

HANTAM MUNICIPALITY

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 5 to 97 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 am satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

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

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



JI Swartz
Municipal Manager

Thursday, 28 November 2019

Date

HANTAM MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Notes	2019 R	2018 R
ASSETS			
Non-Current Assets		336 570 476	283 800 015
Property, Plant and Equipment	2	291 083 261	247 260 543
Agricultural	3	13 500	67 500
Investment Property	4	43 161 000	34 729 700
Intangible Assets	5	575 194	-
Heritage Assets	6	1 618 055	1 618 055
Non-Current Receivables from Exchange Transactions	7	96 888	102 990
Non-Current Receivables from Non-Exchange Transactions	8	22 578	21 227
Current Assets		18 358 900	19 016 201
Inventory	9	175 614	72 112
Receivables from Exchange Transactions	10	4 601 033	3 389 686
Receivables from Non-exchange Transactions	11	2 909 551	1 784 660
Taxes	20,3	8 122 417	6 347 260
Current Portion of Non-Current Receivables	7 & 8	96 223	101 402
Cash and Cash Equivalents	12,1	2 454 063	7 321 082
Total Assets		354 929 376	302 816 216
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		65 890 317	62 627 285
Long-term Borrowings	13	-	164 440
Non-current Provisions	14	33 097 509	30 322 537
Non-current Employee Benefits	15	16 402 917	16 525 176
Trade and Other Payables from Exchange Transactions	18	16 389 892	15 615 132
Current Liabilities		32 898 943	38 925 522
Consumer Deposits	16	989 286	911 979
Current Employee Benefits	17	4 745 868	4 228 284
Trade and Other Payables from Exchange Transactions	18	21 942 485	27 937 962
Unspent Transfers and Subsidies	19	-	5 660 964
Bank Overdraft	12.3	5 056 864	-
Current Portion of Long-term Borrowings	13	164 440	186 333
Total Liabilities		98 789 261	101 552 807
Net Assets		256 140 115	201 263 409
Revaluation Reserve	21	4 954 489	2 628 176
Accumulated Surplus/(Deficit)		251 185 627	198 635 233
Total Net Assets and Liabilities		354 929 376	302 816 216



HANTAM MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 R	2018 R
REVENUE			
Revenue from Non-exchange Transactions		112 588 142	130 152 297
Taxation Revenue		8 421 415	8 387 927
Property Rates	22	8 421 415	8 387 927
Transfer Revenue		97 243 128	115 165 037
Government Grants and Subsidies	23	97 056 964	115 165 037
Public Contributions and Donations		186 165	-
Other Revenue		6 923 598	6 599 333
Actuarial Gains	15	1 084 048	1 066 259
Availability Charges	24	5 799 566	5 483 124
Fines, Penalties and Forfeits		39 984	49 950
Revenue from Exchange Transactions		41 490 543	38 856 203
Service Charges	25	35 461 429	33 358 671
Sales of Goods and Rendering of Services	26	332 111	178 407
Rental from Fixed Assets	27	347 081	349 873
Interest Earned - External Investments	28	1 198 138	1 072 322
Interest Earned - Exchange Transactions	29	2 123 885	1 135 683
Licences and Permits		2 152	657
Agency Services		509 011	925 592
Operational Revenue	30	1 516 735	1 834 998
Total Revenue		154 078 685	169 008 499
EXPENDITURE			
Employee related costs	31	(36 577 964)	(39 913 239)
Remuneration of Councillors	32	(3 102 684)	(3 031 625)
Bad Debts Written Off		(4 889 493)	(10 873 970)
Depreciation and Amortisation	33	(12 902 905)	(10 033 491)
Finance Costs	34	(4 477 087)	(2 786 675)
Bulk Purchases	35	(20 137 544)	(20 464 378)
Inventory Consumed	9	(1 667 191)	(1 591 112)
Operating Leases		(231 858)	(201 014)
Transfers and Subsidies		(150 929)	(4 381)
Operational Costs	37	(21 305 691)	(18 855 690)
Total Expenditure		(105 443 346)	(107 755 574)
Operating Surplus/(Deficit) for the Year		48 635 339	61 252 925
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	9	-	318
Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	(4 265 198)	2 616 702
Gains/(Loss) on Sale of Fixed Assets	39	(143 703)	1 787 865
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		(10 879)	-
Profit/(Loss) on Fair Value Adjustments	40	8 431 300	-
Water Losses	41	(96 463)	(64 412)
NET SURPLUS/(DEFICIT) FOR THE YEAR		52 550 396	65 593 398