with an escalation of 5.5% per annum.

The Municipality does not engage in any sub-lease arrangements.

The Municipality did not pay any contingent rent during the year.

6 LONG-TERM RECEIVABLES

Receivables with repayment arrangements	13 708 848	10 363 273
Less: Allowance for Debt Impairment	(5 046 236)	(3 416 938)

Total Net Receivable	8 662 613	6 946 335
Less: Current portion of Long-term Receivables	2 409 493	2 516 338

Receivables with repayment arrangements	2 409 493	2 516 338
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Total	6 253 120	4 429 997
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Receivables with repayment arrangements

Debtors amounting to R13 708 848 (2021 - R10 363 273) have arranged to settle their account over an re-negotiated period. Total payments to the value of R9 996 692 (2021 - R6 750 651) 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	3 416 938	-
Movement in the contribution to the provision	1 620 207	2 628 720
Bad Debts Written off	-	-
Balance at the end of the year	5 037 145	2 628 720

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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
7 INVENTORY		
Water	159 018	152 124
Spare Parts	795 841	932 415
Total	954 860	1 084 539
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.		
Inventory written down due to losses identified during the annual stores counts		
	-	-
Inventory recognised as an expense during the year		
Fuel	-	20 029
Water - by nature of expense	15 144 180	13 177 494
Bulk Purchases	6 107 260	4 712 775
Contracted Services	440 994	487 847
Depreciation and Amortisation	1 839 932	1 649 281
Employee Related Costs	2 338 835	2 354 897
Finance charges	777 604	696 369
Internal Charges	658 645	642 641
Other Expenditure	2 980 910	2 633 685
Spare parts	1 717 283	2 997 823
Total	16 861 463	16 195 346
8 INVESTMENT PROPERTY		
Investment Property - Carrying Value	14 687 670	14 752 109
As previously reported		14 902 889
Correction of error restatement - note 45.2		(150 780)
Restated balance		14 752 109
The carrying value of Investment Property is reconciled as follows:		
Opening Carrying Value	14 752 109	14 775 824
Cost	14 991 915	14 991 915
Accumulated Depreciation	(239 806)	(216 091)
Accumulated Impairment	-	-
Additions	-	-
Contributed Assets	-	-
Disposals	(47 400)	-
Depreciation	(17 039)	(23 715)
Closing Carrying Value	14 687 670	14 752 109
Cost	14 944 515	14 991 915
Accumulated Depreciation	(256 845)	(239 806)
Accumulated Impairment	-	-
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.		
Revenue derived from the rental of investment property		
	800 159	
No significant operating expenditure was incurred on investment property during the 2020/21 and 2021/22 financial year.		

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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9	PROPERTY, PLANT AND EQUIPMENT				
		Cost	Accumulated	Accumulated	Carrying
		R	Depreciation	Impairment	Value
			R	R	R
	30 June 2022				
	Land and Buildings	79 272 328	(5 771 521)	-	73 500 807
	Infrastructure	435 710 727	(129 451 207)	-	306 259 520
	Community Assets	72 478 145	(26 805 357)	-	45 672 788
	Other Assets	70 977 554	(37 132 205)	-	33 845 348
	Capitalised Restoration Cost	57 870 575	(33 847 892)	-	24 022 683
	Total	716 309 330	(233 008 182)	-	483 301 147
	30 June 2021				
	Land and Buildings	77 221 323	(5 240 826)	-	71 980 497
	Infrastructure	398 348 015	(118 072 413)	-	280 275 601
	Community Assets	67 822 678	(25 349 026)	-	42 473 652
	Other Assets	66 155 080	(35 881 718)	-	30 273 362
	Capitalised Restoration Cost	54 649 677	(24 554 105)	-	30 095 572
	Total	664 196 773	(209 098 089)	-	455 098 684
	As previously reported				454 653 714
	Correction of error restatement - note 45.2				444 970
	Restated balance				455 098 684

There are no PPE pledged as security for financial liabilities.

9.1 Repairs and Maintenance incurred on Property, Plant and Equipment	11 096 196	8 884 596
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9.2 Capital Restoration Costs

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.

9.3 Change in estimate useful lives

During the current year the remaining useful lives of Property, Plant and Equipment were reviewed, and accordingly adjusted. The effect on the current and future periods are as follow:

	2022	2023	After 2023
Increase / (Decrease) in Depreciation and Amortisation	526 277	628 990	(1 155 267)
Increase / (Decrease) in Accumulated Surplus	(526 277)	(628 990)	1 155 267
Increase / (Decrease) in Property, Plant and Equipment	(526 277)	(628 990)	1 155 267

9.4 Carrying value of assets subject to service concession arrangement	1 794 135	1 851 657
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In 2006 the Municipality entered into a service concession arrangement with the West Coast District Municipality (WCDM) for an initial period of 10 years wherein the WCDM operates the Municipality's assets to provide bulk water to the Municipality to distribute to its consumers.

The agreement was subsequently extended. The other parties to this arrangement are Saldanha and Swartland municipalities which also appointed the WCDM as an operator.



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9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The WCDM uses the bulk water services assets to provide water to the local municipalities and private users. In terms of the service level agreement, the local municipalities determine a tariff, in consultation with the WCDM, that allows the WCDM to recover the costs the WCDM incurs in the provision of the bulk water services. The local municipalities also pay the WCDM an administrative fee of 10% of the operational costs which is also included in the tariff above.

The local municipalities recognise the costs recovered by the WCDM through the tariff as expenditure in their respective financial statements by its nature, as bulk purchases for water. The local municipalities also recognise all revenue earned from providing water to consumers, through monthly billing of the consumers, within their respective areas of jurisdiction.

The WCDM also provides water services to third parties and bills the third parties directly (farmers in remote areas and some big businesses). The provision of the water to these third parties is approved by the local municipalities when the tariff for the year is approved. The water provided to third parties by the WCDM is thus recognised in their records in line with GRAP 32.

9.5 Work in Progress projects taking a significant longer period to complete

The Municipality did not identify any work in progress projects which are taking a significant longer period to complete.



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9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

9.6 Reconciliation of Carrying Value

30 June 2022	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	77 221 323	2 051 005	-	-	-	79 272 328	5 240 826	530 695	-	-	5 771 521	73 500 807
Land	50 057 363	-	-	-	-	50 057 363	-	-	-	-	-	50 057 363
Buildings	26 149 179	318 800	-	-	2 746 987	29 214 966	5 240 826	530 695	-	-	5 771 521	23 443 445
Work in progress	1 014 781	1 732 205	-	-	(2 746 987)	-	-	-	-	-	-	-
Infrastructure	398 348 015	37 362 713	-	-	-	435 710 727	118 072 413	11 378 794	-	-	129 451 207	306 259 520
Electrical	58 567 105	1 471 088	-	-	10 629 847	70 668 041	21 484 171	1 991 072	-	-	23 475 244	47 192 797
Roads	89 147 214	1 280 471	-	-	3 115 620	93 543 305	25 096 385	2 858 773	-	-	27 955 157	65 588 147
Sanitation	90 185 444	342 511	-	-	8 157 571	98 685 526	20 536 451	3 039 648	-	-	23 576 098	75 109 427
Solid Waste	14 934 885	-	-	-	1 402 355	16 337 239	4 945 151	526 487	-	-	5 471 638	10 865 601
Storm Water	19 919 376	285 620	-	-	157 878	20 362 875	6 383 134	421 564	-	-	6 804 699	13 558 176
Water Supply	104 030 928	3 224 416	-	-	2 366 414	109 621 757	39 627 122	2 541 249	-	-	42 168 371	67 453 386
Work in progress	21 563 063	30 758 607	-	-	(25 829 685)	26 491 985	-	-	-	-	-	26 491 985
Community Assets	67 822 678	4 655 467	-	-	-	72 478 145	25 349 026	1 456 330	-	-	26 805 357	45 672 788
Community Facilities	31 322 896	580 482	-	-	660 909	32 564 287	10 372 478	626 460	-	-	10 998 938	21 565 349
Sport and Recreational Facilities	35 736 634	2 806 465	-	-	102 986	38 646 085	14 976 549	829 870	-	-	15 806 419	22 839 666
Work in progress	763 149	1 268 519	-	-	(763 895)	1 267 773	-	-	-	-	-	1 267 773
Other Assets	66 155 080	8 433 122	(3 610 649)	-	-	70 977 554	35 881 718	4 552 429	-	(3 301 943)	37 132 205	33 845 348
Computer Equipment	6 792 024	1 214 268	(205 190)	-	-	7 801 101	3 567 190	629 944	-	(163 996)	4 033 137	3 767 964
Furniture and Office Equipment	11 450 751	1 426 886	(320 750)	-	-	12 556 887	6 604 937	950 376	-	(253 343)	7 301 970	5 254 917
Machinery and Equipment	12 650 232	2 294 238	(1 065 950)	-	-	13 878 520	7 460 814	872 897	-	(887 132)	7 446 578	6 431 942
Transport Assets	35 262 073	3 497 730	(2 018 759)	-	-	36 741 044	18 248 777	2 099 213	-	(1 997 471)	18 350 519	18 390 525
Capitalised Restoration Costs	54 649 677	3 220 898	-	-	-	57 870 575	24 554 105	9 293 787	-	-	33 847 892	24 022 683
Landfill Site Rehabilitation	54 649 677	3 220 898	-	-	-	57 870 575	24 554 105	9 293 787	-	-	33 847 892	24 022 683
	664 196 773	55 723 205	(3 610 649)	-	-	716 309 330	209 098 089	27 212 036	-	(3 301 943)	233 008 182	483 301 147

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

9.6 Reconciliation of Carrying Value

30 June 2021	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	76 248 164	1 072 429	(899 270)	800 000	-	77 221 323	5 557 280	545 772	-	(862 227)	5 240 826	71 980 497
Land	49 727 528	30 835	(1 000)	300 000	-	50 057 363	-	-	-	-	-	50 057 363
Buildings	26 520 636	26 813	(898 270)	500 000	-	26 149 179	5 557 280	545 772	-	(862 227)	5 240 826	20 908 354
Work in progress	-	1 014 781	-	-	-	1 014 781	-	-	-	-	-	1 014 781
Infrastructure	363 197 736	32 291 777	(5 972 085)	8 895 034	(64 447)	398 348 015	111 352 269	10 260 780	-	(3 540 635)	118 072 413	280 275 601
Electrical	57 248 134	720 625	(58 794)	-	657 141	58 567 105	20 015 418	1 507 527	-	(38 773)	21 484 171	37 082 934
Roads	66 979 181	7 401 271	(328 714)	4 374 465	10 721 010	89 147 214	22 940 492	2 412 909	-	(257 016)	25 096 385	64 050 829
Sanitation	91 384 726	481 609	(4 749 385)	2 717 609	350 885	90 185 444	20 309 462	3 152 722	-	(2 925 733)	20 536 451	69 648 994
Solid Waste	13 558 894	231 564	-	-	1 144 427	14 934 885	4 522 032	423 119	-	-	4 945 151	9 989 734
Storm Water	15 331 401	3 636 363	(56 964)	1 008 576	-	19 919 376	6 032 160	385 139	-	(34 165)	6 383 134	13 536 242
Water Supply	102 232 830	696 083	(778 229)	794 384	1 085 858	104 030 928	37 532 706	2 379 364	-	(284 948)	39 627 122	64 403 806
Work in progress	16 462 569	19 124 262	-	-	(14 023 768)	21 563 063	-	-	-	-	-	21 563 063
Community Assets	62 712 241	6 304 472	(1 239 322)	-	45 288	67 822 678	24 177 814	2 068 990	-	(897 777)	25 349 026	42 473 652
Community Facilities	24 701 152	2 663 081	(65 190)	-	4 023 854	31 322 896	9 630 513	795 502	-	(53 538)	10 372 478	20 950 418
Sport and Recreational Facilities	34 061 709	1 553 780	(1 174 132)	-	1 295 276	35 736 634	14 547 301	1 273 487	-	(844 240)	14 976 549	20 760 085
Work in progress	3 949 380	2 087 611	-	-	(5 273 842)	763 149	-	-	-	-	-	763 149
Other Assets	59 774 927	9 980 212	(3 619 219)	-	19 160	66 155 080	35 005 776	4 325 676	-	(3 449 733)	35 881 718	30 273 362
Computer Equipment	5 675 122	1 648 776	(531 875)	-	-	6 792 024	3 566 298	527 389	-	(526 497)	3 567 190	3 224 834
Furniture and Office Equipment	10 652 858	1 578 278	(799 545)	-	19 160	11 450 751	6 449 155	891 903	-	(736 120)	6 604 937	4 845 814
Machinery and Equipment	12 488 311	1 001 151	(839 230)	-	-	12 650 232	7 421 842	802 729	-	(763 757)	7 460 814	5 189 418
Transport Assets	30 958 636	5 752 006	(1 448 570)	-	-	35 262 073	17 568 480	2 103 655	-	(1 423 359)	18 248 777	17 013 296
Capitalised Restoration Costs	39 315 233	15 394 362	(59 917)	-	-	54 649 677	20 414 761	4 139 344	-	-	24 554 105	30 095 572
Landfill Site Rehabilitation	39 315 233	15 394 362	(59 917)	-	-	54 649 677	20 414 761	4 139 344	-	-	24 554 105	30 095 572
	601 248 300	65 043 252	(11 789 813)	9 695 034	-	664 196 773	196 507 900	21 340 562	-	(8 750 372)	20 9 098 089	455 098 684

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10 INTANGIBLE ASSETS

Intangible Assets - Carrying Value	<u>3 112 951</u>	<u>3 231 774</u>
As previously reported		3 808 203
Correction of error restatement - note 45.3		(576 429)
Restated balance		<u>3 231 774</u>

The carrying value of intangible Assets is reconciled as follows:

	3 231 774	3 732 631
Opening Carrying Value		
Cost	7 332 334	7 332 334
Accumulated Amortisation	(4 100 560)	(3 599 703)
Accumulated Impairment	-	-
Additions	291 500	-
Amortisation	(395 785)	(500 857)
Disposal	(14 538)	-
Cost	(374 080)	-
Accumulated Amortisation	359 541	-
Closing Carrying Value	<u>3 112 951</u>	<u>3 231 774</u>
Cost	7 249 754	7 332 334
Accumulated Amortisation	(4 136 803)	(4 100 560)
Accumulated Impairment	-	-

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.

During the current year the remaining useful lives of Intangible Assets were reviewed, and accordingly adjusted. The effect on the current and future periods are as follow:

	2022	2023	2024
Increase / (Decrease) in Depreciation and Amortisation	(63 521)	31 223	32 298
Increase / (Decrease) in Accumulated Surplus	63 521	(31 223)	(32 298)
Increase / (Decrease) in Intangible Assets	63 521	(31 223)	(32 298)

11 HERITAGE ASSETS

Heritage Assets - Carrying Value	<u>454 012</u>	<u>454 012</u>
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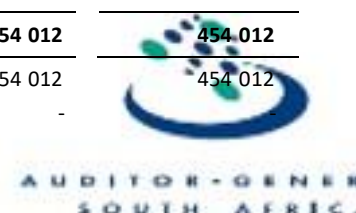
The carrying value of Heritage Assets are reconciled as follows:

	454 012	454 012
Opening Carrying Value		
Cost	454 012	454 012
Accumulated Impairment	-	-
Movement	-	-
Closing Carrying Value	<u>454 012</u>	<u>454 012</u>
Cost	454 012	454 012
Accumulated Impairment	-	-

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.



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<i>Figures in Rand</i>	2022	2021
12 LONG-TERM LIABILITIES		
Annuity Loans	75 491 244	68 720 759
Less: Current portion	(9 656 967)	(7 879 478)
Total	65 834 277	60 841 281
Long-term Liabilities were utilised as follow:		
Total Long-term Liabilities taken up	75 491 244	68 720 759
Used to finance Property, Plant and Equipment at cost	(75 491 244)	(67 180 759)
Unspent Borrowings	-	1 540 000

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

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	Carrying Value of Liability
Nedbank (05/7831032282)	11.27%	2023/06/12	591 472	1 140 743
DBSA (61001029)	12.41%	2030/06/30	11 859 227	12 690 737
DBSA (61006811)	11.53%	2031/06/30	2 872 968	3 048 052
DBSA (61006837)	11.59%	2036/06/30	7 597 601	7 808 982
DBSA (61006975)	11.33%	2032/06/30	3 013 501	3 169 978
Standard Bank (537707)	8.90%	2024/06/30	2 059 068	2 922 312
Standard Bank (536748)	10.07%	2023/06/30	1 464 793	2 793 284
ABSA (3044701437)	10.57%	2026/06/01	2 995 562	3 568 983
ABSA (3046456438)	10.12%	2027/06/30	3 729 384	4 275 282
ABSA (3046456399)	9.77%	2022/06/30	-	188 087
DBSA (61007572)	9.28%	2029/06/29	4 599 801	5 053 820
DBSA (61007573)	8.90%	2024/06/30	496 524	714 811
DBSA (61007642)	10.07%	2030/06/30	5 699 623	6 145 688
Standard Bank (654527)	9.02%	2031/06/30	11 047 024	11 800 000
ABSA (3054195743)	7.22%	2026/06/30	2 814 695	3 400 000
Standard Bank (729304)	11.05%	2032/06/30	11 750 000	-
Standard Bank (729271)	10.62%	2027/06/30	2 900 000	-
Total			75 491 244	68 720 759

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	17 593 939	15 085 547
Payable within two to five years	55 071 543	41 203 255
Payable after five years	43 936 831	51 859 545
Total amount payable	116 602 312	108 148 348
Less: Outstanding Future Finance Charges	(41 111 068)	(39 427 589)
Present value of annuity loans	75 491 244	68 720 759



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	2022	2021
13 CONSUMER DEPOSITS		
Water and Electricity Deposits	<u>4 786 082</u>	<u>4 319 428</u>
The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.		
14 PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	20 503 458	19 661 227
Retentions	105 969	391 699
Payments Received in Advance	5 442 634	5 544 541
Unused Pre-paid Electricity	876 657	1 058 066
Sundry Creditors	2 227 546	1 589 979
Sundry Deposits	487 724	672 718
Unknown Receipts	2 962 280	3 124 096
Department of Human Settlements	525 958	790 997
Accrued Interest	34 826	48 142
Total	<u>33 167 052</u>	<u>32 881 465</u>
As previously reported		32 464 401
Correction of error restatement - note 45.4		417 064
Restated balance		<u>32 881 465</u>
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 hall, builders and housing Deposits.		
Department of Human Settlements balance consist of the following:		
Advances received for the construction of housing top structures - note 33	-	-
Advances received in terms of principal-agent arrangements - note 56.2	525 958	790 997
Total	<u>525 958</u>	<u>790 997</u>
15 TAXES		
VAT Claimable/(Payable)	1 686 762	526 185
VAT Input in Suspense	2 180 304	2 149 293
VAT Output in Suspense - net	(4 364 025)	(3 688 779)
VAT Output in Suspense	(8 179 331)	(7 770 422)
Less: VAT on Allowance for Debt Impairment	3 815 306	4 081 643
Total	<u>(496 959)</u>	<u>(1 013 301)</u>
As previously reported		(1 049 095)
Correction of error restatement - note 45.4		35 794
Restated balance		<u>(1 013 301)</u>
Reconciliation of VAT on Allowance for Debt Impairment		
Balance at beginning of year	4 081 643	
Increase/(decrease) in debt impairment contribution	(266 337)	
Balance at the end of the year	<u>3 815 306</u>	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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	2022	2021
16 UNSPENT CONDITIONAL GOVERNMENT GRANTS		
National Government	2 403 022	7 581 382
Provincial Government	1 541 539	888 678
Other Grant Providers	618 561	282 903
Total	4 563 122	8 752 963

Detail reconciliations of all grants received and grant conditions met are included in note 23. 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.

17 UNSPENT PUBLIC CONTRIBUTIONS

PVVK Management Services	123 819	-
Total	123 819	-

The public contribution is earmarked for the refurbishment of a youth centre.

Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met. During the year under review, no expenditure was incurred in relation to this public contribution.

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.

18 CURRENT EMPLOYEE BENEFITS

Bonuses	3 812 164	3 683 829
Staff Leave	9 004 596	9 409 506
Performance Bonuses	402 085	462 295
Current portion of Non-Current Employee Benefits - note 19	2 012 000	2 020 000
Post Retirement Medical Benefits	1 497 000	1 380 000
Long Service Awards	515 000	640 000
Total	15 230 845	15 575 629

The movement in current employee benefits are reconciled as follows:

18.1 Bonuses

Opening Balance	3 683 829	3 340 430
Contribution during the year	6 775 978	6 573 172
Payments made	(6 647 643)	(6 229 772)
Balance at the end of the year	3 812 164	3 683 829

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.



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18 CURRENT EMPLOYEE BENEFITS (CONTINUED)

18.2 Staff Leave

Opening Balance	9 409 506	8 434 758
Contribution during the year	238 137	1 220 663
Payments made	(643 046)	(245 916)
Balance at the end of the year	9 004 596	9 409 506

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.

18.3 Performance Bonuses

Opening Balance	462 295	378 679
Contribution during the year	388 154	400 984
Payments made	(448 363)	(317 369)
Balance at the end of the year	402 085	462 295

Performance bonuses are being paid to the Chief Financial Officer, Director Community Services and Director Technical Services after an evaluation of performance by the council.

19 EMPLOYEE BENEFITS

Post Retirement Medical Benefits	36 446 000	34 007 000
Long Service Awards	7 087 000	6 730 000
Sub-Total	43 533 000	40 737 000
Less: Current portion of Employee Benefits	2 012 000	2 020 000
Post Retirement Medical Benefits	1 497 000	1 380 000
Long Service Awards	515 000	640 000
Total	41 521 000	38 717 000

19.1 Post Retirement Medical Benefits

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

Opening Balance	34 007 000	29 384 000
Contribution during the year	5 050 000	4 317 000
Current Service Cost	1 690 000	1 341 000
Interest Cost	3 360 000	2 976 000
Payments made	(1 442 026)	(1 394 162)
Actuarial Loss/(Gain)	(1 168 974)	1 700 162
Total balance at year-end	36 446 000	34 007 000
Less: Current portion	(1 497 000)	(1 380 000)
Total	34 949 000	32 627 000

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

In-service members	177	
In-service non-members	200	
Continuation members	29	
Total	406	



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19 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	16 124 000	2 816 000	17 506 000	36 446 000
30 June 2021	15 380 000	2 584 000	16 043 000	34 007 000
30 June 2020	11 530 000	2 092 000	15 762 000	29 384 000
30 June 2019	13 491 716	2 677 741	17 911 370	34 080 827
30 June 2018	14 692 550	4 440 963	16 988 570	36 122 083

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	(360 000)	-
30 June 2021	(1 100 000)	-
30 June 2020	(1 825 000)	-
30 June 2019	(1 129 000)	-
30 June 2018	(2 318 000)	-

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

Discount rate	11.82%	10.08%
Health care cost inflation rate	8.44%	6.78%
Net-of-health-care-cost-inflation discount rate	3.12%	3.09%
Maximum subsidy inflation rate	5.96%	4.71%
Net-of-maximum-subsidy-inflation discount rate	5.54%	5.13%

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

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 14 July 2022.

v) Actuarial Valuation Method

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



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19 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis - Liability at year-end

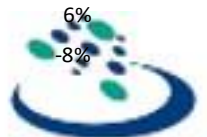
Assumption	Eligible Employees (R)	Continuation members (R)	Total liability (R)	% change
Liability	18 940 000	17 506 000	36 446 000	
Health care inflation rate (+ 1%)	20 451 000	19 177 000	39 628 000	9%
Health care inflation rate (- 1%)	16 876 000	16 030 000	32 906 000	-10%
Discount rate (+ 1%)	15 923 000	16 077 000	32 000 000	-12%
Discount rate (- 1%)	22 777 000	19 178 000	41 955 000	15%
Post-employment mortality (+ 1 year)	18 514 000	16 924 000	35 438 000	-3%
Post-employment mortality (- 1 year)	19 356 000	18 091 000	37 447 000	3%
Average retirement age (- 1 year)	20 924 000	17 506 000	38 430 000	5%
Membership continuation (- 10%)	16 570 000	17 506 000	34 076 000	-7%

Sensitivity Analysis - Future Service and Interest Cost (Current Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2021/22	1 690 000	3 360 000	5 050 000	
Health care inflation rate (+ 1%)	1 868 000	3 705 000	5 573 000	10%
Health care inflation rate (- 1%)	1 456 000	2 984 000	4 440 000	-12%
Discount rate (+ 1%)	1 406 000	3 220 000	4 626 000	-8%
Discount rate (- 1%)	2 050 000	3 511 000	5 561 000	10%
Post-employment mortality (+ 1 year)	1 649 000	3 262 000	4 911 000	-3%
Post-employment mortality (- 1 year)	1 730 000	3 458 000	5 188 000	3%
Average retirement age (- 1 year)	1 816 000	3 548 000	5 364 000	6%
Membership continuation (- 10%)	1 482 000	3 137 000	4 619 000	-9%

Sensitivity Analysis - Future Service and Interest Cost (Next Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2022/23	1 652 000	4 222 000	5 874 000	
Health care inflation rate (+ 1%)	1 786 000	4 598 000	6 384 000	9%
Health care inflation rate (- 1%)	1 463 000	3 804 000	5 267 000	-10%
Discount rate (+ 1%)	1 385 000	4 009 000	5 394 000	-8%
Discount rate (- 1%)	1 991 000	4 461 000	6 452 000	10%
Post-employment mortality (+ 1 year)	1 615 000	4 103 000	5 718 000	-3%
Post-employment mortality (- 1 year)	1 688 000	4 340 000	6 028 000	3%
Average retirement age (- 1 year)	1 742 000	4 456 000	6 198 000	6%
Membership continuation (- 10%)	1 447 000	3 942 000	5 389 000	-8%



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19 EMPLOYEE BENEFITS (CONTINUED)

19.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	6 730 000	5 961 000
Contribution during the year	1 187 000	961 000
Current Service Cost	581 000	525 000
Interest Cost	606 000	436 000
Payments made	(607 230)	(627 336)
Actuarial Loss/(Gain)	(222 770)	435 336
Total balance at year-end	7 087 000	6 730 000
Less: Current portion	(515 000)	(640 000)
Total	6 572 000	6 090 000

The Long Service Awards plans are defined benefit plans.

Number of employees that are eligible for Long Service Awards	372	375
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The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	Unfunded Liability R
30 June 2022	7 087 000
30 June 2021	6 730 000
30 June 2020	5 961 000
30 June 2019	6 252 795
30 June 2018	5 579 123

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	(90 770)	-
30 June 2021	498 336	-
30 June 2020	(9 947)	-
30 June 2019	275 911	-
30 June 2018	(64 378)	-

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	11.16%	9.44%
General Salary Inflation (long-term)	7.33%	5.84%
Net Effective Discount Rate applied to salary-related Long Service Awards	3.57%	3.40%

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

ii) Last Valuation

The last valuation was performed on 14 July 2022.

iii) Actuarial Valuation Method

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



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19 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Current Liability (R)	Liability (R)	% Change
General earnings inflation rate (+ 1%)	7 087 000	7 536 000	6%
General earnings inflation rate (- 1%)	7 087 000	6 681 000	-6%
Discount rate (+ 1%)	7 087 000	6 667 000	-6%
Discount rate (- 1%)	7 087 000	7 559 000	7%
Average retirement age (+ 2 years)	7 087 000	8 095 000	14%
Average retirement age (- 2 years)	7 087 000	6 052 000	-15%
Withdrawal rates (x 2)	7 087 000	5 742 000	-19%
Withdrawal rates (x 0.5)	7 087 000	8 023 000	13%

Sensitivity Analysis on the Current-service and Interest Costs

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Estimated for 2022/23	605 000	763 000	1 368 000	
General earnings inflation rate (+ 1%)	654 000	813 000	1 467 000	7%
General earnings inflation rate (- 1%)	562 000	718 000	1 280 000	-6%
Discount rate (+ 1%)	566 000	780 000	1 346 000	-2%
Discount rate (- 1%)	650 000	743 000	1 393 000	2%
Average retirement age (+ 2 years)	677 000	876 000	1 553 000	14%
Average retirement age (- 2 years)	532 000	648 000	1 180 000	-14%
Withdrawal rates (x 2)	449 000	613 000	1 062 000	-22%
Withdrawal rates (x 0.5)	723 000	868 000	1 591 000	16%

19.3 Other Pension Benefits

Defined Benefit Plans

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund) 874 457 862 019

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 102.0% (30 June 2020 - 100.0%).

Consolidated Retirement Fund (Former Cape Retirement Fund) 12 197 926 11 157 612

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

13 072 383

12 019 630

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.



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19 EMPLOYEE BENEFITS (CONTINUED)

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:

Municipal Councillors Pension Fund	104 410	152 484
SAMWU National Provident Fund	2 010 923	2 052 343
Total	2 115 333	2 204 827

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.

20 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	101 212 184	91 179 282
--	--------------------	-------------------

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

Opening Balance	91 179 282	70 432 128
Contribution during the year	10 032 902	20 747 154
Increase/(Decrease) in estimate	3 220 898	15 334 445
Interest Cost	6 812 004	5 412 709
Total	101 212 184	91 179 282

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 Dimension (m ²)	Rehabilitation cost per m ² (Rand)	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Porterville	55 022	836	43 101 924	38 628 548
Piketberg	57 000	885	46 909 596	42 371 236
Aurora	7 370	1 145	7 875 144	7 104 074
Redelinghuys	1 340	2 660	3 325 520	3 075 424
Total			101 212 184	



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20 NON-CURRENT PROVISIONS (CONTINUED)

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
Porterville	2025	51 515 180	49 708 184
Piketberg	2025	57 263 176	54 524 369
Aurora	2025	9 524 346	9 477 038
Redelinghuys	2025	4 021 946	4 102 704
Total		122 324 648	117 812 295

21 RESERVES

Capital Replacement Reserve	35 107 900	30 848 500
Housing Development Fund	260 572	260 572
Total	35 368 472	31 109 072

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

The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.

22 PROPERTY RATES

Rateable Land and Buildings	84 410 540	78 811 149
Total	84 410 540	78 811 149
As previously reported		79 313 260
Correction of error restatement - note 45.1		(502 111)
Restated balance		78 811 149

Property rate levied are based on the following rateable valuations:

Residential Property	6 053 017 420	6 010 403 420
Commercial Property	1 034 743 700	813 068 400
Industrial Property	322 448 000	301 180 000
Institutional	-	199 220 500
Agricultural Purposes	5 454 023 300	5 359 663 300
Public Service Infrastructure	1 311 000	3 015 000
Religious	39 523 000	52 128 000
Municipal Property	88 519 200	109 978 200
Total Valuation	12 993 585 620	12 848 656 820

Rate that is applicable to the valuations above:

Residential	1
Commercial/Industrial	1
Agricultural	0

Valuations on land and buildings are performed every four 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.



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22 PROPERTY RATES (CONTINUED)

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.

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.

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.

23 GOVERNMENT GRANTS AND SUBSIDIES

Unconditional Grants - National Government

Equitable Share

50 990 000

55 355 000

50 990 000

55 355 000

Conditional Grants - National Government

26 644 587

22 487 279

Finance Management Grant (FMG)

1 550 000

1 550 000

Municipal Infrastructure Grant (MIG)

16 763 292

11 608 391

Expanded Public Works Programme (EPWP)

2 075 000

2 135 000

Integrated National Electrification Programme (INEP)

1 000 000

5 477 727

Water Service Infrastructure Grant (WSIG)

5 256 295

1 716 161

Conditional Grants - Provincial Government

10 451 816

10 880 693

Western Cape Financial Management Support Grant

600 000

-

Proclaimed Roads

110 000

-

Regional Socio - Economic Project/Violence Prevention through Urban Upgrading

-

1 418 499

Library Services

8 279 816

8 524 348

Financial Management Capacity Building Grant

327 062

206 423

Development of Sport and Recreation Facilities

-

-

Fire Service Capacity Building Grant

-

-

Department of Human Settlements

379 667

731 423

Public Employment Support Grant

755 271

-

Conditional Grants - Other Grant Providers

676 393

1 090 769

Heist op den Berg

676 393

896 150

Chieta Training Grant

-

194 619

Total

88 762 795

89 813 741

Disclosed as:

Government Grants and Subsidies - Operating

68 724 780

70 020 927

Government Grants and Subsidies - Capital

20 038 015

19 792 815

Total

88 762 795

89 813 741

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

Equitable Share

46 450 445

51 821 890

Vote 1 - Municipal Manager

142 090

-

Vote 2 - Finance

7 016 617

5 289 533

Vote 3 - Corporate Services

-

1 613 118

Vote 4 - Technical Services

26 2

Vote 5 - Community Services

8 9

Total

88 7



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23 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

23.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received / (Repaid)	50 990 000	55 355 000
Transferred to Revenue - Operating	(50 990 000)	(55 355 000)
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.

23.02 Finance Management Grant (FMG)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 550 000	1 550 000
Transferred to Revenue - Operating	(1 550 000)	(1 550 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

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.

23.03 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	2 692 609	-
Grants Received / (Repaid)	15 134 000	14 301 000
Transferred to Revenue - Operating	(2 879 454)	(2 143 224)
Transferred to Revenue - Capital	(13 883 838)	(9 465 166)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	1 063 317	2 692 609

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

23.04 Expanded Public Works Programme (EPWP)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	2 075 000	2 135 000
Transferred to Revenue - Operating	(2 075 000)	(2 135 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

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.



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23 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

23.05 Integrated National Electrification Programme (INEP)

Opening Unspent Balance	8 934	2 486 661
Grants Received / (Repaid)	991 066	3 000 000
Transferred to Revenue - Operating	(130 435)	(714 486)
Transferred to Revenue - Capital	(869 565)	(4 763 241)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	8 934

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.

23.06 Water Service Infrastructure Grant (WSIG)

Opening Unspent Balance	4 879 839	-
Grants Received / (Repaid)	1 716 161	6 596 000
Transferred to Revenue - Operating	(685 604)	(208 174)
Transferred to Revenue - Capital	(4 570 692)	(1 507 987)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	1 339 705	4 879 839

This grant is utilised for the construction and upgrade of Porterville waste water treatment works.

23.07 Western Cape Financial Management Support Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	600 000	-
Transferred to Revenue - Operating	(600 000)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

The Finance Management Grant was used for upgrading of financial system, reviewing of budget related policies, supply chain databases cleansing, risk management and internal audit services.

23.08 Proclaimed Roads

Opening Unspent Balance	-	-
Grants Received / (Repaid)	110 000	-
Transferred to Revenue - Operating	(110 000)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

The grant was used for maintenance of provincial roads.

23.09 Regional Socio - Economic Project/Violence Prevention through Urban Upgrading

Opening Unspent Balance	40 987	459 485
Grants Received / (Repaid)	(40 987)	1 000 001
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

The grant was utilised for the extension of Calendula street.



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23 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

23.10 Library Services

Opening Unspent Balance Grants	454 101	1 504 449
Received / (Repaid) Transferred to	8 434 000	7 474 000
Revenue - Operating Transferred to	(7 799 514)	(6 546 108)
Revenue - Capital Transfer to /	(480 302)	(1 978 240)
(from) Receivables	-	-
Closing Unspent Balance	<u>608 285</u>	<u>454 101</u>

The Library Services (Municipal Replacement Fund) Grant is used to pay the salaries of library staff.

23.11 Financial Management Capacity Building Grant

Opening Unspent Balance	93 577	24 677
Grants Received / (Repaid)	422 010	275 323
Transferred to Revenue - Operating	(327 062)	(206 423)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>188 525</u>	<u>93 577</u>

The purpose of the grant is to develop financial human capacity within the municipal areas to enable sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

23.12 Development of Sport and Recreation Facilities

Opening Unspent Balance	-	45 960
Grants Received / (Repaid)	300 000	(45 960)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>300 000</u>	<u>-</u>

This grant was utilised for the upgrade of the cricket field in Velddrif.

23.13 Fire Service Capacity Building Grant

Opening Unspent Balance	-	9 739
Grants Received / (Repaid)	-	(9 739)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>-</u>	<u>-</u>

This grant was utilised for the purchase 4x4 fire fighting truck.

23.14 Department of Human Settlements

Opening Unspent Balance	300 013	104 947
Grants Received / (Repaid)	79 654	926 489
Transferred to Revenue - Operating	(379 667)	(731 423)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>-</u>	<u>-</u>

This grant was utilised for the feasibility studies and the construction of infrastructure for housing projects.



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23 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

23.15 Public Employment Support Grant

Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 200 000	-
Transferred to Revenue - Operating	(755 271)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	444 729	-

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

23.16 Heist op den Berg

Opening Unspent Balance	33 319	194 774
Grants Received / (Repaid)	763 373	734 695
Transferred to Revenue - Operating	(442 774)	(236 469)
Transferred to Revenue - Capital	(233 619)	(659 681)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	120 299	33 319

This grant is federal government funding from Belgium for solid waste management.

23.17 Chieta Training Grant

Opening Unspent Balance	249 584	202 214
Grants Received / (Repaid)	248 678	241 989
Transferred to Revenue - Operating	-	(194 619)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	498 262	249 584

This grant is for the training and development of municipal officials

23.18 Total Grants

Opening Unspent Balance	8 752 963	5 032 906
Grants Received / (Repaid)	84 572 956	93 533 798
Transferred to Revenue - Operating	(68 724 780)	(70 020 927)
Transferred to Revenue - Capital	(20 038 015)	(19 792 815)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	4 563 124	8 752 963

24 CONTRIBUTED ASSETS

Land and Buildings	-	800 000
Infrastructure	-	8 895 034
Total	-	9 695 034

Contributed Assets consists out of the following:

- Town house and BADISA building transferred from West Coast District Municipality
- Infrastructure transferred by developer as part of development in Dwarskersbos

Total



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25 AVAILABILITY CHARGES		
Electricity	3 517 710	3 613 247
Water	1 454 864	1 500 065
Refuse Removal	2 960 912	3 079 503
Sewerage and Sanitation	2 285 529	2 396 990
Total	10 219 015	10 589 805
As previously reported		-
Correction of error restatement - note 45.1		10 589 805
Restated balance		10 589 805
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.		
26 FINES, PENALTIES AND FORFEITS		
Traffic Fines	17 401 200	20 349 680
Library Fines	67 374	5 174
Illegal Connections	14 959	36 440
Unclaimed Money	1 253 618	1 353 174
Total	18 737 152	21 744 468
In terms of the requirements of GRAP 23 and iGRAP 1, all traffic fines issued during the year less any cancellations or reductions identified are recognised as revenue.		
27 ACTUARIAL GAINS		
Post Retirement Medical Benefits	1 168 974	-
Long Service Awards	222 770	-
Total	1 391 744	-
28 SERVICE CHARGES		
Electricity	142 528 281	122 739 874
Water	36 776 662	32 756 704
Refuse Removal	28 949 980	26 432 587
Sewerage and Sanitation	17 154 087	15 723 529
Total Revenue	225 409 011	197 652 695
Less: Rebates	(12 446 713)	(12 516 398)
Electricity	(1 401 117)	(1 235 459)
Water	(2 211 407)	(2 277 220)
Refuse Removal	(5 260 679)	(5 377 606)
Sewerage and Sanitation	(3 573 511)	(3 626 114)
Total	212 962 297	185 136 297
As previously reported		
Correction of error restatement - note 45.1		
Restated balance		
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.		



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29 RENTAL OF FACILITIES AND EQUIPMENT		
Halls	92 356	49 855
Camping and Entrance Fees	4 982 267	3 143 087
Commonage	800 159	793 609
Hawker Stalls	219 873	120 779
Land and Buildings	393 442	185 094
Total	6 488 097	4 292 426
30 INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank Accounts	867 516	1 016 905
Investment Deposits	6 561 756	4 625 216
Eskom Deposits	17 787	21 229
Total	7 447 059	5 663 349
31 AGENCY SERVICES		
Drivers Licences	925 005	941 841
Motor Vehicle Registration	3 373 261	3 330 235
Roadworthy Certificates	377 787	435 606
Total	4 676 053	4 707 682
<p>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 56.1 for additional disclosure in this regard.</p> <p>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.</p>		
32 OTHER INCOME		
Building Plan Approval	2 203 449	1 874 504
Cemetery and Burial	631 334	550 243
Cleaning and Removal	370 501	130 817
Clearance and Valuation Certificates	533 910	487 014
Commission	92 878	77 930
Development Charges	680 330	467 034
Photocopies and Faxes	31 658	24 296
Sub-division, Rezoning and Consolidation Fees	194 691	187 830
Tender Documents	48 835	44 130
Sundry Income	84 458	30 030
Total	4 872 043	3 873 829



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33 CONSTRUCTION CONTRACTS

Construction of Velddrif 107 Top Structures	-	4 865 154
Total	-	4 865 154

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

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.

Construction of Velddrif 107 Top Structures

Reconciliation for the year

Opening balance	-	(1 649 202)
Expenditure incurred / Revenue Recognised	-	4 865 154
Payments / Advances received	-	(3 215 952)
Gross amount claimable/(due) from/(to) Department of Human Settlements	-	-

Aggregated reconciliation

Expenditure incurred / Revenue Recognised	-	29 939 327
Advances received	-	(29 939 327)
Retentions	-	-
Gross amount claimable/(due) from/(to) Department of Human Settlements	-	-

34 EMPLOYEE RELATED COSTS

Basic Salaries and Wages	94 396 133	86 236 940
Pension and UIF Contributions	15 779 521	14 613 436
Medical Aid Contributions	6 331 351	6 068 956
Overtime	6 412 543	5 298 934
Motor Vehicle Allowances	5 731 152	5 318 006
Cell Phone Allowances	56 490	47 238
Housing Allowances	704 026	878 217
Other benefits and allowances	6 950 438	5 972 702

Acting Allowances	843 267	670 139
Bargaining Council Levy	47 462	43 996
Group Life Insurance	1 521 538	905 836
Standby Allowances	4 133 021	3 946 342
Scarcity Allowances	405 149	406 390

Contributions to Employee Benefits	9 673 268	10 060 820
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Bonuses	6 775 978	6 573 172
Staff Leave	238 137	1 220 663
Performance Bonuses	388 154	400 984
Long Service Awards	581 000	525 000
Post Retirement Medical Benefits	1 690 000	1 341 000

Workmen's Compensation Fund	630 096	623 968
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Total	146 665 018	135 119 215
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As previously reported

Correction of error restatement - note 45.4

Restated balance



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34 EMPLOYEE RELATED COSTS (CONTINUED)

Remuneration of Management Personnel

Key management personnel are all appointed on a permanent basis, except for the Municipal Manager who is appointed on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract periods.

Municipal Manager - Adv H Linde

Annual Remuneration	1 533 540	1 417 184
Travelling Allowance	67 500	152 688
Contributions to UIF, Medical and Pension Funds	382 249	338 732
Total	1 983 289	1 908 604

Director: Corporate Services - Mr JWA Kotzee

Annual Remuneration	867 900	878 464
Travelling Allowance	296 510	239 587
Contributions to UIF, Medical and Pension Funds	210 118	206 430
Housing Subsidy	150 000	145 000
Total	1 524 528	1 469 482

Director: Community Services - Mr DA Josephus

Annual Remuneration	888 174	852 824
Travelling Allowance	212 963	180 000
Contributions to UIF, Medical and Pension Funds	199 058	182 034
Service Bonus	50 000	50 000
Performance Bonus	145 683	151 472
Housing Subsidy	23 545	56 509
Total	1 519 424	1 472 838

Chief Financial Officer - Mr F M Lötter

Annual Remuneration	1 091 192	1 043 398
Travelling Allowance	253 333	253 333
Performance Bonus	145 683	100 981
Contributions to UIF, Medical and Pension Funds	29 220	27 661
Total	1 519 429	1 425 373

Director: Technical Services - Mr AC Koch (resigned September 2021)

Annual Remuneration	269 027	1 036 469
Travelling Allowance	68 502	274 320
Performance Bonus	132 439	64 916
Contributions to UIF, Medical and Pension Funds	5 511	13 602
Leave Payout	52 047	-
Total	527 526	1 389 308

Director: Technical Services - Mr V Felton (appointed February 2022)

Annual Remuneration	452 480	-
Travelling Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Total	452 480	-



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34 EMPLOYEE RELATED COSTS (CONTINUED)

Employees acting in management positions

The following employees acted in management positions 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.

Employee	Acting Position	Number of days in acting position			
		2022	2021		
DA Josephus	Municipal Manager	20	25	27 523	43 681
JWA Kotzee	Municipal Manager	0	12	-	6 333
N Rossouw	Director: Technical Services	84	14	34 911	6 232
JJ Breunissen	Director: Technical Services	11	10	4 897	4 452
N Bothma	Chief Financial Officer	16	0	6 892	-
JP Sass	Chief Financial Officer	5	6	2 304	2 608
Total				76 527	63 306

35 REMUNERATION OF COUNCILLORS

Cllr JC Botha	-	182 718
Ald RM van Rooy	915 660	900 096
Ald SM Crafford	257 079	727 883
Ald A de Vries	715 214	729 488
Ald SIJ Smit	148 721	390 418
Cllr J Daniels	694 873	673 474
Cllr AJ Du Plooy	686 628	686 446
Cllr A Small	320 076	313 230
Cllr MA Wessels	727 722	686 446
Cllr D De Bruin	113 307	313 230
Cllr A van Wyk	113 307	313 230
Cllr I Adams	320 076	313 230
Cllr SS Lesch	320 076	313 230
Cllr S Swartz	113 307	111 520
Ald RE Swarts	478 683	-
Cllr JJ Moolman	256 067	-
Cllr BU Maarman	206 565	-
Ald E Manuel	206 943	-
Cllr RL Laubscher	206 565	-
Total	6 800 868	6 654 639

	Basic Salary	Motor Vehicle Allowance	Cell Phone Allowance	Medical and Pension Contributions	Total
2022					
Executive Mayor	547 543	241 691	40 800	83 438	913 472
Deputy Executive Mayor	505 503	170 801	41 578	24 059	741 942
Speaker	700 364	-	39 817	-	740 180
Executive Committee	1 254 577	58 614	81 600	-	1 394 790
Other Councillors	2 528 293	76 341	325 581	80 268	3 010 483
Total	5 536 279	547 447	529 376	187 766	6 800 868
2021					
Executive Mayor	559 867	215 215	40 800	84 214	90
Deputy Executive Mayor	453 528	165 285	40 800	68 270	72
Speaker	688 688	-	40 800	-	72
Executive Committee	1 130 541	153 369	81 600	7 382	1 37
Other Councillors	2 296 497	210 951	323 819	93 012	2 92
Total	5 129 122	744 820	527 819	252 879	6 65

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35 REMUNERATION OF COUNCILLORS (CONTINUED)

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Executive 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.

36 DEBT IMPAIRMENT

Receivables from Exchange Transactions	4 775 781	4 241 823
Receivables from Non-Exchange Transactions	6 934 686	24 308 940
Long-term Receivables	1 629 297	3 628 730
Total Debt Impairment	13 339 764	32 179 493
Movement in VAT included in debt impairment	266 337	836 094
Total	13 606 101	33 015 587
As previously reported		33 165 607
Correction of error restatement - note 45.1		(150 021)
Restated balance		33 015 587

37 DEPRECIATION AND AMORTISATION

Property, Plant and Equipment	27 212 036	21 340 562
Intangible Assets	395 785	500 857
Investment Property	17 039	23 715
Total	27 624 860	21 865 133
As previously reported		22 260 777
Correction of error restatement - note 45.2		(549 366)
Correction of error restatement - note 45.3		153 722
Restated balance		21 865 133

38 FINANCE CHARGES

Cash	7 192 727	6 616 852
Long-term Liabilities	7 192 727	6 616 852
Non-cash	10 778 004	8 824 709
Post Retirement Medical Benefits	3 360 000	2 976 000
Long Service Awards	606 000	436 000
Rehabilitation of Landfill Sites	6 812 004	5 412 709
Total	17 970 731	15 441 561



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39 BULK PURCHASES		
Electricity	118 995 098	100 415 330
Water	6 100 365	4 712 775
Water Purchased	7 199 629	6 144 931
Surplus generated by West Coast District Municipality (WCDM)	(1 099 263)	(1 432 156)
Total	125 095 464	105 128 105

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 WCDM and a number of private suppliers.

In terms of the services concession agreement, the local municipalities determine a tariff, in consultation with the WCDM, that allows the WCDM to recover the costs it incurs in the provision of the bulk water services. At year-end, WCDM calculates the surplus generated from the service concession arrangement, and accordingly the surplus is distributed to the local municipalities based on their water purchases for the year.

40 CONTRACTED SERVICES

Accounting and Auditing	3 082 500	2 335 196
Alien Vegetation Control	350 000	-
Clearing and Grass Cutting	348 197	267 525
Communications	681 979	613 437
Construction of Housing Top Structures	-	4 865 154
Drivers Licence Cards	342 149	318 747
Engineering Services	686 511	448 008
Human Resources	461 089	102 025
Laboratory Services	367 591	402 445
Land and Quantity Surveyors	379 667	786 530
Legal Cost	454 908	375 466
Maintenance Services	6 001 327	3 976 302
Organisational	1 585 157	1 034 667
Project Management (Revenue Enhancement)	1 705 247	-
Refuse Removal	10 472 242	4 882 269
Research and Advisory	780 476	854 712
Security Services	1 782 167	755 630
Traffic Fines Management	2 114 303	1 278 920
Valuer and Assessors	120 348	101 826
Other Consulting and Professional Fees	1 179 434	1 125 529
Total	32 895 292	24 524 389

As previously reported

Correction of error restatement - note 45.2

Correction of error restatement - note 45.4

Restated balance

24 020 376

303 703

200 310

24 524 389

Other Consulting and Professional Fees consist out of a variety of services, including but not limited to the following:

- Event Promoters
- Audit Committee
- Burial Service
- Catering Services
- Veterinary Services



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41 TRANSFERS AND GRANTS		
Animal Welfare	31 000	62 000
Bergrivier Canoe Marathon	60 000	-
Bergrivier Estuary Management Forum	567 000	450 000
External Bursaries	594 812	450 085
Museums	585 000	617 000
Port Owen Marine Authority	1 457 000	700 000
Redelinghuys Farm Watch	250 000	500 000
Society for the Prevention of Cruelty to Animals (SPCA)	200 000	235 000
Sport Councils	450 000	450 650
St Helena Bay Water Quality Trust	49 000	48 160
Tourism	2 203 000	1 920 000
Social Relief	289 282	433 915
Indigent Dwelling Restoration	127 205	71 958
Feeding of Homeless	162 077	361 957
Total	6 736 094	5 866 810
As previously reported		5 504 853
Correction of error restatement - note 45.6		361 957
Restated balance		5 866 810
42 OTHER EXPENDITURE		
Advertising, Publicity and Marketing	1 178 729	1 098 117
Bank Charges, Facility and Card Fees	801 702	772 851
Bursaries to Employees	229 997	73 316
Chemicals	964 530	479 047
Commission - Prepaid Electricity	2 086 957	1 977 464
Communication	2 724 580	2 660 459
Cellular Contract (Subscription and Calls)	533 354	493 305
Postage, Stamps and Franking Machines	622 241	633 621
Telephone, Fax, Telegraph and Telex	1 568 985	1 533 534
Electricity - Internal usage	2 238 865	1 861 787
Entertainment	50 848	18 957
External Audit Fees	3 127 357	3 191 873
External Computer Service	1 255 190	2 289 730
Fuel	5 756 938	3 858 452
Hire Charges	767 900	715 759
Insurance	2 556 127	1 827 982
Learnerships and Internships	192 124	257 440
Maintenance Materials	5 094 869	4 908 294
Motor Vehicle Licence and Registrations	327 411	280 568
Printing and Stationary	1 334 186	1 097 881
Professional Bodies, Membership and Subscription	1 431 403	1 365 174
Refuse bags	1 103 854	1 985 453
Skills Development Fund Levy	1 185 219	921 214
Small Tools and Equipment	883 680	369 481
Training	139 968	154 487
Travel and Subsistence	766 055	365 410
Uniform and Protective Clothing	1 076 054	596 417
Union Representative	128 206	120 656
Vehicle Tracking	232 754	167 249
Ward Committees		2800
Sundries and Other Consumables		3453
Total		1773
As previously reported		9271
Correction of error restatement - note 45.4		4459
Correction of error restatement - note 45.6		1957)
Restated balance		1773



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43 ACTUARIAL LOSSES

Post Retirement Medical Benefits	-	1 700 162
Long Service Awards	-	435 336
Total	-	2 135 498

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

44 GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS

Proceeds	616 852	751 135
Less: Carrying value of Investment Property disposed	(47 400)	-
Less: Carrying value of Property, Plant and Equipment disposed	(308 706)	(2 979 523)
Less: Carrying value of Intangible Assets	(14 538)	-
Total	246 208	(2 228 389)
As previously reported		(2 224 958)
Correction of error restatement - note 45.2		(3 431)
Restated balance		(2 228 389)

45 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

45.1 Receivables from Non-Exchange Transactions

The following errors were noted:

- A Council decision dated 25 August 2020 to write off debt amounting to R707 517, was not accounted for in the financial records of the Municipality.
- 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 R10 589 805 and R14 737 737 respectively, were reclassified.
- Prepaid expenses amounting to R1 003 992 was incorrectly classified as Receivables from Non-Exchange Transactions, rather than Receivables from Exchange Transactions.
- Property Rates amounting to R976 013 was incorrectly levied, resulting in an overstatement of both the property rates debtor and property rates revenue. In addition, the said debtor was also fully impaired, which resulted in an overstatement of the debt impairment provision and debt impairment expense.

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

- Receivables from Exchange Transactions - note 3	Overstated	(13 733 745)
- Receivables from Non-Exchange Transactions - note 4	Understated	13 026 228
- Property Rates - note 22	Overstated	(502 111)
- Availability Charges - note 25	Understated	10 589 805
- Service Charges - note 28	Overs	
- Debt Impairment - note 36	Overs	
- Accumulated Surplus - note 45.5	Overs	



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45 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

45.2 Property, Plant and Equipment

The following errors were noted:

- Items within Property, Plant and Equipment were incorrectly classified. Accordingly, depreciation amounting to R1 388 509 was incorrectly calculated.
- During the physical verification process it was noted that assets with a carrying value of R1 773 730 were not recorded in the asset register.
- Operating expenditure amounting to R2 828 514 was incorrectly capitalised as work in progress and was accordingly removed from the asset register.
- Completed projects were incorrectly included in work in progress, and accordingly no depreciation was charged, which is calculated at R39 536.
- Property, Plant and Equipment with a carrying value of R150 780 was incorrectly classified as Investment Property and was accordingly reclassified.

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

- Investment Property - note 8	Overstated	(150 780)
- Property, Plant and Equipment - note 9	Understated	444 970
- Depreciation and Amortisation - note 37	Overstated	(549 366)
- Contracted Services - note 40	Understated	303 703
- Gain on disposal of Non-Monetary Assets note 44	Overstated	(3 431)
- Accumulated Surplus - note 45.5	Understated	51 957

45.3 Intangible Assets

The following errors were noted:

- Intangible Assets with a carrying value of R3 445 which did not meet the definition of an intangible assets, were incorrectly included in the asset register.
- Completed projects were incorrectly included in work in progress, and accordingly no amortisation was charged, which is calculated at R572 983.

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

- Intangible Assets - note 10	Overstated	(576 429)
- Depreciation and Amortisation - note 37	Understated	153 722
- Accumulated Surplus - note 45.5	Overstated	(422 707)



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45 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

45.4 Payables from Exchange Transactions

The following errors were noted:

- Accruals amounting to R274 423 was not raised as on 30 June 2021.
- Overtime amounting to R142 640 relating to the 2020/21 financial year was not paid, due to the incorrect interpretation of the policy. The said overtime was subsequently paid in the current year.

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

- Payables from Exchange Transactions - note 14	Understated	417 064
- Taxes - note 15	Understated	35 794
- Employee Related Costs - note 34	Understated	142 641
- Contracted Services - note 40	Understated	200 310
- Other Expenditure - note 42	Understated	14 459
- Accumulated Surplus - note 45.5	Overstated	(23 860)

45.5 Accumulated Surplus

Receivables from Non-Exchange Transactions - note 45.1	Overstated	(355 427)
Property, Plant and Equipment - note 45.2	Understated	51 957
Intangible Assets - note 45.3	Overstated	(422 707)
Payables from Exchange Transactions - note 45.4	Overstated	(23 860)
Total		(750 037)

45.6 Reclassifications

Social Relief amounting to R361 957 was incorrectly classified as Other Expenditure, rather than Transfers and Grants.

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

- Transfers and Grants - note 41	Understated	361 957
- Other Expenditure - note 42	Overstated	(361 957)



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46 NET CASH FROM OPERATING ACTIVITIES		
Net Surplus for the year	28 892 532	37 569 747
Adjusted for:		
Non-cash revenue included in Net Surplus	(1 625 405)	(9 678 294)
Contributed Assets	-	(9 695 034)
Actuarial Gains	(1 391 744)	-
Rental of Facilities and Equipment - movement in operating lease asset	12 547	16 740
Gain on disposal of Non-Monetary Assets	(246 208)	-
Non-cash expenditure included in Net Surplus	61 710 318	78 119 135
Employee Related Costs - Contributions towards	9 673 268	10 060 820
Post Retirement Medical Benefits	1 690 000	1 341 000
Long Service Awards	581 000	525 000
Bonuses	6 775 978	6 573 172
Staff Leave	238 137	1 220 663
Performance Bonuses	388 154	400 984
Debt Impairment	13 606 101	33 015 587
Depreciation and Amortisation	27 624 860	21 865 133
Finance Charges	10 778 004	8 824 709
Post Retirement Medical Benefits	3 360 000	2 976 000
Long Service Awards	606 000	436 000
Provision for Rehabilitation of Landfill-sites	6 812 004	5 412 709
Other Expenditure - movement in operating lease liability	28 085	(11 000)
Actuarial Losses	-	2 135 498
Loss on disposal of Non-Monetary Assets	-	2 228 389
Cash expenditure not included in Net Surplus	(9 788 308)	(8 814 555)
Post Retirement Medical Benefits	(1 442 026)	(1 394 162)
Long Service Awards	(607 230)	(627 336)
Bonuses	(6 647 643)	(6 229 772)
Staff Leave	(643 046)	(245 916)
Performance Bonuses	(448 363)	(317 369)
Operating Surplus before changes in working capital	79 189 136	97 196 032
Movement in working capital	(30 300 698)	(15 516 885)
Receivables from Exchange Transactions	(15 480 122)	898 897
Receivables from Non-Exchange Transactions	(9 047 724)	(16 222 865)
Inventory	129 680	1 039 172
Long-term Receivables	(3 345 575)	(10 268 592)
Consumer Deposits	466 654	434 537
Payables from exchange transactions - Operating	1 825 090	5 258 182
Payables from exchange transactions - Total	285 587	3 182 638
Add back: Capital included in Trade Payables	1 253 773	2 237 610
Add back: Retentions	285 730	(162 065)
Unspent Conditional Government Grants	(4 189 841)	3 720 057
Unspent Public Contributions	123 819	-
Taxes	(782 679)	(376 274)
Cash Flow from Operating Activities	48 888 439	81 679 148

47 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	22 790 092
Call and Notice Deposits	120 778 322
Cash Floats	19 850
Total	143 588 264

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

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48 BUDGET COMPARISONS

48.1 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:

	Actuals per Statement of Financial Performance R	Reclassification due mSCOA vs GRAP classification R	Actuals per Budget Comparison R
REVENUE			
Property Rates	84 410 540	-	84 410 540
Service Charges - Electricity Revenue	144 644 873	-	144 644 873
Service Charges	141 127 164		
Availability Charges	3 517 710		
Service Charges - Water Revenue	36 020 120	-	36 020 120
Service Charges	34 565 255		
Availability Charges	1 454 864		
Service Charges - Sanitation Revenue	15 866 105	-	15 866 105
Service Charges	13 580 577		
Availability Charges	2 285 529		
Service Charges - Refuse Revenue	26 650 214	-	26 650 214
Service Charges	23 689 302		
Availability Charges	2 960 912		
Rental of Facilities and Equipment	6 488 097	(4 982 267)	1 505 830
Interest Earned - External Investments	7 447 059	-	7 447 059
Interest Earned - Outstanding Debtors	5 166 250	-	5 166 250
Fines	18 737 152	-	18 737 152
Licences and Permits	84 694	-	84 694
Agency Services	4 676 053	-	4 676 053
Transfers Recognised - Operational	68 724 780	-	68 724 780
Other Revenue		4 301 936	9 623 359
Insurance Refund			
Other Income			
Gains		-	1 637 952
Actuarial Gains			
Gain on disposal of Non-Monetary Assets			
Total Revenue (excluding capital transfers)	(680 330)		425 194 980



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BUDGET COMPARISONS (CONTINUED)

	Actuals per Statement of Financial Performance R	Reclassification due mSCOA vs GRAP classification R	Actuals per Budget Comparison R
EXPENDITURE			
Employee Related Costs	146 665 018	(630 096)	146 034 922
Remuneration of Councillors	6 800 868	-	6 800 868
Debt Impairment	13 606 101	-	13 606 101
Depreciation and Asset Impairment	27 624 860	-	27 624 860
Finance Charges	17 970 731	-	17 970 731
Bulk purchases	125 095 464	(6 100 365)	118 995 098
Inventory consumed	-	15 361 683	15 361 683
Contracted Services	32 895 292	-	32 895 292
Transfers and Grants	6 736 094	-	6 736 094
Other Expenditure	39 626 366	(8 631 222)	30 995 144
Losses	-	-	-
Actuarial Losses	-	-	-
Loss on disposal of Non-Monetary Assets	-	-	-
Total Expenditure	417 020 794	-	417 020 793
Surplus/(Deficit)	8 854 517	(680 330)	8 174 186
Transfers and subsidies - capital (monetary) - Government	19 804 396	-	19 804 396
Transfers and subsidies - capital (monetary) - Other	233 619	680 330	913 949
Transfers and subsidies - capital (in-kind)	-	-	-
Surplus/(Deficit) for the year	28 892 532	-	28 892 532

The items reclassified can be summarised as follow:

Item	GRAP Classification	Budget Classification	Amount
Camping and Entrance Fees	Rentals of Facilities and Equipment	Other Revenue	4 982 267
Workmen's Compensation Fund	Employee Related Costs	Other Expenditure	630 096
Water	Bulk Purchases	Inventory Consumed	6 100 365
Chemicals	Other Expenditure	Inventory Consumed	964 530
Maintenance Materials	Other Expenditure	Inventory Consumed	5 094 869
Printing and Stationary	Other Expenditure	Inventory Consumed	743 902
Refuse bags	Other Expenditure	Inventory Consumed	1 103 854
Sundries and Other Consumables	Other Expenditure	Inventory Consumed	1 354 163
Development Charges	Other Income	Transfers and subsidies - capital (monetary)	680 330

Cash Flow Statement

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

48.2 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 align balances with the actual audit outcomes of 2020/21.



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48 BUDGET COMPARISONS (CONTINUED)

Actual Amounts vs Final Budget

Cash and Call Investment Deposits	More cash was available at year-end due to a higher debtors collection rate, general savings on expenditure and less creditors paid at year-end than anticipated.
Consumer Debtors	The allowance for debt impairment was less than anticipated due to a large number of consumer debtors which were handed over for collection. Handed over accounts are only impaired at 25%, which is the amount considered to be non-collectable.
Trade and Other Payables	Less creditors were paid at year-end due to 30 June invoices being due after close-off of the accounting period resulting in the actual payables being more than the budget.
Accumulated Surplus	Actuals are more than budget as a result of the items listed under the "Statement of Financial Performance" section.
Reserves	Contribution towards reserves are based on the discretion of the Accounting Officer.

48.3 Statement of Financial Performance

Adjustments to Original Budget

Transfers Recognised - Operational	Increased due to the approval of roll-over Provincial grant funding, as well as additional Provincial grant allocations.
Employee Related Costs	Increased as original budget only included notch salary increases, and not annual increases.
Debt Impairment	Decrease due to an increase in the collection rate from 93.5% (as initially budgeted) to 95%.
Contracted Services	Increased due to an increase in cost relating to the removal of solid waste and clearing of solid waste transfer station in Velddrif.

Virements

All virement were done in line with the approved virement policy of the Municipality where funds are transferred from one line item to another within a specific vote. No material virements were made.

Actual Amounts vs Final Budget

Transfers Recognised - Operational	Actuals were less than budget as not all projects were concluded at year-end. The full funding allocation from Department of Human Settlements was also not received.
Employee Related Costs	Actuals were less than budget as 30 funded vacant posts were not filled at year-end.
Debt Impairment	Actuals was less than budget due to a large number of consumer debtors which were handed over for collection. Handed over accounts are only impaired at 25%, which is the amount considered to be non-collectable.
Contracted Services	Actuals were less than budget due to full funding a Department of Human Settlements.
Other Expenditure	Actuals were less than budget due to general savings.



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48 BUDGET COMPARISONS (CONTINUED)

48.4 Cash Flow Statement

Adjustments to Original Budget

Net Cash from/(used) Operating Activities	Receipts increased due to the increase in service charges revenue, as well as an increase in the collection rate from 93.5% to 95%. Payments increased due to an increase in Employee Related Cost and Contracted services.
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Actual Amounts vs Final Budget

Net Cash from/(used) Operating Activities	Operating expenditure budget was not spent in full, resulting in cash surpluses.
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49 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

49.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	764 459	687 569
Unauthorised expenditure current year - operating	-	764 459
Unauthorised expenditure current year - capital	-	-
Approved by Council	(764 459)	(687 569)
Unauthorised expenditure awaiting further action	-	764 459

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 - Municipal Manager	28 342 146	30 003 850	-	-
Vote 2 - Finance	31 997 298	46 570 317	-	-
Vote 3 - Corporate Services	28 838 791	33 786 555	-	764 459
Vote 4 - Technical Services	257 738 799	264 770 191	-	-
Vote 5 - Community Services	70 103 759	81 899 910	-	-
Total	417 020 793	457 030 823	-	764 459

The overspending incurred is attributable to the following non-cash categories:

- Actuarial Losses as result of a decrease in the net discount rates used by actuaries in the calculation of employee benefits	-	764 459
Total	-	764 459



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

	2022 (Actual) R	2022 (Final Budget) R	2022 (Unauthorised) R	2021 (Unauthorised) R
Unauthorised expenditure - Capital				
Vote 1 - Municipal Manager	46 158	47 000	-	-
Vote 2 - Finance	2 207 586	2 343 900	-	-
Vote 3 - Corporate Services	2 594 887	2 712 646	-	-
Vote 4 - Technical Services	39 918 760	42 175 273	-	-
Vote 5 - Community Services	8 026 416	8 534 788	-	-
Total	52 793 807	55 813 607	-	-

49.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	-	255 570
Fruitless and wasteful expenditure incurred - prior years	-	-
Fruitless and wasteful expenditure incurred - current year	1 026	297
Recovered from Employees	(1 026)	(297)
Approved by Council	-	(255 570)

Fruitless and wasteful expenditure awaiting further action

-	-
---	---

Details of fruitless and wasteful expenditure incurred

(a) Incorrect amount of PAYE paid to SARS due to typing error	-	297
(b) Handling fee charge by supplier for incorrect items ordered, and then returned	301	-
(c) Cheapest quote not used	401	-
(d) More items purchased than approved order	325	-

Total

1 026	297
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No disciplinary steps or criminal proceedings were instituted as a result of fruitless and wasteful expenditure incurred due to the fact that no criminal offence occurred.

49.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	94 750	1 600
Irregular expenditure incurred - current year	-	94 750
Approved by Council	(94 750)	(1 600)

Irregular expenditure awaiting further action

-	94 750
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Details of irregular expenditure incurred

(a) Deviations not considered to be impractical or exceptional circumstances	-	94 750
--	---	--------

Total

-	94 750
---	---------------

Details of irregular expenditure awaiting further action:

(a) Deviations not considered to be impractical or exceptional circumstances	-	94 750
--	---	--------

Total

-	94 750
---	---------------

Incidents/cases identified in the current year include:

- (a) Deviations not considered to be impractical or exceptional circumstances

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



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50 MATERIAL LOSSES		
50.1 Water distribution losses		
Kilo litres disinfected/purified/purchased	2 365 019	2 197 038
Kilo litres sold and free basic services	2 007 507	1 847 781
Kilo litres lost during distribution	357 512	349 257
Percentage lost during distribution	15.12%	15.90%
Water losses can mainly be ascribed to a combination of major pipe bursts, field leakages and ageing meter infrastructure. A concerted effort is underway to replace meters, water mains and metering systems to address the water losses.		
50.2 Electricity distribution losses		
Units purchased (Kwh)	83 064 453	82 712 666
Units sold, free basic services and standard friction losses	72 615 568	72 544 143
Units lost during distribution (Kwh)	10 448 885	10 168 523
Percentage lost during distribution	12.58%	12.29%
Electricity losses can be ascribed to a combination of friction, transformer and losses associated with meter infrastructure. A meter replacement program in respect of electricity meters is underway to curb unaccounted losses.		
51 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
51.1 SALGA Contributions [MFMA 125 (1)(b)]		
Opening balance	(1 003 992)	(986 988)
Expenditure incurred	1 382 634	1 321 652
Payments	(1 514 569)	(1 338 656)
Payments in advance	(1 135 927)	(1 003 992)
51.2 Audit Fees [MFMA 125 (1)(c)]		
Opening balance	15 700	17 225
Expenditure incurred	3 655 643	3 735 729
External Audit - Auditor-General	3 127 357	3 191 873
VAT on External Audit	469 104	478 781
Audit Committee	59 182	65 075
Payments	(3 671 343)	(3 737 254)
Outstanding Balance	-	15 700
51.3 VAT [MFMA 125 (1)(c)]		
Opening balance	982 178	3 129 532
Net amount claimed / (declared) during the year	(855 031)	(3 230 406)
Net amount paid / (received) during the year	1 :	
Outstanding Balance	1 :	
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.		



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

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

Opening balance	-	-
Payroll deductions and Council Contributions during the year	22 439 049	20 465 822
Payments	(22 439 049)	(20 465 822)
Outstanding Balance	-	-

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

Opening balance	-	-
Payroll deductions and Council Contributions during the year	35 030 097	32 970 450
Payments made to pension and medical fund	(35 030 097)	(32 970 450)
Outstanding Balance	-	-

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

No Councillors had arrear accounts outstanding for more than 90 days during the year.

51.7 Deviations from Supply Chain Management Regulations

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

Section 36(1)(a)(i) - Emergencies	652 234	1 592 973
Section 36(1)(a)(ii) - Single provider	34 931	848 147
Section 36(1)(a)(iii) - Specialised services	-	72 150
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical so follow official procurement process	926 221	12 776 277
Total	1 613 386	15 289 547

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

Vote 1 - Municipal Manager	278 868	1 372 443
Vote 2 - Finance	369 926	19 120
Vote 3 - Corporate Services	5 094	3 112 734
Vote 4 - Technical Services	844 812	10 636 936
Vote 5 - Community Services	114 686	148 314
Total	1 613 386	15 289 547

All the deviations were ratified by the Municipal Manager and reported to Council.

52 CAPITAL COMMITMENTS

Approved and contracted for

	4 754 542	5 032 358
Land and Buildings	169 574	1 290 381
Infrastructure	3 905 204	2 968 279
Community Assets	679 764	773 697

This expenditure will be financed from:

Government Grants	2 162 985	2 444 965
External Loans	2 2	
Own funding	2 2	
Total	4 2	

Capital Commitments are disclosed exclusive of Value Added Tax (VAT). The comparative figures has been restated due to one contract of which the payments and retentions was not taken into account when the commitment was calculated.



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53 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

53.1 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:

Cash and Cash Equivalents	143 568 414	141 625 947
Receivables from exchange transactions	42 489 509	31 924 408
Receivables from non-exchange transactions	13 478 683	14 737 738
Long-term Receivables	8 662 613	6 946 335
Total	208 199 219	195 234 427

Cash and Cash Equivalents

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 and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

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 6 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

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

Electricity	2 366 156	1 340 120
Water	3 248 355	2 843 712
Refuse	4 123 709	2 484 855
Sewerage	2 341 899	1 416 313
Interest	7 955 464	
Other	2 142 090	
Availability Charges	12 872 674	
Total	35 050 346	

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53 FINANCIAL RISK MANAGEMENT (CONTINUED)

Past due receivables are aged as follow:

Past Due (31 - 60 Days)	3 104 847	2 973 523
Past Due (61 - 90 Days)	1 452 431	1 542 342
Past Due (90 Days +)	30 493 068	25 766 951
Total	35 050 346	30 282 817

53.2 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.

53.3 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:

Cash and Cash Equivalents (excluding cash on hand)	143 568 414	141 625 947
Long-term Liabilities (including current portion)	-	-
Net balance exposed	143 568 414	141 625 947

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

0.5% (2021 - 0.5%) increase in interest rates	717 842	708 130
0.5% (2021 - 0.5%) decrease in interest rates	(717 842)	(708 130)

53.4 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	17 593 939	55 071 543	43 936 831	116 602 312
Payables from exchange transactions	26 847 761	-	-	26 847 761
Total	44 441 700	55 071 543	43 936 831	143 450 073
30 JUNE 2021				
Annuity Loans	15 085 547	41 203 255	51 859 545	108 148 348
Payables from exchange transactions	26 278 858	-	-	26 278 858
Total	41 364 406	41 203 255	51 859 545	134 427 206

53.5 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 Municipality is not exposed to any other price risk.



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54 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

Cash and Cash Equivalents	143 568 414	141 625 947
Bank Accounts	22 790 092	9 051 931
Investment Deposits	120 778 322	132 574 016
Receivables from Exchange Transactions	42 489 509	31 924 408
Electricity	14 295 982	9 375 635
Water	6 859 604	5 940 087
Refuse	6 083 972	4 135 980
Sewerage	3 434 718	2 330 318
Interest	8 220 131	6 313 023
Other	2 330 950	2 182 385
West Coast District Municipality	1 264 152	1 646 979
Receivables from Non-Exchange Transactions	13 478 683	14 737 738
Availability Fees	13 478 683	14 737 738
Long-term Receivables	8 662 613	6 946 335
Receivables with repayment arrangements	8 662 613	6 946 335
Total	208 199 219	195 234 427

Financial Liabilities

Payables from exchange transactions	26 847 761	26 278 858
Trade Payables	20 503 458	19 661 227
Retentions	105 969	391 699
Sundry Creditors	2 227 546	1 589 979
Sundry Deposits	487 724	672 718
Unknown Receipts	2 962 280	3 124 096
Department of Human Settlements	525 958	790 997
Accrued Interest	34 826	48 142
Long-Term Liabilities	75 491 244	68 720 759
Annuity Loans	75 491 244	68 720 759
Total	102 339 005	94 999 617

55 STATUTORY RECEIVABLES

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

Receivables from Non-Exchange Transactions	29 763 709	24 794 003
Rates	28 241 909	22 735 563
Fines	1 521 800	2 058 440
Taxes - VAT Claimable from SARS	1 686 762	526 185
Total	31 450 471	25 320 188

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 22 for property rates levied for the year and basis for interest and rate used on outstanding balances.



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55 STATUTORY RECEIVABLES (CONTINUED)

Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 26 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

\ - Past due at the reporting date, and which have been impaired	11 595 334	16 329 987
- Past due that have not been impaired	23 036 179	17 679 195

56 PRINCIPAL-AGENT ARRANGEMENTS

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

56.1 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:

Collections payable to the Department at beginning of year	159 800	171 573
Revenue collected from third parties	22 975 238	22 009 815
Commission earned on collections included in note 31	(3 373 261)	(3 330 235)
VAT on commission earned payable to the South African Revenue Services	(505 989)	(499 535)
Collections paid over to The Department	(19 065 367)	(18 191 818)
	190 420	159 800

56.2 Department of Human Settlements

The Municipality acts an agent for the Department of Human Settlements which includes, but is not limited to, assistance of emergency housing programmes (EHP's) and transfer of title deeds to beneficiaries.

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

Balance at beginning of year	(468 297)	(378 085)
Advances received during year	205 730	-
Expenditure incurred on behalf of Department	(273 040)	(90 212)
	(535 606)	(468 297)

The balance at year-end is disclosed as follow:

Advance received included in note 14	525 958	790 997
Amounts claimable included in note 4	(1 061 564)	(1 259 294)
	(535 606)	(468 297)



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56 PRINCIPAL-AGENT ARRANGEMENTS (CONTINUED)

56.3 Other Arrangements

The Municipality has entered into arrangements with service providers to provide services to the public on behalf of the Municipality. The nature of these arrangements were assessed and the transactions are not considered to fall within the scope of GRAP 109. The types of arrangements considered for this purpose are:

- Traffic Fines Management

The service provider is responsible for maintaining the fines register, sending of reminders for payment, issue and delivery of summonses and preparation of warrants of arrest. All fines revenue are collected by the Municipality in full. The service provider is paid a fixed amount for each fine collected.

- Prepaid Electricity Vendors

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.

57 EVENTS AFTER REPORTING DATE

The Municipal had no significant events after reporting date.

58 IN-KIND DONATIONS AND ASSISTANCE

The Municipality received donations as disclosed in note 24.

59 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

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

60 CONTINGENT LIABILITIES

The Municipality is not currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.

61 RELATED PARTIES

61.1 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.

Other related parties transactions relates to the acquisition of goods under terms and conditions applicable to open market trading on a willing buyer and seller principles. The payment terms are not favourable to other transactions (other related parties) and are not secured or encumbered. Settlement terms are in accordance with the general terms of trade with no guarantees received or given.

61.2 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.



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61 RELATED PARTIES (CONTINUED)

61.3 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 34 and 35.

61.4 Current Employee Benefits

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

Adv H Linde	- Municipal Manager	16 386	19 618
Mr JWA Kotzee	- Director: Corporate Services	42 741	72 247
Mr DA Josephus	- Director: Community Services	89 495	222 889
Mr F M Lötter	- Chief Financial Officer	82 821	57 838
Mr AC Koch	- Director: Technical Services	-	56 413
Mr VW Felton	- Director: Technical Services	4 561	-
Total		236 004	429 004

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

Mr DA Josephus	- Director: Community Services	29 167	29 167
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61.5 Other related party transactions

The Municipality did not enter into any transactions where Councillors or Management had an interest.

62 OTHER TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS

The following awards were made where immediate family members are in the service of the State:

Company Name	Related Party	Family member in service of the state	Amount	Amount
IOMU Trading	A Appollis	Spouse (Correctional Services)	-	28 394
Ettiene Vermaak	J Vermaak	Spouse (Karl Bremer Hospital)	-	207 545
Shop at Sandys	T Wessels	Daughter (Bergrivier Municipality)	-	11 840
Shekinal at ur service	H P van Wyk	Spouse (Bergrivier Municipality)	6 500	5 000
Anderson and Nel	H Kruger	Spouse (DOJ)	15 984	17 192
Morrison Bros	J Morrison	Son (Saldanha Municipality)	10 690	306 450
Dinah Traders	N Hendricks	Husband (WCED)	-	337 580
Pison Hawila Construction	N Scheepers	Spouse (Bergrivier Municipality)	245 886	77 700
Aurecon	HC Ahlschlager	Spouse (SUI)	236 500	39 451
WRP Consulting Eng	K Mamphitha	Spouse (SABC)	4 140	19 976
JPCE	J Minnie	Spouse (City of Cape Town)	54 858	231 610
IKAPA	S Davids	Spouse (WCED)	-	457 797
CONLOG	N Moodley	Spouse (Dept of Health)	16 628	649 937
The Lady Bee	T Engelbrecht	Daughter (Dept of Health)	-	61 030
TTR	N Matube	Spouse (WCLA)	1 450 673	-
Red Ant Security	N Lesielsa	Spouse (Mogale City Local Municipality)	138 000	-
Van der Spuy en Vennote	M van Zyl	Spouse (WCED)	12 461	-
Rocco Smit	B Smidt	Daughter (Bergrivier Municipality)	-	-
Jah Guide Davids	G Davids	Spouse (SAPS)	350 000	-
Mubesko Africa	L Saaiman	Spouse (WCED)	1 702	-
	J Niehaus	Spouse (Northern Cape Health Dept)	-	-
Total			4 244	

63 CONTINGENT ASSET

The Municipality is not aware of any contingent assets.

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64 B-BBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

65 COVID-19

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

Food parcels	162 077	361 957
Personal Protective Equipment and Sanitizers	70 560	245 332
Total	232 636	607 289

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

Own Revenue	232 636	607 289
Total	232 636	607 289

66 iGRAP 18 - RECOGNITION AND DERECOGNITION OF LAND

The Municipality has assessed that it does not control certain portions of land of which it is the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly excluded from the jurisdictional area of the Municipality. The title deeds of the said erven has not been transferred.

67 NON-LIVING RESOURCES

Other than land, the Municipality identified an aquifer in the Aurora area as the only non-living resource of which the water is being extracted with the use of boreholes.

68 SEGMENT REPORTING

68.1 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 41 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	Sportfields, swimming pools, halls, cemeteries, parks, housing and library services
3	Holiday Resorts	Holiday Resorts
4	Public Safety	Traffic control and fire fighting
5	Planning and development	Town planning and building control
6	Road transport	Construction and maintenance of roads and storm water
7	Energy sources	Electricity services
8	Water management	Water services
9	Waste water management	Sewerage services
10	Waste management	Refuse removal



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68 SEGMENT REPORTING (CONTINUED)

68.2 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.

68.3 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. wards), 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.

68.4 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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

68 SEGMENT REPORTING (CONTINUED)

	Governance and administration R	Community Services R	Holiday Resorts R	Public Safety R	Planning and development R	Road transport R	Energy sources R	Water management R	Waste water management R	Waste management R	Total R
2022											
REVENUE											
External Revenue from Non-Exchange Transactions	128 640 012	8 726 857	149 047	17 518 717	16 763 292	2 185 000	5 961 493	3 666 271	11 115 335	9 244 600	203 970 624
Property Rates	84 410 540	-	-	-	-	-	-	-	-	-	84 410 540
Government Grants and Subsidies - Operating	41 162 439	8 179 181	149 047	117 517	2 879 454	2 185 000	1 531 552	2 211 407	4 259 115	6 050 069	68 724 780
Government Grants and Subsidies - Capital	-	480 302	-	-	13 883 838	-	869 565	-	4 570 692	233 619	20 038 015
Availability Charges	-	-	-	-	-	-	3 517 710	1 454 864	2 285 529	2 960 912	10 219 015
Insurance Refund	421 672	-	-	-	-	-	27 708	-	-	-	449 380
Fines, penalties and forfeits	1 253 618	67 374	-	17 401 200	-	-	14 959	-	-	-	18 737 152
Actuarial Gains	1 391 744	-	-	-	-	-	-	-	-	-	1 391 744
External Revenue from Exchange Transactions	14 762 634	1 089 020	4 977 418	4 685 406	2 473 481	40 309	141 807 494	34 565 255	13 611 853	23 929 831	241 942 701
Service Charges	-	-	-	-	-	-	141 127 164	34 565 255	13 580 577	23 689 302	212 962 297
Rental of Facilities and Equipment	1 193 601	329 509	4 964 986	-	-	-	-	-	-	-	6 488 097
Interest Earned - external investments	7 447 059	-	-	-	-	-	-	-	-	-	7 447 059
Interest Earned - outstanding debtors	5 166 250	-	-	-	-	-	-	-	-	-	5 166 250
Licences and Permits	-	-	-	9 353	75 341	-	-	-	-	-	84 694
Agency Services	-	-	-	4 676 053	-	-	-	-	-	-	4 676 053
Other Income	709 517	759 511	12 431	-	2 398 140	40 309	680 330	-	31 276	240 529	4 872 043
Gain on disposal of Non-Monetary Assets	246 208	-	-	-	-	-	-	-	-	-	246 208
TOTAL REVENUE	143 402 646	9 815 878	5 126 465	22 204 123	19 236 773	2 225 309	147 768 987	38 231 526	24 727 188	33 174 431	445 913 325
EXPENDITURE											
Employee Related Costs	48 850 625	19 130 709	3 924 014	14 048 590	10 256 719	19 043 797	9 890 098	6 028 761	3 418 493	12 073 212	146 665 018
Remuneration of Councillors	6 800 868	-	-	-	-	-	-	-	-	-	6 800 868
Debt Impairment	(1 999 267)	-	-	13 548 440	-	-	(461 766)	1 117 750	609 747	791 197	13 606 101
Depreciation and Amortisation	1 878 547	1 901 920	204 755	704 625	374 715	4 575 702	2 216 528	2 592 754	3 053 988	10 121 325	27 624 860
Finance Charges Bulk	6 042 359	751	-	-	-	1 776 232	16 826	2 777 156	506 847	6 850 559	17 970 731
Purchases	-	-	-	-	-	-	118 995 098	6 100 365	-	-	125 095 464
Contracted Services	10 057 125	2 573 852	782 393	3 325 771	569 863	1 111 430	634 501	879 389	1 375 507	11 585 462	32 895 292
Transfers and Grants	6 736 094	-	-	-	-	-	-	-	-	-	6 736 094
Other Expenditure	17 053 746	3 460 967	717 591	2 412 491	482 953	3 721 763	3 877 327	3 973 206	802 939	3 123 383	39 626 366
Total Expenditure	95 420 098	27 068 199	5 628 754	34 039 917	11 684 250	30 228 923	135 168 611	23 469 382	9 767 522	44 545 138	417 020 793
NET SURPLUS/(DEFICIT) FOR THE YEAR	47 982 549	(17 252 322)	(502 289)	(11 835 794)	7 552 523	(28 003 615)	12 600 376	14 762 144	14 959 666	(11 370 707)	28 892 532
Less: Government Grants and Subsidies - Capital	-	(480 302)	-	-	(13 883 838)	-	(869 565)	-	(4 570 692)	(
Less: Government Grants and Subsidies - Other	-	-	-	-	-	-	(680 330)	-	-	-	
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	47 982 549	(17 732 624)	(502 289)	(11 835 794)	(6 331 315)	(28 003 615)	11 050 481	14 762 144	10 388 974	(11	
CAPITAL EXPENDITURE FOR THE YEAR	4 987 239	5 805 058	1 573 788	647 570	118 338	18 937 776	4 733 040	5 141 189	9 814 514	1	

BERGRIVIER LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

68 SEGMENT REPORTING (CONTINUED)

	Governance and administration R	Community Services R	Holiday Resorts R	Public Safety R	Planning and development R	Road transport R	Energy sources R	Water management R	Waste water management R	Waste management R	Total R
2021											
REVENUE											
External Revenue from Non-Exchange Transactions	125 876 876	9 274 835	9 983	20 427 144	13 026 889	7 518 807	10 385 960	4 575 379	10 456 875	9 353 259	210 906 007
Property Rates	78 811 149	-	-	-	-	-	-	-	-	-	78 811 149
Government Grants and Subsidies - Operating	44 789 644	7 277 531	-	-	2 143 224	2 135 000	1 949 945	2 277 220	3 834 288	5 614 075	70 020 927
Government Grants and Subsidies - Capital	-	1 978 240	-	-	10 883 665	-	4 763 241	-	1 507 987	659 681	19 792 815
Contributed Assets	800 000	-	-	-	-	5 383 040	-	794 384	2 717 609	-	9 695 034
Availability Charges	-	-	-	-	-	-	3 613 247	1 500 065	2 396 990	3 079 503	10 589 805
Insurance Refund	122 909	13 889	9 983	77 464	-	767	26 797	-	-	-	251 809
Fines, penalties and forfeits	1 353 174	5 174	-	20 349 680	-	-	32 730	3 710	-	-	21 744 468
External Revenue from Exchange Transactions	12 197 627	791 446	3 149 641	4 715 943	2 156 670	9 627	121 971 449	30 479 484	12 112 955	21 124 842	208 709 685
Service Charges	-	-	-	-	-	-	121 504 415	30 479 484	12 097 416	21 054 981	185 136 297
Rental of Facilities and Equipment	978 704	174 253	3 139 469	-	-	-	-	-	-	-	4 292 426
Interest Earned - external investments	5 663 349	-	-	-	-	-	-	-	-	-	5 663 349
Interest Earned - outstanding debtors	4 941 766	-	-	-	-	-	-	-	-	-	4 941 766
Licences and Permits	-	-	-	-	94 336	-	-	-	-	-	94 336
Agency Services	-	-	-	4 707 682	-	-	-	-	-	-	4 707 682
Other Income	613 808	617 193	10 172	8 261	2 062 334	9 627	467 034	-	15 539	69 861	3 873 829
Construction Contracts	-	4 865 154	-	-	-	-	-	-	-	-	4 865 154
TOTAL REVENUE	138 074 503	14 931 435	3 159 624	25 143 087	15 183 560	7 528 434	132 357 409	35 054 864	22 569 830	30 478 101	424 480 845
EXPENDITURE											
Employee Related Costs	46 441 803	17 853 624	3 642 008	12 143 401	7 235 495	19 399 831	9 558 131	5 518 763	3 545 725	9 780 433	135 119 215
Remuneration of Councillors	6 654 639	-	-	-	-	-	-	-	-	-	6 654 639
Debt Impairment	9 525 020	-	-	16 487 861	-	-	943 447	1 186 216	1 783 571	3 089 472	33 015 587
Depreciation and Amortisation	2 511 858	1 860 835	476 820	611 180	44 410	3 894 962	1 734 305	2 363 658	3 173 077	5 194 030	21 865 133
Finance Charges Bulk	5 779 800	-	-	-	-	1 746 893	300 423	961 570	766 242	5 886 633	15 441 561
Purchases	-	-	-	-	-	-	100 415 330	4 712 775	-	-	105 128 105
Contracted Services	6 162 048	6 652 068	273 966	2 129 187	221 756	1 049 854	375 604	855 324	930 107	5 874 475	24 524 389
Transfers and Grants	5 866 810	-	-	-	-	-	-	-	-	-	5 866 810
Other Expenditure	15 707 647	2 031 428	503 294	1 363 946	638 466	2 797 927	3 841 829	3 533 034	756 496	3 757 707	34 931 773
Actuarial Losses	2 135 498	-	-	-	-	-	-	-	-	-	2 135 496
Loss on disposal of Non-Monetary Assets	2 228 388	-	-	-	-	-	-	-	-	-	2 228 386
Total Expenditure	103 013 510	28 397 956	4 896 088	32 735 575	8 140 126	28 889 467	117 169 069	19 131 340	10 955 218	33 582 750	386 911 000
NET SURPLUS/(DEFICIT) FOR THE YEAR	35 060 993	(13 466 521)	(1 736 464)	(7 592 488)	7 043 434	(21 361 032)	15 188 339	15 923 524	11 614 611	(3 104 649)	37 568 845
Less: Government Grants and Subsidies - Capital											
Less: Government Grants and Subsidies - Other											
Less: Contributed Assets											
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	34 260 993	(15 444 761)	(1 736 464)	(7 592 488)	(3 840 231)	(26 744 073)	9 958 065	15 129 139	7 389 015	(3 764 330)	7 614 114
CAPITAL EXPENDITURE FOR THE YEAR	3 700 555	7 658 956	531 649	1 287 615	1 591 682	16 088 356	8 684 042	2 370 725	6 289 300	446 010	49 600 177

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APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDED 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
<u>ANNUITY LOANS</u>							
Nedbank	05/7831032282	11.27%	2023/06/12	1 140 743	-	(549 271)	591 472
DBSA	61001029	12.41%	2030/06/30	12 690 737	-	(831 510)	11 859 227
DBSA	61006811	11.53%	2031/06/30	3 048 052	-	(175 084)	2 872 968
DBSA	61006837	11.59%	2036/06/30	7 808 982	-	(211 381)	7 597 601
DBSA	61006975	11.33%	2032/06/30	3 169 978	-	(156 477)	3 013 501
Standard Bank	537707	8.90%	2024/06/30	2 922 312	-	(863 244)	2 059 068
Standard Bank	536748	10.07%	2023/06/30	2 793 284	-	(1 328 491)	1 464 793
ABSA	3044701437	10.57%	2026/06/01	3 568 983	-	(573 421)	2 995 562
ABSA	3046456438	10.12%	2027/06/30	4 275 282	-	(545 898)	3 729 384
ABSA	3046456399	9.77%	2022/06/30	188 087	-	(188 087)	-
DBSA	61007572	9.28%	2029/06/29	5 053 820	-	(454 019)	4 599 801
DBSA	61007573	8.90%	2024/06/30	714 811	-	(218 287)	496 524
DBSA	61007642	10.07%	2030/06/30	6 145 688	-	(446 065)	5 699 623
Standard Bank	654527	9.02%	2031/06/30	11 800 000	-	(752 976)	11 047 024
ABSA	3054195743	7.22%	2026/06/30	3 400 000	-	(585 305)	2 814 695
Standard Bank	729304	11.05%	2032/06/30	-	11 750 000	-	11 750 000
Standard Bank	729271	10.62%	2027/06/30	-	2 900 000	-	2 900 000
Total Annuity Loans				68 720 759	14 650 000	(7 879 515)	75 491 244



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APPENDIX B (UNAUDITED)

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

	OPENING BALANCE	GRANTS RECEIVED	GRANTS REPAID	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	TRANSFER TO / (FROM) RECEIVABLES	CLOSING BALANCE
	R	R	R	R	R	R	R
NATIONAL GOVERNMENT							
Equitable Share	-	50 990 000	-	(50 990 000)	-	-	-
Finance Management Grant (FMG)	-	1 550 000	-	(1 550 000)	-	-	-
Municipal Infrastructure Grant (MIG)	2 692 609	15 134 000	-	(2 879 454)	(13 883 838)	-	1 063 317
Expanded Public Works Programme (EPWP)	-	2 075 000	-	(2 075 000)	-	-	-
Integrated National Electrification Programme (INEP)	8 934	1 000 000	(8 934)	(130 435)	(869 565)	-	-
Water Service Infrastructure Grant (WSIG)	4 879 839	6 596 000	(4 879 839)	(685 604)	(4 570 692)	-	1 339 705
Total	7 581 382	77 345 000	(4 888 772)	(58 310 493)	(19 324 094)	-	2 403 022
PROVINCIAL GOVERNMENT							
Western Cape Financial Management Support Grant	-	600 000	-	(600 000)	-	-	-
Proclaimed Roads	-	110 000	-	(110 000)	-	-	-
Regional Socio - Economic Project/Violence Prevention through Urban Upgrading	40 987	-	(40 987)	-	-	-	-
Library Services	454 101	8 434 000	-	(7 799 514)	(480 302)	-	608 285
Financial Management Capacity Building Grant	93 577	422 010	-	(327 062)	-	-	188 525
Development of Sport and Recreation Facilities	-	300 000	-	-	-	-	300 000
Fire Service Capacity Building Grant	-	-	-	-	-	-	-
Department of Human Settlements	300 013	79 654	-	(379 667)	-	-	-
Public Employment Support Grant	-	1 200 000	-	(755 271)	-	-	444 729
Total	888 678	11 145 664	(40 987)	(9 971 514)	(480 302)	-	1 541 539
OTHER GRANT PROVIDERS							
Heist op den Berg	33 319	763 373	-	(442 774)	(233 619)	-	120 299
Chieta Training Grant	249 584	248 678	-	-	-	-	498 262
Total	282 903	1 012 051	-	(442 774)	(233 619)	-	618 561
ALL SPHERES OF GOVERNMENT	8 752 963	89 502 715	(4 929 759)	(68 724 780)	(20 038 015)	-	2 403 022



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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 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	86 623 594	(400 000)	86 223 594	84 410 540	(1 813 054)	78 811 149
Service charges	215 984 916	7 185 001	223 169 917	223 181 312	11 395	195 726 102
Investment revenue	6 382 000	647 000	7 029 000	7 447 059	418 059	5 663 349
Transfers and subsidies - operational	68 846 957	4 093 945	72 940 902	68 724 780	(4 216 122)	74 691 462
Other own revenue	43 579 000	1 708 000	45 287 000	41 431 290	(3 855 710)	39 633 902
Total Operating Revenue (excluding capital transfers)	421 416 467	13 233 946	434 650 413	425 194 980	(9 455 433)	394 525 963
Employee costs	145 585 375	6 594 216	152 179 591	146 034 922	(6 144 669)	134 495 248
Remuneration of councillors	6 977 800	(149 800)	6 828 000	6 800 868	(27 132)	6 654 639
Debt impairment	37 185 000	(4 220 858)	32 964 142	13 606 101	(19 358 041)	33 015 587
Depreciation and asset impairment	24 463 950	2 797 050	27 261 000	27 624 860	363 860	21 865 133
Finance charges	18 149 000	(164 929)	17 984 071	17 970 731	(13 340)	15 441 561
Bulk purchases	113 800 000	1 740 000	115 540 000	118 995 098	3 455 098	100 415 330
Inventory consumed	15 811 000	1 817 802	17 628 802	15 361 683	(2 267 119)	17 737 609
Contracted Services	28 850 000	9 491 156	38 341 156	32 895 292	(5 445 864)	24 524 389
Transfers and grants	6 485 000	523 577	7 008 577	6 736 094	(272 483)	5 866 810
Other expenditure	37 970 900	724 584	38 695 484	30 995 144	(7 700 340)	22 530 908
Losses	-	2 600 000	2 600 000	-	(2 600 000)	4 363 886
Total Expenditure	435 278 025	21 752 798	457 030 823	417 020 793	(40 010 030)	386 911 100
Surplus/(Deficit)	(13 861 558)	(8 518 852)	(22 380 410)	8 174 186	30 554 596	7 614 864
Transfers and subsidies - capital (monetary) - Government	23 790 043	(1 548 326)	22 241 717	19 804 396	(2 437 321)	19 133 134
Transfers and subsidies - capital (monetary) - Other	504 000	(214 000)	290 000	913 949	623 949	1 126 715
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	9 695 034
Surplus/(Deficit) for the year	10 432 485	(10 281 178)	151 307	28 892 532	28 741 225	37 569 746
Capital expenditure & funds sources						
Capital expenditure	56 187 043	(373 436)	55 813 607	52 793 807	(3 019 800)	49 648 890
Transfers recognised - capital	24 190 043	(1 710 326)	22 479 717	20 038 015	(2 441 702)	19 792 815
Borrowing	14 650 000	1 083 657	15 733 657	15 757 246	23 589	14 504 038
Internally generated funds	17 347 000	253 233	17 600 233	16 998 546	(601 687)	15 352 037
Total sources of capital funds	56 187 043	(373 436)	55 813 607	52 793 807	(3 019 800)	49 648 890
Cash flows						
Net cash from (used) operating		(7 684 383)	32 070 604	48 421 785	16 351 181	81 244 611
Net cash from (used) investing		159 436	(55 523 607)	(53 716 458)	1 807 149	(50 973 300)
Net cash from (used) financing		1 793 355	8 254 179	7 237 141	(1 017 039)	9 562 052
Net Cash Movement for the year		(5 731 592)	(15 198 824)	1 942 467	17 141 290	39 833 363
Cash/cash equivalents at beginning of year		46 142 904	141 645 797	141 645 797	-	101 812 433
Cash/cash equivalents at the year end		40 411 312	126 446 973	143 588 263	17 141 290	141 645 796



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NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 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	50 991 000	-	50 991 000	33 904 138	(17 086 862)	39 229 846
Finance and administration	103 736 594	1 682 577	105 419 171	109 102 419	3 683 248	98 638 011
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	8 657 000	1 773 101	10 430 101	9 303 572	(1 126 529)	9 269 299
Sport and recreation	4 774 000	1 037 916	5 811 916	5 259 103	(552 813)	3 225 183
Public safety	23 207 000	(1 652 566)	21 554 434	17 528 069	(4 026 365)	20 435 405
Housing	1 421 000	1 039 013	2 460 013	379 667	(2 080 346)	5 596 577
Economic and environmental services						
Planning and development	16 535 000	3 458 259	19 993 259	19 632 863	(360 396)	15 390 206
Road transport	6 865 000	833 000	7 698 000	6 901 362	(796 638)	11 227 541
Trading services						
Energy sources	147 505 091	2 110 001	149 615 092	147 768 987	(1 846 105)	132 357 409
Water management	29 948 825	4 346 000	34 294 825	38 231 526	3 936 701	35 054 864
Waste water management	26 579 000	(4 495 000)	22 084 000	24 727 188	2 643 188	23 578 405
Waste management	25 491 000	1 339 319	26 830 319	33 174 431	6 344 112	30 478 101
Total Revenue - Standard	445 710 510	11 471 620	457 182 130	445 913 325	(11 268 805)	424 480 846
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	26 110 360	(1 780 800)	24 329 560	23 508 901	(820 659)	20 576 676
Finance and administration	76 248 170	11 285 637	87 533 807	67 077 951	(20 455 856)	77 623 820
Internal audit	1 413 520	(2 500)	1 411 020	1 114 164	(296 856)	1 313 556
Community and public safety						
Community and social services	13 228 390	1 207 390	14 435 780	12 272 500	(2 163 280)	10 506 217
Sport and recreation	18 997 500	2 696 364	21 693 864	18 281 609	(3 412 255)	15 692 432
Public safety	36 875 740	(219 702)	36 656 038	32 701 172	(3 954 866)	31 424 954
Housing	3 141 020	1 111 013	4 252 033	2 142 844	(2 109 189)	7 095 394
Economic and environmental services						
Planning and development	13 353 700	2 751 400	16 105 100	15 403 331	(701 769)	11 639 585
Road transport	30 955 175	57 591	31 012 766	30 939 792	(72 974)	29 316 426
Trading services						
Energy sources	8 190	314 373	135 612 563	135 168 611	(443 952)	117 169 069
Water management	8 040	(282 764)	23 215 276	23 469 382	254 106	19 131 340
Waste water management	9 510	(1 637 617)	14 771 893	10 395 398	(4 376 495)	11 838 881
Waste management	8 710	6 252 413	46 001 123	44 545 138	(1 455 985)	33 582 750
Total Expenditure - Standard	8 025	21 752 798	457 030 823	417 020 793	(40 010 030)	386 911 100
Surplus/(Deficit) for the year	2 485	(10 281 178)	151 307	28 892 532	28 741 225	37 569 746



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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 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 - Municipal Manager	50 991 000	348 650	51 339 650	34 300 228	(17 039 422)	39 436 492
Vote 2 - Finance	101 033 594	350 577	101 384 171	106 273 076	4 888 905	96 791 610
Vote 3 - Corporate Services	522 000	2 428 000	2 950 000	1 663 952	(1 286 048)	1 898 047
Vote 4 - Technical Services	250 477 916	5 261 929	255 739 845	266 529 604	10 789 759	243 120 552
Vote 5 - Community Services	42 686 000	3 082 464	45 768 464	37 146 465	(8 621 999)	43 234 145
Total Revenue by Vote	445 710 510	11 471 620	457 182 130	445 913 325	(11 268 805)	424 480 846
EXPENDITURE						
Vote 1 - Municipal Manager	31 326 250	(1 322 400)	30 003 850	28 342 146	(1 661 704)	25 389 691
Vote 2 - Finance	40 794 790	5 775 527	46 570 317	31 997 298	(14 573 019)	39 480 758
Vote 3 - Corporate Services	30 177 960	3 608 595	33 786 555	28 838 791	(4 947 764)	28 891 837
Vote 4 - Technical Services	256 294 885	8 475 306	264 770 191	257 738 799	(7 031 392)	224 990 144
Vote 5 - Community Services	76 684 140	5 215 770	81 899 910	70 103 759	(11 796 151)	68 158 670
Total Expenditure by Vote	435 278 025	21 752 798	457 030 823	417 020 793	(40 010 030)	386 911 100
Surplus/(Deficit) for the year	10 432 485	(10 281 178)	151 307	28 892 532	28 741 225	37 569 746

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 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	86 623 594	(400 000)	86 223 594	84 410 540	(1 813 054)	78 811 149
Service charges - electricity revenue	146 330 091	2 110 001	148 440 092	144 644 873	(3 795 219)	125 117 662
Service charges - water revenue	29 943 825	3 596 000	33 539 825	36 020 120	2 480 295	31 979 550
Service charges - sanitation revenue	14 960 000	505 000	15 465 000	15 866 105	401 105	14 494 406
Service charges - refuse revenue	24 751 000	974 000	25 725 000	26 650 214	925 214	24 134 484
Rental of facilities and equipment	1 413 000	(8 000)	1 405 000	1 505 830	100 830	1 149 339
Interest earned - external investments	6 382 000	647 000	7 029 000	7 447 059	418 059	5 663 349
Interest earned - outstanding debtors	5 700 000	(1 000 000)	4 700 000	5 166 250	466 250	4 941 766
Fines, penalties and forfeits	23 225 000	(1 945 000)	21 280 000	18 737 152	(2 542 848)	21 744 468
Licences and permits	73 000	-	73 000	84 694	11 694	102 597
Agency services	4 627 000	885 000	5 512 000	4 676 053	(835 947)	4 707 682
Transfers and subsidies - Operating	68 846 957	4 093 945	72 940 902	68 724 780	(4 216 122)	74 691 462
Other revenue	8 541 000	1 176 000	9 717 000	9 623 359	(93 641)	6 988 050
Gains	-	2 600 000	2 600 000	1 637 952	(962 048)	-
Total Revenue (excl capital transfers)	421 416 467	13 233 946	434 650 413	425 194 980	(9 455 433)	394 525 963
EXPENDITURE BY TYPE						
Employee related costs	145 585 375	6 594 216	152 179 591	146 034 922	(6 144 669)	134 495 248
Remuneration of councillors	6 977 800	(149 800)	6 828 000	6 800 868	(27 132)	6 654 639
Debt impairment	37 185 000	(4 220 858)	32 964 142	13 606 101	(19 358 041)	33 015 587
Depreciation and asset impairment	24 463 950	2 797 050	27 261 000	27 624 860	363 860	21 865 133
Finance charges	18 149 000	(164 929)	17 984 071	17 970 731	(13 340)	15 441 561
Bulk purchases	113 800 000	1 740 000	115 540 000	118 995 098	3 455 098	100 415 330
Inventory consumed	15 811 000	1 817 802	17 628 802	15 361 683	(2 267 119)	17 737 609
Contracted Services	28 850 000	9 491 156	38 341 156	32 895 292	(5 445 864)	24 524 389
Transfers and grants	6 485 000	523 577	7 008 577	6 736 094	(272 483)	5 866 810
Other expenditure	37 970 900	724 584	38 695 484	30 995 144	(7 700 340)	22 530 908
Losses	-	2 600 000	2 600 000	-	(2 600 000)	4 363 886
Total Expenditure		21 752 798	457 030 823	417 020 793	(40 010 030)	386 911 100
Surplus/(Deficit)		(8 518 852)	(22 380 410)	8 174 186	30 554 596	7 614 864
Transfers and subsidies - Capital (monetary) - Governm		(1 548 326)	22 241 717	19 804 396	(2 437 321)	19 133 134
Transfers and subsidies - Capital (monetary) - Other		(214 000)	290 000	913 949	623 949	1 126 715
Transfers and subsidies - Capital (in-kind)		-	-	-	-	9 695 034
Surplus/(Deficit) for the year		(10 281 178)	151 307	28 892 532	28 741 225	37 569 746



AUDITOR-GENERAL
SOUTH AFRICA

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BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 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						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Municipal Manager	-	-	-	-	-	-
Vote 2 - Finance	-	-	-	-	-	-
Vote 3 - Corporate Services	150 000	(51 550)	98 450	98 426	(24)	-
Vote 4 - Technical Services	4 982 565	931 692	5 914 257	5 319 097	(595 160)	8 500 061
Vote 5 - Community Services	630 000	468 722	1 098 722	798 673	(300 049)	359 004
Total Multi-year expenditure	5 762 565	1 348 864	7 111 429	6 216 196	(895 233)	8 859 065
Single-year expenditure						
Vote 1 - Municipal Manager	40 000	7 000	47 000	46 158	(842)	589 192
Vote 2 - Finance	2 010 000	333 900	2 343 900	2 207 586	(136 314)	1 328 722
Vote 3 - Corporate Services	2 695 000	(80 804)	2 614 196	2 496 460	(117 736)	2 457 607
Vote 4 - Technical Services	38 524 478	(2 263 462)	36 261 016	34 599 663	(1 661 353)	27 295 089
Vote 5 - Community Services	7 155 000	281 066	7 436 066	7 227 743	(208 323)	9 119 215
Total Single-year expenditure	50 424 478	(1 722 300)	48 702 178	46 577 611	(2 124 567)	40 789 825
Total Capital Expenditure by Vote	56 187 043	(373 436)	55 813 607	52 793 807	(3 019 800)	49 648 890
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	40 000	7 000	47 000	46 158	(842)	27 302
Finance and administration	4 975 000	264 696	5 239 696	4 941 082	(298 614)	3 111 364
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	1 465 000	967 476	2 432 476	2 419 637	(12 839)	4 131 451
Sport and recreation	5 555 000	(259 461)	5 295 539	4 959 210	(336 329)	4 059 154
Public safety	765 000	41 773	806 773	647 570	(159 203)	1 287 615
Housing	-	-	-	-	-	-
Economic and environmental services						
Planning and development	-	(51 550)	118 450	118 338	(112)	2 153 572
Road transport	-	6 178 707	19 252 707	18 542 446	(710 261)	15 975 034
Trading services						
Energy sources	-	-	4 709 565	4 733 040	23 475	8 684 042
Water management	-	1 863 657	5 360 657	5 141 189	(219 468)	2 370 725
Waste water management	-	(8 773 734)	11 458 744	10 209 844	(1 248 900)	6 402 622
Waste management	-	(612 000)	1 092 000	1 035 295	(56 706)	1 446 010
Total Capital Expenditure - Standard		(373 436)	55 813 607	52 793 807	(3 019 800)	49 648 890



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BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 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 (CONTINUED)						
FUNDING SOURCES						
National Government	23 455 043	(2 006 427)	21 448 616	19 324 094	(2 124 522)	15 736 395
Provincial Government	335 000	458 101	793 101	480 302	(312 799)	3 396 739
District Municipality	-	-	-	-	-	-
Other transfers and grants	400 000	(162 000)	238 000	233 619	(4 381)	659 681
Transfers recognised - capital	24 190 043	(1 710 326)	22 479 717	20 038 014.88	(2 441 702)	19 792 815
Borrowing	14 650 000	1 083 657	15 733 657	15 757 246	23 589	14 504 038
Internally generated funds	17 347 000	253 233	17 600 233	16 998 546	(601 687)	15 352 037
Total Capital Funding	56 187 043	(373 436)	55 813 607	52 793 807	(3 019 800)	49 648 890



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BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 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	84 190 033	(4 937 456)	79 252 576	83 107 956	3 855 380	78 216 702
Service charges	201 764 526	14 674 617	216 439 143	214 279 354	(2 159 788)	191 435 007
Other revenue	17 642 000	3 126 858	20 768 858	22 229 098	1 460 240	24 340 657
Government - operating	68 194 783	3 331 499	71 526 282	64 534 939	(6 991 343)	73 740 984
Government - capital	19 442 217	(4 289 259)	15 152 958	20 038 015	4 885 057	19 792 815
Interest	8 760 335	924 965	9 685 300	7 429 272	(2 256 028)	5 642 121
Payments						
Suppliers and employees	(346 547 907)	(19 991 958)	(366 539 865)	(349 254 713)	17 285 152	(299 488 153)
Finance charges	(7 206 000)	(71)	(7 206 071)	(7 206 042)	29	(6 568 711)
Transfers and grants	(6 485 000)	(523 577)	(7 008 577)	(6 736 094)	272 483	(5 866 810)
NET CASH FROM OPERATING ACTIVITIES	39 754 986	(7 684 383)	32 070 604	48 421 785	16 351 181	81 244 611
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	504 000	(214 000)	290 000	616 852	326 852	751 135
Payments						
Capital assets	(56 187 043)	373 436	(55 813 607)	(54 333 311)	1 480 296	(51 724 435)
NET CASH USED IN INVESTING ACTIVITIES	(55 683 043)	159 436	(55 523 607)	(53 716 458)	1 807 149	(50 973 300)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	14 650 000	1 083 657	15 733 657	14 650 000	(1 083 657)	15 200 000
Increase (decrease) in consumer deposits	220 007	179 993	400 000	466 654	66 654	434 537
Payments						
Repayment of borrowing	(8 409 183)	529 705	(7 879 478)	(7 879 514)	(36)	(6 072 485)
NET CASH FROM FINANCING ACTIVITIES	6 460 824	1 793 355	8 254 179	7 237 141	(1 017 039)	9 562 052
NET INCREASE/ (DECREASE) IN CASH HELD	(9 467 232)	(5 731 592)	(15 198 824)	1 942 467	17 141 29	
Cash/cash equivalents at the year begin:	95 502 893	46 142 904	141 645 797	141 645 797		
Cash/cash equivalents at the year end:	86 035 661	40 411 312	126 446 973	143 588 264	17 141 29	



BERGRIVIER LOCAL MUNICIPALITY

APPENDIX D (UNAUDITED)

OPERATING DEPARTMENTAL REVENUE AND EXPENDITURE FOR THE YEAR END 30 JUNE 2022

	OPERATING REVENUE				OPERATING EXPENDITURE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL OUTCOME	BUDGET VARIANCE	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL OUTCOME	BUDGET VARIANCE
	R	R	R	%	R	R	R	%
Vote 1 - Municipal Manager	50 991 000	51 339 650	34 300 228	-33%	31 326 250	30 003 850	28 342 146	-6%
Mayor and Council	-	-	-	0%	9 486 340	9 866 040	9 710 417	-2%
Municipal Manager	50 991 000	50 991 000	33 904 138	-34%	16 624 020	14 463 520	13 798 485	-5%
Economic Development/Planning	-	348 650	396 090	14%	3 802 370	4 263 270	3 719 081	-13%
Internal Audit	-	-	-	0%	1 413 520	1 411 020	1 114 164	-21%
Vote 2 - Finance	101 033 594	101 384 171	106 273 076	5%	40 794 790	46 570 317	31 997 298	-31%
Finance	101 006 594	101 334 171	106 224 242	5%	28 933 990	33 726 117	19 865 910	-41%
Budget and Treasury Office	-	-	-	0%	2 197 560	2 277 410	2 209 861	-3%
Supply Chain Management	27 000	50 000	48 835	-2%	7 390 110	8 285 710	7 735 901	-7%
Director Finance Services	-	-	-	0%	2 273 130	2 281 080	2 185 625	-4%
Vote 3 - Corporate Services	522 000	2 950 000	1 663 952	-44%	30 177 960	33 786 555	28 838 791	-15%
Planning and Development	250 000	197 000	270 032	37%	5 332 470	5 071 070	5 149 055	2%
Human Resources	269 000	2 750 000	1 391 744	-49%	11 297 960	14 986 260	11 811 995	-21%
Information Technology	-	-	-	0%	4 269 490	4 294 735	4 223 581	-2%
Administrative and Corporate Support	3 000	3 000	2 176	-27%	7 191 420	7 281 570	5 584 470	-23%
Director Corporate Services	-	-	-	0%	2 086 620	2 152 920	2 069 690	-4%
Vote 4 - Technical Services	226 518 873	234 001 229	246 291 560	5%	256 294 885	264 770 191	257 738 799	-3%
Building Control	1 151 000	1 621 000	2 203 449	36%	2 252 960	2 432 860	2 274 431	-7%
Project Management Unit	2 632 000	2 983 210	2 879 454	-3%	1 965 900	4 337 900	4 260 764	-2%
Property Services	2 431 000	1 282 000	1 435 422	12%	5 544 950	6 969 938	6 200 387	-11%
Director Technical Services	-	-	-	0%	2 031 670	1 886 092	1 823 642	-3%
Solid Waste Removal	25 091 000	26 592 319	32 940 812	24%	35 506 670	41 372 183	39 866 980	-4%
Street Cleaning	-	-	-	0%	4 242 040	4 628 940	4 678 157	1%
Sewerage	16 495 522	16 348 348	20 156 496	23%	14 017 920	12 173 299	8 138 768	-33%
Waste Water Treatment	-	-	-	0%	1 777 100	1 761 022	1 628 754	-8%
Storm Water Management	-	-	-	0%	614 490	837 572	627 877	-25%
Water Distribution	29 948 825	34 294 825	38 231 526	11%	20 923 430	21 572 766	21 857 311	1%
Water Treatment	-	-	-	0%	2 574 610	1 642 510	1 612 000	-1%
Roads	2 186 000	2 186 000	2 225 309	2%	29 544 955	29 542 546	29 601 000	0%
Electricity	146 583 526	148 693 527	146 219 092	-2%	134 103 390	134 346 863	133 970 300	-1%
Street Lighting	-	-	-	0%	1 194 800	1 265 700	1 198 200	-5%



BERGRIVIER LOCAL MUNICIPALITY

APPENDIX D (UNAUDITED)

OPERATING DEPARTMENTAL REVENUE AND EXPENDITURE FOR THE YEAR END 30 JUNE 2022

	OPERATING REVENUE				OPERATING EXPENDITURE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL OUTCOME	BUDGET VARIANCE	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL OUTCOME	BUDGET VARIANCE
	R	R	R	%	R	R	R	%
Vote 5 - Community Services	42 351 000	44 975 363	36 666 163	-18%	76 684 140	81 899 910	70 103 759	-14%
Director Community Services	-	-	-	0%	3 031 270	3 391 975	3 366 889	-1%
Libraries and Archives	7 951 000	9 074 000	7 906 377	-13%	8 435 700	9 509 900	7 799 249	-18%
Community Halls and Facilities	148 000	140 000	285 561	104%	3 737 130	3 700 055	3 464 361	-6%
Cemetaries	523 000	723 000	631 334	-13%	1 055 560	1 225 825	1 008 890	-18%
Housing Core	21 000	21 000	-	-100%	1 669 970	1 804 020	1 756 081	-3%
Housing Non-Core	1 400 000	2 439 013	379 667	-84%	1 471 050	2 448 013	386 763	-84%
Traffic Control	23 202 000	21 549 434	17 528 069	-19%	34 363 950	32 967 513	29 340 997	-11%
Fire Fighting and Protection	5 000	5 000	-	-100%	2 511 790	3 688 525	3 360 174	-9%
Community Parks	175 000	130 000	98 696	-24%	8 194 130	8 635 060	8 014 737	-7%
Sports Grounds and Stadiums	-	-	-	0%	3 465 820	4 874 083	3 386 521	-31%
Swimming Pools	1 000	12 000	33 943	183%	1 019 660	1 219 620	1 251 598	3%
Holiday Resorts	4 298 000	5 369 916	5 126 465	-5%	6 317 890	6 965 101	5 628 754	-19%
Road and Traffic Regulation	4 627 000	5 512 000	4 676 053	-15%	1 410 220	1 470 220	1 338 745	-9%
TOTAL	421 416 467	434 650 413	425 194 980	-2%	435 278 025	457 030 823	417 020 793	-9%