

Kareeberg

MUNICIPALITY

[These financial statements have been audited]

FINANCIAL STATEMENTS

30 JUNE 2019

KAREEBERG LOCAL MUNICIPALITY

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KAREEBERG LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

GENERAL INFORMATION

NATURE OF BUSINESS

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

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Kareeberg Municipality includes the following geographical areas:

Carnarvon
Vosburg
Vanwyksvlei

MAYOR

Mr N.S. van Wyk

MUNICIPAL MANAGER

Mr F. Manuel (Since 1 December 2017)

CHIEF FINANCIAL OFFICER

Mr W. de Bruin (Since 5 March 2018)

REGISTERED OFFICE

Hanau Street,
CARNARVON,
9825

AUDITORS

Office of the Auditor General (NC)
Oliver Road,
Kimberley, 8301

PRINCIPLE BANKERS

ABSA, Victoria Street, Carnarvon

ATTORNEYS

G.B. Kempen & De Wet Nel, Victoria Street, Carnarvon
Herman Van Heerden Ing, Southey Street, Douglas

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
SALBC Leave Regulations

KAREEBERG LOCAL MUNICIPALITY

MEMBERS OF THE KAREEBERG LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	Mr E. Hoorn
2	Mr N.S. van Wyk
3	Mr G.P. van Louw
4	Mr B.J.E. Slambee
Proportional	Mr J.E.J. Hoorn
Proportional	Ms G. Saal
Proportional	Mr W.D. Horne

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2019 , which are set out on pages 1 to 92 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2020 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Corporative Governance determination in accordance with this Act.

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

Mr F. Manuel (Since 1 December 2017)
Municipal Manager

31 August 2019

Date

KAREEBERG LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Notes	2019 (Actual) R	2018 (Restated) R
NET ASSETS AND LIABILITIES			
Net Assets		166 027 703	139 917 548
Capital Replacement Reserve	2	11 347 812	11 347 812
Housing Development fund	2	48 202	45 545
Accumulated Surplus		154 631 690	128 524 191
Non-Current Liabilities		34 364 080	33 536 490
Employee benefits	3	7 958 829	9 098 455
Non-Current Provisions	4	26 405 251	24 438 036
Current Liabilities		19 248 834	22 563 070
Consumer Deposits	5	327 904	325 569
Current Employee benefits	6	2 658 170	2 227 279
Trade and Other Payables from exchange transactions	7	1 958 002	1 671 714
Unspent Transfers and Subsidies	8	14 304 758	18 338 507
Total Net Assets and Liabilities		219 640 617	196 017 108
ASSETS			
Non-Current Assets		173 527 678	148 793 563
Property, Plant and Equipment	10	155 961 000	131 610 858
Investment Property	11	15 412 204	15 425 146
Intangible Assets	12	26 631	14 136
Heritage Assets	13	14 900	14 900
Capitalised Restoration Cost	14	2 096 992	1 708 738
Long-Term Receivables	15	15 951	19 785
Current Assets		46 112 939	47 223 545
Inventory	16	546 936	546 936
Trade Receivables from exchange transactions	17	3 045 857	3 385 230
Other Receivables from non-exchange transactions	18	53 219	-
Operating Lease Asset	19	33 870	37 909
Current Portion of Long-term Receivables	15	4 967	4 773
Cash and Cash Equivalents	20	42 428 089	43 248 697
Total Assets		219 640 617	196 017 108

KAREEBERG LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 (Actual) R	2018 (Actual) R	Correction of Error - Note 36.06 R	2018 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		68 484 499	45 563 113	(137 355)	45 700 469
Taxation Revenue		8 327 522	4 430 162	-	4 430 162
Property taxes	21	8 327 522	4 430 162	-	4 430 162
Transfer Revenue		58 184 891	40 784 060	-	40 784 060
Government Grants and Subsidies - Capital	22	28 296 993	14 386 380	-	14 386 380
Government Grants and Subsidies - Operating	22	29 887 898	26 350 728	-	26 350 728
Contributed Property, Plant and Equipment		-	46 953	-	46 953
Other Revenue		1 972 087	348 891	(137 355)	486 246
Actuarial Gains	3	1 647 810	3 087	(409 399)	412 486
Availability Charges	23	301 996	272 043	272 043	-
Third Party Payments		-	35 263	-	35 263
Licences and Permits		12 661	17 978	-	17 978
Fines		9 620	20 520	-	20 520
Revenue from Exchange Transactions		20 135 377	16 658 067	(272 043)	16 930 110
Property Rates - Penalties & Collection Charges		187 596	134 553	-	134 553
Service Charges	24	16 022 540	12 246 000	(272 043)	12 518 043
Rental of Facilities and Equipment		294 261	279 943	-	279 943
Interest Earned - external investments		3 439 548	3 716 281	-	3 716 281
Interest Earned - outstanding debtors		1 045	1 231	-	1 231
Agency Services		151 238	236 769	-	236 769
Other Revenue	25	39 149	43 289	-	43 289
Total Revenue		88 619 876	62 221 180	(409 399)	62 630 578
EXPENDITURE					
Employee related costs	27	20 781 043	19 218 421	(152 572)	19 370 993
Remuneration of Councillors	28	2 532 343	2 445 807	-	2 445 807
Debt Impairment	30	3 957 784	271 774	-	271 774
Depreciation and Amortisation	31	4 430 327	3 478 485	(42)	3 478 527
Impairments	10	52 936	8 058	-	8 058
Actuarial losses	3	29 812	76 757	-	76 757
Finance Charges	32	2 376 634	2 246 122	(35 755)	2 281 877
Bulk Purchases	33	9 485 219	8 887 294	-	8 887 294
Contracted services	29	-	-	(3 281 355)	3 281 355
Grants and Subsidies	34	-	-	(1 018 370)	1 018 370
Stock Adjustments	33	1 648 775	1 601 689	-	1 601 689
General Expenses	35	17 209 164	14 767 190	5 179 297	9 587 893
Total Expenditure		62 504 038	53 001 596	691 202	52 310 393
Operating Surplus for the Year		26 115 838	9 219 584	(1 100 601)	10 320 185
Loss on disposal of Property, Plant and Equipment/Investment Property/Intangible Asset	10	(6 814)	(2 400)	-	(2 400)
Gain on disposal of Property, Plant & Equipment/Investment Property/Intangible Asset	10	-	13 277	-	13 277
Fair Value Adjustments	26	1 133	1 274	-	1 274
NET SURPLUS FOR THE YEAR		26 110 157	9 231 735	(1 100 601)	10 332 336

KAREEBERG LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019

	Housing Development Fund	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
Balance at 1 July 2017	43 061	11 347 812	119 442 074	130 832 947
Restated Balance at 1 July 2017	43 061	11 347 812	119 442 074	130 832 947
Net Surplus/(Deficit) for the year	-	-	10 332 336	10 332 336
Correction of error - See Note 36.06	-	-	(1 100 601)	(1 100 601)
Transfer to Housing Development Fund	2 484	-	(2 484)	-
Balance at 30 June 2018	45 545	11 347 812	128 671 325	140 064 682
Correction of error - See Note 36.05	-	-	(147 134)	(147 134)
Restated Balance at 1 July 2018	45 545	11 347 812	128 524 191	139 917 548
Net Surplus/(Deficit) for the year	-	-	26 110 157	26 110 157
Transfer to/from Housing Development Fund	2 657	-	(2 657)	-
Rounding	-	-	(2)	(2)
Balance at 30 June 2019	48 202	11 347 812	154 631 690	166 027 703

KAREEBERG LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
		R	(Actual)
	Notes		R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		7 159 002	4 366 905
Service Charges		11 521 996	10 970 362
Other Revenue		4 342 176	3 464 871
Government - Operating		26 106 000	24 609 000
Government - Capital		28 019 000	19 079 000
Interest		3 335 972	3 605 728
Payments			
Suppliers and employees		(50 172 814)	(43 667 277)
Finance charges	32	(2 376 634)	(2 246 122)
Net Cash from Operating Activities	37	27 934 699	20 182 467
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(28 782 947)	(15 173 707)
Proceeds on Disposal of Fixed Assets		37 137	66 030
Purchase of Intangible Assets		(16 602)	(13 372)
Net Cash from Investing Activities		(28 762 413)	(15 121 049)
CASH FLOW FROM FINANCING ACTIVITIES			
(Increase)/Decrease in Long-term Receivables		4 773	4 586
Increase/(Decrease) in Consumer Deposits		2 335	1 430
Rounding		(1)	-
Net Cash from Financing Activities		7 107	6 016
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(820 608)	5 067 434
Cash and Cash Equivalents at the beginning of the year		43 248 697	38 181 264
Cash and Cash Equivalents at the end of the year	38	42 428 089	43 248 697
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(820 608)	5 067 434

KAREEBERG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2019 R (Actual)	2019 R (Final Budget)	2019 R (Variance)	Explanations for material variances
ASSETS				
Current assets				
Cash	257 876	(3 806 027)	4 063 903	Payment percentage increased and more interest received.
Call investment deposits	42 170 213	45	42 170 168	Error on Adjustment Budget strings.
Consumer debtors	1 800 430	(3 401 127)	5 201 557	Error on Adjustment Budget strings.
Other Receivables	1 332 516	500 608	831 908	Increase in rental debors and VAT.
Current portion of long-term receivables	4 967	-	4 967	
Inventory	546 936	(100 000)	646 936	Error on Adjustment Budget strings
Total current assets	46 112 939	(6 806 501)	52 919 440	
Non current assets				
Long-term receivables	15 951	-	15 951	
Investments	-	4	(4)	
Investment property	15 412 204	19	15 412 185	Error on Adjustment Budget strings.
Property, plant and equipment	158 057 992	34 229 649	123 828 343	Error on Adjustment Budget strings.
Biological Assets	-	7	(7)	
Intangible Assets	26 631	-	26 631	
Heritage Assets	14 900	-	14 900	
Total non current assets	173 527 678	34 229 679	139 297 999	
TOTAL ASSETS	219 640 617	27 423 178	192 217 439	
LIABILITIES				
Current liabilities				
Bank overdraft	-	(3)	3	
Borrowing	-	(8)	8	
Consumer deposits	327 904	(18)	327 922	Error on Adjustment Budget strings.
Trade and other payables	16 262 760	2 124 234	14 138 526	Error on Adjustment Budget strings.
Provisions and Employee Benefits	2 658 170	334	2 657 836	Error on Adjustment Budget strings.
Total current liabilities	19 248 834	2 124 539	17 124 295	
Non current liabilities				
Borrowing	-	(8)	8	
Provisions and Employee Benefits	34 364 079	360	34 363 719	Error on Adjustment Budget strings.
Total non current liabilities	34 364 079	352	34 363 727	
TOTAL LIABILITIES	53 612 913	2 124 891	51 488 022	
NET ASSETS	166 027 704	25 298 287	140 729 415	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	154 631 690	(2)	154 631 692	Error on Adjustment Budget strings
Reserves	11 396 014	-	11 396 014	Error on Adjustment Budget strings
TOTAL COMMUNITY WEALTH/EQUITY	166 027 704	(2)	166 027 706	

KAREEBERG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

ADJUSTMENTS TO APPROVED BUDGET

	2019 R (Approved Budget)	2019 R (Adjustments)	2019 R (Final Budget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash	2 535 152	(6 341 179)	(3 806 027)	Lower payment percentage and less interest on grants.
Call investment deposits	45	-	45	
Consumer debtors	(3 401 127)	-	(3 401 127)	
Other Receivables	500 608	-	500 608	
Current portion of long-term receivables	-	-	-	
Inventory	(100 000)	-	(100 000)	
Total current assets	(465 322)	(6 341 179)	(6 806 501)	
Non current assets				
Long-term receivables	-	-	-	RBIG funds not received.
Investments	4	-	4	
Investment property	19	-	19	
Property, plant and equipment	70 561 699	(36 332 050)	34 229 649	
Biological Assets	7	-	7	
Intangible Assets	-	-	-	
Heritage Assets	-	-	-	
Total non current assets	70 561 729	(36 332 050)	34 229 679	
TOTAL ASSETS	70 096 407	(42 673 229)	27 423 178	
LIABILITIES				
Current liabilities				
Bank overdraft	(3)	-	(3)	
Borrowing	(8)	-	(8)	
Consumer deposits	(18)	-	(18)	
Trade and other payables	2 124 237	(3)	2 124 234	
Provisions and Employee Benefits	334	-	334	
Total current liabilities	2 124 542	(3)	2 124 539	
Non current liabilities				
Borrowing	(8)	-	(8)	
Provisions and Employee Benefits	360	-	360	
Total non current liabilities	352	-	352	
TOTAL LIABILITIES	2 124 894	(3)	2 124 891	
NET ASSETS	67 971 513	(42 673 226)	25 298 287	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	(2)	-	(2)	
Reserves	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	(2)	-	(2)	

KAREEBERG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2019 R (Actual)	2019 R (Final Budget)	2019 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Property rates	8 327 522	7 497 216	830 306	Valuation roll estimates incorrect.
Property rates - penalties & collection charges	187 596	-	187 596	
Service charges	16 324 535	7 155 610	9 168 925	Error on Adjustment Budget strings.
Rental of facilities and equipment	294 261	376 367	(82 106)	Not all facilities rented out.
Interest earned - external investments	3 439 548	2 819 350	620 198	Higher interest rates.
Interest earned - outstanding debtors	1 045	199 500	(198 455)	Error on Adjustment Budget strings.
Dividends received	-	-	-	
Fines	9 620	12 842	(3 222)	
Licences and permits	12 661	5 882	6 779	
Agency services	151 238	-	151 238	Included under other revenue.
Government Grants and Subsidies - Operating	29 887 898	26 106 000	3 781 898	Reclassification of grant VAT.
Other revenue	1 688 092	14 966 433	(13 278 341)	Reclassification of grant VAT and Equitable Share.
Gains on disposal of PPE	-	-	-	
Total Operating Revenue	60 324 015	59 139 200	1 184 815	
EXPENDITURE BY TYPE				
Employee related costs	20 781 043	23 877 256	(3 096 213)	Vacancies and less provision.
Remuneration of councillors	2 532 343	2 805 089	(272 746)	
Debt impairment	3 957 784	3 663 558	294 226	
Depreciation & asset impairment	4 430 327	6 153 893	(1 723 566)	Final calculation not in line with estimates.
Finance charges	2 376 634	958 799	1 417 835	Final calculation not in line with estimates.
Bulk purchases	11 133 994	10 748 664	385 330	
Other materials	-	1 094 497	(1 094 497)	mSCOA reclassification of line items.
Contracted services	-	6 522 273	(6 522 273)	Reclassification to general expenditure during audit.
Grants and subsidies paid	-	1 654 600	(1 654 600)	Reclassification to general expenditure during audit.
Other expenditure	17 291 912	9 007 280	8 284 632	Reclassification from contracted services and grants/subsidies paid during audit.
Loss on disposal of PPE	6 814	-	6 814	
Total Operating Expenditure	62 510 852	66 485 909	(3 975 057)	
Operating Deficit for the year	(2 186 836)	(7 346 709)	5 159 873	
Government Grants and Subsidies - Capital	28 296 993	32 645 000	(4 348 007)	RBIG funds not received.
Net Surplus for the year	26 110 157	25 298 291	811 866	

KAREEBERG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

ADJUSTMENTS TO APPROVED BUDGET

	2019 R (Approved Budget)	2019 R (Adjustments)	2019 R (Final Budget)	Reasons for material adjustments
REVENUE BY SOURCE				
Property rates	7 079 339	417 877	7 497 216	Valuation roll changes.
Property rates - penalties & collection charges	-	-	-	
Service charges	16 843 244	(9 687 634)	7 155 610	Error on Adjustment Budget strings.
Rental of facilities and equipment	376 367	-	376 367	
Interest earned - external investments	1 319 350	1 500 000	2 819 350	Higher interest rate.
Interest earned - outstanding debtors	199 500	-	199 500	
Dividends received	-	-	-	
Fines	12 842	-	12 842	
Licences and permits	5 882	-	5 882	
Agency services	-	-	-	
Government Grants and Subsidies - Operating	26 106 000	-	26 106 000	
Other revenue	20 044 312	(5 077 879)	14 966 433	Reclassification of grant VAT.
Gains on disposal of PPE	-	-	-	
Total Operating Revenue	71 986 836	(12 847 636)	59 139 200	
EXPENDITURE BY TYPE				
Employee related costs	22 525 778	1 351 478	23 877 256	mSCOA reclassification of line items.
Remuneration of councillors	2 816 131	(11 042)	2 805 089	
Debt impairment	3 401 000	262 558	3 663 558	Lower payment percentage.
Depreciation & asset impairment	5 153 895	999 998	6 153 893	Increase in estimate.
Finance charges	958 799	-	958 799	
Bulk purchases	12 548 664	(1 800 000)	10 748 664	Decrease in estimate.
Other materials	894 497	200 000	1 094 497	mSCOA reclassification of line items.
Contracted services	6 522 273	-	6 522 273	
Grants and subsidies paid	1 781 899	(127 299)	1 654 600	
Other expenditure	12 834 383	(3 827 103)	9 007 280	mSCOA reclassification of line items.
Loss on disposal of PPE	-	-	-	
Total Operating Expenditure	69 437 319	(2 951 410)	66 485 909	
Operating Surplus/(Deficit) for the year	2 549 517	(9 896 226)	(7 346 709)	
Government Grants and Subsidies - Capital	65 422 000	(32 777 000)	32 645 000	RBIG funds not received.
Net Surplus/(Deficit) for the year	67 971 517	(42 673 226)	25 298 291	

KAREEBERG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2019 R (Actual)	2019 R (Final Budget)	2019 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property Rates	7 159 002	7 497 216	(338 214)	
Service Charges	11 521 996	7 155 610	4 366 386	Error on Adjustment Budget strings.
Other Revenue	4 342 176	15 561 024	(11 218 848)	Error on Adjustment Budget strings.
Government - Operating	26 106 000	26 106 000	-	
Government - Capital	28 019 000	32 645 000	(4 626 000)	Roll Over.
Interest	3 335 972	2 819 350	516 622	
Dividends	-	-	-	
Payments				
Suppliers and Employees	(50 172 814)	(54 055 058)	3 882 244	Vacancies.
Finance charges	(2 376 634)	(958 799)	(1 417 835)	Final calculation not in line with estimates.
Transfers and Grants	-	(1 621 500)	1 621 500	Reclassification to general expenditure during audit.
NET CASH FROM/(USED) OPERATING ACTIVITIES	<u>27 934 699</u>	<u>35 148 843</u>	<u>(7 214 144)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	37 137	-	37 137	
Decrease/(increase) in non-current receivables	4 773	-	4 773	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(28 799 550)	-	(28 799 550)	Error on Adjustment Budget strings.
NET CASH FROM/(USED) INVESTING ACTIVITIES	<u>(28 757 640)</u>	<u>-</u>	<u>(28 757 640)</u>	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	2 335	-	2 335	
Payments				
Repayment of borrowing	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES	<u>2 335</u>	<u>-</u>	<u>2 335</u>	
NET INCREASE/(DECREASE) IN CASH HELD	(820 608)	35 148 843	(35 969 450)	
Cash and Cash Equivalents at the beginning of the year	43 248 697	-	43 248 697	Error on Adjustment Budget strings.
Cash and Cash Equivalents at the end of the year	42 428 089	35 148 843	7 279 246	Error on Adjustment Budget strings.

KAREEBERG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

ADJUSTMENTS TO APPROVED BUDGET

	2019 R (Approved Budget)	2019 R (Adjustments)	2019 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates, penalties & collection charges	7 079 339	417 877	7 497 216	
Service charges	16 843 244	(9 687 634)	7 155 610	Error on Adjustment Budget strings.
Other revenue	20 638 903	(5 077 879)	15 561 024	Reclassification of grant VAT.
Government - operating	26 106 000	-	26 106 000	
Government - capital	65 422 000	(32 777 000)	32 645 000	RBIG funds not received.
Interest	1 319 350	1 500 000	2 819 350	Higher interest rate.
Dividends	-	-	-	
Payments				
Suppliers and Employees	(58 141 725)	4 086 667	(54 055 058)	mSCOA reclassification of line items.
Finance charges	(958 799)	-	(958 799)	
Transfers and Grants	(1 621 500)	-	(1 621 500)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	<u>76 686 812</u>	<u>-41 537 969</u>	<u>35 148 843</u>	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	-	-	-	
Decrease/(increase) in non-current receivables	8 490	(8 490)	-	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(60 814 420)	60 814 420	-	Error on Adjustment Budget strings
NET CASH FROM/(USED) INVESTING ACTIVITIES	<u>(60 805 930)</u>	<u>60 805 930</u>	<u>-</u>	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	10 000	(10 000)	-	
Payments				
Repayment of borrowing	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES	<u>10 000</u>	<u>(10 000)</u>	<u>-</u>	
NET INCREASE/(DECREASE) IN CASH HELD	15 890 882	19 257 961	35 148 843	
Cash and Cash Equivalents at the beginning of the year	-	-	-	
Cash and Cash Equivalents at the end of the year	<u>15 890 882</u>	<u>19 257 961</u>	<u>35 148 843</u>	Error on Adjustment Budget strings

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
2 NET ASSET RESERVES		
RESERVES	11 396 014	11 393 357
Capital Replacement Reserve	11 347 812	11 347 812
Housing Development fund	48 202	45 545
Total Net Asset Reserves	11 396 014	11 393 357
2.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
2.2 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.		
3 EMPLOYEE BENEFITS		
Post Retirement Benefits - Refer to Note 3.1	7 208 453	8 320 888
Long Service Awards - Refer to Note 3.2	750 376	777 567
Total Non-current Employee Benefit Liabilities	7 958 829	9 098 455
<u>Post Retirement Benefits</u>		
Balance 1 July	8 692 485	8 197 069
Contribution for the year	903 696	878 667
Expenditure for the year	(371 597)	(380 164)
Actuarial Loss/(Gain)	(1 647 809)	(3 087)
Total post retirement benefits 30 June	7 576 774	8 692 485
Less: Transfer of Current Portion - Note 6	(368 321)	(371 597)
Balance 30 June	7 208 453	8 320 888
<u>Long Service Awards</u>		
Balance 1 July	875 025	760 640
Contribution for the year	143 365	117 772
Expenditure for the year	(114 433)	(80 144)
Actuarial Loss/(Gain)	29 812	76 757
Total long service awards 30 June	933 769	875 025
Less: Transfer of Current Portion - Note 6	(183 393)	(97 458)
Balance 30 June	750 376	777 567
<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
Balance 1 July	9 567 510	8 957 709
Contribution for the year	1 047 061	996 439
Expenditure for the year	(486 030)	(460 308)
Actuarial Loss/(Gain)	(1 617 998)	73 670
Total employee benefits 30 June	8 510 543	9 567 510
Less: Transfer of Current Portion - Note 6	(551 714)	(469 055)
Balance 30 June	7 958 829	9 098 455
3.1 Post Retirement Benefits	2019 R	2018 R
The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
In-service (employee) members	6	6
Continuation members (e.g. Retirees, widows, orphans)	9	9
Total Members	15	15
The liability in respect of past service has been estimated to be as follows:		
In-service (employee) members	3 082 913	3 566 735
Continuation (retiree and widow) members	4 493 861	5 125 750
Total Liability	7 576 774	8 692 485

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3

EMPLOYEE BENEFITS (CONTINUE)

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

	2017 R	2016 R	2015 R
In-service members	3 681 751	5 413 393	4 570 000
Continuation members	4 515 318	3 113 069	3 202 000
Total Liability	8 197 069	8 526 462	7 772 000

Experience adjustments were calculated as follows:

	2019 Rm	2018 Rm
Liabilities: (Gain) / loss	(1.239)	0.564
Assets: Gain / (loss)	-	-

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

	2017 Rm	2016 Rm	2015 Rm
Liabilities: (Gain) / loss	0.153	0.332	0.287
Assets: Gain / (loss)	-	-	-

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

Hosmed
LA Health

The Municipality's Accrued Unfunded Liability at 30 June 2019 is estimated at R7 576 774. The Current-service Cost for the year ending 30 June 2019 is estimated at R99 942. It is estimated to be R80 793 for the ensuing year.

Key actuarial assumptions used:	2019 %	2018 %
i) Rate of interest		
Discount rate	9.44%	9.48%
Health Care Cost Inflation Rate	6.85%	7.35%
Net Effective Discount Rate	2.42%	1.98%

Discount Rate: GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve. Consequently, a discount rate of 9.44% per annum has been used. The corresponding index-linked yield at this term is 3.41%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 24 June 2019.

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age (NRA) for all active employees was assumed to be 65 years.

iv) Average retirement age

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

v) Expected rate of salary increases

2019/2020 - CPI + 1,5%
2020/2021 - CPI + 1,25%

The three-year Salary and Wage Collective Agreement ends on 30 June 2021.

	2019 R	2018 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	7 576 774	8 692 485
Total Liability	7 576 774	8 692 485

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	8 692 485	8 197 069
Total expenses	532 099	498 503
Current service cost	99 942	142 716
Interest Cost	803 754	735 951
Benefits Paid	(371 597)	(380 164)
Actuarial (gains)/losses	(1 647 810)	(3 087)
Present value of fund obligation at the end of the year	7 576 774	8 692 485

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Less: Transfer of Current Portion - Note 6

(368 321)

(371 597)

Balance 30 June

7 208 453

8 320 888

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3 EMPLOYEE BENEFITS (CONTINUE)

Sensitivity Analysis on the Accrued Liability

Assumption	Change	In-service members liability (Rm)	Retired members liability (Rm)	Total liability (Rm)	% change
Central Assumptions		3.083	4.494	7.577	
Health care inflation	1%	3.502	5.007	8.509	12%
Health care inflation	-1%	2.732	4.061	6.792	-10%
Discount Rate	1%	2.742	4.074	6.816	-10%
Discount Rate	-1%	3.495	4.999	8.494	12%
Post-retirement mortality	-1 year	3.178	4.647	7.824	3%
Average retirement age	-1 year	3.215	4.494	7.709	2%
Continuation of membership at retirement	-10%	2.672	4.494	7.166	-5%

Sensitivity Analysis on Current-service and Interest Costs for year ending 30 June 2020

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		80 800	698 300	779 100	
Health care inflation	1%	93 400	786 200	879 600	13%
Health care inflation	-1%	70 300	624 300	694 600	-11%
Discount Rate	1%	71 300	692 800	764 100	-2%
Discount Rate	-1%	92 400	701 700	794 100	2%
Post-retirement mortality	-1 year	83 200	721 600	804 800	3%
Average retirement age	-1 year	39 700	710 800	750 500	-4%
Continuation of membership at retirement	-10%	70 000	659 500	729 500	-6%

3.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 63 employees were eligible for Long Service Bonuses.

The Current-service Cost for the year ending 30 June 2019 is R 73 424. The Current-service Cost for the ensuing year has been estimated to be R 80 410.

Key actuarial assumptions used:

i) Rate of interest

	2019 %	2018 %
Discount rate	7.97%	8.45%
General Salary Inflation (long-term)	5.45%	6.12%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.39%	2.20%

2019 Rm 2018 Rm

Discount Rate: GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve. Consequently, a discount rate of 7.97% per annum has been used. The first step in the derivation of this yield is to calculate the liability-weighted average of the yields corresponding to the actual terms until payment of long service awards, for each employee. The 7.97% is then derived as the liability-weighted average of the yields derived in the first step. The corresponding liability-weighted index-linked yield is 2.89%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 24 June 2019.

Experience adjustments were calculated as follows:

Liabilities: (Gain) / loss	97 386	88 534
Assets: Gain / (loss)	-	-

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

	2017 Rm	2016 Rm	2015 Rm
Liabilities: (Gain) / loss	(89 998)	(67 443)	(27 192)
Assets: Gain / (loss)	-	-	-

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

	2019 R	2018 R
Present value of fund obligations	933 769	875 025
Net liability/(asset)	933 769	875 025

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	875 025	760 640
Total expenses	28 932	37 628
Current service cost	73 424	58 809
Interest Cost	69 941	58 963
Benefits Paid	(114 433)	(80 144)
Actuarial losses/(gains)	29 812	76 757
Present value of fund obligation at the end of the year	933 769	875 025

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

<u>Less:</u> Transfer of Current Portion - Note 6	(183 393)	(97 458)
Balance 30 June	<u>750 376</u>	<u>777 567</u>

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3 EMPLOYEE BENEFITS (CONTINUE)

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		0.934	
General salary inflation	1%	0.976	5%
General salary inflation	-1%	0.895	-4%
Discount Rate	1%	0.891	-5%
Discount Rate	-1%	0.981	5%
Average retirement age	-2 yrs	0.895	-4%
Average retirement age	2 yrs	1.144	22%
Withdrawal rates	-50%	1.022	9%

Sensitivity Analysis on Current-service and Interest Costs for year ending 30 June 2020

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		80 400	67 300	147 700	
General salary inflation	1%	86 400	70 600	157 000	6%
General salary inflation	-1%	75 100	64 100	139 200	-6%
Discount Rate	1%	75 600	71 900	147 500	0%
Discount Rate	-1%	85 900	62 100	148 000	0%
Average retirement age	-2 yrs	77 100	64 900	142 000	-4%
Average retirement age	2 yrs	94 900	84 000	178 900	21%
Withdrawal rates	-50%	94 900	74 300	169 200	15%

3.3 Retirement funds

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

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

Therefore, although the Consolidated retirement fund for local government is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

LA RETIREMENT FUND (PREVIOUSLY CAPE JOINT PENSION FUND)

The contribution rate payable is 9% by members and 18% by Council. The actuarial valuation report at 30 June 2018 disclosed an actuarial valuation amounting to R1,776,181,000 (30 June 2017 : R1,859,077,000), with a nett accumulated surplus of R63,423,000 (2017 : R46,989,000), with a funding level of 103.7% (30 June 2017 : 102.6%).

CAPE JOINT PENSION FUND (LA RETIREMENT FUND)

The contribution rate payable is 9% by members and 18% by Council. The actuarial valuation report at 30 June 2018 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R2,018,237,000 (30 June 2017 : R1,911,937,000), net investment reserve of R0 (30 June 2017 : R0) and with a funding level of 100% (2017 : 100%).

Contributions paid recognised in the Statement of Financial Performance	1 695 158	1 508 756
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4 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	26 405 251	24 438 036
Total Non-current Provisions	26 405 251	24 438 036

Landfill Sites

Balance 1 July	24 438 036	23 401 408
Increase in Estimate	464 276	(414 580)
Unwinding of discounted interest	1 502 939	1 451 208

Total provision 30 June	26 405 251	24 438 036
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Less: Transfer of Current Portion to Current Provisions	-	-
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Balance 30 June	26 405 251	24 438 036
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Location	Estimated decommission date	Cost of rehabilitation	Cost of rehabilitation
		2019 R	2018 R
Carnarvon	2036	15 215 055	13 840 069
Vanwyksvlei	2084	5 787 823	5 453 358
Vosburg	2029	5 402 373	5 144 609
		26 405 251	24 438 036

2017 %	2018 %	2019 %
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KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Discount Rate used	6.21%	5.56%	5.21%
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The discount rate used to calculate the present value of the rehabilitation costs at each reporting period is based on a calculated risk free rate as determined by the municipality. This rate is in line with a competitive investment rate the municipality can obtain from an A grade financial institution. This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

5	CONSUMER DEPOSITS	2019 R	2018 R
	Water & Electricity	327 904	325 569
	Total Consumer Deposits	327 904	325 569

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

6	CURRENT EMPLOYEE BENEFITS		
	Current Portion of Post Retirement Benefits - Note 3	368 321	371 597
	Current Portion of Long-Service Provisions - Note 3	183 393	97 458
	Provision for Performance Bonuses	424 122	271 172
	Provision for Annual Bonuses	284 211	283 650
	Provision for Staff Leave	1 398 123	1 203 402
	Total Current Employee Benefits	2 658 170	2 227 279

The movement in current employee benefits are reconciled as follows:

Current Portion of Post Retirement Benefits - Note 3

Balance at beginning of year	371 597	380 164
Transfer from non-current	368 321	371 597
Expenditure incurred	(371 597)	(380 164)
Balance at end of year	368 321	371 597

Current Portion of Long-Service Provisions - Note 3

Balance at beginning of year	97 458	69 793
Transfer from non-current	200 368	107 809
Expenditure incurred	(114 433)	(80 144)
Balance at end of year	183 393	97 458

Provision for Performance Bonuses

Balance at beginning of year	271 172	204 272
Contribution to current portion	419 700	253 107
Expenditure incurred	(266 750)	(186 207)
Balance at end of year	424 122	271 172

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

Provision for Staff Leave

Balance at beginning of year	1 203 402	1 004 515
Contribution to current portion	412 127	495 252
Expenditure incurred	(217 407)	(296 364)
Balance at end of year	1 398 123	1 203 402

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave up to 48 days, at reporting date. This provision will be realised as employees take leave.

Provision for Annual Bonuses

Balance at beginning of year	283 650	222 815
Contribution to current portion	561	60 835
Balance at end of year	284 211	283 650

Annual bonuses are being paid to Municipal personnel after one full year's service. There is no possibility of reimbursement.

7	TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	2019 R	2018 R
	Trade Payables	1 812 753	1 547 241
	Payments received in advance	145 249	124 474
	Other Payables	-	-
	Total Trade Payables	1 958 002	1 671 714

Payables are being paid within 30 days as prescribed by the MFMA. 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 payables on initial recognition is not deemed necessary. Payables are being recognised net of any discounts.

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8	UNSPENT TRANSFERS AND SUBSIDIES	2019 R	2018 R
	Unspent Grants	14 304 758	18 338 507
	National and Provincial Government Grants	14 304 758	18 338 507
	Total Conditional Grants and Receipts	14 304 758	18 338 507

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

9	TAXES	2019 R	2018 R
	VAT Payable	-	-
	Less: Contribution to provision for impairment of trade receivables from exchange transactions	-	-
		-	-

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

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

10	PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2019 R	2018 R	
10.03	Property, Plant and Equipment which is in the process of being constructed or developed:			
	Infrastructure Assets	10 545 129	9 837 500	
	Roads	2 041 063	124 746	
	Electricity	325 449	870 638	
	Water Supply	8 178 617	8 842 116	
	Sanitation	-	-	
	Community Assets	-	-	
	Total	10 545 129	9 837 500	
	The movements for the year can be reconciled as follows:			
	Balance at beginning of year	9 837 500	10 280 125	
	Expenditure during the year	28 093 159	14 624 172	
	Assets unbundled during the year	(27 385 559)	(15 066 797)	
	Impairment recognised during the year	-	-	
	Balance at end of year	10 545 099	9 837 500	
10.04	Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:			
	Infrastructure Assets	8 178 617	7 932 449	
	Water Supply	8 178 617	7 932 449	
	Community Assets	-	-	
	Total	8 178 617	7 932 449	
	No funding was allocated for 2016/2017 in the MIG (Municipal Infrastructure Grant) for the completion of the cemeteries project. Tender awarding problems in 2017/2018 for the completion of the Bulk Water Supply: Vanwyksvlei/Carnarvon.			
10.05	Property, Plant and Equipment where construction or development has been halted:			
	Infrastructure Assets	8 178 617	7 932 449	
	Water Supply	8 178 617	7 932 449	
	Total	8 178 617	7 932 449	
	Tender awarding problems in 2017/2018 for the completion of the Bulk Water Supply: Vanwyksvlei/Carnarvon.			
10.06	Expenditure incurred to repair and maintain Property, Plant and Equipment:			
	Other materials	871 339	1 065 984	
	Contracted Services	70 993	3 281 355	
	Total Repairs and Maintenance	942 331	4 347 339	
10.07	Assets pledged as security:			
	No assets are pledged as security.			
10.08	Third party payments received for losses incurred:			
	Payments received (Excluding VAT)	-	35 263	
	Carrying value of assets written off/lost	-	(9 537)	
	Surplus/Deficit	-	25 726	
10.09	Impairment losses of Property, Plant and Equipment			
	Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:			
	Community Assets	50 000	-	
	Total	50 000	-	
10.10	Reversal of Impairment losses of Property, Plant and Equipment			
	Reversal of Impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:			
	Other	(1 339)	(9 003)	
	Total	(1 339)	(9 003)	
10.11	Effect of changes in accounting estimates			
	The effect of a change in accounting estimate will have on the current period and subsequent periods:			
		2019 R	2020 R	2021 R
	Effect on Property, plant and equipment	(974 672)	(974 672)	(937 219)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

10.12 Details of Valuation

The effective date of the valuations was 1 July 2018. Valuations were performed by an independent valuer, HCB Valuers. The valuer are not connected to the municipality. Land and Buildings are revalued independently every 5 years.

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

10	PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2019	2018
		R	R
10.13	Contractual commitments for acquisition of Property, Plant and Equipment:		
	Approved and contracted for:	5 598 435	10 447 874
	Infrastructure	5 598 435	10 447 874
	Community	-	-
	Total	5 598 435	10 447 874
	This expenditure will be financed from:		
	Government Grants	5 598 435	10 447 874
	Total	5 598 435	10 447 874
11	INVESTMENT PROPERTY		
	Net Carrying amount at 1 July	15 425 146	15 438 087
	Cost	15 562 100	15 562 100
	Accumulated Depreciation	(136 954)	(124 013)
	Depreciation for the year	(12 941)	(12 941)
	Net Carrying amount at 30 June	15 412 204	15 425 146
	Cost	15 562 100	15 562 100
	Accumulated Depreciation	(149 896)	(136 954)
	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 and maintenance or enhancements.		
	Estimated Fair Value of Investment Property at 30 June	20 114 700	20 114 700
	Fair value was determined by valuation roll.		
11.01	Revenue from Investment Property		
	Revenue derived from the rental of Investment Property	261 590	241 444
11.02	Operating Expenditure incurred on properties:		
		Repairs and Maintenance	Other Operating Expenditure
	Revenue Generating	219	3 888
	Improved Property	-	-
	Unimproved Property	219	3 888
	Non-revenue Generating	-	-
	Improved Property	-	-
	Unimproved Property	-	-
	Total Operating Expenditure	219	3 888
11.03	Investment Property which is in the process of being constructed or developed:	2019 R	2018 R
	Revenue Generating	-	-
	Improved Property	-	-
	Unimproved Property	-	-
	Non-revenue Generating	-	-
	Improved Property	-	-
	Unimproved Property	-	-
	Total	-	-
	The movements for the year can be reconciled as follows:		
	Balance at beginning of year	-	-
	Expenditure during the year	-	-
	Assets unbundled during the year	-	-
	Impairment recognised during the year	-	-
	Balance at end of year	-	-
11.04	Investment Property that is taking a significantly longer period of time to complete than expected:		
	Revenue Generating	-	-
	Improved Property	-	-
	Unimproved Property	-	-
	Non-revenue Generating	-	-
	Improved Property	-	-
	Unimproved Property	-	-
	Total	-	-

No reason required

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

11	INVESTMENT PROPERTY (CONTINUED)	2019	2018
		R	R
11.05	Investment Property where construction or development has been halted:		
	Revenue Generating	-	-
	Improved Property	-	-
	Unimproved Property	-	-
	Non-revenue Generating	-	-
	Improved Property	-	-
	Unimproved Property	-	-
	Total	-	-
	No reason required		
12	INTANGIBLE ASSETS	2019	2018
		R	R
	Computer Software		
	Net Carrying amount at 1 July	14 136	2 813
	Cost	25 714	12 342
	Balance previously reported		668 446
	Correction of Error - Note 36.02		(656 104)
	Accumulated Amortisation	(11 577)	(9 529)
	Balance previously reported		(24 564)
	Correction of Error - Note 36.02		15 034
	Acquisitions	16 602	13 372
	Balance previously reported		892 943
	Correction of Error - Note 36.02		(879 572)
	Disposals	(4)	-
	Impairments	-	-
	Amortisation	(4 108)	(2 048)
	Balance previously reported		(2 090)
	Correction of Error - Note 36.02		42
	Disposal Amortisation	4	-
	Net Carrying amount at 30 June	26 631	14 136
	Cost	42 312	25 714
	Accumulated Amortisation	(15 681)	(11 577)
12.01	Material Intangible Assets included in the carrying value:		
		Carrying Value	
		2019	2018
		R	R
	<u>Description</u>		
	<u>Remaining Amortisation</u>		
	<u>Period</u>		
	MS Office & Kaspersky	3-5	
		26 631	14 136
	No intangible asset were assessed having an indefinite useful life.		
	There are no internally generated intangible assets at reporting date.		
	There are no intangible assets whose title is restricted.		
	There are no intangible assets pledged as security for liabilities		
	There are no contractual commitments for the acquisition of intangible assets.		
12.02	Research and Development Costs:	2019	2018
		R	R
	Research Expenditure	-	-
	Development Expenditure	-	-
	Total Research and Development Expenditure	-	-
12.03	Intangible Assets which is in the process of being constructed or developed:		
	Servitudes	-	-
	Computer Software	-	-
	Licences and Rights	-	-
	Total	-	-
	The movements for the year can be reconciled as follows:		
	Balance at beginning of year	-	-
	Expenditure during the year	-	-
	Assets unbundled during the year	-	-
	Impairment recognised during the year	-	-
	Balance at end of year	-	-
12.04	Intangible Assets that is taking a significantly longer period of time to complete than expected:		
	Servitudes	-	-
	Computer Software	-	-
	Licences and Rights	-	-

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Total	<u> </u>	<u> </u>
	-	-

No reason required

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

		2019 R	2018 R
12	INTANGIBLE ASSETS (CONTINUED)		
12.05	Intangible Assets where construction or development has been halted:		
	Servitudes	-	-
	Computer Software	-	-
	Licences and Rights	-	-
	Total	-	-
	No reason required		
13	HERITAGE ASSETS		
	Net Carrying amount at 1 July	14 900	14 900
	Transfers to Property, Plant and equipment	-	-
	Net Carrying amount at 30 June	14 900	14 900
	Cost	14 900	14 900
	There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.		
	There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.		
	There are no Heritage Assets pledged as security for liabilities		
	There are no Heritage Assets that are used by the municipality for more than one purpose.		
13.01	Third party payments received for losses and impairments incurred:		
	Payments received (Excluding VAT)	-	-
	Carrying value of assets written off/lost/impairment	-	-
	Surplus/Deficit	-	-
13.02	Expenditure incurred to repair and maintain Heritage Assets:		
	Employee related costs	-	-
	Other materials	-	-
	Contracted Services	-	-
	Other Expenditure	-	-
	Total Repairs and Maintenance	-	-
13.03	Heritage Assets which is in the process of being constructed or developed:		
	Monuments	-	-
	Historic Buildings	-	-
	Works of Art	-	-
	Conservation Areas	-	-
	Other Heritage	-	-
	Total	-	-
	The movements for the year can be reconciled as follows:		
	Balance at beginning of year	-	-
	Expenditure during the year	-	-
	Assets unbundled during the year	-	-
	Impairment recognised during the year	-	-
	Balance at end of year	-	-
13.04	Heritage Assets that is taking a significantly longer period of time to complete than expected:		
	Monuments	-	-
	Historic Buildings	-	-
	Works of Art	-	-
	Conservation Areas	-	-
	Other Heritage	-	-
	Total	-	-
	No reason required		
13.05	Heritage Assets where construction or development has been halted:		
	Monuments	-	-
	Historic Buildings	-	-
	Works of Art	-	-
	Conservation Areas	-	-
	Other Heritage	-	-
	Total	-	-
	No reason required		

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

14	CAPITALISED RESTORATION COST	2019	2018
		R	R
	Net Carrying amount at 1 July	1 708 738	2 235 711
	Cost	4 624 522	5 039 101
	Accumulated Depreciation	(2 614 893)	(2 519 560)
	Accumulated Impairments	(300 891)	(283 829)
	Acquisitions	464 276	(414 580)
	Depreciation for the year	(73 086)	(95 332)
	Impairment	(2 936)	(17 062)
	Net Carrying amount at 30 June	2 096 992	1 708 738
	Cost	5 088 797	4 624 522
	Accumulated Depreciation	(2 687 979)	(2 614 893)
	Accumulated Impairments	(303 827)	(300 891)
	Restoration cost financed by way of a provision - Refer to note 4 for further details		
15	LONG TERM RECEIVABLES	2019	2018
		R	R
	Officials' Housing Loans - At amortised cost	23 516	28 289
	Less: Unamortised Discount on Loans	(2 598)	(3 731)
	Balance 1 July	(3 731)	(5 005)
	Adjustment for the period	1 133	1 274
		20 918	24 558
	Less: Current portion transferred to current receivables	(4 967)	(4 773)
	Officials Housing Loans - At amortised cost	(4 967)	(4 773)
		15 951	19 785
	Less: Provision for Impairment of Long Term Receivables	-	-
	Total Long Term Receivables	15 951	19 785
	STAFF HOUSING LOANS		
	Staff was entitled to housing loans which attract interest at 4% per annum and which are repayable over a maximum period of 20 years. When a employee resigns, the outstanding amount must be settled. These loans are secured since the Council is the bond holder.		
16	INVENTORY	2019	2018
		R	R
	Consumable Stores - Stationery and materials - At cost	546 936	546 936
	Balance previously reported		527 836
	Correction of Error - Note 36.03		19 101
	Total Inventory	546 936	546 936
	Consumable stores materials written down due to losses as identified during the annual stores counts.	-	-
	Consumable stores materials surpluses identified during the annual stores counts.	-	-
	No inventory assets were pledged as security for liabilities.		

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17		2019 R	2018 R
	RECEIVABLES FROM EXCHANGE TRANSACTIONS		
	Service Receivables		
	Water	1 827 617	1 164 952
	Electricity	1 637 448	1 276 760
	Refuse	1 465 731	910 387
	Sewerage	1 266 448	115 190
	Payments received in advance	145 249	124 474
	Total Service Receivables	6 342 493	3 591 762
	Less: Provision for Impairment	(4 560 307)	(2 105 435)
	Net Service Receivables	1 782 187	1 486 327
	Other Receivables		
	Sundry Receivables	1 006 494	1 707 365
	Rentals	670 440	493 967
	VAT	1 180 493	684 504
	Total Other Receivables	2 857 427	2 885 836
	Less: Provision for Impairment	(670 440)	(493 967)
	Less: Contribution to provision for VAT impairment of trade receivables from exchange transactions	(923 317)	(492 966)
	Net Other Receivables	1 263 671	1 898 903
	Total Net Receivables from Exchange Transactions	3 045 857	3 385 230
	Ageing of Receivables from Exchange Transactions		
	(Electricity): Ageing		
	Current (0 - 30 days)	509 280	516 594
	31 - 60 Days	320 491	122 074
	61 - 90 Days	102 431	73 171
	+ 90 Days	705 247	564 920
	Total	1 637 448	1 276 760
	(Water): Ageing		
	Current (0 - 30 days)	125 146	43 693
	31 - 60 Days	411 690	146 052
	61 - 90 Days	135 759	94 477
	+ 90 Days	1 155 021	880 730
	Total	1 827 617	1 164 952
	(Refuse): Ageing		
	Current (0 - 30 days)	1 277	70 845
	31 - 60 Days	278 137	133 185
	61 - 90 Days	100 954	84 011
	+ 90 Days	1 085 363	622 345
	Total	1 465 731	910 387
	(Sewerage): Ageing		
	Current (0 - 30 days)	32 146	(340 948)
	31 - 60 Days	381 420	76 713
	61 - 90 Days	121 639	57 907
	+ 90 Days	731 243	321 519
	Total	1 266 448	115 190
	(Sundry Receivables): Ageing		
	Current (0 - 30 days)	824 642	1 083 264
	31 - 60 Days	69 987	545 425
	61 - 90 Days	1 936	4 823
	+ 90 Days	109 929	73 853
	Total	1 006 494	1 707 365
	(VAT): Ageing		
	Current (0 - 30 days)	257 176	191 538
	31 - 60 Days	-	-
	61 - 90 Days	-	-
	+ 90 Days	923 317	492 966
	Total	1 180 493	684 504
	(Rentals): Ageing		
	Current (0 - 30 days)	-	-
	31 - 60 Days	-	-
	61 - 90 Days	-	-
	+ 90 Days	670 440	493 967
	Total	670 440	493 967

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)		2019 R	2018 R	
Service Receivables				
Availability Charges		314 671	-	
Rates		3 008 522	1 943 535	
Total Service Receivables		3 323 193	1 943 535	
Less: Provision for Impairment		(3 269 974)	(1 943 535)	
Net Service Receivables		53 219	-	
Total Net Receivables from Non-Exchange Transactions		53 219	-	
Ageing of Receivables from Non-Exchange Transactions				
<u>(Availability Charges): Ageing</u>				
Current (0 - 30 days)		18 175	-	
31 - 60 Days		24 276	-	
61 - 90 Days		10 897	-	
+ 90 Days		261 322	-	
Total		314 671	-	
<u>(Rates): Ageing</u>				
Current (0 - 30 days)		18 244	16 049	
31 - 60 Days		-	23 375	
61 - 90 Days		-	14 065	
+ 90 Days		2 990 279	1 890 046	
Total		3 008 522	1 943 535	
<u>Summary of Receivables by Customer Classification</u>				
	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's
2019				
Total Receivables	10 686 899	194 843	1 641 372	12 523 113
Less: Provision for Impairment	(8 500 721)	-	-	(8 500 721)
Less: Provision for Impairment (VAT)	(923 317)	-	-	(923 317)
Total Recoverable debtors by customer classification	1 262 861	194 843	1 641 372	3 099 076
<u>Summary of Receivables by Customer Classification</u>				
	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's
2018				
Total Receivables	6 045 286	215 296	2 160 551	8 421 133
Less: Provision for Impairment	(4 542 937)	-	-	(4 542 937)
Less: Provision for Impairment (VAT)	(492 966)	-	-	(492 966)
Total Recoverable debtors by customer classification	1 009 383	215 296	2 160 551	3 385 230
<u>Receivables impaired</u>				
2019		Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
Total		5 230 747	3 269 974	8 500 721
2018		Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
Total		2 599 402	1 943 535	4 542 937
Monthly rate debts are required to be settled after 30 days, interest is charged on rates after this date at prime +1%. The fair value receivables approximates their carrying amounts.				
<u>Reconciliation of the Total doubtful debt provision</u>		2019 R	2018 R	
Balance at beginning of the year		4 542 937	4 271 163	
Contributions to provision		3 957 784	271 774	
Impairment written off against provision		-	-	
Balance at end of year		8 500 721	4 542 937	

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

19		2019 R	2018 R
	OPERATING LEASE ARRANGEMENTS		
	The Municipality as Lessor		
	Balance on 1 July	37 909	36 810
	Operating Lease Asset for the current year	(4 039)	1 099
	Balance on 30 June	33 870	37 909
	The municipality is leasing a piece of land to MTN for a period of 60 months with escalations of CPI with a maximum of 10% per year.		
	The municipality is leasing a piece of land at Vanwyksvlei to Vodacom for a period of 119 months with escalations of CPI with a maximum of 10% per year.		
	The municipality is leasing a piece of land at Vosburg to Vodacom for a period of 60 months with escalations of CPI with a maximum of 10% per year. Not yet renewed.		
	The municipality is leasing a piece of land at Vosburg to Sentech for a period of 60 months with escalations of CPI with a maximum of 10% per year.		
	The municipality is leasing a piece of land (Jagpan and Dubbelevlei) to emerging farmers for a period of 60 months with escalations of 6% per year.		
		2019 R	2018 R
	At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
	Up to 1 Year	262 664	298 701
	2 to 5 Years	210 038	472 663
	More than 5 Years	85	124
	Total Operating Lease Arrangements	472 787	771 488
	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 lease is in respect of land being leased by MTN until 2022.		
	The lease is in respect of land being leased by Vodacom until 2022.		
	The lease is in respect of land being leased by Vodacom until 2017.		
	The lease is in respect of land being leased by Sentech until 2022.		
	The lease is in respect of land (Jagpan and Dubbelevlei) being leased by emerging farmers until 2021.		
	The municipality does not engage in any sub-lease arrangements.		
	The municipality did not receive any contingent rent during the year		
20	CASH AND CASH EQUIVALENTS	2019 R	2018 R
	Assets		
	Call Investments Deposits	42 170 213	42 765 463
	Primary Bank Account (Cash book)	257 876	483 234
	Total Cash and Cash Equivalents - Assets	42 428 089	43 248 697
	Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.		
	Call Investments Deposits to an amount of R14 304 758 are held to fund the Unspent Conditional Grants (2018: R18 338 507).		
	Kareeberg Municipality do not have a bank overdraft facility.		
		2019 R	2018 R
	The municipality has the following bank accounts:		
	Current Accounts		
	Carnarvon ABSA - Account Number 40 50 475 166 (Primary Bank Account):	257 876	483 234
		257 876	483 234
	Carnarvon ABSA - Account Number 40 50 475 166 (Primary Bank Account):		
	Cash book balance at beginning of year	483 234	475 339
	Cash book balance at end of year	257 876	483 234
		1 589 711	960 494
	Bank statement balance at beginning of year	1 589 711	960 494
	Bank statement balance at end of year	1 006 823	1 589 711

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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CASH AND CASH EQUIVALENTS (CONTINUED)

			2019 R	2019 R	2018 R
Call Investment Deposits					
Call investment deposits consist out of the following accounts:				Bank Certificates (excl. accruals)	
Account no.	Place of investment	Name of fund			
08-870-5536-003	STANDARD BANK	Capital Replacement Reserve	11 347 812	11 347 812	11 347 812
20-7477-9380	ABSA	Housing Fund	48 202	48 202	45 545
20-7477-9380	ABSA	Job creation - De Bult	48 769	48 769	46 081
20-7477-9380	ABSA	Land development	20 940	20 940	19 786
20-7477-9380	ABSA	Land development (Vanwyksvlei)	19 103	19 103	18 051
20-7477-9380	ABSA	Land development (Vosburg)	36 521	36 521	34 508
08-870-543-9	STANDARD BANK	Civil Defence	20 944	20 944	20 944
03-7881-142-979-0	Nedbank	RBIG - Vanwyksvlei Pipeline	13 537 276	13 537 276	12 971 167
03-7881-142-979-6	Nedbank	DWA Drought Relief	-	-	4 626 000
20-7477-9380	ABSA	CMIP Kwaggakolk(VAT)	765	765	725
08-870-5536-002	STANDARD BANK	Sanitation Interest/VAT	184 441	184 441	184 441
20-7477-9380	ABSA	Electricity	43 933	43 933	41 513
20-7477-9380	ABSA	Water Services Plan	4 104	4 104	3 879
20-7477-9380	ABSA	CMIP-Saaipoort project 301	4 505	4 505	4 258
20-7477-9380	ABSA	EPWP - Paving/ Cleaning	29 698	29 698	28 062
20-7477-9380	ABSA	Lotto Carnarvon	2 278	2 278	2 153
20-7477-9380	ABSA	Lotto Vosburg	40 228	40 228	38 010
20-7477-9380	ABSA	Transfer Fees Sub-Economic Housing	169 618	170 593	160 872
20-7477-9380	ABSA	VB Cleaning Project	32 126	32 126	30 344
20-7477-9380	ABSA	VAT - retention	14 899	14 899	14 080
92-1221-8064	ABSA	Youth Development	93 632	93 632	93 632
92-1221-8064	ABSA	Leave Fund	3 040 225	3 040 225	2 633 250
92-8504-7305	ABSA	Retension	1 812 753	1 812 753	1 547 241
92-1221-8064	ABSA	Provision for Employee benefits	2 000 000	2 000 000	2 000 000
92-1221-8064	ABSA				
08-871-0777	STANDARD BANK	General Account	3 429 514	3 429 514	6 853 109
03-7881-142-979-0	Nedbank	General Account	6 186 949	6 186 949	-
			42 169 239	42 170 213	42 765 463

21

PROPERTY RATES

Actual

Rateable Land and Buildings

Residential, Commercial Property
Residential, Commercial Property
Less: Equitable Share
State - National / Provincial Services

Less: Reductions

Less: Rebates

Less: Income for gone

Total Assessment Rates

Valuations - 30 June 2019:

Rateable Land and Buildings

Residential & Commercial Property
State - National / Provincial Services

Total Assessment Rates

Valuations - 30 June 2019:

Residential		260 382 500	
State		37 109 000	
State: Agriculture		57 195 500	
Agriculture		2 306 427 800	
Municipal		38 931 000	
Municipal: Agriculture		44 730 000	
Industrial		7 116 000	
Churches		16 425 000	
Infrastructure		432 000	
Public Benefit Organisations		3 172 000	
SKA		30 080 000	
SKA Farms		62 963 000	
Commercial		49 102 000	
Infrastructure farms		136 000	
Sport clubs		660 000	
Total Property Valuations		2 914 861 800	

Assessment Rates are levied on the values of immovable properties. A general valuation was performed during 2017/18 for implementation 1 July 2018. The tariffs applicable are proclaimed by PK 2231 dated 17 December 2018.

Rates are levied annually and are payable after due dates. Interest is levied on monthly and annually outstanding amounts at prime rate plus 1% after due dates.

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

22	GOVERNMENT GRANTS AND SUBSIDIES	2019 R	2018 R
	Unconditional Grants	22 024 000	20 397 000
	Equitable Share - Refer to Note 22.01	22 024 000	20 397 000
	Conditional Grants	36 160 891	20 340 108
	Drought Relieve	4 626 000	-
	Department of Water Affairs and Forestry (WSIG)	5 000 000	4 000 000
	Department of Energy (DOE)	1 000 000	1 000 000
	Sanitation - sewerage	-	4 396
	Library Development Projects	1 112 000	1 312 000
	Municipal Finance Management Grant	1 970 000	1 900 000
	Municipal Infrastructure Grant	7 972 000	9 095 000
	Expanded Public Works Program (PWPG)	1 000 000	1 000 000
	Department of Water Affairs and Forestry (RBIG)	13 480 891	2 028 712
	Open Africa	-	-
	Total Government Grants and Subsidies	58 184 891	40 737 108
	Government Grants and Subsidies - Capital	28 296 993	14 386 380
	Government Grants and Subsidies - Operating	29 887 898	26 350 728
		58 184 891	40 737 108
	The municipality does not expect any significant changes to the level of grants.		
	Revenue recognised per vote as required by Section 123 (c) of the MFMA		
	Equitable share	22 024 000	20 397 000
	Executive & Council	36 160 891	18 153 241
		58 184 891	38 550 241
22.01	Equitable share		
	In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent households. All registered indigents receive 6kl free water and 50kwh electricity per month, which is funded from this grant.		
	All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of basic services for the geographical area concerned and range from R361 per month to R779 per month.(2018: R323 per month to R687 per month)		
	Grants received	22 024 000	8 755 000
	Transfer In	-	11 642 000
	Conditions met	(22 024 000)	(20 397 000)
	Conditions still to be met	-	-
	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.		
22.02	Municipal Infrastructure Grant (MIG)		
	Grants received	7 972 000	6 095 000
	Conditions met	(1 039 826)	(963 404)
	Conditions met - Capital	(6 932 174)	(5 131 596)
	Conditions still to be met	-	-
	The grant was used to upgrade infrastructure in the Kareeberg areas.		
22.03	Local Government Financial Management Grant (FMG)		
	Grants received	1 970 000	1 900 000
	Conditions met	(1 970 000)	(1 900 000)
	Conditions still to be met	-	-
	The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
22.04	Library Development Projects		
	Grants received	1 112 000	1 312 000
	Conditions met	(711 246)	(1 074 879)
	Conditions met - Capital	(400 754)	(237 121)
	Conditions still to be met	-	-
	The grant was used for the development of libraries in the Kareeberg area.		

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

		2019 R	2018 R
22	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)		
22.05	Youth Development		
	Opening balance	93 632	93 632
	Conditions still to be met	93 632	93 632
	The grant will be used for youth development related issues in the Kareeberg area.		
22.06	Expanded Public Works Program (R1m)		
	Grants received	1 000 000	1 000 000
	Conditions met	(1 000 000)	(1 000 000)
	Conditions still to be met	(0)	-
	The grant was used for labour (for example security services) in the Kareeberg area.		
22.07	Job Creation De Bult		
	Opening balance	46 081	43 568
	Interest received	2 688	2 514
	Conditions still to be met	48 769	46 081
	The grant will be used for job creation in the Kareeberg area. (Carnarvon)		
22.08	Land Development		
	Opening balance	72 345	68 400
	Interest received	4 220	3 944
	Conditions still to be met	76 565	72 345
	The grant will be used for a land development plan in the Kareeberg area.		
22.09	Civil Defence		
	Opening balance	20 944	20 665
	Interest received	-	279
	Conditions still to be met	20 944	20 944
	The grant will be used for civil defence in the Kareeberg area.		
22.10	CMIP Kwaggakolk (VAT)		
	Opening balance	725	686
	Interest received	40	39
	Conditions still to be met	765	725
	The grant will be used for a water project in the Kareeberg area. (Vanwyksvlei)		
22.11	Sanitation - sewerage		
	Opening balance	184 441	847 207
	Conditions met	-	(662 766)
	Conditions still to be met	184 441	184 441
	The grant will be used for a sanitation VAT/maintenance in the Kareeberg area.		
22.12	Electricity Schietfontein		
	Opening balance	41 513	39 249
	Interest received	2 420	2 264
	Conditions still to be met	43 933	41 513
	The grant will be used for electricity infrastructure development in the Kareeberg area. (Schietfontein)		
22.13	Water Service Plan		
	Opening balance	3 879	3 667
	Interest received	225	212
	Conditions still to be met	4 104	3 879
	The grant will be used for a water service plan in the Kareeberg area.		

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

22	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)	2019 R	2018 R
22.14	CMIP - Saaipoort project 301		
	Opening balance	4 258	4 026
	Interest received	247	231
	Conditions still to be met	4 505	4 258
	The grant will be used for a bore hole water project in the Kareeberg area. (Carnarvon)		
22.15	Paving Projects		
	Opening balance	28 062	26 532
	Interest received	1 636	1 531
	Conditions still to be met	29 698	28 062
	The grant will be used for an extended public works program in the Kareeberg area.		
22.16	Lotto Carnarvon		
	Opening balance	2 153	2 036
	Interest received	125	117
	Conditions still to be met	2 278	2 153
	The grant will be used for Lotto projects in the Kareeberg area. (Sport equipment)		
22.17	Lotto Vosburg		
	Opening balance	38 010	35 937
	Interest received	2 218	2 073
	Conditions still to be met	40 228	38 010
	The grant will be used for Lotto projects in the Kareeberg area. (Equipment)		
22.18	Transfer Fees Sub-Economic		
	Opening balance	160 872	151 512
	Interest received	9 721	9 360
	Conditions still to be met	170 593	160 872
	The grant will be used for transfer fees of sub-economic houses in the Kareeberg area.		
22.19	Cleaning Project Vosburg		
	Opening balance	30 344	28 689
	Interest received	1 782	1 655
	Conditions still to be met	32 126	30 344
	The grant will be used for a cleaning project in the Kareeberg area.		
22.20	VAT - Retention		
	Opening balance	14 080	13 312
	Interest received	819	768
	Conditions still to be met	14 899	14 080
	The grant will be used for maintenance in the Kareeberg area.		
22.21	Municipal Infrastructure Grant Additional		
	Opening balance	-	3 000 000
	Conditions met	-	(191 262)
	Conditions met - Capital	-	(2 808 738)
	Conditions still to be met	-	-
	The grant will be used to upgrade infrastructure in the Kareeberg areas.		
22.22	Electricity		
	Grants received	1 000 000	1 000 000
	Conditions met	(130 435)	(129 362)
	Conditions met - Capital	(869 565)	(870 638)
	Conditions still to be met	-	-
	The grant was used for electricity infrastructure development in the Kareeberg area.		
22.23	RBIG (Department of Water Affairs and Forestry)		
	Opening balance	12 971 167	11 641 880
	Grants received	14 047 000	15 000 000
	Transfer out	-	(11 642 000)
	Conditions met	(1 756 826)	(261 192)
	Conditions met - Capital	(11 724 065)	(1 767 520)
	Conditions still to be met	13 537 276	12 971 167
	The grant will be used for water infrastructure development in the Kareeberg area.		

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

		2019 R	2018 R
22	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)		
22.24	DWA (Department of Water Affairs) Refurbishment		
	Grants received	5 000 000	4 000 000
	Conditions met	(652 174)	(429 234)
	Conditions met - Capital	(4 347 826)	(3 570 766)
	Conditions still to be met	-	-
	The grant will be used for water infrastructure development in the Kareeberg area.		
22.25	DWA (Department of Water Affairs) Drought Relief		
	Opening balance	4 626 000	-
	Grants received	-	4 626 000
	Conditions met	(603 391)	-
	Conditions met - Capital	(4 022 609)	-
	Conditions still to be met	-	4 626 000
	The grant will be used for drought relief (water infrastructure) in the Kareeberg area.		
22.26	Total Grants		
	Opening balance	18 338 507	16 020 997
	Interest received	26 142	24 988
	Grants received	54 125 000	43 688 000
	Conditions met	(29 887 898)	(27 009 099)
	Conditions met - Capital	(28 296 993)	(14 386 380)
	Conditions still to be met	14 304 758	18 338 507
23	AVAILABILITY CHARGES		
	Electricity	117 499	112 762
	Water	184 497	159 281
	Total Availability Charges	301 996	272 043
24	SERVICE CHARGES		
	Electricity	9 848 711	8 817 007
	Service Charges	10 150 077	9 204 464
	<u>Less:</u> Equitable Share	(301 366)	(387 458)
	Water	2 717 557	1 792 752
	Service Charges	5 115 800	4 487 274
	<u>Less:</u> Equitable Share	(2 398 243)	(2 694 522)
	Refuse removal	1 889 447	1 299 498
	Service Charges	4 045 766	3 926 973
	<u>Less:</u> Equitable Share	(2 156 319)	(2 627 475)
	Sewerage and Sanitation Charges	1 566 825	336 743
	Service Charges	4 183 569	3 125 942
	<u>Less:</u> Equitable Share	(2 616 744)	(2 789 199)
	Other Service Charges	-	-
	Total Service Charges	16 022 540	12 246 000
25	OTHER REVENUE		
	Application Specific Registrations	2 428	2 392
	Building Fees	70	200
	Photocopies	4 091	3 986
	Grave Fees	13 210	13 395
	Searching Fees	910	6 295
	Encroachment	744	744
	Cement block Sales	2 500	2 450
	Pond Fees	-	800
	Refuse Bags Sold	1 459	2 077
	Connection Fees	200	220
	Gain due to additions on Biological assets	13 022	9 494
	Valuation Certificates	420	480
	Electricity caravan park	96	756
	Total Other Income	39 149	43 289

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
26 FAIR VALUE ADJUSTMENTS		
Unamortised Discount - Interest - LT Receivables	1 133	1 274
	1 133	1 274
27 EMPLOYEE RELATED COSTS		
Salaries & Wages	17 098 972	15 814 670
Leave Reserve Fund	412 127	495 252
Personnel Contributions	2 396 136	2 129 774
Skill Development Levy	157 404	144 062
Bargaining Council	7 087	6 394
Pension Gratification	444	444
UIF	115 246	112 359
Performance Bonuses	419 700	253 107
Annual Bonuses	561	60 835
Contribution to Employee Benefits - Long Service Awards - Note 3	73 424	58 809
Contribution to Employee Benefits - Post Retirement Medical - Note 3	99 942	142 716
	20 781 043	19 218 421
Less: Employee Costs allocated elsewhere	-	-
Total Employee Related Costs	20 781 043	19 218 421
KEY MANAGEMENT PERSONNEL		
Municipal Manager is appointed on a 5 year fixed contract. There are no post-employment or termination benefits payable to him at the end of the contract period.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager: Mr W. de Bruin (Till 30 November 2017)</i>		
Salary and Performance Bonus	-	472 802
UIF	-	744
Bargaining Council	-	41
Total	-	473 587
<i>Remuneration of the Municipal Manager: Mr F. Manuel (Since 1 December 2017)</i>		
Salary and Bonus, Performance Bonus	1 108 515	562 837
Travel Allowance	207 000	105 695
UIF	1 785	1 041
Bargaining Council	105	58
Cell phone (VAT Included)	48 000	28 000
Total	1 365 405	697 631
<i>Remuneration of the Chief Financial Offices: Mr W. de Bruin (Since 5 March 2018)</i>		
Salary and Bonus, Performance Bonus	654 887	202 260
Travel Allowance	72 000	20 000
Rural	78 146	23 917
UIF	1 785	595
Bargaining Council	105	33
Cell phone (VAT Included)	24 000	7 742
Total	830 923	254 547
<i>Remuneration of Chief Operations Manager: Mr. A.P.F. van Schalkwyk</i>		
Salary and Bonus, Performance Bonus	989 176	969 752
Travel Allowance	191 143	178 638
Pension	145 950	134 173
Medical	50 618	47 307
UIF	1 785	1 785
Bargaining Council	105	99
Cell phone (VAT Included)	24 000	24 000
Total	1 402 776	1 355 754
<i>Remuneration of Head : Technical Services: : Mr. J.H. Adams (Since 1 October 2017 till 30 April 2018)</i>		
Salary and Bonus, Performance Bonus	-	338 498
Travel Allowance	-	70 000
Rural	-	40 840
UIF	-	1 041
Bargaining Council	-	58
Cell phone (VAT Included)	-	10 500
Total	-	460 937
<i>Remuneration of Head : Corporate Services: Mr. N.J. van Zyl</i>		
Salary and Bonus, Performance Bonus	932 150	857 666
Travel Allowance	191 143	178 638
Pension	139 184	127 961
Medical	43 956	41 854
UIF	1 785	1 785
Bargaining Council	105	99
Cell phone (VAT Included)	18 000	18 000
Total	1 326 323	1 226 002

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

28	REMUNERATION OF COUNCILLORS	2019 R	2018 R
	Mayor Mr N.S. van Wyk	775 063	745 253
	Councillor Mr J.E.J. Hoorn	245 280	235 846
	Councillor Ms G. Saal	245 280	235 846
	Councillor Mr B.J.E. Slambee	245 280	235 846
	Councillor Mr E. Hoorn	245 280	235 846
	Councillor Mr G.P. van Louw	245 280	235 846
	Councillor Mr W.D. Horne	245 280	235 846
	Councillors' Cell phones	285 600	285 478
	Total Councillors' Remuneration	2 532 343	2 445 807
	In-kind Benefits		
	The Mayor is fulltime. He is provided with an office at the cost of the Council.		
	Certification by the Municipal Manager		
	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 Government Notice 42134, dated 21 December 2018		
		
	Signed: Municipal Manager		
29	CONTRACTED SERVICES		
	Outsourced Services	-	543 060
	Internal Auditors	-	444 624
	Refuse Removal	-	98 436
	Consultants and Professional Services	-	2 840 936
	Business and Advisory	-	2 808 191
	Accounting and Auditing	-	534 741
	Business and Financial Management	-	1 057 772
	Human Resources	-	645 539
	Valuer and Assessors	-	557 252
	Actuaries	-	12 887
	Laboratory Services	-	20 245
	Water	-	20 245
	Legal Cost	-	12 500
	Legal Advice and Litigation	-	12 500
	Contractors	-	776 931
	Bore Waterhole Drilling	-	9 240
	Electrical	-	198 151
	Maintenance of Equipment	-	21 440
	Maintenance of Unspecified Assets	-	484 384
	Prepaid Electricity Vendors	-	63 717
	Correction of Error - Note 36.06	-	(4 160 927)
	Total Contracted Services	-	-
30	DEBT IMPAIRMENT		
	Receivables from exchange transactions - Note 17	2 631 345	115 362
	Receivables from non-exchange transactions - Note 18	1 326 439	156 412
	Debt impairment recognised in statement of financial performance	3 957 784	271 774
31	DEPRECIATION AND AMORTISATION		
	Property, plant and equipment	4 340 193	3 368 163
	Intangible assets	4 108	2 090
	Investment property carried at cost	12 941	12 941
	Capitalised Restoration Cost	73 086	95 332
	Total depreciation and amortisation	4 430 327	3 478 527
32	FINANCE CHARGES		
	Post Retirement Charges	873 695	794 914
	Landfill sites	1 502 939	1 451 208
	Total finance charges	2 376 634	2 246 122
33	BULK PURCHASES		
	Electricity bulk purchases	11 133 994	10 488 982
	Electricity distribution losses	(1 648 775)	(1 601 689)
	Total Bulk Purchases	9 485 219	8 887 294
34	GRANTS AND SUBSIDIES		
	Indigent Subsidies	-	1 018 370

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Indigent Subsidies	-	10 216 646
Less: Equitable Share Property Rates	-	(629 681)
Less: Equitable Share Property Rates - Penalties & Collection Charges	-	(69 942)
Less: Equitable Share Service Charges	-	(8 498 653)
Correction of Error - Note 36.06		(1 018 370)
Total Grants and Subsidies	-	-

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

35	GENERAL EXPENSES	2019 R	2018 R
	Advertisement, printing & stationary	107 628	317 491
	Animal Feeds	444 190	287 230
	Audit Costs	2 285 475	2 784 003
	Bank charges	283 862	218 949
	Compensation insurance	189 457	150 878
	Chemicals	14 490	7 659
	Cleaning supplies	110 828	128 943
	Electricity Eskom	373 184	403 988
	Fuel & Oil	789 975	751 880
	Indigents energy sources	1 226 950	1 014 039
	Insurance	171 972	169 837
	Legal costs	1 265 265	111 663
	Material losses	701 492	-
	Membership for associations	500 000	500 000
	Other General Expenses	875 122	1 119 591
	Refuse bag purchases	180 900	76 500
	Other materials	894 137	1 065 984
	Street Lighting	345 142	331 854
	Subsistence and Travelling	1 383 138	1 234 778
	Telephone & Postage	587 856	396 142
	Uniforms	84 362	53 177
	Internal Auditors	499 415	444 624
	Refuse Removal Contractor	3 472	98 436
	Accounting Support	495 746	534 741
	Business and Financial Management	2 360 990	1 057 772
	Human Resources Support	588 525	645 539
	Valuer and Assessors	12 050	557 252
	Actuaries	13 500	12 887
	Laboratory Services	64 484	20 245
	Water Research	14 250	9 240
	Electricity Support Services	240 000	198 151
	Commission Prepaid Electricity Vendors	101 307	63 717
	General Expenses	17 209 164	14 767 190
	Other General Expenses include administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial Performance. This include items such as vehicle licenses, cleaning materials, refreshments, water services fees and workmen compensation.		
	The amount disclosed above for material losses are in respect of costs incurred due to a fraudulent payment which occurred during the financial year. The matter has been reported to SAPS and the financial misconduct committee and investigations are in progress.		
36	CORRECTION OF ERROR IN TERMS OF GRAP 3		2018 R
36.01	Property, Plant and Equipment		
	Balance previously reported		131 629 958
	Correction of Error with Inventory listed under PPE during 2017-2018 - Note 36.03 and 10		(19 101)
	Total		131 610 858
36.02	Intangible Assets		
	Balance previously reported		1 534 735
	Correction of Error with cost incorrectly classified as Intangible Assets till 30 June 2017 - Note 36.05		(656 104)
	Correction of Error with accumulated amortisation incorrectly classified as Intangible Assets till 30 June 2017 - Note 36.05		15 034
	Correction of Error with cost incorrectly classified as Intangible Assets for 2017-2018 - Note 36.06		(879 572)
	Correction of Error with amortisation incorrectly classified as Intangible Assets for 2017-2018 - Note 36.06		42
	Total		14 136
36.03	Inventory		
	Balance previously reported		527 836
	Correction of Error with Inventory listed under PPE during 2017-2018 - Note 36.01 and 10		19 101
	Total		546 936
36.04	Employee benefits		
	Balance previously reported		8 965 348
	Recalculated employee benefits effecting opening balance 30 June 2017 - Note 36.05 and 3		(493 935)
	Recalculated employee benefits effecting Contribution for the year 2017-2018 - Note 36.06 and 3		(188 327)
	Recalculated employee benefits effecting Actuarial Gain 2017 2018 - Note 36.06 and 3		409 399
	Total		8 692 485
36.05	Accumulated Surplus/(Deficit)		
	Balance previously reported		129 771 925
	Correction of Error with cost incorrectly classified as Intangible Assets till 30 June 2017 - Note 36.02		(656 104)
	Correction of Error with accumulated amortisation incorrectly classified as Intangible Assets till 30 June 2017 - Note 36.02		15 034
	Recalculated employee benefits effecting opening balance 30 June 2017 - Note 36.04 and 3		493 935
	Total		129 624 791

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

36.06 Statement of Financial Performance

Balance previously reported	10 332 336
Correction of Error with cost incorrectly classified as Intangible Assets for 2017-2018 - Note 36.02	(879 572)
Correction of Error with amortisation incorrectly classified as Intangible Assets for 2017-2018 - Note 36.02	42
Recalculated employee benefits effecting Contribution for the year 2017-2018 - Note 36.04 and 3	188 327
Recalculated employee benefits effecting Actuarial Gain 2017-2018 - Note 36.04 and 3	(409 399)
Reclassification of Availability charges, previously classified as Service charges - Note 36.06	272 043
Reclassification of Availability charges, previously classified as Service charges - Note 36.06	(272 043)
Reclassification of General Expenditure, previously classified as Grants and Subsidies - Note 36.06	1 018 370
Reclassification of General Expenditure, previously classified as Grants and Subsidies - Note 36.06	(1 018 370)
Reclassification of General Expenditure, previously classified as Contracted Services - Note 36.06	4 160 927
Reclassification of General Expenditure, previously classified as Contracted Services - Note 36.06	(4 160 927)
Total	9 231 735

Correction of Error in note 36.01 to 36.06 was resulted due to Inventory incorrectly allocated to PPE and a contracted service incorrectly classified as Intangible assets (This also resulted in a the change in capital commitments opening balance).
Reclassifications were also performed and employee benefits were recalculated and corrected

37 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS	2019	2018
	R	R
Surplus for the year	26 110 157	9 231 735
Adjustments for:		
Depreciation	4 426 220	3 476 437
Amortisation of Intangible Assets	4 108	2 048
Contribution to Capitalised Restoration Cost	(464 276)	414 580
(Gain)/Loss on disposal of property, plant and equipment	6 814	15 677
Impairments	51 598	8 058
Contribution from/to employee benefits - non-current	1 047 061	996 439
Contribution from/to employee benefits - non-current - expenditure incurred	(486 030)	(460 308)
Contribution from/to employee benefits - non-current - actuarial gains	29 812	76 757
Contribution from/to employee benefits - non-current - actuarial gains	(1 647 809)	(3 087)
Contribution to employee benefits – current	832 389	809 193
Contribution to employee benefits – current - expenditure incurred	(484 157)	(482 571)
Contribution to provisions – non-current - Rehabilitation of Landfill-sites	464 276	(414 580)
Contribution to provisions – non-current - Unwinding of discounted interest	1 502 939	1 451 208
Contribution to provisions – bad debt	3 957 784	271 774
Contribution to provisions – VAT Impairment	430 351	(6 677)
Unamortised discount - Interest - Revenue	(1 133)	(1 274)
Contributed PPE	-	(46 953)
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(4 033 749)	2 317 510
Operating lease income accrued	4 039	(1 099)
Operating Surplus/(Deficit) before changes in working capital	31 750 391	17 654 867
Changes in working capital	(3 815 692)	2 527 599
Increase/(Decrease) in Payables from exchange transactions	286 288	955 849
(Increase)/Decrease in Inventory	-	(19 101)
(Increase)/Decrease in Trade Receivables from exchange transactions	(2 722 323)	1 739 161
(Increase)/Decrease in Other Receivables from non-exchange transactions	(1 379 657)	(148 310)
Cash generated/(absorbed) by operations	27 934 699	20 182 467

38 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Call Investments Deposits - Note 20	42 170 213	42 765 463
Bank - Note 20	257 876	483 234
Total cash and cash equivalents	42 428 089	43 248 697

39 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

Cash and Cash Equivalents - Note 38	42 428 089	43 248 697
Less:	42 428 089	43 248 697
	14 352 960	18 384 053
Unspent Conditional Grants - Note 8	14 304 758	18 338 507
Cash Portion of Housing Development Fund - Note 2	48 202	45 545
Net cash resources available for internal distribution	28 075 129	24 864 645
Allocated to:		
Capital Replacement Reserve	(11 347 812)	(11 347 812)
Retention	(1 812 753)	(1 547 241)
Provision for Employee benefits	(2 000 000)	(2 000 000)
Reserves	-	-
Staff Leave, Performance Management Bonus, Long Service	(3 040 225)	(2 633 250)
Resources available for working capital requirements	9 874 339	7 336 343

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

40	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2019 R	2018 R
40.01	Unauthorised expenditure		
	Reconciliation of unauthorised expenditure:		
	Opening balance	-	-
	Correction of prior period error	-	-
	Restated opening balance	-	-
	Unauthorised expenditure current year - capital	136 466	2 961 043
	Unauthorised expenditure current year - operating	-	1 396 362
	Approved by Council or condoned	(136 466)	(4 357 405)
	Current	(136 466)	(4 357 405)
	Prior Period	-	-
	Transfer to receivables for recovery	-	-
	Current	-	-
	Prior Period	-	-
	Unauthorised expenditure awaiting authorisation	-	-

Incident	Disciplinary steps/criminal proceedings
Over expenditure of approved budget	None

The over expenditure incurred by municipal departments on their operating budgets during

Non-cash	-	-
Cash	136 466	-
	136 466	-

Analysed as follows: Non-cash

Employee related cost (Actuarial Valuations)	-	-
Depreciation and Amortisation	-	-
Finance Charges (Interest portion of Provision for Rehabilitation of Landfill-sites)	-	-
Loss on disposal of Property, Plant and Equipment	-	-
Impairment Losses	-	-
Other (list)	-	-
	-	-

Analysed as follows: Cash

Bulk Purchases	-	-
Contracted Services	-	-
Employee related cost	-	-
Operational Costs	-	-
Capital Costs	136 466	-
	136 466	-

The overspending of the Budget per municipal vote can be summarised as follows:

	2019 R (Actual)	2019 R (Budget)	2019 R (Variance)	2019 R (Unauthorised)
Unauthorised expenditure current year - operating				
Executive & Council	9 480 020	9 883 497	(403 477)	-
Budget & Treasury	19 527 507	19 887 432	(359 925)	-
Other	12 734	23 649	(10 915)	-
Planning & Development	3 070 101	3 452 697	(382 596)	-
Health	22 553	22 562	(9)	-
Community & Social Services	2 823 005	2 871 460	(48 455)	-
Housing	175	3 850	(3 675)	-
Public Safety	62 229	63 159	(930)	-
Sport & Recreation	354 850	390 580	(35 730)	-
Environmental Protection	257 941	260 726	(2 785)	-
Waste Management	2 437 458	3 357 239	(919 781)	-
Waste Water Management	5 352 564	5 382 370	(29 806)	-
Road Transport	1 456 895	1 722 650	(265 755)	-
Water	2 418 555	3 058 132	(639 577)	-
Electricity	15 234 265	16 105 906	(871 641)	-
	62 510 852	66 485 909	(3 975 057)	-
	2019 R (Actual)	2019 R (Budget)	2019 R (Variance)	2019 R (Unauthorised)
Unauthorised expenditure current year - capital				
Budget & Treasury	550 034	1 948 004	(1 397 970)	-
Community & Social Services	309 985	371 950	(61 965)	-
Waste Water Management	1 327 442	1 200 000	127 442	127 442
Road Transport	6 039 704	7 972 000	(1 932 296)	-
Water	19 533 737	22 473 000	(2 939 263)	-
Electricity	1 009 024	1 000 000	9 024	9 024
	28 769 925	34 964 954	(6 195 029)	136 466

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

40

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

2019
R

2018
R

40.02

Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	-	-
Correction of prior period error	-	-
Restated opening balance	-	-
Fruitless and wasteful expenditure current year	701 492	-
Condoned or written off by Council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting condonement or written off	701 492	-

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Fraudulent bank account.	None	701 492	-
		701 492	-

40.03

Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	-	-
Correction of prior period error	-	-
Restated opening balance	-	-
Irregular expenditure current year	-	476 038
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current	-	-
Prior Period	-	-
Condoned or written off by Council	-	(476 038)
Current	-	(476 038)
Prior Period	-	-
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	-	-

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Salary and accomodation of Mr J.H. Adams	None	-	476 038
		-	476 038

40.04

Material Losses

Electricity distribution losses

Electricity distribution losses (R)	(1 648 775)	(1 601 689)
Units purchased (Kwh)	8 477 211	8 346 033
- Units lost during distribution (Kwh)	1 255 346	1 274 456
- Percentage lost during distribution	14.81%	15.27%

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

41	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT	2019 R	2018 R		
41.01	<u>Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</u>				
	Council subscriptions	500 000	500 000		
	Amount paid - current year	(500 000)	(500 000)		
	Balance unpaid (included in creditors)	-	-		
41.02	<u>Audit fees - [MFMA 125 (1)(b)] (excl. VAT)</u>				
	Opening balance	-	-		
	Correction of prior period error	-	-		
	Restated opening balance	-	-		
	Current year audit fee	2 285 475	2 784 003		
	External Audit - Auditor-General	2 285 475	2 784 003		
	Amount paid - current year	(2 285 475)	(2 784 003)		
	Balance unpaid (included in creditors)	-	-		
41.03	<u>VAT - [MFMA 125 (1)(b)]</u>				
	Opening balance	(1 486 129)	(3 500 257)		
	Correction of prior period error	-	-		
	Restated opening balance	(1 486 129)	(3 500 257)		
	Amounts received - current year	6 894 000	3 607 703		
	Amounts claimed - current year (payable)	(7 616 827)	(5 093 832)		
	Amounts received - previous year	1 486 129	3 500 257		
	Closing balance	(722 827)	(1 486 129)		
	VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.				
41.04	<u>PAYE, SDL and UIF - [MFMA 125 (1)(b)]</u>				
	Opening balance	-	-		
	Correction of prior period error	-	-		
	Restated opening balance	-	-		
	Current year payroll deductions and Council Contributions	3 498 447	3 132 120		
	Amount paid - current year	(3 498 447)	(3 132 120)		
	Balance unpaid (included in creditors)	-	-		
41.05	<u>Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]</u>				
	Opening balance	-	-		
	Correction of prior period error	-	-		
	Restated opening balance	-	-		
	Current year payroll deductions and Council Contributions	(4 656 712)	(4 180 537)		
	Amount paid - current year	4 656 712	4 180 537		
	L.A. Health	626 304	500 113		
	LA retirement fund	282 707	259 903		
	Hosmed	730 122	784 800		
	Consolidated retirement fund for local government	2 689 840	2 320 374		
	Day1 Health	-	6 951		
	Municipal workers retirement fund	327 739	308 396		
	Balance unpaid (included in creditors)	-	-		
41.06	<u>Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]</u>				
	The following Councillors had arrear accounts for more than 90 days as at 30 June 2019:				
		Outstanding more than 90 days	Outstanding more than 90 days		
	Councillor B.J.E. Slambee	12 748	12 748		
	Total Councillor Arrear Consumer Accounts	12 748	12 748		
41.07	<u>Quotations awarded - Section 45 - Supply Chain Management</u>				
	JPC Bester Spouse employment of the state	-	73 154		
	Meerkat Spouse works at SKA	104 400	-		
	Witbooi Taxis Spouse works at Municipality	7 840	-		
	Blue Planet Spouse works at Stellenbosch Municipality	10 695	-		
		122 935	73 154		
41.08	<u>Deviations - Section 36(2) - Supply Chain Management</u>				
	30 June 2019	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
	Emergency cases	11 381	83 644	-	-
	Availability	562 497	156 641	-	-
	Limited Quotations	65 690	1 252 883	-	-
	Deviation on tender/Not cheapest awarded	60 347	-	-	-
	Service provider	311 991	249 816	-	-

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1 011 907	1 742 985	-	-
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KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

30 June 2018	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Emergency cases	94 405	292 777	-	-
Availability	382 344	239 213	-	-
Limited Quotations	96 258	-	-	-
Deviation on tender/Not cheapest awarded	85 118	-	-	-
Donation - according to policy	29 694	-	-	-
Service provider	216 513	442 874	-	-
	<u>904 331</u>	<u>974 864</u>	<u>-</u>	<u>-</u>

Refer to Appendix E for detail on Deviations according to Section 36(2) - Supply Chain Management

42 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

Approved and contracted for:

Infrastructure

Total

This expenditure will be financed from:

Government Grants

2019
R

2018
R

5 598 435

10 447 874

5 598 435

10 447 874

5 598 435

10 447 874

5 598 435

10 447 874

5 598 435

10 447 874

All amounts disclosed are VAT inclusive.

43 FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

0.5% Increase in interest rates	212 140	216 243
0.5% Decrease in interest rates	(212 140)	(216 243)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors 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.

All rates and services are payable within 30 days from invoice date. Refer to note 17 and 18 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

43

FINANCIAL RISK MANAGEMENT (CONTINUE)

Balances past due not impaired:

	2019 %	2019 R	2018 %	2018 R
<u>Non-Exchange Receivables</u>				
Rates	0.00%	-	0.00%	-
Availability Charges	0.00%	-	0.00%	-
	0.00%	0	0.00%	0
<u>Exchange Receivables</u>				
Electricity	0.00%	-	0.00%	-
Water	0.00%	-	0.00%	-
Refuse	0.00%	-	0.00%	-
Sewerage	0.00%	-	0.00%	-
Other	0.00%	-	0.00%	-
	0.00%	0	0.00%	0

No receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 17 & 18 of the financial statements is an approximation of its fair value. Interest on overdue balances (rates) are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2019 %	2019 R	2018 %	2018 R
<u>Non-Exchange Receivables</u>				
Rates	91.45%	2 990 279	100.00%	1 943 535
Availability Charges	8.55%	279 695	0.00%	-
	100.00%	3 269 974	100.00%	1 943 535
<u>Exchange Receivables</u>				
Electricity	14.61%	763 983	17.42%	452 847
Water	30.87%	1 614 625	32.48%	844 168
Refuse	24.70%	1 291 828	19.92%	517 911
Sewerage	17.01%	889 870	11.18%	290 509
Other	12.82%	670 440	19.00%	493 967
	100.00%	5 230 747	100.00%	2 599 402

The provision for bad debts could be allocated between the different categories of debtors as follows:

	2019 %	2019 R	2018 %	2018 R
Industrial	15.01%	1 275 643	6.39%	290 344
Residential	84.99%	7 225 078	93.61%	4 252 593
	100.00%	8 500 721	100%	4 542 937

Bad debts written off per debtor class:

	2019 %	2019 R	2018 %	2018 R
<u>Non-Exchange Receivables</u>				
Rates	0.00%	-	0.00%	-
<u>Exchange Receivables</u>				
Services	0.00%	-	0.00%	-
Other	0.00%	-	0.00%	-
	0.00%	-	0.00%	-

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only enters into non-current investment transactions with major banks with high quality credit standing. Although the credit risk pertaining to non-current investments are considered to be low, the maximum exposure are disclosed below.

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

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

Financial assets exposed to credit risk at year end are as follows:

2019 R	2018 R
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KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Long term receivables	20 918	24 558
Trade receivables and other receivables	3 099 076	3 385 230
Cash and Cash Equivalents	42 428 089	43 248 697
	<u>45 548 083</u>	<u>46 658 485</u>

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

43

FINANCIAL RISK MANAGEMENT (CONTINUE)

2019
R

2018
R

(e) Liquidity Risk

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

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

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

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2019				
Provisions - Landfill Sites	-	-	-	202 171 932
Capital repayments	-	-	-	26 405 251
Interest	-	-	-	175 766 681
Trade and Other Payables	1 958 002	-	-	-
Consumer Deposits	327 904	-	-	-
Unspent conditional government grants and receipts	14 304 758	-	-	-
	16 590 664	-	-	202 171 932
2018				
Provisions - Landfill Sites	-	-	-	239 903 972
Capital repayments	-	-	-	24 438 036
Interest	-	-	-	215 465 936
Trade and Other Payables	1 671 714	-	-	-
Consumer Deposits	325 569	-	-	-
Unspent conditional government grants and receipts	18 338 507	-	-	-
	20 335 791	-	-	239 903 972

44

FINANCIAL INSTRUMENTS

2019
R

2018
R

In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:

44.1

Financial Assets	Classification		
Long-term Receivables			
Staff Loans	Financial instruments at amortised cost	18 549	23 516
Consumer Debtors			
Trade receivables from exchange transactions	Financial instruments at amortised cost	6 342 493	3 591 762
Other receivables from exchange transactions	Financial instruments at amortised cost	2 857 427	2 885 836
Current Portion of Long-term Receivables			
Staff Loans	Financial instruments at amortised cost	4 967	4 773
Short-term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	42 170 213	42 765 463
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	257 876	483 234
		51 651 526	49 754 584

SUMMARY OF FINANCIAL ASSETS

Financial instruments at amortised cost

51 651 526

49 754 584

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

44	FINANCIAL INSTRUMENTS (CONTINUE)		2019 R	2018 R
44.2	Financial Liability	Classification		
	Payables from exchange transactions			
	Trade creditors	Financial instruments at amortised cost	1 812 753	1 547 241
	Payments received in advance	Financial instruments at amortised cost	145 249	124 474
	Unspent Conditional Grants and Receipts			
	Other Spheres of Government	Financial instruments at amortised cost	14 304 758	18 338 507
			16 262 760	20 010 222
	SUMMARY OF FINANCIAL LIABILITY			
	Financial instruments at amortised cost		16 262 760	20 010 222
45	EVENTS AFTER THE REPORTING DATE			
	None			
46	IN-KIND DONATIONS AND ASSISTANCE			
	The municipality did not receive any in-kind donations or assistance during the year under review.			
47	PRIVATE PUBLIC PARTNERSHIPS			
	Council has not entered into any private public partnerships during the financial year.			
48	CONTINGENT ASSET/LIABILITIES			
	Raubex was awarded the tender for the construction of Vanwysvlei bulk water scheme by Kareeberg municipality. This tender was cancelled by Kareeberg municipality, and now Raubex is claiming R12,3 million for loss of profit, direct and indirect damages as a result of the cancellation of the tender.			
	R.G. de Wee is claiming R8 million for alleged negligence and/or lack of maintenance of electricity network by the Municipality.			
49	RELATED PARTIES			
	Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.			
49.1	Related Party Transactions			
		Rates - Levied 1 July 2018 - 30 June 2019	Service Charges - Levied 1 July 2018 - 30 June 2019	Other - Levied 1 July 2018 - 30 June 2019
	Year ended 30 June 2019			Outstanding Balances 30 June 2019
	Councillors	4 190	44 834	10 985
	Municipal Manager and Section 56 Employees	21 269	50 363	-
	Year ended 30 June 2018			
	Councillors	2 956	37 262	9 466
	Municipal Manager and Section 56 Employees	13 267	37 585	-
	The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.			
	<u>Related party relationship</u>			
	Councillors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.			
49.2	Related Party Loans			
	Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 15 to the Annual Financial Statements.			
49.3	Compensation of key management personnel			
	The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.			
49.4	Other related party transactions			
			2019	2018
	The following purchases were made during the year where Councillors or Management have an interest:		R	R
	<u>Councillor/Staff Member</u>			
	None		-	-

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

		2019 R	2018 R
50	FINANCIAL SUSTAINABILITY		
	The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:		
	Financial Indicators		
	The current ratio increased to 2.4:1 from 2.09:1 in the prior year.		
	The municipality have budgeted for a surplus of R25 298 291 for the 2018/2019 financial year. The municipality is also budgeting for surplus during 2019/2020 and 2020/2021 amounting to R13 727 444 and (R757 909) respectively.		
	The average debtors' payment days increased to 184 days from 180 days.		
	Other Indicators		
	No outflow of resources due the contingent liability disclosed in note 48		
51	STATUTORY RECEIVABLES		
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
	Receivables from non-exchange transactions		
	Property Rates	3 008 522	-
	Total Statutory Receivables (before provision)	3 008 522	-
	Less: Provision for Debt Impairment	(2 990 279)	-
	Total Statutory Receivables (after provision)	18 244	-
	Statutory Receivables arises from the following legislation:		
	Taxes - Value Added Tax Act (No 89 of 1991)		
	Rates - Municipal Properties Rates Act (No 6 of 2004)		
52	ADDITIONAL DISCLOSURE IN TERMS OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT		
	Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.		

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

10 PROPERTY, PLANT AND EQUIPMENT

10.1 30 JUNE 2019

Reconciliation of Carrying Value	Cost				Accumulated Impairments			Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals/Revaluation/ Transfers	Closing Balance	Opening Balance	Additions/ Disposal	Closing Balance	Opening Balance	Depreciation Charge	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	24 788 148	-	-	24 788 148	405	-	405	556 552	65 826	-	622 378	24 165 365
Land	22 218 460	-	-	22 218 460	-	-	-	-	-	-	-	22 218 460
Buildings	2 569 688	-	-	2 569 688	405	-	405	556 552	65 826	-	622 378	1 946 905
Infrastructure	110 768 275	27 896 239	(145 788)	138 518 726	-	-	-	17 709 304	3 247 273	(145 788)	20 810 789	117 707 938
Electricity	5 220 314	678 678	870 638	6 769 629	-	-	-	942 412	174 345	-	1 116 758	5 652 871
Road Transport	50 540 889	3 240 887	11 746	53 793 521	-	-	-	8 887 923	1 588 490	(64 623)	10 411 789	43 381 732
Sanitation	22 518 245	1 326 908	-	23 845 153	-	-	-	3 976 726	681 147	-	4 657 872	19 187 280
Solid Waste Disposal	488 000	-	-	488 000	-	-	-	103 361	13 870	-	117 231	370 769
Stormwater	8 538 234	749 518	16 225	9 303 976	-	-	-	584 157	169 127	-	753 284	8 550 692
Water Supply	13 625 095	19 287 569	860 654	33 773 318	-	-	-	3 214 726	620 293	(81 165)	3 753 854	30 019 465
WIP	9 837 500	2 612 680	(1 905 051)	10 545 129	-	-	-	-	-	-	-	10 545 129
Community Assets	13 362 604	196 950	-	13 559 554	11 383	50 000	61 383	1 486 784	419 120	-	1 905 904	11 592 267
Recreation Grounds	10 119 940	-	-	10 119 940	10 248	50 000	60 248	1 014 236	346 634	-	1 360 870	8 698 822
Civil Buildings	122 360	-	-	122 360	-	-	-	23 908	2 191	-	26 099	96 261
Cemetery	1 446 823	-	-	1 446 823	-	-	-	166 145	31 442	-	197 587	1 249 236
Museum	360 000	-	-	360 000	-	-	-	70 268	6 438	-	76 707	283 293
Clinic	360 800	-	-	360 800	-	-	-	66 524	6 006	-	72 530	288 270
Libraries	838 670	196 950	-	1 035 620	-	-	-	117 916	23 910	-	141 826	893 794
Parks & Gardens	29 279	-	-	29 279	-	-	-	6 327	574	-	6 901	22 379
Public Conveniences/Bathhouses	84 731	-	-	84 731	1 135	-	1 135	21 459	1 925	-	23 385	60 211
WIP	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	7 234 195	689 759	(329 231)	7 594 722	1 339	(1 339)	-	4 776 598	607 975	(285 281)	5 099 292	2 495 430
Motor Vehicles	3 196 388	-	(130 089)	3 066 300	-	-	-	2 337 442	183 401	(130 089)	2 390 754	675 545
Plant & Equipment	1 610 124	13 134	(3 021)	1 620 237	-	-	-	965 721	157 060	(3 021)	1 119 760	500 476
Office Equipment	507 889	217 059	(24 243)	700 705	-	-	-	315 767	72 622	(24 243)	364 146	336 559
Furniture & Fittings	805 427	-	(46 224)	759 203	-	-	-	519 910	63 680	(46 224)	537 367	221 836
Fire Engines	2 648	-	-	2 648	-	-	-	2 135	85	-	2 221	428
Computer Equipment	612 840	446 544	(81 704)	977 680	-	-	-	273 810	123 674	(81 704)	315 780	661 900
Refuse Tankers	392 736	-	-	392 736	-	-	-	361 812	7 452	-	369 264	23 472
Game	106 143	13 022	(43 951)	75 214	1 339	(1 339)	-	-	-	-	-	75 214
	156 153 222	28 782 947	(475 019)	184 461 150	13 126	48 661	61 788	24 529 238	4 340 193	(431 068)	28 438 362	155 961 000

KAREEBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

10 PROPERTY, PLANT AND EQUIPMENT

10.2 30 JUNE 2018

Reconciliation of Carrying Value	Cost				Accumulated Impairments			Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals/Revaluation/ Transfers	Closing Balance	Opening Balance	Additions/ Disposal	Closing Balance	Opening Balance	Depreciation Charge	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	24 788 148	-	-	24 788 148	405	-	405	490 727	65 826	-	556 552	24 231 191
Land	22 218 460	-	-	22 218 460	-	-	-	-	-	-	-	22 218 460
Buildings	2 569 688	-	-	2 569 688	405	-	405	490 727	65 826	-	556 552	2 012 731
Infrastructure	96 444 382	14 323 894	-	110 768 275	-	-	-	15 111 013	2 598 291	-	17 709 304	93 058 972
Electricity	5 199 366	13 621	7 327	5 220 314	-	-	-	810 327	132 086	-	942 412	4 277 901
Road Transport	48 171 512	2 369 377	-	50 540 889	-	-	-	7 426 220	1 461 703	-	8 887 923	41 652 966
Sanitation	16 385 176	3 987 957	2 145 112	22 518 245	-	-	-	3 511 009	465 717	-	3 976 726	18 541 519
Solid Waste Disposal	488 000	-	-	488 000	-	-	-	89 491	13 870	-	103 361	384 639
Stormwater	7 034 333	1 503 901	-	8 538 234	-	-	-	447 255	136 902	-	584 157	7 954 077
Water Supply	9 833 186	3 791 909	-	13 625 095	-	-	-	2 826 713	388 013	-	3 214 726	10 410 369
WIP	9 332 810	2 657 129	(2 152 439)	9 837 500	-	-	-	-	-	-	-	9 837 500
Balance previously reported	9 332 810	2 676 229	(2 152 439)	9 856 600	-	-	-	-	-	-	-	9 856 600
Correction of Error - Note 36.01	-	(19 101)	-	(19 101)	-	-	-	-	-	-	-	(19 101)
Community Assets	13 081 426	281 178	-	13 362 604	11 383	-	11 383	1 097 048	389 736	-	1 486 784	11 864 437
Recreation Grounds	10 119 940	-	-	10 119 940	10 248	-	10 248	667 603	346 634	-	1 014 236	9 095 456
Civil Buildings	122 360	-	-	122 360	-	-	-	21 718	2 191	-	23 908	98 452
Cemetery	453 000	46 508	947 315	1 446 823	-	-	-	151 000	15 145	-	166 145	1 280 678
Museum	360 000	-	-	360 000	-	-	-	63 830	6 438	-	70 268	289 732
Clinic	360 800	-	-	360 800	-	-	-	60 518	6 006	-	66 524	294 276
Libraries	604 000	234 670	-	838 670	-	-	-	107 092	10 824	-	117 916	720 754
Parks & Gardens	29 279	-	-	29 279	-	-	-	5 753	574	-	6 327	22 953
Public Conveniences/Bathhouses	84 731	-	-	84 731	1 135	-	1 135	19 534	1 925	-	21 459	62 137
WIP	947 315	-	(947 315)	-	-	-	-	-	-	-	-	-
Other Assets	6 703 497	615 588	(84 891)	7 234 195	10 342	-9 003	1 339	4 465 471	314 311	3 184	4 776 598	2 456 258
Motor Vehicles	2 846 388	350 000	-	3 196 388	-	-	-	2 206 926	130 516	-	2 337 442	858 946
Plant & Equipment	1 509 929	103 379	(3 184)	1 610 124	-	-	-	881 443	87 463	3 184	965 721	644 402
Office Equipment	451 564	56 325	-	507 889	-	-	-	296 442	19 325	-	315 767	192 122
Furniture & Fittings	801 862	3 565	-	805 427	-	-	-	493 754	26 156	-	519 910	285 516
Fire Engines	2 648	-	-	2 648	-	-	-	2 083	53	-	2 135	513
Computer Equipment	520 014	92 826	-	612 840	-	-	-	233 318	40 491	-	273 810	339 030
Refuse Tankers	392 736	-	-	392 736	-	-	-	351 504	10 308	-	361 812	30 924
Game	178 356	9 494	(81 707)	106 143	10 342	(9 003)	1 339	-	-	-	-	104 804
	141 017 453	15 220 660	(84 891)	156 153 222	22 129	(9 003)	13 126	21 164 259	3 368 163	3 184	24 529 238	131 610 858

APPENDIX A - Audited
KAREEBERG LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019
MUNICIPAL VOTES CLASSIFICATION

2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R		2019 Actual Income R	2019 Actual Expenditure R
15 845	(197 402)	(181 557)	Cemetery	15 710	(919 507)
2 380	(1 715 674)	(1 713 295)	Library	2 780	(1 834 497)
-	(25 239)	(25 239)	Museum	-	(69 002)
-	(3 105 745)	(3 105 745)	Corporate Services	-	(3 057 961)
8 929 949	(172 171)	8 757 778	Electricity Administration	9 966 410	(193 359)
-	(10 531 175)	(10 531 175)	Electricity Generation	-	(11 262 642)
-	(813 874)	(813 874)	Electricity Distribution	-	(1 795 760)
42 335 770	(10 745 436)	31 590 334	General Expenditure of Council	57 220 468	(11 944 610)
8 400	(205)	8 195	Official Housing	8 400	(175)
4 430 162	-	4 430 162	Property Rates	8 327 522	-
207 295	(10 578)	196 717	Commonage	223 836	(1 879)
51 590	(215 519)	(163 929)	Municipal Buildings	53 757	(50 806)
3 038 961	(10 389 518)	(7 350 557)	Municipal Manager/Treasurer	6 419 397	(16 416 861)
-	-	-	Health Service	-	-
-	(17 133)	(17 133)	Clinic	-	(22 553)
350	(21 627)	(21 277)	Air Port	347	(12 700)
-	(40)	(40)	Abattoir	-	(34)
-	(14 605)	(14 605)	Fire Department	-	(15 732)
-	(750)	(750)	Civil Protection	-	(787)
800	(31 749)	(30 949)	Pound	-	(45 710)
-	-	-	Main Roads	-	-
200	(3 409 185)	(3 408 985)	Public Works	70	(3 070 101)
-	(1 163 935)	(1 163 935)	Streets & Pavements	-	(1 284 942)
4 500	(233 890)	(229 390)	Licensing & Traffic	5 740	(171 953)
22 771	(268 947)	(246 176)	Nature Reserve	13 022	(257 941)
659	(252 134)	(251 475)	Parks & Open areas	535	(332 259)
-	(7 752)	(7 752)	Swimming Pool	-	(7 203)
5 106	(14 270)	(9 164)	Caravan Park	3 231	(15 387)
1 301 576	(3 622 811)	(2 321 235)	Refuse	1 890 906	(2 437 458)
336 743	(4 368 779)	(4 032 036)	Sewerage & Cleansing	1 566 825	(5 469 209)
-	(961 647)	(961 647)	Water Distribution	-	(1 799 650)
1 952 072	(896 248)	1 055 824	Water Provision	2 902 054	(985 864)
62 645 130	(53 208 037)	9 437 092	Sub Total	88 621 009	(63 476 540)
-	895 244	895 244	Less Inter-Departmental Charges	-	965 688
62 645 130	(52 312 793)	10 332 336	Total	88 621 009	(62 510 852)

)

2019 Surplus/ (Deficit) R
(903 797)
(1 831 717)
(69 002)
(3 057 961)
9 773 051
(11 262 642)
(1 795 760)
45 275 859
8 225
8 327 522
221 957
2 951
(9 997 464)
-
(22 553)
(12 353)
(34)
(15 732)
(787)
(45 710)
-
(3 070 031)
(1 284 942)
(166 213)
(244 919)
(331 724)
(7 203)
(12 156)
(546 552)
(3 902 384)
(1 799 650)
1 916 190
25 144 468
965 688
26 110 157

APPENDIX B - Audited
KAREEBERG LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R		2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R
42 335 770	(10 745 436)	31 590 334	Executive & Council	57 220 468	(9 480 020)	47 740 448
7 736 759	(10 637 487)	(2 900 728)	Budget & Treasury	15 024 512	(19 527 507)	(4 502 995)
-	(3 105 745)	(3 105 745)	Corporate Services	347	(12 734)	(12 387)
-	-	-	Planning & Development	70	(3 070 101)	(3 070 031)
-	(17 133)	(17 133)	Health	-	(22 553)	(22 553)
18 225	(1 938 316)	(1 920 091)	Community & Social Services	18 490	(2 823 005)	(2 804 515)
-	-	-	Housing	8 400	(175)	8 225
800	(47 105)	(46 305)	Public Safety	-	(62 229)	(62 229)
28 536	(543 102)	(514 566)	Sport & Recreation	3 766	(354 850)	(351 084)
-	-	-	Environmental Protection	13 022	(257 941)	(244 919)
1 301 576	(3 622 811)	(2 321 235)	Waste Management	1 890 906	(2 437 458)	(546 552)
336 743	(4 368 779)	(4 032 036)	Waste Water Management	1 566 825	(5 429 737)	(3 862 912)
4 700	(4 807 010)	(4 802 310)	Road Transport	5 740	(1 456 895)	(1 451 155)
1 952 072	(1 857 895)	94 178	Water	2 902 054	(2 459 975)	442 079
8 929 949	(11 517 220)	(2 587 271)	Electricity	9 966 410	(16 081 360)	(6 114 951)
62 645 130	(53 208 037)	9 437 092	Sub Total	88 621 009	(63 476 540)	25 144 468
-	895 244	895 244	Less Inter-Departmental Charges	-	965 688	965 688
62 645 130	(52 312 793)	10 332 336	Total	88 621 009	(62 510 852)	26 110 157

APPENDIX C - Audited
KAREEBERG LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2018	Interest on Investments	Other Income	Transfer due to NT's request to return grant	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2019
UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	R	R	R		R	R	R
Job Creation De Bult	46 081	2 688	-	-	-	-	48 769
Land Development	72 345	4 220	-	-	-	-	76 565
Civil Defence	20 944	-	-	-	-	-	20 944
CMIP Kwaggakolk (VAT)	725	40	-	-	-	-	765
Sanitation - sewerage	184 441	-	-	-	-	-	184 441
Electricity Schietfontein	41 513	2 420	-	-	-	-	43 933
Water Service Plan	3 879	225	-	-	-	-	4 104
CMIP - Saaipoort project 301	4 258	247	-	-	-	-	4 505
Library Development Projects	0	-	1 112 000	-	711 246	400 754	-0
Paving Projects	28 062	1 636	-	-	-	-	29 698
Lotto Carnarvon	2 153	125	-	-	-	-	2 278
Lotto Vosburg	38 010	2 218	-	-	-	-	40 228
Municipal Finance Management Grant	-	-	1 970 000	-	1 970 000	-	-
Transfer Fees Sub-Economic	160 872	9 721	-	-	-	-	170 593
Cleaning Project Vosburg	30 344	1 782	-	-	-	-	32 126
VAT - Retention	14 080	819	-	-	-	-	14 899
Municipal Infrastructure Grant Additional	-	-	-	-	-	-	-
Municipal Infrastructure Grant	-	-	7 972 000	-	1 039 826	6 932 174	-
Youth Development	93 632	-	-	-	-	-	93 632
Expanded Public Works Program (PWPG)	-	-	1 000 000	-	1 000 000	-	-0
Electricity	-0	-	1 000 000	-	130 435	869 565	-0
DWA (Department of Water Affairs) Refurbishment	-	-	5 000 000	-	652 174	4 347 826	-0
DWA (Department of Water Affairs) Drought Relief	4 626 000	-	-	-	603 391	4 022 609	-
RBIG (Department of Water Affairs and Forestry)	12 971 167	-	14 047 000	-	1 756 826	11 724 065	13 537 276
Total	18 338 507	26 142	32 101 000	-	7 863 898	28 296 993	14 304 758

APPENDIX D - Audited
KAREEBERG LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019
REVENUE AND EXPENDITURE (REVENUE BY SOURCE AND EXPENDITURE BY TYPE)

Reconciliation of Table A1 Budget Summary

Description	2018/2019								2017/2018			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	7 079	418	7 497	8 328		830	0.0%	0.0%				-
Service charges	16 843	(9 688)	7 156	16 023		8 867	0.0%	0.0%				-
Investment revenue	1 319	1 500	2 819	3 441		621	0.0%	0.0%				-
Transfers recognised - operational	26 106	-	26 106	29 888		3 782	0.0%	0.0%				-
Other own revenue	20 639	(5 078)	15 561	2 645		(12 916)	0.0%	0.0%				-
Total Revenue (excluding capital transfers and contributions)	71 987	(12 848)	59 139	60 324	-	1 185	0.0%	0.0%				-
Employee costs	22 526	1 351	23 877	20 781	-	(3 096)	0.0%	0.0%	-	-	-	-
Remuneration of councillors	2 816	(11)	2 805	2 532	-	5 337	0.0%	0.0%	-	-	-	-
Depreciation & asset impairment	5 154	1 000	6 154	4 430	-	(1 724)	0.0%	0.0%	-	-	-	-
Finance charges	959	-	959	2 377	-	1 418	0.0%	0.0%	-	-	-	-
Materials and bulk purchases	13 443	(1 600)	11 843	9 485	-	21 328	0.0%	0.0%	-	-	-	-
Transfers and grants	1 782	(127)	1 655	-	-	1 655	0.0%	0.0%	-	-	-	-
Other expenditure	22 758	(3 565)	19 193	22 905	-	42 098	0.0%	0.0%	-	-	-	-
Total Expenditure	69 437	(2 951)	66 486	62 511	-	67 017	0.0%	0.0%	-	-	-	-
Surplus/(Deficit)	2 550	(9 896)	(7 347)	(2 187)		68 201	0.0%	0.0%				-
Transfers recognised - capital	65 422	(32 777)	32 645	28 297		60 942	0.0%	0.0%				-
Contributions recognised - capital & contributed assets	-	-	-	-		-	-	-				-
Surplus/(Deficit) after capital transfers & contributions	67 972	(42 673)	25 298	26 110		129 143	0.0%	0.0%				-
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	67 972	(42 673)	25 298	26 110		129 143	0.0%	0.0%				-
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	65 422	(32 777)	32 645	28 297		60 942	0.0%	0.0%				-
Public contributions & donations	-	-	-	-		-	0.0%	0.0%				-
Borrowing	-	-	-	-		-	0.0%	0.0%				-
Internally generated funds	5 875	(3 555)	2 320	-		2 320	0.0%	0.0%				-
Total sources of capital funds	71 297	(36 332)	34 965	28 297		63 262	0.0%	0.0%				-
Cash flows												
Net cash from (used) operating	(60 722)	4 087	(56 635)	27 935		(28 701)	0.0%	0.0%				-
Net cash from (used) investing	(0)	0	-	(28 762)		(28 762)	0.0%	0.0%				-
Net cash from (used) financing	(0)	-	(0)	7		7	0.0%	0.0%				-
Cash/cash equivalents at the year end	(60 722)	4 087	(56 635)	(821)		(57 456)	0.0%	0.0%				-

APPENDIX D - Audited
KAREEBERG LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2018/2019								2017/2018			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
<i>Governance and administration</i>	53 906	(10 271)	43 635	72 245		(28 610)	0.0%	0.0%				-
Executive and council	26 370	(6 472)	19 898	57 220		(37 322)	0.0%	0.0%				-
Finance and administration	27 536	(3 799)	23 737	15 025		8 713	0.0%	0.0%				-
Internal audit	-	-	-	-		-	0.0%	0.0%				-
<i>Community and public safety</i>	1 139	-	1 139	31		1 108	0.0%	0.0%				-
Community and social services	1 119	-	1 119	18		1 100	0.0%	0.0%				-
Sport and recreation	13	-	13	4		9	0.0%	0.0%				-
Public safety	1	-	1	-		1	0.0%	0.0%				-
Housing	6	-	6	8		(2)	0.0%	0.0%				-
Health	-	-	-	-		-	0.0%	0.0%				-
<i>Economic and environmental services</i>	863	7 111	7 974	19		7 955	0.0%	0.0%				-
Planning and development	861	(861)	0	0		0	0.0%	0.0%				-
Road transport	2	7 972	7 974	6		7 968	0.0%	0.0%				-
Environmental protection	0	-	0	13		(13)	0.0%	0.0%				-
<i>Trading services</i>	81 500		39 036	16 326		22 710	0.0%	0.0%				-
Electricity	12 837	(1 204)	11 632	9 966		1 666	0.0%	0.0%				-
Water	61 786	(35 594)	26 192	2 902		23 290	0.0%	0.0%				-
Waste water management	5 190	(2 882)	2 308	1 567		741	0.0%	0.0%				-
Waste management	1 687	(2 784)	(1 097)	1 891		(2 988)	0.0%	0.0%				-
<i>Other</i>	0	-	0	0		(0)	0.0%	0.0%				-
Total Revenue - Standard	137 409	(3 160)	91 784	88 621		3 163	0.0%	0.0%				-
Expenditure - Standard												
<i>Governance and administration</i>	28 773	998	29 771	(29 008)	-	58 778	0.0%	0.0%	-	-	-	-
Executive and council	9 859	25	9 883	(9 480)	-	19 364	0.0%	0.0%	-	-	-	-
Finance and administration	18 915	973	19 887	(19 528)	-	39 415	0.0%	0.0%	-	-	-	-
Internal audit	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
<i>Community and public safety</i>	3 663	(311)	3 352	(3 263)	-	6 614	0.0%	0.0%	-	-	-	-
Community and social services	3 123	(252)	2 871	(2 823)	-	5 694	0.0%	0.0%	-	-	-	-
Sport and recreation	415	(24)	391	(355)	-	745	0.0%	0.0%	-	-	-	-
Public safety	66	(3)	63	(62)	-	125	0.0%	0.0%	-	-	-	-
Housing	4	(0)	4	(0)	-	4	0.0%	0.0%	-	-	-	-
Health	54	(32)	23	(23)	-	45	0.0%	0.0%	-	-	-	-
<i>Economic and environmental services</i>	5 697	(261)	5 436	(4 785)	-	10 221	0.0%	0.0%	-	-	-	-
Planning and development	3 601	(148)	3 453	(3 070)	-	6 523	0.0%	0.0%	-	-	-	-
Road transport	2 031	(308)	1 723	(1 457)	-	3 180	0.0%	0.0%	-	-	-	-
Environmental protection	65	196	261	(258)	-	519	0.0%	0.0%	-	-	-	-
<i>Trading services</i>	31 280	(3 376)	27 904	(25 443)	-	53 346	0.0%	0.0%	-	-	-	-
Electricity	18 244	(2 139)	16 106	(15 234)	-	31 340	0.0%	0.0%	-	-	-	-
Water	3 156	(98)	3 058	(2 419)	-	5 477	0.0%	0.0%	-	-	-	-
Waste water management	6 292	(910)	5 382	(5 353)	-	10 735	0.0%	0.0%	-	-	-	-
Waste management	3 587	(230)	3 357	(2 437)	-	5 795	0.0%	0.0%	-	-	-	-
<i>Other</i>	25	(1)	24	(13)	-	36	0.0%	0.0%	-	-	-	-
Total Expenditure - Standard	69 437	(2 951)	66 486	(62 511)	-	128 997	0.0%	0.0%	-	-	-	-
Surplus/(Deficit) for the year	67 972	(209)	25 298	26 110	-	(125 834)	0.0%	0.0%	-	-	-	-

APPENDIX D - Audited
KAREEBERG LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2018/2019								2017/2018			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Executive and Council	26 370	(6 472)	19 898	57 220		37 322	0.0%	0.0%				-
Vote 2 - Finance	27 536	(3 799)	23 737	15 025		(8 713)	0.0%	0.0%				-
Vote 3 - Community and public safety	1 139	-	1 139	0		(1 139)	0.0%	0.0%				-
Vote 4 - Infrastructure Development	82 364	(35 354)	47 010	16 376		(30 634)	0.0%	0.0%				-
Vote 5 - Economic Development	-	-	-	-		-	-	-				-
Example 6 - Vote6	-	-	-	-		-	-	-				-
Example 7 - Vote7	-	-	-	-		-	-	-				-
Example 8 - Vote8	-	-	-	-		-	-	-				-
Example 9 - Vote9	-	-	-	-		-	-	-				-
Example 10 - Vote10	-	-	-	-		-	-	-				-
Example 11 - Vote11	-	-	-	-		-	-	-				-
Example 12 - Vote12	-	-	-	-		-	-	-				-
Example 13 - Vote13	-	-	-	-		-	-	-				-
Example 14 - Vote14	-	-	-	-		-	-	-				-
Example 15 - Vote15	-	-	-	-		-	-	-				-
Total Revenue by Vote	137 409	(45 625)	91 784	88 621		(3 163)	0.0%	0.0%				-
Expenditure by Vote to be appropriated												
Vote 1 - Executive and Council	9 859	25	9 883	(9 480)	-	403	0.0%	0.0%	-	-	-	-
Vote 2 - Finance	18 915	973	19 887	(19 528)	-	360	0.0%	0.0%	-	-	-	-
Vote 3 - Community and public safety	3 663	(311)	3 352	(13)	-	3 339	0.0%	0.0%	-	-	-	-
Vote 4 - Infrastructure Development	37 001	(3 638)	33 363	(33 491)	-	(127)	0.0%	0.0%	-	-	-	-
Vote 5 - Economic Development	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Example 6 - Vote6	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Total Expenditure by Vote	69 437	(2 951)	66 486	(62 511)	-	3 975	0.0%	0.0%	-	-	-	-
Surplus/(Deficit) for the year	67 971	(48 576)	25 298	26 110		(7 138)	0.0%	0.0%				

**APPENDIX D - Audited
KAREEBERG LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019
REVENUE AND EXPENDITURE (REVENUE BY SOURCE AND EXPENDITURE BY TYPE)**

Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2018/2019								2017/2018			
	Original Budget	Budget Adjustments (i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	7 079	418	7 497	8 328		830	0.0%	0.0%				-
Service charges - electricity revenue	10 390	(1 204)	9 185	9 849		663	0.0%	0.0%				-
Service charges - water revenue	2 675	(2 817)	(142)	2 718		2 860	0.0%	0.0%				-
Service charges - sanitation revenue	2 092	(2 882)	(790)	1 567		2 357	0.0%	0.0%				-
Service charges - refuse revenue	1 687	(2 784)	(1 097)	1 889		2 987	0.0%	0.0%				-
Rental of facilities and equipment	376	-	376	294		(82)	0.0%	0.0%				-
Interest earned - external investments	1 319	1 500	2 819	3 440		620	0.0%	0.0%				-
Interest earned - outstanding debtors	200	-	200	1		(198)	0.0%	0.0%				-
Dividends received	-	-	-	-		-	0.0%	0.0%				-
Fines, penalties and forfeits	13	-	13	10		(3)	0.0%	0.0%				-
Licences and permits	6	-	6	13		7	0.0%	0.0%				-
Agency services	-	-	-	151		151	0.0%	0.0%				-
Transfers and subsidies	26 106	-	26 106	29 888		3 782	0.0%	0.0%				-
Other revenue	20 044	(5 078)	14 966	2 177		(12 790)	0.0%	0.0%				-
Gains on disposal of PPE	-	-	-	-		-	0.0%	0.0%				-
Total Revenue (excluding capital transfers and contributions)	71 987	(12 848)	59 139	60 323		1 184	0.0%	0.0%				-
Expenditure By Type												
Employee related costs	22 526	1 351	23 877	20 781	-	(3 096)	0.0%	0.0%	-	-	-	-
Remuneration of councillors	2 816	(11)	2 805	2 532	-	(273)	0.0%	0.0%	-	-	-	-
Debt impairment	3 401	263	3 664	3 958	-	294	0.0%	0.0%	-	-	-	-
Depreciation & asset impairment	5 154	1 000	6 154	4 430	-	(1 724)	0.0%	0.0%	-	-	-	-
Finance charges	959	-	959	2 377	-	1 418	0.0%	0.0%	-	-	-	-
Bulk purchases	12 549	(1 800)	10 749	9 485	-	(1 263)	0.0%	0.0%	-	-	-	-
Other materials	894	200	1 094	-	-	(1 094)	0.0%	0.0%	-	-	-	-
Contracted services	6 522	-	6 522	-	-	(6 522)	0.0%	0.0%	-	-	-	-
Transfers and grants	1 782	(127)	1 655	-	-	(1 655)	0.0%	0.0%	-	-	-	-
Other expenditure	12 834	(3 827)	9 007	18 941	-	9 933	0.0%	0.0%	-	-	-	-
Loss on disposal of PPE	-	-	-	7	-	7	0.0%	0.0%	-	-	-	-
Total Expenditure	69 437	(2 951)	66 486	62 511	-	(3 975)	0.0%	0.0%	-	-	-	-
Surplus/(Deficit)	2 550	(9 896)	(7 347)	(2 188)		5 159	0.0%	0.0%				-
Transfers recognised - capital	65 422	(32 777)	32 645	28 297		(4 348)	0.0%	0.0%				-
Contributions recognised - capital	-	-	-	-		-	0.0%	0.0%				-
Contributed assets	-	-	-	-		-	0.0%	0.0%				-
Surplus/(Deficit) after capital transfers & contributions	67 972	(42 673)	25 298	26 109		811	0.0%	0.0%				-
Taxation	-	-	-	-		-	0.0%	0.0%				-
Surplus/(Deficit) after taxation	67 972	(42 673)	25 298	26 109		811	0.0%	0.0%				-
Attributable to minorities	-	-	-	-		-	0.0%	0.0%				-
Surplus/(Deficit) attributable to municipality	67 972	(42 673)	25 298	26 109		811	0.0%	0.0%				-
Share of surplus/ (deficit) of associate	-	-	-	-		-	0.0%	0.0%				-
Surplus/(Deficit) for the year	67 972	(42 673)	25 298	26 109		811	0.0%	0.0%				-

APPENDIX D - Audited
KAREEBERG LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING

Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2018/2019								2017/2018			
	Original Budget	Total Budget Adjustments (I.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - Municipal Manager	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 2 - Finance	1 875	73	1 948	549	(1 399)	-	0%	0%	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 4 - Infrastructure Development	69 422	(44 749)	24 673	21 870	(2 803)	-	0%	0%	-	-	-	-
Vote 5 - Economic Development	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 6 - Vote6	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	0%	0%	-	-	-	-
Capital multi-year expenditure	71 297	(44 676)	26 621	22 419	(4 202)	-	0%	0%	-	-	-	-
Single-year expenditure												
Vote 1 - Municipal Manager	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 2 - Finance	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 3 - Corporate Services	-	372	372	310	(62)	-	0%	0%	-	-	-	-
Vote 4 - Infrastructure Development	2 200	5 772	7 972	6 040	(1 932)	-	0%	0%	-	-	-	-
Vote 5 - Economic Development	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 6 - Vote6	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	0%	0%	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	0%	0%	-	-	-	-
Capital single-year expenditure	2 200	6 144	8 344	6 350	(1 994)	-	0%	0%	-	-	-	-
Total Capital Expenditure - Vote	73 497	(38 532)	34 965	28 769	(6 196)	-	0%	0%	-	-	-	-
Capital Expenditure - Standard												
Governance and administration	1 875	73	1 948	549	(1 399)	-	0%	0%	-	-	-	-
Executive and council	-	-	-	-	-	-	0%	0%	-	-	-	-
Finance and administration	1 875	73	1 948	549	(1 399)	-	0%	0%	-	-	-	-
Internal audit	-	-	-	-	-	-	0%	0%	-	-	-	-
Community and public safety	-	372	372	310	(62)	-	0%	0%	-	-	-	-
Community and social services	-	372	372	310	(62)	-	0%	0%	-	-	-	-
Sport and recreation	-	-	-	-	-	-	0%	0%	-	-	-	-
Public safety	-	-	-	-	-	-	0%	0%	-	-	-	-
Housing	-	-	-	-	-	-	0%	0%	-	-	-	-
Health	-	-	-	-	-	-	0%	0%	-	-	-	-
Economic and environmental services	11 972	(4 000)	7 972	6 040	14 012	-	0%	0%	-	-	-	-
Planning and development	-	-	-	-	-	-	0%	0%	-	-	-	-
Road transport	11 972	(4 000)	7 972	6 040	14 012	-	0%	0%	-	-	-	-
Environmental protection	-	-	-	-	-	-	0%	0%	-	-	-	-
Trading services	57 450	(32 777)	24 673	21 870	42 143	-	0%	0%	-	-	-	-
Electricity	1 000	-	1 000	1 009	9	-	0%	0%	-	-	-	-
Water	56 450	(33 977)	22 473	19 534	42 007	-	0%	0%	-	-	-	-
Waste water management	-	1 200	1 200	1 327	127	-	0%	0%	-	-	-	-
Waste management	-	-	-	-	-	-	0%	0%	-	-	-	-
Other	-	-	-	-	-	-	0%	0%	-	-	-	-
Total Capital Expenditure - Standard	71 297	(36 332)	34 965	28 769	54 694	-	0%	0%	-	-	-	-
Funded by:												
National Government	65 422	(32 777)	32 645	28 280	-	-	0%	0%	-	-	-	-
Provincial Government	-	-	-	-	-	-	0%	0%	-	-	-	-
District Municipality	-	-	-	-	-	-	0%	0%	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	0%	0%	-	-	-	-
Transfers recognised - capital	65 422	(32 777)	32 645	28 280	-	-	0%	0%	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	0%	0%	-	-	-	-
Borrowing	-	-	-	-	-	-	0%	0%	-	-	-	-
Internally generated funds	5 875	(3 555)	2 320	489	-	-	0%	0%	-	-	-	-
Total Capital Funding	71 297	(36 332)	34 965	28 769	-	-	0%	0%	-	-	-	-

APPENDIX D - Audited
KAREEBERG LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019
CASH FLOWS

Reconciliation of Table A7 Budgeted Cash Flows

Description R thousand	2018/2019							2017/2018
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, penalties and collection charges	7 079	418	7 497	7 159	(338)	0.0%	0.0%	–
Service charges	16 843	(9 688)	7 156	11 522	4 366	0.0%	0.0%	–
Other revenue	20 639	(5 078)	15 561	4 342	(11 219)	0.0%	0.0%	–
Government - operating	26 106	–	26 106	26 106	–	0.0%	0.0%	–
Government - capital	65 422	(32 777)	32 645	28 019	(4 626)	0.0%	0.0%	–
Interest	1 319	1 500	2 819	3 336	517	0.0%	0.0%	–
Dividends	–	–	–	–	–	0.0%	0.0%	–
Payments								
Suppliers and employees	(58 142)	4 087	(54 055)	(50 173)	(3 882)	0.0%	0.0%	–
Finance charges	(959)	–	(959)	(2 377)	1 418	0.0%	0.0%	–
Transfers and Grants	(1 622)	–	(1 622)	–	(1 622)	0.0%	0.0%	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	76 687	(41 538)	35 149	27 935	(15 386)	0.0%	0.0%	–
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	37	(37)	0.0%	0.0%	–
Decrease (Increase) in non-current debtors	8	(8)	–	–	–	0.0%	0.0%	–
Decrease (increase) other non-current receivables	–	–	–	–	–	0.0%	0.0%	–
Decrease (increase) in non-current investments	–	–	–	–	–	0.0%	0.0%	–
Payments								
Capital assets	(60 814)	60 814	–	(28 800)	28 800	0.0%	0.0%	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	(60 806)	60 806	–	(28 762)	28 762	0.0%	0.0%	–
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	0.0%	0.0%	–
Borrowing long term/refinancing	–	–	–	5	5	0.0%	0.0%	–
Increase (decrease) in consumer deposits	10	(10)	–	2	2	0.0%	0.0%	–
Payments								
Repayment of borrowing	–	–	–	–	–	0.0%	0.0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	10	(10)	–	7	7	0.0%	0.0%	–
NET INCREASE/ (DECREASE) IN CASH HELD	15 891	19 258	35 149	(821)	13 384			–
Cash/cash equivalents at the year begin:	–	–	–	43 249				–
Cash/cash equivalents at the year end:	15 891	19 258	35 149	42 428	13 384	0.0%	0.0%	–

**APPENDIX E - Audited
KAREEBERG LOCAL MUNICIPALITY
DEVIATIONS ACCORDING TO SECTION 36(2) - SUPPLY CHAIN MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2019**

NOT THREE QUOTATIONS

R2,001 - R30,000			
Date of tender committee	Supplier	Amount	Reason
16-07-2018	GS Survey	29 900.00	Service Provider
26-10-2018	SAW Africa	4 897.69	Exceptional
26-10-2018	SAW Africa	4 302.56	Exceptional
09-10-2018	Blue Planet Trading	10 695.00	Exceptional
16-10-2018	SAW Africa	2 148.87	Exceptional
08-01-2019	CSB Handel	2 946.18	Exceptional
14-01-2019	De Aar Bande en Gas	10 800.00	Exceptional
		<u>65 690.30</u>	
R30,001 - R200,000			
Date of tender committee	Supplier	Amount	Reason
30-10-2018	Calteau & Partners	60 205.46	Exceptional
29-11-2018	Calteau & Partners	277 920.05	Exceptional
20-12-2018	Calteau & Partners	184 616.62	Exceptional
30-01-2019	Calteau & Partners	69 331.39	Exceptional
27-03-2019	Calteau & Partners	97 615.13	Exceptional
28-03-2019	Calteau & Partners	200 394.19	Exceptional
29-04-2019	Calteau & Partners	136 398.63	Exceptional
30-05-2019	Calteau & Partners	52 174.60	Exceptional
27-06-2019	Calteau & Partners	174 226.94	Exceptional
		<u>1 252 883.01</u>	

NOT CHEAPEST QUOTATION

R2,001 - R30,000			
Date of tender committee	Supplier	Amount	Reason
27-07-2018	Karoo Vleisboere	4 554.00	Exceptional
13-08-2018	De Aar Bande en Gas	16 980.00	Exceptional
17-10-2018	CSB Handel	5 908.40	Exceptional
14-01-2019	De Aar Bande en Gas	4 250.00	Exceptional
14-01-2019	Karoo Vleisboere	5 198.00	Exceptional
15-02-2019	Lexis Nexis	7 932.01	Exceptional
14-03-2019	Arch Actuarial	15 525.00	Exceptional
		<u>60 347.41</u>	

EMERGENCY

R2,001 - R30,000			
Date of tender committee	Supplier	Amount	Reason
05-12-2018	CSB Handel	4 436.48	Sole Provider
09-01-2019	GWK Vanwyksvlei	6 944.98	Emergency
		<u>11 381.46</u>	
R30,001 - R200,000			
Date of tender committee	Supplier	Amount	Reason
09-01-2019	Tricom Africa	30 034.38	Emergency
26-11-2018	Profound Pursuit	53 610.00	Emergency
		<u>83 644.38</u>	

APPENDIX E - Audited
KAREEBERG LOCAL MUNICIPALITY
DEVIATIONS ACCORDING TO SECTION 36(2) - SUPPLY CHAIN MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2019

AVAILABILITY

R2,001 - R30,000

Date of tender committee	Supplier	Amount	Reason
03-07-2018	EMC Electrical Reticulation	21 079.50	Exceptional
01-07-2018	XYX Construction	3 634.00	Exceptional
01-07-2018	XYX Construction	2 593.25	Exceptional
04-07-2018	CSB Handel	9 200.00	Service Provider
06-07-2018	Carnarvon Abattoir	2 036.02	Exceptional
16-07-2018	Carnarvon Spar	3 020.20	Exceptional
17-07-2018	Info Atronics	4 180.85	Exceptional
17-07-2018	Bester's Auto	19 404.99	Service Provider
19-07-2018	XYX Construction	2 530.00	Service Provider
23-07-2018	Karoo Vleisboere	2 421.69	Service Provider
27-07-2018	Jacobs Broers	5 228.55	Exceptional
23-08-2018	Bester's Auto	2 969.20	Service Provider
30-08-2018	PDK Office - De Aar	2 248.50	Service Provider
30-08-2018	PDK Office - De Aar	2 900.00	Service Provider
05-09-2018	GB Kempen en De Wet Nel	15 042.23	Service Provider
17-09-2018	Bester's Auto	22 374.18	Service Provider
19-09-2018	Jacobs Broers	2 088.47	Service Provider
08-10-2018	Karoo Vleisboere	2 942.26	Service Provider
09-10-2018	Bester's Auto	2 641.75	Service Provider
09-10-2018	CSB Handel	2 419.02	Service Provider
09-10-2018	Karoo Vleisboere	2 276.50	Service Provider
15-10-2018	KVB Camarvon	2 421.69	Service Provider
18-10-2018	KVB Camarvon	3 110.98	Service Provider
01-11-2018	KVB Camarvon	7 702.67	Service Provider
05-11-2018	CP Nel/Rodmile Motors	3 006.46	Service Provider
05-11-2018	CP Nel/Rodmile Motors	3 878.03	Service Provider
12-11-2018	Jacobs Broers	9 074.84	Service Provider
12-11-2018	KVB Camarvon	13 487.15	Service Provider
26-11-2018	KVB Camarvon	25 219.65	Emergency
29-11-2018	Carnarvon Boukontrakteurs	6 670.00	Service Provider
03-12-2018	Travelstart	3 059.00	Exceptional
06-12-2018	KVB Camarvon	3 300.00	Service Provider
06-12-2018	KVB Camarvon	7 595.06	Service Provider
06-12-2018	Jacobs Broers	5 645.10	Service Provider
06-12-2018	PDK Office - De Aar	5 059.20	Service Provider
07-12-2018	Karoo Vleisboere	12 064.18	Service Provider
10-12-2018	KVB Camarvon	11 392.59	Service Provider
17-12-2018	Jacobs Broers	7 312.35	Service Provider
17-12-2018	KVB Camarvon	6 999.08	Emergency
18-12-2018	Jacobs Broers	2 471.65	Service Provider
18-12-2018	KVB Camarvon	3 226.25	Service Provider
04-01-2019	CSB Handel	7 168.16	Service Provider
04-01-2019	PDK Office - De Aar	3 515.00	Service Provider
07-01-2019	KVB Camarvon	16 010.25	Service Provider
08-01-2019	Karoo Vleisboere	6 421.09	Service Provider
08-01-2019	Rodmile Motors	3 638.54	Exceptional
11-01-2019	Luvuyo and Mihle Property and Services	29 900.00	Exceptional
14-01-2019	XYX Construction	2 196.50	Service Provider
15-01-2019	Karoo Vleisboere	3 421.54	Service Provider
24-01-2019	Jacobs Broers	6 868.30	Service Provider
25-01-2019	XYX Construction	10 350.00	Exceptional
07-02-2019	PDK Office - De Aar	12 908.50	Service Provider
08-02-2019	PDK Office - De Aar	9 012.00	Service Provider
18-02-2019	PDK Office - De Aar	4 627.80	Service Provider
19-02-2019	Boland Fire	7 164.50	Service Provider
27-02-2019	Jacobs Broers	7 364.86	Service Provider
28-02-2019	Jacobs Broers	7 337.30	Service Provider
01-03-2019	Jacobs Broers	9 916.25	Service Provider
12-03-2019	Witcornelius Enterprises	2 800.00	Service Provider
16-03-2019	XYX Construction	18 112.50	Service Provider
16-03-2019	XYX Construction	18 112.50	Service Provider
25-03-2019	PDK Office - De Aar	3 181.40	Service Provider
06-04-2019	PDK Office - De Aar	9 482.00	Service Provider
04-04-2019	Witcornelius Enterprises	2 100.00	Service Provider
05-04-2019	XYX Construction	5 410.75	Service Provider
11-04-2019	Leon Swanepoel	2 760.00	Service Provider
16-04-2019	CSB Handel	2 268.72	Service Provider
18-04-2019	Jacobs Broers	4 471.65	Service Provider
18-04-2019	Jacobs Broers	18 655.00	Service Provider
23-04-2019	KLK Landbou Beperk	3 739.40	Service Provider
14-05-2019	Jacobs Broers	4 885.65	Service Provider
21-05-2019	Jacobs Broers	2 590.30	Service Provider
21-05-2019	Karoo Vleisboere	2 116.41	Service Provider
06-06-2019	Jacobs Broers	3 992.00	Service Provider

APPENDIX E - Audited
KAREEBERG LOCAL MUNICIPALITY
DEVIATIONS ACCORDING TO SECTION 36(2) - SUPPLY CHAIN MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2019

20-06-2019	De Aar Motors	9 548.25	Service Provider
27-06-2019	CP Nel/Rodmile Motors	8 065.20	Service Provider
30-06-2019	UIS Analytical Services	<u>16 457.65</u>	Service Provider
		<u><u>562 497.06</u></u>	

APPENDIX E - Audited
KAREEBERG LOCAL MUNICIPALITY
DEVIATIONS ACCORDING TO SECTION 36(2) - SUPPLY CHAIN MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2019

R30,001 - R200,000			
Date of tender committee	Supplier	Amount	Reason
03-07-2018	De Jagers Loodgieters	44 108.50	Service Provider
	Wholehearted Music cc	62 800.00	Sole Provider
	Herman van Heerden Ing/Inc	49 732.54	Service Provider
		<u>156 641.04</u>	

SERVICE PROVIDER

R2,001 - R30,000			
Date of tender committee	Supplier	Amount	Reason
21-07-2017	Nashua	2 459.31	Service Provider
	Afrihost	21 087.00	Service Provider
18-07-2019	UTD HR Consulting	15 640.00	Service Provider
30-07-2018	CP Nel/Rodmile Motors	4 076.36	Service Provider
01-08-2018	Nico Swart Consultancy	28 947.95	Exceptional
03-08-2018	Nico Swart Consultancy	22 723.00	Exceptional
17-08-2018	SRK Consulting	16 387.50	Service Provider
17-09-2018	Chartered Institute	14 852.00	Sole Provider
25-09-2018	Ignite	24 021.20	Service Provider
28-09-2018	Ignite	29 900.00	Service Provider
03-10-2018	GB Kempen en De Wet Nel	17 595.00	Service Provider
22-11-2018	SAGE South Africa	2 109.10	Sole Provider
29-11-2018	Camarvon Boukontrakteurs	3 003.16	Service Provider
30-01-2019	SAGE South Africa	2 415.00	Service Provider
06-02-2019	GB Kempen en De Wet Nel	6 560.98	Service Provider
21-02-2019	CP Nel/Rodmile Motors	6 705.00	Service Provider
09-03-2019	Besters en Seuns Ford	3 970.85	Service Provider
09-03-2019	CP Nel/Rodmile Motors	6 953.05	Service Provider
21-03-2019	GB Kempen en De Wet Nel	3 000.00	Service Provider
31-03-2019	CP Nel/Rodmile Motors	3 265.39	Service Provider
16-04-2019	CSB Handel	4 776.72	Service Provider
10-05-2019	CP Nel/Rodmile Motors	21 041.39	Service Provider
17-05-2019	CP Nel/Rodmile Motors	6 495.55	Service Provider
30-05-2019	Noordwester	2 357.50	Service Provider
04-06-2019	Mubeko Africa	9 004.50	Service Provider
03-06-2019	UTD HR Consulting	14 283.30	Service Provider
20-06-2019	Top Carpets	18 360.00	Service Provider
		<u>311 990.81</u>	
R30,001 - R200,000			
Date of tender committee	Supplier	Amount	Reason
	Fantique Trade	88 655.02	Service Provider
21-08-2018	Conlog	30 530.90	Service Provider
13-08-2018	EDK Besigheidsmasjiene BK	95 127.97	Service Provider
	CSB Handel	35 502.23	Exceptional
		<u>249 816.12</u>	

TOTAL DEVIATIONS

2 754 891.59