

**NAMA KHOI LOCAL MUNICIPALITY**



**AUDITED ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2024**

# NAMA KHOI LOCAL MUNICIPALITY

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# NAMA KHOI LOCAL MUNICIPALITY

## GENERAL INFORMATION

### NATURE OF BUSINESS

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

### LEGAL FORM

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

### JURISDICTION

The Nama Khoi Local Municipality includes the following areas:

Springbok	Concordia	Violdrift	Buffelsrivier
Okiep	Goodhouse	Nababeep	Bulletrap
Steinkopf	Kleinzee	Komaggas	Carolusberg

Kotzehoop/Rooiwal

### MEMBERS OF THE COUNCIL

Kritzinger R (Mayor) (Previously Speaker, changed roles with GMS Bock as from 18 June 2024)

Bock GMS (Speaker) (Previously Mayor, changed roles with R Kritzinger as from 18 June 2024)

Visser C

Jordaan WS

Coetzee CG

De Jongh ZP

Van Den Heever JE

Cloete S

Baadjies MR

Adams RF

Cloete SJ

Julie AM

Otto JFM

Claasen RSJ

Losper JC

Polori KA

Britz WC

### MEMBERS OF THE MAYORAL COMMITTEE

Kritzinger R

Jordaan WS

Visser C

Bock GMS (Ex-officio as from 18 June 2024)

### MUNICIPAL MANAGER

Swartz J

### CHIEF FINANCIAL OFFICER

Cloete HE

### AUDIT COMMITTEE

Rootman FJ (Chairperson)

J Stone

T Fortuin

### REGISTERED OFFICE

4 Namakwa St

Springbok

8240

# NAMA KHOI LOCAL MUNICIPALITY

## GENERAL INFORMATION

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# NAMA KHOI LOCAL MUNICIPALITY

## GENERAL INFORMATION

### POSTAL ADDRESS

Private Bag X17  
Springbok  
8240

### AUDITORS

Auditor General of South Africa

### PRINCIPAL BANKERS

Nedbank Limited

### RELEVANT LEGISLATION

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

# NAMA KHOI LOCAL MUNICIPALITY

## APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

### ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2024, which are set out on pages 1 to 85 in terms of Section 126 (1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and which I have signed on behalf of the Municipality.

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

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2025 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

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

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Swartz J  
Municipal Manager

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Date

# NAMA KHOI LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>ASSETS</b>			
<b>Current Assets</b>		<b>144 291 605</b>	<b>120 158 050</b>
Cash and Cash Equivalents	2	44 220 285	46 770 344
Receivables from Exchange Transactions	3	47 377 248	29 913 489
Receivables from Non-Exchange Transactions	4	23 229 378	14 180 100
Taxes	5	25 739 085	27 076 503
Inventory	7	3 725 609	2 217 613
<b>Non-Current Assets</b>		<b>764 090 065</b>	<b>784 682 521</b>
Long-term Receivables	6	-	-
Investment Property	8	124 022 471	124 391 401
Property, Plant and Equipment	9	638 472 306	658 654 449
Intangible Assets	10	111 019	152 401
Heritage Assets	11	1 484 269	1 484 269
<b>Total Assets</b>		<b>908 381 670</b>	<b>904 840 571</b>
<b>Current Liabilities</b>			
		<b>368 729 010</b>	<b>498 704 908</b>
Current Portion of Long-term Liabilities	12	4 781 775	4 505 297
Consumer Deposits	13	4 325 922	4 038 549
Payables from Exchange Transactions	14	330 673 407	462 900 448
Unspent Conditional Government Grants	15	18 970 141	15 478 648
Current Employee Benefits	16	9 977 765	11 781 966
Provisions	18	-	-
<b>Non-Current Liabilities</b>		<b>283 545 888</b>	<b>145 325 836</b>
Long-term Liabilities	12	148 271 639	20 734 081
Employee Benefits	17	27 407 000	28 978 000
Non-Current Provisions	18	107 867 249	95 613 755
<b>Total Liabilities</b>		<b>652 274 898</b>	<b>644 030 745</b>
<b>NET ASSETS</b>		<b>256 106 772</b>	<b>260 809 826</b>
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus		256 106 772	260 809 826
		<b>256 106 772</b>	<b>260 809 826</b>

# NAMA KHOI LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>REVENUE</b>			
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		<b>190 738 557</b>	<b>140 774 839</b>
<b>Taxation Revenue</b>		<b>50 991 845</b>	<b>51 448 145</b>
Property Rates	19	50 991 845	51 448 145
<b>Transfer Revenue</b>		<b>81 395 644</b>	<b>76 890 532</b>
Government Grants and Subsidies - Operating	20	68 852 204	64 198 145
Government Grants and Subsidies - Capital	20	12 543 440	10 442 387
Contributed Assets	21	-	2 250 000
<b>Other Revenue</b>		<b>58 351 068</b>	<b>12 436 162</b>
Availability Charges	22	1 301 429	1 171 436
Fines, penalties and forfeits		586 821	1 487 437
Interest Earned - outstanding debtors (non-exchange)		5 712 243	4 015 667
Licences and Permits	23	1 830 599	1 165 952
Actuarial Gains	24	4 444 000	4 595 670
Debt Waived	25	44 475 975	-
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		<b>228 259 316</b>	<b>201 465 911</b>
<b>Operating Activities</b>		<b>228 259 316</b>	<b>201 465 911</b>
Service Charges	26	194 619 262	172 967 310
Rental of Facilities and Equipment	27	3 276 313	3 951 902
Interest Earned - external investments	28	4 321 711	2 713 645
Interest Earned - outstanding debtors (exchange)		21 739 140	17 415 434
Agency Services	29	100 021	288 330
Other Income	30	4 202 869	4 129 291
<b>TOTAL REVENUE</b>		<b>418 997 873</b>	<b>342 240 750</b>
<b>EXPENDITURE</b>			
Employee Related Costs	31	95 247 662	99 116 182
Remuneration of Councillors	32	7 340 041	6 758 975
Debt Impairment	33	39 222 085	48 527 264
Depreciation, Amortisation and Impairment	34	37 219 580	39 479 894
Finance Charges	35	43 000 767	22 280 388
Bulk Purchases	36	109 867 151	101 918 231
Other Expenditure	37	45 504 712	44 162 539
Loss on disposal of Non-Monetary Assets	38	143 493	720 373
Inventory Consumed	39	36 429 467	42 657 281
Inventory Write Off	40	9 725 969	8 291 221
<b>TOTAL EXPENDITURE</b>		<b>423 700 927</b>	<b>413 912 347</b>
<b>NET DEFICIT FOR THE YEAR</b>		<b>(4 703 054)</b>	<b>(71 671 597)</b>

# NAMA KHOI LOCAL MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	ACCUMULATED SURPLUS R	TOTAL R
<b>Balance on 30 June 2022 - Previously Reported</b>	<b>321 956 830</b>	<b>321 956 830</b>
Correction of error restatement - note 41.4	10 524 593	10 524 593
<b>Balance on 30 June 2022 - Restated</b>	<b>332 481 423</b>	<b>332 481 423</b>
Net Deficit for the year	(71 671 597)	(71 671 597)
<b>Balance on 30 June 2023 - Restated</b>	<b>260 809 826</b>	<b>260 809 826</b>
Net Deficit for the year	(4 703 054)	(4 703 054)
<b>Balance on 30 June 2024</b>	<b>256 106 772</b>	<b>256 106 772</b>

# NAMA KHOI LOCAL MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property Rates		41 806 098	41 468 192
Service Charges and Interest on outstanding Debtors		176 097 850	153 889 353
Other Revenue and receipts		46 822 239	5 786 311
Government Grants		84 887 137	72 546 000
Investment Income		4 321 711	2 713 645
<b>Payments</b>			
Suppliers and employees		(440 401 240)	(253 573 164)
Finance charges		(30 266 125)	(11 058 248)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>42</b>	<b>(116 732 330)</b>	<b>11 772 089</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of Non-Monetary Assets		-	-
<b>Payments</b>			
Purchase of Capital Assets		(13 631 764)	(13 587 651)
<b>NET CASH USED INVESTING ACTIVITIES</b>		<b>(13 631 764)</b>	<b>(13 587 651)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
New loans raised		132 319 332	25 000 000
<b>Payments</b>			
Loans repaid		(4 505 298)	(931 081)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>127 814 035</b>	<b>24 068 919</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(2 550 059)</b>	<b>22 253 357</b>
Cash and Cash Equivalents at the beginning of the year		46 770 344	24 516 987
Cash and Cash Equivalents at the end of the year		44 220 285	46 770 344

# NAMA KHOI LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	5 272 169	(1 029 826)	4 242 343	44 220 285	39 977 942
Receivables from exchange transactions	65 735 084	3 294 681	69 029 765	47 377 248	(21 652 517)
Receivables from non-exchange transactions	31 297 351	(18 078 960)	13 218 391	23 229 378	10 010 987
Inventory	(5 843 983)	7 460 089	1 616 106	3 725 609	2 109 503
Taxes	22 765 120	(1 304 054)	21 461 066	25 739 085	4 278 019
Other current assets	(517 943)	5 357 979	4 840 036	-	(4 840 036)
<b>Total current assets</b>	<b>118 707 798</b>	<b>(4 300 091)</b>	<b>114 407 707</b>	<b>144 291 605</b>	<b>29 883 898</b>
<b>Non current assets</b>					
Investment property	138 836 266	(14 444 864)	124 391 402	124 022 471	(368 931)
Property, plant and equipment	677 492 131	(53 424 900)	624 067 231	638 472 306	14 405 075
Heritage assets	1 484 269	-	1 484 269	1 484 269	-
Intangible assets	96 148	56 253	152 401	111 019	(41 382)
Non-current receivables	(6 297 809)	7 787 322	1 489 513	-	(1 489 513)
<b>Total non current assets</b>	<b>811 611 005</b>	<b>(60 026 189)</b>	<b>751 584 816</b>	<b>764 090 065</b>	<b>12 505 248</b>
<b>TOTAL ASSETS</b>	<b>930 318 803</b>	<b>(64 326 280)</b>	<b>865 992 523</b>	<b>908 381 670</b>	<b>42 389 146</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Current portion of long-term liabilities	466 158	3 149 024	3 615 182	4 781 775	1 166 593
Consumer deposits	3 570 010	164 455	3 734 465	4 325 922	591 457
Trade and other payables from exchange transactions	414 489 890	(376 156 255)	38 333 635	330 673 407	292 339 772
Trade and other payables from non-exchange transactions	18 701 418	(2 487 199)	16 214 219	18 970 141	2 755 922
Employee Benefits	17 443 614	(634 804)	16 808 810	9 977 765	(6 831 045)
<b>Total current liabilities</b>	<b>454 671 090</b>	<b>(375 964 780)</b>	<b>78 706 310</b>	<b>368 729 010</b>	<b>290 022 700</b>
<b>Non current liabilities</b>					
Long-term Liabilities	704 302	20 919 895	21 624 197	148 271 639	126 647 442
Provisions	161 486 532	(65 991 777)	95 494 755	107 867 249	12 372 494
Long term portion of trade payables	-	425 461 152	425 461 152	-	(425 461 152)
Employee Benefits	-	23 130 600	23 130 600	27 407 000	4 276 400
<b>Total non current liabilities</b>	<b>162 190 834</b>	<b>403 519 870</b>	<b>565 710 704</b>	<b>283 545 888</b>	<b>(282 164 816)</b>
<b>TOTAL LIABILITIES</b>	<b>616 861 924</b>	<b>27 555 090</b>	<b>644 417 014</b>	<b>652 274 898</b>	<b>7 857 884</b>
<b>NET ASSETS</b>	<b>313 456 879</b>	<b>(91 881 370)</b>	<b>221 575 509</b>	<b>256 106 772</b>	<b>34 531 263</b>
<b>COMMUNITY WEALTH</b>					
Accumulated Surplus	313 226 802	(91 881 370)	221 345 432	256 106 772	34 761 340
Reserves	230 077	-	230 077	-	(230 077)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>313 456 879</b>	<b>(91 881 370)</b>	<b>221 575 509</b>	<b>256 106 772</b>	<b>34 531 263</b>

Refer to note 44.2 for explanations of material variances.

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

# NAMA KHOI LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL APPROVED BUDGET R	ADJUSTMENTS R	FINAL APPROVED BUDGET R	VIREMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>							
<b>REVENUE</b>							
Property Rates	57 427 711	(1 181)	57 426 530	-	57 426 530	50 991 845	(6 434 685)
Service charges - Electricity	149 047 037	(45 112 823)	103 934 214	-	103 934 214	119 398 348	15 464 134
Service Charges - Water Revenue	57 175 742	(2 000 000)	55 175 742	-	55 175 742	44 385 285	(10 790 457)
Service Charges - Sanitation Revenue	22 427 989	(2 000 000)	20 427 989	-	20 427 989	14 968 449	(5 459 540)
Service Charges - Refuse Revenue	26 639 689	(2 000 000)	24 639 689	-	24 639 689	17 168 608	(7 471 081)
Sale of Goods and Rendering of Services	791 655	2 947 206	3 738 861	-	3 738 861	-	(3 738 861)
Agency Services	399 827	(310 422)	89 405	-	89 405	100 021	10 616
Rent on Land	1 194 450	-	1 194 450	-	1 194 450	1 352 189	157 739
Rental of Facilities and Equipment	3 240 262	-	3 240 262	-	3 240 262	1 924 125	(1 316 137)
Interest Earned - External Investments	2 084 695	2 133 946	4 218 641	-	4 218 641	4 321 711	103 070
Interest Earned - Outstanding Debtors	19 529 080	5 915 488	25 444 568	-	25 444 568	27 451 383	2 006 815
Fines, Penalties and Forfeits	574 854	-	574 854	-	574 854	586 821	11 967
Licences and Permits	1 586 366	-	1 586 366	-	1 586 366	1 830 599	244 233
Transfers Recognised - Operational	69 179 000	817 355	69 996 355	-	69 996 355	68 852 204	(1 144 151)
Other Revenue	339 897	49 243	389 140	-	389 140	48 678 844	48 289 704
Gains	-	-	-	-	-	4 444 000	4 444 000
<b>Total Revenue (excluding capital transfers)</b>	<b>411 638 254</b>	<b>(39 561 188)</b>	<b>372 077 066</b>	<b>-</b>	<b>372 077 066</b>	<b>406 454 433</b>	<b>34 377 367</b>
<b>EXPENDITURE</b>							
Employee Related Costs	102 966 854	(8 163 765)	94 803 089	-	94 803 089	98 867 662	4 064 573
Remuneration of Councillors	6 758 975	543 069	7 302 044	-	7 302 044	7 340 041	37 997
Debt Impairment	21 985 649	1 214 351	23 200 000	-	23 200 000	39 222 085	16 022 085
Depreciation and Asset Impairment	81 663 419	(9 271 852)	72 391 567	-	72 391 567	37 219 581	(35 171 986)
Finance Charges	2 702 525	14 522 813	17 225 338	-	17 225 338	39 380 767	22 155 429
Bulk purchases - electricity	138 000 000	(18 000 000)	120 000 000	-	120 000 000	109 867 151	(10 132 849)
Inventory consumed	65 596 037	(14 500 037)	51 096 000	-	51 096 000	36 429 467	(14 666 533)
Contracted Services	42 469 709	(21 850 709)	20 619 000	-	20 619 000	20 579 915	(39 085)
Transfers and Grants	-	-	-	-	-	-	-
Other Expenditure	33 559 641	(6 662 785)	26 896 856	-	26 896 856	24 924 797	(1 972 059)
Losses	8 420 552	(4 999 999)	3 420 553	-	3 420 553	9 869 462	6 448 909
<b>Total Expenditure</b>	<b>504 123 361</b>	<b>(67 168 914)</b>	<b>436 954 447</b>	<b>-</b>	<b>436 954 447</b>	<b>423 700 928</b>	<b>(13 253 519)</b>
<b>Surplus/(Deficit)</b>	<b>(92 485 107)</b>	<b>27 607 726</b>	<b>(64 877 381)</b>	<b>-</b>	<b>(64 877 381)</b>	<b>(17 246 495)</b>	<b>47 630 886</b>
Transfers and subsidies - capital (monetary) - Government	36 599 000	(342 421)	36 256 579	-	36 256 579	12 543 440	(23 713 139)
<b>Surplus/(Deficit) for the year</b>	<b>(55 886 107)</b>	<b>27 265 305</b>	<b>(28 620 802)</b>	<b>-</b>	<b>(28 620 802)</b>	<b>(4 703 055)</b>	<b>23 917 747</b>

Refer to note 44.3 for explanations of material variances.

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

# NAMA KHOI LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>CASH FLOW STATEMENT</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates, penalties & collection charges	61 477 224	(6 025 251)	55 451 973	41 806 098	(13 645 875)
Service charges	306 390 968	(137 810 948)	168 580 020	176 097 850	7 517 830
Other revenue	7 876 158	1 742 731	9 618 889	46 534 866	36 915 977
Transfers and Subsidies	50 627 976	54 807 603	105 435 579	84 887 137	(20 548 442)
Interest	2 084 695	2 133 945	4 218 640	4 321 711	103 071
<b>Payments</b>					
Suppliers and Employees	(389 100 063)	66 469 128	(322 630 935)	(440 401 240)	(117 770 305)
Finance Charges	(2 702 525)	(14 522 812)	(17 225 337)	(30 266 125)	(13 040 788)
<b>Net Cash from/(used) Operating Activities</b>	<b>36 654 433</b>	<b>(33 205 604)</b>	<b>3 448 829</b>	<b>(117 019 702)</b>	<b>(120 468 532)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-
<b>Payments</b>					
Capital Assets	(55 899 000)	8 222 826	(47 676 174)	(13 631 764)	34 044 410
<b>Net Cash from/(used) Investing Activities</b>	<b>(55 899 000)</b>	<b>8 222 826</b>	<b>(47 676 174)</b>	<b>(13 631 764)</b>	<b>34 044 410</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Borrowing long term/refinancing	-	-	-	132 319 332	132 319 332
Increase/(Decrease) in Consumer Deposits	-	-	-	287 373	287 373
<b>Payments</b>					
Repayment of Borrowing	-	-	-	(4 505 298)	(4 505 298)
<b>Net Cash from/(used) Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128 101 408</b>	<b>128 101 407</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(19 244 567)</b>	<b>(24 982 778)</b>	<b>(44 227 345)</b>	<b>(2 550 059)</b>	<b>41 677 285</b>
Cash and Cash Equivalents at the year begin	46 770 344	-	46 770 344	46 770 344	-
Cash and Cash Equivalents at the year end	27 525 777	(24 982 777)	2 543 000	44 220 285	41 677 285

Refer to note 44.4 for explanations of material variances.

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1 ACCOUNTING POLICIES

#### 1.01 BASIS OF PREPARATION

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

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

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

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

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

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

#### 1.02 PRESENTATION CURRENCY

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

#### 1.03 GOING CONCERN ASSUMPTION

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

#### 1.04 COMPARATIVE INFORMATION

##### 1.04.1 Prior year comparatives

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

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

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

##### 1.04.2 Amended Accounting Policies

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.05 MATERIALITY

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

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

### 1.06 BUDGET INFORMATION

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

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

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

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

#### 1.07.1 Effective dates determined

Entities are required to apply the Standards of GRAP where the Minister has determined the effective date.

For financial periods commencing on or after 1 April 2023, the following pronouncements will be effective:

Pronouncement	Expected impact of the pronouncement
GRAP 25 - Employee Benefits (replacement of 2009 version)	The impact is considered insignificant
IGRAP 7 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (replacement of 2010 version)	The impact is considered insignificant
IGRAP 21 - The Effect of Past Decisions on Materiality	The impact is considered insignificant
GRAP 1 amendments as a result of the changes agreed as part of the developing of the Guideline on The Application of Materiality to Financial Statements.	The impact is considered insignificant
Guideline - Accounting for Landfill Sites	The impact is considered insignificant

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

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The impact of the revised Standard may be significant on the financial statements, due to the following key changes to the Standard:

- (a) Changes in the classification of instruments for subsequent measurement – financial assets are measured at either amortised cost or fair value based on the reason why they are held and their economic characteristics. Specific liabilities are measured at fair value, and all others are measured at amortised cost.
- (b) The approach to impairing financial assets changed from an incurred loss to an expected loss model. As indicated in the name, expected losses estimate the expected default of financial assets over a period of time rather than only recognising an impairment loss when an event occurs.
- (c) Loan commitments and financial guarantee contracts are recognised and measured differently. They are no longer in the scope of GRAP 19 on *Provisions, Contingent Liabilities and Contingent Assets*. When entering into these transactions there is an economic consequence that exposes an entity to risk. Accounting for them as financial instruments best captures this risk exposure.
- (d) With the changes in the classification of instruments and impairment approach, there is new information that GRAP 104 requires entities to disclose.

### 1.07.2 Effective dates not yet determined

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

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

#### 1.07.2.1 GRAP 103 (Revised 2022) - Heritage Assets

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.08 INVESTMENT PROPERTY

#### 1.08.1 Initial Recognition

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

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

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

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

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

#### 1.08.2 Subsequent Measurement – Cost Model

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

#### 1.08.3 Depreciation – Cost Model

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

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

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

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

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

	YEARS
Land	N/A
Buildings	10 - 50

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.08.4 Impairment

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

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

### 1.08.5 Derecognition

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

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

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

## 1.09 PROPERTY, PLANT AND EQUIPMENT

### 1.090.1 Initial Recognition

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

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

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

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

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

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

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

### 1.090.2 Subsequent Measurement - Cost Model

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.090.3 Depreciation

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

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

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

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

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

	YEARS		YEARS
<b>Land and Buildings</b>		<b>Leased Assets</b>	
Land	N/A	Furniture and Office Equipment	3 - 5
Buildings	5 - 60		
Work in progress	N/A	<b>Community Assets</b>	
		Community Facilities	10 - 60
<b>Infrastructure</b>		Sport and Recreational Facilities	10 - 60
Electrical	10 - 60	Work in progress	N/A
Roads	5 - 80		
Sanitation	10 - 60	<b>Other Assets</b>	
Solid Waste	5 - 80	Computer Equipment	3 - 10
Storm Water	5 - 80	Furniture and Office Equipment	5 - 15
Water Supply	5 - 80	Machinery and Equipment	2 - 15
Work in progress	N/A	Transport Assets	5 - 15

### 1.090.4 Impairment

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

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

### 1.090.5 Derecognition

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

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

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

## 1.10 INTANGIBLE ASSETS

### 1.1.1 Initial Recognition

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

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

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

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

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

### 1.1.2 Subsequent Measurement - Cost Model

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

### 1.1.3 Amortisation

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

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

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

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

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

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

	Years
Computer Software	2 - 5

### 1.1.4 Impairment

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.1.5 Derecognition

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

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

### 1.11 HERITAGE ASSETS

#### 1.11.1 Initial Recognition

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

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

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

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

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

#### 1.11.2 Subsequent Measurement – Cost Model

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

#### 1.11.3 Depreciation

Heritage assets are not depreciated.

#### 1.11.4 Impairment

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

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

#### 1.11.5 Derecognition

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

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.12 IMPAIRMENT OF NON-MONETARY ASSETS

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

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

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

#### 1.12.1 Recoverable amount of Cash-generating assets

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

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

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

#### 1.12.2 Recoverable amount of Non-cash-generating assets

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

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

#### 1.12.3 Impairment loss

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

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

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

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

#### 1.12.4 Reversal of an impairment loss

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

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

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

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.13 INVENTORIES

#### 1.13.1 Initial Recognition

Inventories are assets:

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

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

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

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

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

#### 1.13.2 Subsequent Measurement

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

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

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

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

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

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

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

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

### 1.14 EMPLOYEE BENEFITS

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.14.1 Post-Retirement Benefits

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

#### 1.14.1.1 Multi-employer defined benefit plans

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

#### 1.14.1.2 Post Retirement Medical Benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.

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

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

### 1.14.2 Long-term Benefits

#### 1.14.2.1 Long Service Awards

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

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

### 1.14.3 Short-term Benefits

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

Short-term employee benefits include items such as:

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

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

### 1.14.3.1 Staff Leave

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

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

### 1.14.3.2 Bonuses

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

## 1.15 PROVISIONS

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

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

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

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

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

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.16 LEASES

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

#### 1.16.1 Municipality as Lessee

##### 1.16.1.1 Finance Leases

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

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

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

##### 1.16.1.2 Operating leases

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

#### 1.16.2 Municipality as Lessor

##### 1.16.2.1 Finance Leases

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

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

##### 1.16.2.2 Operating Leases

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

### 1.17 FINANCIAL INSTRUMENTS

#### 1.17.1 Initial Recognition

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.17.2 Subsequent Measurement

Financial instruments are categorised as follow:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.
- (c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:
  - (i) derivatives;
  - (ii) combined instruments that are designated at fair value;
  - (iii) instruments held for trading;
  - (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
  - (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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

### 1.17.3 Impairment and uncollectability of financial assets

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

#### 1.17.3.1 Financial assets measured at amortised cost

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

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

#### 1.17.3.2 Financial assets measured at cost

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

### 1.17.4 Derecognition of financial instruments

#### 1.17.4.1 Financial assets

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.17.4.2 *Financial liabilities*

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

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

### 1.17.5 **Offsetting of financial instruments**

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

## 1.18 **STATUTORY RECEIVABLES**

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

### 1.18.1 **Initial Recognition**

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

### 1.18.2 **Subsequent Measurement**

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

### 1.18.3 **Impairment and uncollectability of statutory receivables**

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

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

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

### 1.18.4 **Derecognition**

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.19 CASH AND CASH EQUIVALENTS

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

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

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

### 1.20 RECEIVABLES

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

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

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

### 1.21 TAXES (VALUE ADDED TAX)

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

### 1.22 PAYABLES AND ANNUITY LOANS

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

### 1.23 CONSUMER DEPOSITS

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

### 1.24 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

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

### 1.25 REVENUE

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

#### 1.25.1 Revenue from Non-Exchange Transactions

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

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

##### 1.25.1.1 Taxation Revenue

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

##### 1.25.1.2 Transfer Revenue

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

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

##### 1.25.1.3 Availability Charges

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

##### 1.25.1.4 Insurance Refund

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

##### 1.25.1.5 Debt forgiveness and Unclaimed deposits

All debt owed arising from delict or contract, or any other liability and unclaimed amounts, deposited into the Municipality's bank account, are initially recognised as a liability until 36 months expire, whereafter it will be recognised as revenue. This policy is in line with the prescribed debt principle as enforced by the Prescription Act 68 of 1969.

Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.25.1.6 *Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure*

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

### 1.25.1.7 *Services in-kind*

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

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

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

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

### 1.25.1.8 *Contributed Assets*

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

### 1.25.2 **Revenue from Exchange Transactions**

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

#### 1.25.2.1 *Service Charges*

Service Charges are levied in terms of approved tariffs.

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

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

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

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

#### 1.25.2.2 *Interest earned*

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.25.2.3 Rental income

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

### 1.25.2.4 Income from Agency Services

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

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

### 1.25.2.5 Other Tariffs

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

### 1.25.2.6 Sale of goods

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

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

### 1.25.2.7 Deferred payment

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

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

## 1.26 BORROWING COSTS

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

## 1.27 UNAUTHORISED EXPENDITURE

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

## 1.28 IRREGULAR EXPENDITURE

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.29 FRUITLESS AND WASTEFUL EXPENDITURE

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

### 1.30 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

### 1.31 CAPITAL COMMITMENTS

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

### 1.32 EVENTS AFTER REPORTING DATE

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

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

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

### 1.33 RELATED PARTIES

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

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

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

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

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

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

### 1.34 ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.35 SEGMENT REPORTING

A segment is an activity of the Municipality:

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

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

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

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

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

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

### 1.36 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

#### 1.36.1 Application of Directive 7

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

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

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

#### 1.36.2 Impairment of Receivables

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

#### 1.36.3 Impairment of Statutory Receivables

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such receivables. When insufficient information is available to assess individual debtors, debtors are grouped into appropriate aggregated grouping levels. Aggregation is based on best practice. Thereafter receivables are assessed based on historical information available.

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1.36.4 Useful lives and residual values

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

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

### 1.36.5 Impairment of non-monetary assets

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

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

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

### 1.36.6 Post-Retirement and Long-term Benefits

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

### 1.36.7 Provisions and Contingent Liabilities

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

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to government bond rates for the applicable periods.

### 1.36.8 Financial Instruments and Statutory Receivables

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

### 1.36.9 Financial assets and liabilities

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

### 1.36.10 Revenue Recognition

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

### 1.36.11 Recognition and Derecognition of Land

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

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

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

### 1.36.12 Materiality

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

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

### 1.36.13 Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

### 1.36.14 Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

### 1.36.15 Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

### 1.36.16 Pre-paid electricity estimation

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year end, which is still unused. The average pre-paid electricity sold per day during the year under review is used and the estimate is calculated using between 5 and 7 days' worth of unused electricity.

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>2 CASH AND CASH EQUIVALENTS</b>		
Bank Accounts	4 989 164	4 883 312
Investment Deposits	39 210 929	41 860 241
Cash Floats	20 193	26 792
<b>Total</b>	<b>44 220 285</b>	<b>46 770 344</b>
Due to the short-term nature of cash deposits, all above balances align with their fair values.		
Cash and Cash Equivalents are held to support the following commitments:		
Unspent Borrowings	14 995 106	17 725 653
Unspent Conditional Grants	18 970 141	15 478 648
Cash available for working capital requirements	10 255 038	13 566 044
<b>Total Cash and Cash Equivalents</b>	<b>44 220 285</b>	<b>46 770 344</b>
<b>Bank Accounts</b>		
Nedbank Limited - Account number 11-9237-1690 (Primary Bank Account)	<b>4 989 164</b>	<b>4 883 312</b>
Cash book balance at beginning of year	4 883 312	1 178 993
Cash book balance at end of year	4 989 164	4 883 312
Bank statement balance at beginning of year	4 869 444	1 449 158
Bank statement balance at end of year	4 989 164	4 869 444
<b>Investment Deposits</b>		
Call investment deposits consist out of the following accounts:		
Nedbank Limited - Call Deposit - Account Number 03/7881154713 (Library)	799 127	369 224
Nedbank Limited - Call Deposit - Account Number 03/7881154683 (FMG)	-	409 777
Nedbank Limited - Call Deposit - Account Number 03/7881154675 (Interest Earned)	5 508 377	24 782 554
Nedbank Limited - Call Deposit - Account Number 03/7881154780 (MIG)	11 856	4 645 810
Nedbank Limited - Call Deposit - Account Number 03/7881154667 (Housing)	1 466 222	2 147 884
Nedbank Limited - Call Deposit - Account Number 03/7881154659 (DME)	1 000	49 224
Nedbank Limited - Call Deposit - Account Number 03/7881154705 (NDM)	550 000	550 000
Nedbank Limited - Call Deposit - Account Number 03/7881154691 (MSIG)	975	975
Nedbank Limited - Call Deposit - Account Number 03/7881154721 (EPWP)	2 971	89 773
Nedbank Limited - Call Deposit - Account Number 03/7881154748 (ACIP)	15 162 400	7 767 579
Nedbank Limited - Call Deposit - Account Number 03/7881154756 (LGSETA)	228 580	228 580
Nedbank Limited - Call Deposit - Account Number 03/7881154764 (Drought relief)	514 296	818 860
Nedbank Limited - Call Deposit - Account Number 03/7881183101 (Car Allowance)	2 001	-
Nedbank Limited - Call Deposit - Account Number 03/7881183098 (Loan Allowance)	14 963 124	-
<b>Total</b>	<b>39 210 929</b>	<b>41 860 241</b>
The Nedbank call deposit account 03/7881154675 (Interest Earned) serve as security for the annuity loan as per note 12.1.		
<b>3 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
<b>Service Receivables</b>	<b>331 523 253</b>	<b>284 238 497</b>
Electricity	104 311 079	96 685 780
Water	120 168 727	98 448 486
Refuse	58 463 507	48 582 351
Sewerage	28 427 996	23 023 839
Property Rentals	16 731 560	5 984 199
Other	3 420 383	11 513 842
<b>Total Gross Balance</b>	<b>331 523 253</b>	<b>284 238 497</b>
Less: Allowance for Debt Impairment	(284 146 005)	(254 325 009)
<b>Total Net Receivable</b>	<b>47 377 248</b>	<b>29 913 489</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

2024

2023

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	254 325 009	214 949 762
Movement in the contribution to the provision	29 820 997	39 375 247
<b>Balance at the end of the year</b>	<b>284 146 005</b>	<b>254 325 009</b>

Management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

30 June 2024	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>Service Receivables</b>			
Electricity	104 311 079	(84 912 352)	19 398 727
Water	120 168 727	(107 028 704)	13 140 023
Refuse	58 463 507	(52 603 648)	5 859 859
Sewerage	28 427 996	(24 375 341)	4 052 655
Property Rentals	16 731 560	(5 410 651)	11 320 910
Other	3 420 383	(9 815 310)	(6 394 926)
<b>Total</b>	<b>331 523 253</b>	<b>(284 146 005)</b>	<b>47 377 248</b>

#### 30 June 2023

<b>Service Receivables</b>			
Electricity	96 685 780	(86 403 260)	10 282 520
Water	98 448 486	(86 581 194)	11 867 292
Refuse	48 582 351	(45 076 051)	3 506 302
Sewerage	23 023 839	(20 760 971)	2 262 868
Property Rentals	5 984 199	(5 479 941)	504 257
Other	11 513 842	(10 023 592)	1 490 250
<b>Total</b>	<b>284 238 497</b>	<b>(254 325 009)</b>	<b>29 913 489</b>

#### Ageing of Receivables from Exchange Transactions

##### Electricity

Current (0 - 30 days)	9 187 603	6 484 783
Past Due (31 - 60 Days)	5 183 828	2 539 019
Past Due (61 - 90 Days)	2 330 078	1 764 123
Past Due (90 Days +)	87 966 566	85 897 855
<b>Total</b>	<b>104 668 075</b>	<b>96 685 780</b>

##### Water

Current (0 - 30 days)	5 613 253	3 894 715
Past Due (31 - 60 Days)	4 026 918	2 708 386
Past Due (61 - 90 Days)	2 772 473	2 057 227
Past Due (90 Days +)	108 122 722	89 788 158
<b>Total</b>	<b>120 535 366</b>	<b>98 448 486</b>

##### Refuse

Current (0 - 30 days)	2 000 890	1 793 050
Past Due (31 - 60 Days)	1 392 623	1 144 328
Past Due (61 - 90 Days)	1 088 420	875 918
Past Due (90 Days +)	54 099 465	44 769 055
<b>Total</b>	<b>58 581 399</b>	<b>48 582 351</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)</b>		
<b>Sewerage</b>		
Current (0 - 30 days)	1 484 593	1 305 382
Past Due (31 - 60 Days)	890 252	759 874
Past Due (61 - 90 Days)	663 470	546 980
Past Due (90 Days +)	25 446 113	20 411 602
<b>Total</b>	<b>28 484 428</b>	<b>23 023 839</b>
<b>Property Rentals</b>		
Current (0 - 30 days)	297 756	148 337
Past Due (31 - 60 Days)	273 877	355 820
Past Due (61 - 90 Days)	173 338	115 146
Past Due (90 Days +)	15 986 589	5 364 896
<b>Total</b>	<b>16 731 560</b>	<b>5 984 199</b>
<b>Other</b>		
Current (0 - 30 days)	41 822	227 021
Past Due (31 - 60 Days)	17 862	150 035
Past Due (61 - 90 Days)	26 022	125 664
Past Due (90 Days +)	3 334 678	11 011 122
<b>Total</b>	<b>3 420 383</b>	<b>11 513 842</b>
<b>Summary Ageing of all Receivables from Exchange Transactions</b>		
Current (0 - 30 days)	18 625 918	13 853 288
Past Due (31 - 60 Days)	11 785 360	7 657 462
Past Due (61 - 90 Days)	7 053 801	5 485 059
Past Due (90 Days +)	294 956 132	257 242 689
<b>Total</b>	<b>332 421 211</b>	<b>284 238 497</b>
<b>4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
<b>Service Receivables</b>	<b>89 127 652</b>	<b>78 633 182</b>
Property Rates	83 523 471	74 337 724
Availability Charges	5 604 181	4 295 458
<b>Other Receivables</b>	<b>15 058 559</b>	<b>7 522 199</b>
Unpaid Traffic Fines	4 780 228	4 468 094
Unauthorised, Irregular and Fruitless and Wasteful Expenditure	475 608	414 945
Sundry Receivables	1 986 643	1 979 243
Deposits	7 816 080	659 917
<b>Total Gross Balance</b>	<b>104 186 211</b>	<b>86 155 381</b>
Less: Allowance for Debt Impairment	(80 956 832)	(71 975 281)
<b>Total Net Receivable</b>	<b>23 229 378</b>	<b>14 180 100</b>
As previously reported		13 520 183
Correction of error restatement - note 40.3		659 917
Restated balance		<b>14 180 100</b>

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation.

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

2024

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### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	71 975 281	57 612 788
Movement in the contribution to the provision	8 981 551	14 362 493
<b>Balance at the end of the year</b>	<b>80 956 832</b>	<b>71 975 281</b>

Management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>30 June 2024</b>			
<b>Service Receivables</b>			
Property Rates	83 523 471	(71 161 594)	12 361 877
Availability Charges	5 604 181	(5 096 705)	507 475
<b>Other Receivables</b>			
Unpaid Traffic Fines	4 780 228	(4 698 533)	81 695
Unauthorised, Irregular and Fruitless and Wasteful Expenditure	475 608	-	475 608
Sundry Receivables	1 986 643	-	1 986 643
Deposits	7 816 080	-	7 816 080
<b>Total</b>	<b>104 186 211</b>	<b>(80 956 832)</b>	<b>23 229 378</b>
<b>30 June 2023</b>			
<b>Service Receivables</b>			
Property Rates	74 337 724	(63 476 449)	10 861 275
Availability Charges	4 295 458	(4 204 332)	91 126
<b>Other Receivables</b>			
Unpaid Traffic Fines	4 468 094	(4 294 500)	173 594
Unauthorised, Irregular and Fruitless and Wasteful Expenditure	414 945	-	414 945
Sundry Receivables	1 979 243	-	1 979 243
<b>Total</b>	<b>85 495 464</b>	<b>(71 975 281)</b>	<b>13 520 183</b>
<b>Ageing of Property Rates</b>			
Current (0 - 30 days)		4 205 362	3 912 233
Past Due (31 - 60 Days)		2 432 548	1 996 404
Past Due (61 - 90 Days)		1 655 352	1 258 407
Past Due (90 Days +)		75 230 209	67 170 679
<b>Total</b>		<b>83 523 471</b>	<b>74 337 724</b>
<b>Ageing of Availability Charges</b>			
Current (0 - 30 days)		226 629	154 005
Past Due (31 - 60 Days)		147 195	123 888
Past Due (61 - 90 Days)		132 878	116 070
Past Due (90 Days +)		5 097 478	3 901 496
<b>Total</b>		<b>5 604 181</b>	<b>4 295 458</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>5</b>	<b>TAXES</b>		
	VAT Claimable/(Payable)	(1 449 083)	236 532
	VAT Input in Suspense	65 102 892	50 904 536
	VAT Output in Suspense	(37 914 724)	(24 064 565)
	<b>Total</b>	<b>25 739 085</b>	<b>27 076 503</b>
<b>6</b>	<b>LONG-TERM RECEIVABLES</b>		
	Receivables with repayment arrangements	4 853 296	6 172 550
	Less: Allowance for Debt Impairment	(4 853 296)	(6 172 550)
	<b>Total Net Receivable</b>	-	-
	Less: Current portion of Long-term Receivables	-	-
	<b>Total</b>	-	-
	<b>Reconciliation of Allowance for Debt Impairment</b>		
	Balance at the beginning of the year	6 172 550	5 767 570
	Movement in the contribution to the provision	(1 319 254)	404 980
	Balance at the end of the year	<b>4 853 296</b>	<b>6 172 550</b>
	Management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.		
<b>7</b>	<b>INVENTORY</b>		
	Consumables	3 305 133	1 721 272
	Materials and Supplies	210 040	159 552
	Water	210 436	336 789
	<b>Total</b>	<b>3 725 609</b>	<b>2 217 613</b>
	Inventory are disclosed at the lower of cost or net realisable value.		
	The Municipality recognised only purification costs in respect of non-purchased purified water inventory.		
	No inventory were pledged as security for liabilities.		
	Inventory written down due to losses identified:		
	Materials and Consumables	1 773	(91 942)
	Water	9 724 196	8 383 163
	<b>Total</b>	<b>9 725 969</b>	<b>8 291 221</b>
	Inventory recognised as an expense during the year:		
	Consumables	10 868 328	7 743 739
	Materials and Supplies	248 403	237 883
	Water	25 312 737	34 675 658
	<b>Total</b>	<b>36 429 467</b>	<b>42 657 281</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>8</b>	<b>INVESTMENT PROPERTY</b>		
	Investment Property - Carrying Value	<u>124 022 471</u>	<u>124 391 401</u>
	The carrying value of Investment Property is reconciled as follows:		
	<b>Opening Carrying Value</b>	<b>124 391 401</b>	<b>125 485 459</b>
	Cost	134 247 685	134 967 366
	Accumulated Depreciation	(8 975 379)	(8 601 002)
	Accumulated Impairment	(880 904)	(880 904)
	Additions	-	-
	Disposals	-	(719 681)
	Cost	-	(719 681)
	Accumulated Depreciation	-	-
	Depreciation	(368 931)	(374 377)
	Impairment	-	-
	<b>Closing Carrying Value</b>	<b>124 022 471</b>	<b>124 391 401</b>
	Cost	134 247 685	134 247 685
	Accumulated Depreciation	(9 344 310)	(8 975 379)
	Accumulated Impairment	(880 904)	(880 904)
	There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
	There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
	Revenue derived from the rental of investment property	<u>1 352 189</u>	<u>1 266 863</u>

No significant operating expenditure was incurred on investment property during the 2022/23 and 2023/24 financial year.

<b>9</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Accumulated Impairment</b>	<b>Carrying Value</b>
		<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
	<b>30 June 2024</b>				
	Land and Buildings	111 793 439	(29 147 251)	(225 689)	82 420 499
	Infrastructure	1 274 816 378	(761 645 227)	(7 532 897)	505 638 254
	Community Assets	127 736 545	(86 745 676)	(7 054 057)	33 936 813
	Other Assets	27 235 438	(11 456 047)	-	15 779 391
	Leased Assets	1 377 042	(679 692)	-	697 350
	<b>Total</b>	<u><b>1 542 958 842</b></u>	<u><b>(889 673 893)</b></u>	<u><b>(14 812 643)</b></u>	<u><b>638 472 306</b></u>
	<b>30 June 2023</b>				
	Land and Buildings	111 793 439	(27 843 977)	(225 689)	83 723 772
	Infrastructure	1 260 938 560	(730 976 597)	(7 755 263)	522 206 700
	Community Assets	127 736 545	(84 170 966)	(7 054 057)	36 511 523
	Other Assets	24 901 236	(9 619 432)	-	15 281 804
	Leased Assets	1 377 042	(446 392)	-	930 650
	<b>Total</b>	<u><b>1 526 746 823</b></u>	<u><b>(853 057 364)</b></u>	<u><b>(15 035 009)</b></u>	<u><b>658 654 449</b></u>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
<b>9.1 Repairs and Maintenance incurred on Property, Plant and Equipment</b>	<b>4 604 618</b>	<b>7 146 409</b>
<b>9.2 Work in Progress</b>		
Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure		
Water Supply	10 380 069	10 186 622
Sanitation	18 140 039	7 594 519
Electricity	235 279	235 279
<b>Total</b>	<b>28 755 387</b>	<b>18 016 420</b>
The movements for the year can be reconciled as follows:		
Balance at beginning of year	18 016 421	13 398 088
Expenditure during the year	10 738 966	9 256 711
Assets unbundled during the year	-	(6 691 455)
Prior Year Correction		2 053 077
<b>Balance at year-end</b>	<b>28 755 386</b>	<b>18 016 421</b>
The Municipality did not identify any work in progress projects which are taking a significant longer period to complete.		
Refurbishment of Nababeep Waste Water Treatment Plant (Bid/NC062/02/2023/24):		
During the year the municipality halted the construction of the project due to non-performance by the contractor. The municipality is in the process of appointing a new contractor to continue the project and no impairment losses are recognised in relation to the project.		
Carrying value included in work in progress	1 452 570	1 047 590

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 9.3 Reconciliation of Carrying Value

30 June 2024	Cost					Accumulated Depreciation and Impairment					Carrying Value R
	Opening Balance	Additions	Disposals	Contributed Assets	Closing Balance	Opening Balance	Depreciation and Impairment	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	
<b>Land and Buildings</b>	<b>111 793 439</b>	-	-	-	<b>111 793 439</b>	<b>28 069 666</b>	<b>1 303 274</b>	-	-	<b>29 372 940</b>	<b>82 420 499</b>
Land	59 659 182	-	-	-	59 659 182	-	-	-	-	-	59 659 182
Buildings	52 134 257	-	-	-	52 134 257	28 069 666	1 303 274	-	-	29 372 940	22 761 317
<b>Infrastructure</b>	<b>1 260 938 560</b>	<b>13 877 818</b>	-	-	<b>1 274 816 378</b>	<b>738 731 860</b>	<b>30 446 264</b>	-	-	<b>769 178 124</b>	<b>505 638 254</b>
Electrical	311 908 045	-	-	-	311 908 045	155 603 227	8 492 424	-	-	164 095 651	147 812 393
Network and Communication	578 122	-	-	-	578 122	316 732	27 219	-	-	343 951	234 171
Roads	275 371 670	-	-	-	275 371 670	219 318 792	4 814 585	-	-	224 133 377	51 238 293
Sanitation	287 479 900	10 545 519	-	-	298 025 419	146 296 900	6 024 445	-	-	152 321 346	145 704 073
Solid Waste	80 127 709	3 138 852	-	-	83 266 561	58 047 242	4 105 319	-	-	62 152 561	21 114 001
Storm Water	74 831 017	-	-	-	74 831 017	22 748 024	2 191 746	-	-	24 939 770	49 891 248
Water Supply	230 642 097	193 447	-	-	230 835 544	136 400 942	4 790 527	-	-	141 191 468	89 644 075
<b>Community Assets</b>	<b>127 736 545</b>	-	-	-	<b>127 736 545</b>	<b>91 225 022</b>	<b>2 574 711</b>	-	-	<b>93 799 733</b>	<b>33 936 813</b>
Community Facilities	47 203 724	-	-	-	47 203 724	34 009 457	986 468	-	-	34 995 925	12 207 799
Sport and Recreational Facilities	80 532 821	-	-	-	80 532 821	57 215 565	1 588 242	-	-	58 803 808	21 729 014
<b>Other Assets</b>	<b>24 901 236</b>	<b>2 892 798</b>	<b>(558 597)</b>	-	<b>27 235 438</b>	<b>9 619 432</b>	<b>2 251 719</b>	-	<b>(415 104)</b>	<b>11 456 047</b>	<b>15 779 391</b>
Computer Equipment	2 303 065	148 373	(83 418)	-	2 368 019	1 076 827	253 710	-	(40 703)	1 289 834	1 078 185
Furniture and Office Equipment	2 551 210	94 490	(171 737)	-	2 473 963	1 298 320	199 034	-	(106 606)	1 390 748	1 083 215
Other Assets	1 391 029	112 934	(39 596)	-	1 464 366	1 000 907	81 790	-	(30 726)	1 051 970	412 397
Machinery and Equipment	908 217	7 958	(6 170)	-	910 005	440 794	100 472	-	(4 425)	536 841	373 164
Transport Assets	16 318 717	2 529 044	(257 675)	-	18 590 085	4 820 583	1 557 897	-	(232 644)	6 145 836	12 444 249
Specialised Vehicles	1 428 999	-	-	-	1 428 999	982 001	58 817	-	-	1 040 819	388 180
<b>Leased Assets</b>	<b>1 377 042</b>	-	-	-	<b>1 377 042</b>	<b>446 392</b>	<b>233 300</b>	-	-	<b>679 692</b>	<b>697 350</b>
Leased Office Equipment	1 377 042	-	-	-	1 377 042	446 392	233 300	-	-	679 692	697 350
Leased Vehicles & Accessories	-	-	-	-	-	-	-	-	-	-	-
	<b>1 526 746 823</b>	<b>16 770 616</b>	<b>(558 597)</b>	-	<b>1 542 958 842</b>	<b>868 092 373</b>	<b>36 809 267</b>	-	<b>(415 104)</b>	<b>904 486 537</b>	<b>638 472 306</b>
						<b>658 654 450</b>					

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 9.3 Reconciliation of Carrying Value

30 June 2023	Cost					Accumulated Depreciation and Impairment					Carrying Value R
	Opening Balance	Additions	Disposals	Contributed Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	
<b>Land and Buildings</b>	113 383 405	-	(1 589 966)	-	111 793 439	28 166 289	1 490 893	2 451	(1 589 966)	28 069 666	83 723 772
Land	59 659 182	-	-	-	59 659 182	-	-	-	-	-	59 659 182
Buildings	53 724 224	-	(1 589 966)	-	52 134 257	28 166 289	1 490 893	2 451	(1 589 966)	28 069 666	24 064 591
<b>Infrastructure</b>	<b>1 248 940 214</b>	<b>11 998 346</b>	<b>-</b>	<b>-</b>	<b>1 260 938 560</b>	<b>707 214 551</b>	<b>31 446 313</b>	<b>70 996</b>	<b>-</b>	<b>738 731 860</b>	<b>522 206 700</b>
Electrical	308 681 673	3 226 372	-	-	311 908 045	147 099 959	8 432 273	70 996	-	155 603 227	156 304 817
Network and Communication	578 122	-	-	-	578 122	277 156	39 576	-	-	316 732	261 390
Roads	275 371 670	-	-	-	275 371 670	214 819 298	4 499 494	-	-	219 318 792	56 052 877
Sanitation	284 424 293	3 055 607	-	-	287 479 900	139 765 152	6 531 749	-	-	146 296 900	141 183 000
Solid Waste	77 386 074	2 741 635	-	-	80 127 709	52 003 281	6 043 961	-	-	58 047 242	22 080 467
Storm Water	74 831 017	-	-	-	74 831 017	21 499 065	1 248 959	-	-	22 748 024	52 082 993
Water Supply	227 667 364	2 974 733	-	-	230 642 097	131 750 640	4 650 302	-	-	136 400 942	94 241 155
<b>Community Assets</b>	<b>128 000 685</b>	<b>-</b>	<b>(264 140)</b>	<b>-</b>	<b>127 736 545</b>	<b>87 803 028</b>	<b>3 337 291</b>	<b>348 843</b>	<b>(264 140)</b>	<b>91 225 022</b>	<b>36 511 523</b>
Community Facilities	47 244 600	-	(40 876)	-	47 203 724	32 875 151	1 163 328	11 854	(40 876)	34 009 457	13 194 267
Sport and Recreational Facilities	80 756 085	-	(223 264)	-	80 532 821	54 927 877	2 173 963	336 989	(223 264)	57 215 565	23 317 256
<b>Other Assets</b>	<b>17 739 002</b>	<b>6 572 781</b>	<b>(1 660 546)</b>	<b>2 250 000</b>	<b>24 901 236</b>	<b>9 202 753</b>	<b>2 076 532</b>	<b>-</b>	<b>(1 659 854)</b>	<b>9 619 432</b>	<b>15 281 804</b>
Computer Equipment	2 516 140	104 391	(317 466)	-	2 303 065	1 061 711	332 582	-	(317 466)	1 076 827	1 226 238
Furniture and Office Equipment	2 638 326	38 380	(125 496)	-	2 551 210	1 164 153	259 663	-	(125 496)	1 298 320	1 252 890
Other Assets	1 528 007	-	(136 978)	-	1 391 029	1 026 614	111 270	-	(136 978)	1 000 907	390 122
Machinery and Equipment	840 716	104 488	(36 987)	-	908 217	348 321	128 767	-	(36 295)	440 794	467 423
Transport Assets	8 720 814	6 325 522	(977 620)	2 250 000	16 318 717	4 626 808	1 171 395	-	(977 620)	4 820 583	11 498 134
Specialised Vehicles	1 494 999	-	(66 000)	-	1 428 999	975 146	72 855	-	(66 000)	982 001	446 998
<b>Leased Assets</b>	<b>1 377 042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 377 042</b>	<b>135 892</b>	<b>310 500</b>	<b>-</b>	<b>-</b>	<b>446 392</b>	<b>930 650</b>
Leased Office Equipment	1 377 042	-	-	-	1 377 042	135 892	310 500	-	-	446 392	930 650
Leased Vehicles & Accessories	-	-	-	-	-	-	-	-	-	-	-
	<b>1 509 440 348</b>	<b>18 571 127</b>	<b>(3 514 652)</b>	<b>2 250 000</b>	<b>1 526 746 823</b>	<b>832 522 514</b>	<b>38 661 529</b>	<b>422 290</b>	<b>(3 513 960)</b>	<b>868 092 373</b>	<b>658 654 449</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

2024

2023

### 10 INTANGIBLE ASSETS

Intangible Assets - Carrying Value

**111 018**

**152 401**

The carrying value of intangible Assets is reconciled as follows:

#### Opening Carrying Value

**152 401**

**96 148**

Cost

524 896

446 946

Accumulated Amortisation

(372 495)

(350 798)

Accumulated Impairment

-

-

Additions

-

77 950

Amortisation

(41 382)

(21 697)

#### Closing Carrying Value

**111 019**

**152 401**

Cost

524 896

524 896

Accumulated Amortisation

(413 877)

(372 495)

Accumulated Impairment

-

-

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

### 11 HERITAGE ASSETS

Heritage Assets - Carrying Value

**1 484 269**

**1 484 269**

The carrying value of Heritage Assets are reconciled as follows:

#### Opening Carrying Value

**1 484 269**

**1 484 269**

Cost

1 484 269

1 484 269

Accumulated Impairment

-

-

Movement

-

-

#### Closing Carrying Value

**1 484 269**

**1 484 269**

Cost

1 484 269

1 484 269

Accumulated Impairment

-

-

The Municipality has movable heritage assets located in the Namakwaland Museum. The Municipality has determined the fair value of these items on 30 June 2021, as there are no comparable information available to reflect the same market conditions of these assets on GRAP Implementation date. Given the nature of the heritage collection, management expect no significant change in the fair values of these assets between GRAP Implementation date and date of valuation.

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>12 LONG-TERM LIABILITIES</b>		
Annuity Loans	20 480 359	24 508 454
Finance Lease Liabilities	253 723	730 924
Municipal Debt Relief	132 319 332	-
<b>Sub-Total</b>	<b>153 053 414</b>	<b>25 239 378</b>
Less: Current portion of Long-term Liabilities	(4 781 775)	(4 505 297)
Annuity Loans	(4 528 052)	(4 028 096)
Finance Lease Liabilities	(253 723)	(477 201)
<b>Total</b>	<b>148 271 639</b>	<b>20 734 081</b>
Long-term Liabilities were utilised as follow:		
Total Long-term Liabilities taken up	20 734 081	25 239 378
Used to finance Property, Plant and Equipment at cost	(5 738 975)	(7 513 725)
<b>Unspent Borrowings</b>	<b>14 995 106</b>	<b>17 725 653</b>

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

### 12.1 Annuity Loans

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

<b>Institution and loan number</b>	<b>Rate</b>	<b>Maturity Date</b>	<b>Carrying Value of Liability</b>	
Nedbank (12042023)	11.30%	2028/05/01	20 480 359	24 508 454

The following serve as security for annuity loans:

- Investment Deposit as per note 2	5 000 000	5 000 000
------------------------------------	-----------	-----------

Annuity loans are payable as follows:

Payable within one year	6 608 350	6 608 350
Payable within two to five years	18 723 660	25 332 010
Payable after five years	-	-
<b>Total amount payable</b>	<b>25 332 010</b>	<b>31 940 360</b>
Less: Outstanding Future Finance Charges	(4 851 651)	(7 431 906)
<b>Present value of annuity loans</b>	<b>20 480 359</b>	<b>24 508 454</b>

### 12.2 Finance Lease Liabilities

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

<b>Institution and loan number</b>	<b>Rate</b>	<b>Maturity Date</b>	<b>Carrying Value of Liability</b>	
Nashua Ltd (000055 MAJ)	8.25%	2024/12/31	253 722	730 924

Finance Lease Liabilities are payable as follows:

Payable within one year	259 863	519 726
Payable within two to five years	-	259 863
Payable after five years	-	-
<b>Total amount payable</b>	<b>259 863</b>	<b>779 589</b>
Less: Outstanding Future Finance Charges	(6 140)	(48 665)
<b>Present value of finance lease liabilities</b>	<b>253 723</b>	<b>730 924</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

2024

2023

### 12.3 Municipal Debt Relief

The Municipality was approved for the ESKOM debt relief program in terms of MFMA Circular 124, effective 1 July 2023. Under this program, the arrears balance owed on 30 March 2023 (R 209 717 044) would be transferred to a suspense service agreement with permanent interest suppression.

### 13 CONSUMER DEPOSITS

Electricity	1 757 085	1 644 742
Water	2 555 930	2 381 134
Library Books	12 908	12 673
<b>Total</b>	<b>4 325 922</b>	<b>4 038 549</b>

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

The fair value of consumer deposits approximates their carrying value. No interest is paid on these amounts.

### 14 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	263 013 572	452 499 778
Retentions	2 164 070	1 572 712
Unused Pre-paid Electricity	869 745	994 900
Other Payables	1 204 456	2 338 151
Unknown Receipts	6 263 124	5 494 908
Municipal Debt Relief	57 158 440	-
<b>Total</b>	<b>330 673 407</b>	<b>462 900 448</b>

The carrying value of trade and other payables approximates its fair value. Payables are recognised net of any discounts received.

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

### 15 UNSPENT CONDITIONAL GOVERNMENT GRANTS

National Government	15 496 139	12 531 746
Provincial Government	3 474 002	2 946 902
<b>Total</b>	<b>18 970 141</b>	<b>15 478 648</b>
As previously reported		16 442 660
Correction of error restatement - note 41.2		(964 012)
<b>Restated balance</b>		<b>15 478 648</b>

Detail reconciliations of all grants received and grant conditions met are included in note 20. Unspent grant balances are recognised to the extent of grant conditions not met. No grants were withheld in the current year.

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>16 CURRENT EMPLOYEE BENEFITS</b>		
Bonuses	1 729 178	2 007 854
Staff Leave	5 472 820	7 440 702
Shortfall in Cape Joint Pension Fund	713 766	679 410
Current portion of Non-Current Employee Benefits - note 17	2 062 000	1 654 000
Post Retirement Medical Benefits	930 000	901 000
Long Service Awards	1 132 000	753 000
<b>Total</b>	<b>9 977 765</b>	<b>11 781 966</b>

The movement in current employee benefits are reconciled as follows:

<b>16.1 Bonuses</b>		
Opening Balance	2 007 853	2 018 502
Contribution during the year	4 292 130	4 985 599
Payments made	(4 570 805)	(4 996 248)
<b>Balance at the end of the year</b>	<b>1 729 178</b>	<b>2 007 853</b>

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

<b>16.2 Staff Leave</b>		
Opening Balance	7 440 702	7 420 111
Contribution during the year	107 540	1 664 270
Payments made	(2 075 422)	(1 643 679)
<b>Balance at the end of the year</b>	<b>5 472 821</b>	<b>7 440 702</b>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

<b>16.3 Shortfall in Cape Joint Pension Fund</b>		
Opening Balance	679 410	645 148
Contribution during the year	34 356	34 262
<b>Balance at the end of the year</b>	<b>713 766</b>	<b>679 410</b>

Actuaries have investigate the investment return of the Fund for the year ended 30 June 2009. It was reported that the established investment return was -0.94%. Local authorities, including the Municipality, associated with the fund are under an obligation to contribute pro-rata to the fund such a sum as will make up for any shortfall between the actual earnings and an investment return of 5.5% on all its assets. Provision is made for the pro-rata portion owed by the Municipality.

<b>17 EMPLOYEE BENEFITS</b>		
Post Retirement Medical Benefits	22 774 000	23 706 000
Long Service Awards	6 695 000	6 926 000
<b>Sub-Total</b>	<b>29 469 000</b>	<b>30 632 000</b>
Less: Current portion of Employee Benefits - note 16	2 062 000	1 654 000
Post Retirement Medical Benefits	930 000	901 000
Long Service Awards	1 132 000	753 000
<b>Total</b>	<b>27 407 000</b>	<b>28 978 000</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

2024

2023

### 17 EMPLOYEE BENEFITS (CONTINUED)

#### 17.1 Post Retirement Medical Benefits

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

Opening Balance	23 706 000	23 779 000
Contribution during the year	3 718 000	3 579 000
Current Service Cost	814 000	813 000
Interest Cost	2 904 000	2 766 000
Payments made	(901 000)	(804 282)
Actuarial Loss/(Gain)	(3 749 000)	(2 847 718)
Total balance at year-end	22 774 000	23 706 000
Less: Current portion	(930 000)	(901 000)
<b>Total</b>	<b>21 844 000</b>	<b>22 805 000</b>

#### Actuarial (Gain)/Loss for the period consists of:

Actuarial gains arising from financial assumptions		
Increase in the net discount rate	(459 000)	(3 427 000)
Actuarial gain arising from demographic assumptions		
Change in in-service non-member assumed medical aid option	-	753 000
Actuarial (gain)/loss arising Experience		
Subsidy inflationary increases higher/(lower) than assumed	338 000	(199 000)
Changes to membership profile different from assumed	(3 628 000)	25 282
<b>Total actuarial (gain) / loss</b>	<b>(3 749 000)</b>	<b>(2 847 718)</b>

There are no curtailments or settlements to reflect.

The service cost is equal to the current service cost of the obligation as there are no past service costs or settlement gains/losses to consider.

With no plan asset in place, there is no interest revenue, and thus the net interest is equal to the interest cost of the obligation.

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

In-service members	74	84
In-service non-members	111	124
Continuation members	15	18
<b>Total</b>	<b>200</b>	<b>226</b>

#### Post-employment medical aid subsidy policy

Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement. Continuation members and their eligible dependants receive a 70% subsidy.

Upon a member's death-in-service, surviving dependants are not entitled to commence receipt of the subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

#### Notable benefit plan risks faced by the Municipality

**Inflation** - The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.

**Longevity** - The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.

**Volatility of open-ended, long-term defined benefit obligations** - The risk that the obligation may be volatile which is exacerbated by its long-term nature.

**Enforcement of eligibility criteria and rules** - The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

**Future changes in legislation** - The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the obligation for the Municipality.

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 17 EMPLOYEE BENEFITS (CONTINUED)

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:	In-Service Members R	In-Service non-Members R	Continuation Members R	Total unfunded Liability R
30 June 2024	10 495 000	2 245 000	10 034 000	22 774 000
30 June 2023	10 948 000	2 231 000	10 527 000	23 706 000
30 June 2022	12 059 000	1 788 000	9 932 000	23 779 000
30 June 2021	12 196 000	1 686 000	5 962 000	19 844 000
30 June 2020	16 132 000	-	6 613 000	22 745 000

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

#### Experience adjustments were calculated as follows:

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2024	(3 290 000)	-
30 June 2023	(208 000)	-
30 June 2022	1 262 000	-
30 June 2021	(2 813 000)	-
30 June 2020	1 965 000	-

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

Bonitas	Samwumed
LA Health	Keyhealth

#### Actuarial Assumptions used are as follows:

##### Financial Assumptions:

Discount rate	12.25%	12.48%
CPI inflation rate	6.22%	6.59%
Health care cost inflation rate	7.72%	8.09%
Net discount rate	4.21%	4.06%

##### Demographic Assumptions:

##### i) Post-employment Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age, and a 1% annual compound mortality improvement from 2010. This means that 1% fewer people are expected to die next year. The SA 85-90 table is used for in-service employees.

##### ii) Average Retirement Age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement.

##### iii) Continuation of Membership

It has been assumed that 75% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

The last valuation was performed on 14 August 2024.

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Sensitivity Analysis - Liability at year-end

Assumption	Eligible Employees (R)	Continuation members (R)	Total liability (R)	% change
Liability	12 740 000	10 034 000	22 774 000	
Health care inflation rate ( + 1% )	15 140 000	10 994 000	26 134 000	15%
Health care inflation rate ( - 1% )	10 799 000	9 205 000	20 004 000	-12%
Discount rate ( + 1% )	10 886 000	9 243 000	20 129 000	-12%
Discount rate ( - 1% )	15 055 000	10 962 000	26 017 000	14%
Post-employment mortality ( + 1 year )	12 427 000	9 734 000	22 161 000	-3%
Post-employment mortality ( - 1 year )	13 048 000	10 334 000	23 382 000	3%
Average retirement age ( - 1 year )	14 088 000	10 034 000	24 122 000	6%
Membership continuation ( - 10% )	11 042 000	10 034 000	21 076 000	-7%

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

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2024/25	747 000	2 734 000	3 481 000	
Health care inflation rate ( + 1% )	907 000	3 146 000	4 053 000	16%
Health care inflation rate ( - 1% )	621 000	2 395 000	3 016 000	-13%
Discount rate ( + 1% )	633 000	2 607 000	3 240 000	-7%
Discount rate ( - 1% )	893 000	2 876 000	3 769 000	8%
Post-employment mortality ( + 1 year )	730 000	2 660 000	3 390 000	-3%
Post-employment mortality ( - 1 year )	765 000	2 809 000	3 574 000	3%
Average retirement age ( - 1 year )	745 000	2 896 000	3 641 000	5%
Membership continuation ( - 10% )	647 000	2 527 000	3 174 000	-9%

#### Maturity analysis

The table below illustrates the maturity analysis of the obligation (undiscounted expected benefit payments) for the next 80 years.

Future year	Expected Benefit Payments (Rm)	Future year	Expected Benefit Payments (Rm)	Future year	Expected Benefit Payments (Rm)
1	1.311	6 to 10	16.409	31 to 40	264.015
2	1.656	11 to 15	28.952	41 to 50	274.598
3	1.825	16 to 20	48.572	51 to 60	190.894
4	2.069	21 to 25	76.669	61 to 70	75.865
5	2.333	26 to 30	103.263	71 to 80	13.396

### 17.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	6 926 000	8 005 000
Contribution during the year	1 217 000	1 319 000
Current Service Cost	501 000	560 000
Interest Cost	716 000	759 000
Payments made	(753 000)	(650 049)
Actuarial Loss/(Gain)	(695 000)	(1 747 951)
Total balance at year-end	<b>6 695 000</b>	<b>6 926 000</b>
Less: Current portion	(1 132 000)	(753 000)
<b>Total</b>	<b>5 563 000</b>	<b>6 173 000</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>17 EMPLOYEE BENEFITS (CONTINUED)</b>		
<b>Actuarial (Gain)/Loss for the period consists of:</b>		
Actuarial gains arising from financial assumptions		
Increase in the net discount rate	(70 000)	(437 000)
Actuarial gain arising from demographic assumptions		
None	-	-
Actuarial (gain)/loss arising Experience		
Earnings increases higher than assumed	21 000	(42 000)
Changes to membership profile different from assumed	(646 000)	(1 268 951)
<b>Total actuarial (gain) / loss</b>	<b>(695 000)</b>	<b>(1 747 951)</b>
There are no curtailments or settlements to reflect.		
The service cost is equal to the current service cost of the obligation as there are no past service costs or settlement gains/losses to consider.		
With no plan asset in place, there is no interest revenue, and thus the net interest is equal to the interest cost of the obligation.		
The Long Service Awards plans are defined benefit plans.		
Number of employees that are eligible for Long Service Awards	185	208
<b>Long service award policy</b>		
The Municipality offers employees long service awards for every five years of service completed, from ten years of service to 45 years of service, inclusive.		
The employees' costs to company are used to determine the Rand value of leave day awards, whereas cash awards are based on basic salaries.		
The Municipality does not pay any pro-rata LSA.		
<b>Notable benefit plan risks faced by the Municipality</b>		
Inflation - The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.		
Termination of service - The risk that fewer eligible employees terminate their service at the Municipality i.e. more long service awards vest than expected.		
Volatility of open-ended, long-term defined benefit obligations - The risk that the obligation may be volatile which is exacerbated by its long-term nature.		
Enforcement of eligibility criteria and rules - The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.		
Future changes in legislation - The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the obligation for the Municipality.		
<b>The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:</b>		<b>Unfunded Liability</b>
		<b>R</b>
30 June 2024		6 695 000
30 June 2023		6 926 000
30 June 2022		8 005 000
30 June 2021		7 783 000
30 June 2020		7 409 000
The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.		
<b>Experience adjustments were calculated as follows:</b>	<b>Liabilities</b>	<b>Assets</b>
	<b>(Gain) / Loss</b>	<b>Gain / (Loss)</b>
	<b>R</b>	<b>R</b>
30 June 2024	(625 000)	-
30 June 2023	(248 000)	-
30 June 2022	(94 000)	-
30 June 2021	(666 562)	-
30 June 2020	102 000	-

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 17 EMPLOYEE BENEFITS (CONTINUED)

Actuarial Assumptions used are as follows:

#### Financial Assumptions:

Discount rate	10.68%	10.92%
CPI Inflation rate	4.91%	5.39%
General Salary Inflation (long-term)	5.91%	6.39%
Net discount rate	4.51%	4.26%

#### Demographic Assumptions:

##### i) Promotional Earnings Scale

The annual escalation rates below are in addition to the general earnings inflation assumption of 5.91% per annum for all employees.

Age band	Additional promotional scale
20 - 24	5.0%
25 - 29	4.0%
30 - 34	3.0%
35 - 39	2.0%
40 - 44	1.0%
45+	0.0%

##### ii) Average Retirement Age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

##### iii) Mortality During Employment

SA85-90 ultimate table, adjusted for female lives.

##### iii) Termination of Service

If an eligible employee leaves due to resignation or retrenchment, the employer's obligation to that employee ceases. The assumed annual rates are set out below.

Age band	Rate	Age band	Rate
20 - 24	9.0%	40 - 44	5.0%
25 - 29	8.0%	45 - 49	4.0%
30 - 34	6.0%	50 - 54	3.0%
35 - 39	5.0%	45+	0.0%

Management has indicated that there are currently no long-term assets set aside off-balance sheet in respect of the long service award benefit obligation.

The last valuation was performed on 14 August 2024.

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

#### Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Current Liability (R)	Liability (R)	% Change
General earnings inflation rate ( + 1%)	6 695 000	7 014 000	5%
General earnings inflation rate ( - 1%)	6 695 000	6 399 000	-4%
Discount rate ( + 1% )	6 695 000	6 387 000	-5%
Discount rate ( - 1% )	6 695 000	7 033 000	5%
Average retirement age ( + 2 years )	6 695 000	7 477 000	12%
Average retirement age ( - 2 years )	6 695 000	5 989 000	-11%
Withdrawal rates ( x 2 )	6 695 000	5 738 000	-14%
Withdrawal rates ( x 0.5 )	6 695 000	7 301 000	9%

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Sensitivity Analysis on the Current-service and Interest Costs

Assumption	Current Service		Total (R)	% Change
	Cost (R)	Interest Cost (R)		
Estimated for 2024/25	466 000	656 000	1 122 000	
General earnings inflation rate ( + 1%)	495 000	690 000	1 185 000	6%
General earnings inflation rate ( - 1%)	439 000	625 000	1 064 000	-5%
Discount rate ( + 1%)	442 000	682 000	1 124 000	0%
Discount rate ( - 1%)	492 000	627 000	1 119 000	0%
Average retirement age ( + 2 years )	515 000	740 000	1 255 000	12%
Average retirement age ( - 2 years )	422 000	581 000	1 003 000	-11%
Withdrawal rates ( x 2 )	371 000	555 000	926 000	-17%
Withdrawal rates ( x 0.5 )	530 000	721 000	1 251 000	11%

#### Maturity analysis

The table below illustrates the maturity analysis of the long service obligation (undiscounted expected benefit payments) for the next 40 years.

Future year	Expected Benefit Payments (Rm)	Future year	Expected Benefit Payments (Rm)
1	1.132	6 to 10	5.947
2	0.846	11 to 15	4.792
3	0.891	16 to 20	3.957
4	1.657	21 to 30	2.875
5	1.218	31 to 40	0.140

### 17.3 Other Pension Benefits

#### Defined Benefit Plans

Council contributes to the following defined benefit plans:

<b>LA Retirement Fund (Former Cape Joint Pension Fund)</b>	43 308	41 089
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2023 revealed that the fund is in an sound financial position with a funding level of 106.9% (30 June 2022 - 104.5%).		
<b>Consolidated Retirement Fund (Former Cape Retirement Fund)</b>	6 115 396	3 930 040
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2023 revealed that the fund is in a sound financial position with a funding level of 100.2% (30 June 2022 - 100.4%).		
<b>Total</b>	<b>6 158 704</b>	<b>3 971 129</b>

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 17 EMPLOYEE BENEFITS (CONTINUED)

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

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

#### Defined Contribution Plans

Council contributes to the following defined contribution plans:

Sanlam Umbrella Fund	1 037 696	692 238
SAMWU National Provident Fund	6 943 572	4 946 683
<b>Total</b>	<b>7 981 268</b>	<b>5 638 920</b>

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

### 18 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	<b>107 867 249</b>	<b>95 613 755</b>
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The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	95 613 755	85 174 980
Contribution during the year	12 253 494	10 438 775
Increase/(Decrease) in estimate	3 138 852	2 741 635
Interest Cost	9 114 642	7 697 140
<b>Total</b>	<b>107 867 249</b>	<b>95 613 755</b>

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

The future obligations for rehabilitating the landfill sites have been calculated using a discount rate of 8.63% to 12.22% (2023 - 9.17% to 12.34%) which is based on the South African Government Bond yield for the relevant period.

### 19 PROPERTY RATES

Business and Commercial Property	12 279 788	12 130 897
Farm Properties	480 479	479 907
Industrial Property	2 263 686	2 263 194
Mining Properties	746 850	736 576
Residential Properties	32 905 392	32 766 137
State-owned Properties	5 202 107	5 699 206
Other	-	258 020
<b>Total Revenue</b>	<b>53 878 303</b>	<b>54 333 937</b>
Less: Rebates	(2 886 457)	(2 885 792)
<b>Total</b>	<b>50 991 845</b>	<b>51 448 145</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 19 PROPERTY RATES (CONTINUED)

**Property rate levied are based on the following rateable valuations:**

Business and Commercial Property	484 531 000	484 531 000
Industrial Property	119 343 000	119 343 000
Mining Properties	52 381 000	52 381 000
Public benefit organisations	86 702 000	86 702 000
Public Service Infrastructure Properties	94 561 000	94 561 000
Residential Properties	2 080 378 000	2 080 378 000
State-owned Properties	115 050 500	115 050 500
Agricultural Property	700 901 500	700 901 500
Multiple purposes	6 435 000	6 435 000
<b>Total Valuation</b>	<b>3 740 283 000</b>	<b>3 740 283 000</b>

**Rate that is applicable to the valuations above:**

Residential	0.01617 c/R	0.01617 c/R
Commercial and Industrial	0.02226 c/R	0.02226 c/R
Agricultural	0.00070 c/R	0.00070 c/R
Mining	0.02797 c/R	0.02797 c/R

The last valuation came into effect on 1 July 2019. Valuations on land and buildings are performed every five years, but due to numerous challenges with the latest valuations, the municipality requested the MEC for Local Government to extend the validity period to six years. The new General Valuation Roll will be implemented on 1 July 2024.

Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act. A further discount of 10% was granted to all indigents and 20% for qualifying pensioners.

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

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

The following properties are deemed non-rateable: Municipal properties, churches, creches, old age homes and care centres, public infrastructure and public benefit organisations.

### 20 GOVERNMENT GRANTS AND SUBSIDIES

**Unconditional Grants - National Government**

Equitable Share

<b>63 411 304</b>	<b>58 610 000</b>
63 411 304	58 610 000

**Conditional Grants - National Government**

Finance Management Grant (FMG)  
Municipal Infrastructure Grant (MIG)  
Expanded Public Works Programme (EPWP)  
Integrated National Electrification Programme (INEP)  
Water Service Infrastructure Grant (WSIG)

<b>16 746 440</b>	<b>14 686 189</b>
3 100 000	3 100 184
10 260 144	6 259 190
1 103 000	1 143 617
-	1 950 776
2 283 296	2 232 421

**Conditional Grants - Provincial Government**

Libraries, Archives and Museums  
Department of Water Affairs - WSACDBP  
LG SETA  
Department Sport, Arts and Culture  
Swimming Pool  
World Cup 2010  
Municipal Disaster Recovery Grant  
Fire Equipment  
Housing

<b>1 237 900</b>	<b>1 344 343</b>
1 237 900	1 314 303
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	30 040

**Conditional Grants - Other Grant Providers**

Wade Project

-	-
-	-

**Total**

<b>81 395 644</b>	<b>74 640 532</b>
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# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
Disclosed as:		
Government Grants and Subsidies - Operating	68 852 204	64 198 145
Government Grants and Subsidies - Capital	12 543 440	10 442 387
<b>Total</b>	<b>81 395 644</b>	<b>74 640 532</b>
Grants per Vote (MFMA Sec 123 (c)):		
Equitable Share	-	58 610 000
Vote 1 - Executive Mayor And Council (10: IE)	-	-
Vote 2 - Municipal Manager (11: IE)	1 103 000	1 143 617
Vote 3 - Corporate Services (13: IE)	-	-
Vote 4 - Financial Services (15: IE)	50 658 304	3 100 184
Vote 5 - Community Services: Comm Dev (16: IE)	1 237 900	1 344 343
Vote 6 - Community Services: Pubsafety (17: IE)	-	-
Vote 7 - Infrastructure, Eng And Technical (18: IE)	28 396 440	10 442 387
Vote 8 - Executive Mayor And Council (20: CS)	-	-
Vote 9 - Municipal Manager (21: CS)	-	-
Vote 10 - Corporate Services (23: CS)	-	-
Vote 11 - Community Services: Comm Dev (26: CS)	-	-
Vote 12 - Infrastructure, Eng And Technical (28: CS)	-	-
<b>Total</b>	<b>81 395 644</b>	<b>74 640 532</b>
<b>The movements per grant can be summarised as follows:</b>		
<b>20.01 Equitable Share</b>		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	63 411 304	58 610 000
Transferred to Revenue - Operating	(63 411 304)	(58 610 000)
Transferred to Revenue - Capital	-	-
<b>Closing Unspent Balance</b>	<b>-</b>	<b>-</b>
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.		
<b>20.02 Finance Management Grant (FMG)</b>		
Opening Unspent Balance	-	184
Grants Received / (Repaid)	3 100 000	3 100 000
Transferred to Revenue - Operating	(3 100 000)	(3 100 184)
Transferred to Revenue - Capital	-	-
<b>Closing Unspent Balance</b>	<b>-</b>	<b>-</b>
The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.		
<b>20.03 Municipal Infrastructure Grant (MIG)</b>		
Opening Unspent Balance	4 645 673	11 187 804
Grants Received / (Repaid)	5 626 327	(282 941)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(10 260 144)	(6 259 190)
<b>Closing Unspent Balance</b>	<b>11 856</b>	<b>4 645 673</b>
The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.		

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>20.04 Expanded Public Works Programme (EPWP)</b>		
Opening Unspent Balance	69 270	887
Grants Received / (Repaid)	1 033 730	1 212 000
Transferred to Revenue - Operating	(1 103 000)	(1 143 617)
Transferred to Revenue - Capital	-	-
<b>Closing Unspent Balance</b>	<b>-</b>	<b>69 270</b>
The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.		
<b>20.05 Integrated National Electrification Programme (INEP)</b>		
Opening Unspent Balance	49 224	1 780 000
Grants Received / (Repaid)	(49 224)	220 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	(1 950 776)
<b>Closing Unspent Balance</b>	<b>-</b>	<b>49 224</b>
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
<b>20.06 Water Service Infrastructure Grant (WSIG)</b>		
Opening Unspent Balance	7 767 579	2 013 059
Grants Received / (Repaid)	10 000 000	7 986 941
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(2 283 296)	(2 232 421)
<b>Closing Unspent Balance</b>	<b>15 484 283</b>	<b>7 767 579</b>
The grant was used for water infrastructure projects.		
<b>20.07 Libraries, Archives and Museums</b>		
Opening Unspent Balance	185 697	-
Grants Received / (Repaid)	1 565 000	1 500 000
Transferred to Revenue - Operating	(1 237 900)	(1 314 303)
Transferred to Revenue - Capital	-	-
<b>Closing Unspent Balance</b>	<b>512 797</b>	<b>185 697</b>
The grant was used to finance library activities.		
<b>20.08 Department of Water Affairs - WSACDBP</b>		
Opening Unspent Balance	-	510 747
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
As previously reported	-	510 747
Correction of error restatement - note 41.4	-	(510 747)
<b>Closing Unspent Balance</b>	<b>-</b>	<b>-</b>
The grant was allocated for the refurbishment of water infrastructure.		
<b>20.09 LG SETA</b>		
Opening Unspent Balance	228 576	228 576
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
<b>Closing Unspent Balance</b>	<b>228 576</b>	<b>228 576</b>
The grant was allocated for skills development.		

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>20</b>	<b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
	<b>20.10 Department Sport, Arts and Culture</b>		
	Opening Unspent Balance	-	308 500
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	As previously reported	-	308 500
	Correction of error restatement - note 41.4	-	(308 500)
	<b>Closing Unspent Balance</b>	<b>-</b>	<b>-</b>
	The grant was received for the building and maintenance of sport fields in the district.		
	<b>20.11 Swimming Pool</b>		
	Opening Unspent Balance	450 000	450 000
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	As previously reported	450 000	450 000
	Correction of error restatement - note 41.4	-	-
	<b>Closing Unspent Balance</b>	<b>450 000</b>	<b>450 000</b>
	The grant was received for the building of a swimming pool in the district.		
	<b>20.12 World Cup 2010</b>		
	Opening Unspent Balance	-	52 139
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Capital	-	-
	As previously reported	-	52 139
	Correction of error restatement - note 41.4	-	(52 139)
	<b>Closing Unspent Balance</b>	<b>-</b>	<b>-</b>
	The grant was allocated for activities of the 2010 Soccer World Cup.		
	<b>20.13 Municipal Disaster Recovery Grant</b>		
	Opening Unspent Balance	817 356	817 356
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	<b>Closing Unspent Balance</b>	<b>817 356</b>	<b>817 356</b>
	The grant was used for water infrastructure projects.		
	<b>20.14 Fire Equipment</b>		
	Opening Unspent Balance	-	52 264
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Capital	-	-
	As previously reported	-	52 264
	Correction of error restatement - note 41.4	-	(52 264)
	<b>Closing Unspent Balance</b>	<b>-</b>	<b>-</b>
	The grant was allocated for the maintenance and upgrade of fire equipment in the area of the municipality.		
	<b>20.15 Housing</b>		
	Opening Unspent Balance	1 265 273	1 095 313
	Grants Received / (Repaid)	200 000	200 000
	Transferred to Revenue - Operating	-	(30 040)
	Transferred to Revenue - Capital	-	-
	<b>Closing Unspent Balance</b>	<b>1 465 273</b>	<b>1 265 273</b>
	The grant was used for emergency housing and establishment of housing accreditation office.		

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
<b>20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>20.16 Wade Project</b>		
Opening Unspent Balance	-	40 362
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
<b>Closing Unspent Balance</b>	<b>-</b>	<b>40 362</b>
The grant was used for water infrastructure projects in the Buffelsriver.		
<b>20.17 Total Grants</b>		
Opening Unspent Balance	15 478 647	18 537 191
Grants Received / (Repaid)	84 887 137	72 546 000
Transferred to Revenue - Operating	(68 852 204)	(64 198 145)
Transferred to Revenue - Capital	(12 543 440)	(10 442 387)
As previously reported	18 970 141	16 442 659
Correction of error restatement - note 41.4	-	(964 012)
<b>Closing Unspent Balance</b>	<b>18 970 141</b>	<b>15 478 647</b>
<b>21 CONTRIBUTED ASSETS</b>		
Property, Plant and Equipment	-	2 250 000
<b>Total</b>	<b>-</b>	<b>2 250 000</b>
The municipality did not received any contributed assets during the financial year.		
<b>22 AVAILABILITY CHARGES</b>		
Electricity	873 526	513 532
Water	234 463	452 791
Sewerage and Sanitation	193 440	205 114
<b>Total</b>	<b>1 301 429</b>	<b>1 171 436</b>
Availability charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity and sewerage) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.		
<b>23 LICENCES AND PERMITS</b>		
Trading	113 618	21 579
Road and Transport	1 716 980	1 144 373
<b>Total</b>	<b>1 830 599</b>	<b>1 165 952</b>
<b>24 ACTUARIAL GAINS</b>		
Post Retirement Medical Benefits	3 749 000	2 847 718
Long Service Awards	695 000	1 747 951
<b>Total</b>	<b>4 444 000</b>	<b>4 595 670</b>
<b>25 DEBT WAIVED</b>		
Debt Waived	44 475 975	-
<b>Total</b>	<b>44 475 975</b>	<b>-</b>
The interest to be reversed on "new" arrears as from 1 April 2023 until 31 August 2023 amounts to R8 115 491.78.		
Waive of a third of the Municipal Debt Relief is calculated at R36 360 484.22 at 10.16% discount rate.		

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>26</b>	<b>SERVICE CHARGES</b>		
	Electricity	123 094 506	109 024 630
	Water	52 177 103	49 271 692
	Refuse Removal	26 073 128	24 661 249
	Sewerage and Sanitation	21 835 296	20 567 585
	<b>Total Revenue</b>	<b>223 180 033</b>	<b>203 525 157</b>
	Less: Rebates	(28 560 771)	(30 557 847)
	Electricity	(4 569 684)	(8 770 347)
	Water	(8 026 282)	(6 854 998)
	Refuse Removal	(8 904 519)	(8 387 764)
	Sewerage and Sanitation	(7 060 286)	(6 544 738)
	<b>Total</b>	<b>194 619 262</b>	<b>172 967 310</b>
	Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.		
<b>27</b>	<b>RENTAL OF FACILITIES AND EQUIPMENT</b>		
	Halls	30 002	181 003
	Grazing Fees	1 352 189	1 266 863
	Mines	205 050	771 950
	Buildings	1 689 073	1 732 085
	<b>Total</b>	<b>3 276 313</b>	<b>3 951 902</b>
<b>28</b>	<b>INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
	Bank Accounts	454 300	484 020
	Investment Deposits	3 867 411	2 229 625
	<b>Total</b>	<b>4 321 711</b>	<b>2 713 645</b>
<b>29</b>	<b>AGENCY SERVICES</b>		
	Drivers Licences	100 021	166 111
	Motor Vehicle Registration	-	122 218
	<b>Total</b>	<b>100 021</b>	<b>288 330</b>
	The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission. Refer to note 52.1 for additional disclosure in this regard.		
	The Municipality earns revenue from applications for driver's and learner's licences, issuing of public driver permits, driver's and learner's licences and the issue of roadworthy certificates.		
<b>30</b>	<b>OTHER INCOME</b>		
	Administrative Handling Fees	1 490 079	3 258 058
	Building Plan Approval	430 880	414 143
	Camping Fees	15 652	31 304
	Cemetery and Burial	37 587	47 667
	Commission	38 099	64 121
	Membership Fees	55 347	55 609
	Parking Fees	8 023	18 382
	Scrap, Waste Other Goods	1 432 994	-
	Staff Recoveries	370 606	142 540
	Sub-division and Consolidation Fees	35 478	20 205
	Valuation Services	50 729	56 797
	Sundry Income	237 395	20 465
	<b>Total</b>	<b>4 202 869</b>	<b>4 129 291</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>		<b>2024</b>	<b>2023</b>
<b>31</b>	<b>EMPLOYEE RELATED COSTS</b>		
	Basic Salaries and Wages	61 619 443	62 458 131
	Pension and UIF Contributions	9 158 342	9 304 792
	Medical Aid Contributions	2 884 544	3 069 833
	Overtime	8 834 109	7 257 346
	Motor Vehicle Allowances	2 131 326	3 846 989
	Cell Phone Allowances	230 129	250 257
	Housing Allowances	896 554	938 438
	Bonuses	4 292 130	5 029 316
	Staff Leave	107 540	1 598 181
	Long Service Awards	551 532	560 000
	Post Retirement Medical Benefits	814 000	813 000
	Other benefits and allowances	3 728 014	3 989 899
	Acting Allowances	564 630	1 038 536
	Bargaining Council Levy	36 906	33 707
	Group Life Insurance	1 761	2 497
	Standby Allowances	2 810 408	2 832 432
	Transport Cost	34 308	66 851
	Scarcity Allowance	196 778	15 877
	Other Allowances	83 222	-
	<b>Total</b>	<b>95 247 662</b>	<b>99 116 182</b>
	<b>Remuneration of Management Personnel</b>		
	Key management personnel are all appointed on a permanent basis, except for the Municipal Manager who is appointed on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
	<b>Municipal Manager - Mr J Swarts</b>		
	Annual Remuneration	1 017 671	736 563
	Benefits and Allowances	395 656	123 734
	Contributions to UIF, Medical and Pension Funds	2 125	1 594
	<b>Total</b>	<b>1 415 452</b>	<b>861 891</b>
	<b>Chief Financial Officer - Mr HE Cloete</b>		
	Annual Remuneration	497 976	542 260
	Benefits and Allowances	727 741	517 055
	Contributions to UIF, Medical and Pension Funds	2 125	2 125
	<b>Total</b>	<b>1 227 842</b>	<b>1 061 441</b>
	<b>Head : Corporate Services - Mr DC Magerman</b>		
	Annual Remuneration	-	563 259
	Acting Allowance (Acting Municipal Manager)	-	122 676
	Benefits and Allowances	-	586 771
	Contributions to UIF, Medical and Pension Funds	-	2 125
	<b>Total</b>	<b>-</b>	<b>1 274 831</b>
	<b>Employees acting in management positions</b>		
	The following employees acted in management positions during the course of the year. The amounts as indicated below are the acting allowances and additional benefits received for the period in which they acted in the respective positions.		
	<b>Employee</b>	<b>Acting Position</b>	
	H Fielding	Head: Community Services	78 895
	I Smith	Head: Technical Services	-
	Q Titus	Head: Technical Services	35 567
	<b>Total</b>		<b>114 462</b>
			<b>187 299</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 32 REMUNERATION OF COUNCILLORS

JE van den Heever	433 075	400 907
R Kritzinger	808 859	750 149
ZP De Jongh	386 025	321 403
WS Jordaan	444 795	411 799
GJ Coetzee	347 529	321 403
SJ Cloete	347 529	321 403
GMS Bock	999 673	927 485
C Visser	444 795	411 799
MR Baadjies	347 529	321 403
RF Adams	347 529	321 403
AM Julie	347 529	321 403
JFM Otto	347 529	321 403
RSJ Claasen	347 529	321 403
S Cloete	347 529	321 403
JC Losper	347 529	321 403
KA Polori	347 529	321 403
WC Britz	347 529	321 403
<b>Total</b>	<b>7 340 041</b>	<b>6 758 975</b>

	Basic Salary	Motor Vehicle Allowance	Cell Phone Allowance	Medical and Pension Contributions	Total
<b>2024</b>					
Executive Mayor	791 956	164 518	43 200	-	999 674
Speaker	729 565	36 094	43 200	-	808 859
Executive Committee	650 752	152 438	86 400	-	889 590
Section 79 Committee Chairpers	370 370	19 505	43 200	-	433 075
Other Councillors	3 264 211	426 233	518 400	-	4 208 844
<b>Total</b>	<b>5 806 854</b>	<b>798 788</b>	<b>734 400</b>	<b>-</b>	<b>7 340 042</b>
<b>2023</b>					
Executive Mayor	886 685	-	40 800	-	927 485
Speaker	709 349	-	40 800	-	750 149
Executive Committee	285 085	75 022	40 800	-	400 907
Section 79 Committee Chairpers	625 248	116 750	81 600	-	823 598
Other Councillors	3 156 784	210 452	489 600	-	3 856 836
<b>Total</b>	<b>5 663 151</b>	<b>402 224</b>	<b>693 600</b>	<b>-</b>	<b>6 758 975</b>

#### In-kind Benefits

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

Councillors may utilize municipal transportation when engaged in official duties.

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>33 DEBT IMPAIRMENT</b>		
Receivables from Exchange Transactions	29 820 997	39 375 247
Receivables from Non-Exchange Transactions	8 981 551	14 362 493
Long-term Receivables	(1 319 254)	404 980
VAT Component of Debt Impairment	1 738 791	(5 615 448)
<b>Total</b>	<b>39 222 085</b>	<b>48 527 272</b>
<b>34 DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>		
Depreciation and Amortisation	37 219 580	39 057 603
Property, Plant and Equipment	36 809 267	38 661 529
Intangible Assets	41 382	21 697
Investment Property	368 931	374 377
Impairment	-	422 290
Property, Plant and Equipment	-	422 290
Investment Property	-	-
<b>Total</b>	<b>37 219 580</b>	<b>39 479 894</b>
As previously reported		38 847 546
Correction of error restatement - note 41.1		632 348
Restated balance		<b>39 479 894</b>
<b>35 FINANCE CHARGES</b>		
<b>Cash</b>	30 266 125	11 058 248
Long-term Liabilities	2 622 780	690 036
Overdue Accounts	27 643 345	10 368 213
<b>Non-cash</b>	12 734 642	11 222 140
Post Retirement Medical Benefits	2 904 000	2 766 000
Long Service Awards	716 000	759 000
Rehabilitation of Landfill Sites	9 114 642	7 697 140
<b>Total</b>	<b>43 000 767</b>	<b>22 280 388</b>
<b>36 BULK PURCHASES</b>		
Electricity	109 867 151	101 918 231
<b>Total</b>	<b>109 867 151</b>	<b>101 918 231</b>
As previously reported		102 578 148
Correction of error restatement - note 41.3		(659 917)
<b>Restated balance</b>		<b>101 918 231</b>

Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom.

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>37 OTHER EXPENDITURE</b>		
Accounting and Auditing	3 105 410	3 556 328
Advertising, Publicity and Marketing	536 098	561 713
Arbitration Fees	-	243 625
Assets less than the Capitalisation Threshold	5 484	30 731
Audit Committee	68 624	127 420
Bank Charges, Facility and Card Fees	592 732	527 240
Building Contractors	143 952	62 199
Business and Financial Management	676 142	197 152
Catering Services	217 923	411 710
Clearing and Grass Cutting Services	97 000	-
Commission - Prepaid Electricity	1 015 049	1 305 843
Communication	1 699 002	2 327 494
Contractors Equipment	3 717 123	2 031 816
Contractors Other Assets	86 865	464 243
Electrical	6 441 233	4 184 661
Eskom Connection Fees	107 668	166 501
External Audit Fees	3 843 179	3 774 504
External Computer Service	6 878 924	3 767 069
External Personnel and Labour	1 938 879	1 215 254
Hire Charges	1 674 916	8 619 348
Indigent Relief	536 013	(361)
Infrastructure and Planning	45 219	168 738
Insurance	2 960 425	2 219 823
Laboratory Services	365 232	275 363
Legal Cost	2 383 835	979 750
Medical Health Services	3 450	7 842
Pest Control and Fumigation	7 600	-
Printing, Publications and Books	1 489 488	1 646 533
Professional Bodies, Membership and Subscription	1 785 529	2 110 848
Registration Fees	348 420	145 066
Road Worthy Test	409 187	634 110
Security Services	712 598	478 682
Travel and Subsistence	669 061	962 744
Uniform and Protective Clothing	40 523	85 956
Valuer and Assessors	673 430	485 594
Ward Committees	228 500	387 000
<b>Total</b>	<b>45 504 712</b>	<b>44 162 539</b>
<b>38 GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS</b>		
Proceeds	-	-
Less: Carrying value of Investment Property disposed	-	(719 681)
Less: Carrying value of Property, Plant and Equipment disposed	(143 493)	(692)
Less: Carrying value of Intangible Assets	-	-
<b>Total</b>	<b>(143 493)</b>	<b>(720 373)</b>
As previously reported		(781 728)
Correction of error restatement - note 41.1		61 354
<b>Restated balance</b>		<b>(720 373)</b>
<b>39 INVENTORY CONSUMED</b>		
Consumables	10 868 328	7 743 739
Materials and Supplies	248 403	237 883
Water	25 312 737	34 675 658
<b>Total</b>	<b>36 429 467</b>	<b>42 657 281</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>40 INVENTORY WRITE OFF</b>		
Materials and Consumables	1 773	(91 942)
Water	9 724 196	8 383 163
<b>Total</b>	<b>9 725 969</b>	<b>8 291 221</b>
<b>41 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR</b>		
<b>41.1 Investment Property and Property, Plant and Equipment</b>		
The following errors were noted:		
The official assets register did not agree to the financial records. Accordingly, prior year error restatement is required in order for the asset register to agree to the financial records.		
The net effect of the above-mentioned errors were as follows:		
- Property, Plant and Equipment - note 9	Understated	8 989 713
- Depreciation, Amortisation and Impairment - note 34	Understated	632 348
- Loss on disposal of Non-Monetary Assets note 38	Overstated	(61 354)
- Accumulated Surplus - note 41.4	Understated	9 560 581
<b>41.2 Unspent Conditional Government Grants</b>		
Government grants with unspent balances in previous years have been corrected due to having inactive Call Accounts.		
The net effect of the above-mentioned errors were as follows:		
- Unspent Conditional Government Grants - note 15	Understated	964 012
<b>41.3 Receivables from Non-Exchange Transactions</b>		
Correction of ESKOM Security Deposit not accounted for.		
The net effect of the above-mentioned errors were as follows:		
- Accumulated Surplus	Overstated	(659 917)
<b>41.4 Accumulated Surplus</b>		
Investment Property and Property, Plant and Equipment - note 41.1	Understated	9 560 581
Unspent Conditional Government Grants - note 15	Understated	964 012
<b>Total</b>		<b>10 524 593</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 42 NET CASH FROM/(USED) OPERATING ACTIVITIES

Net Deficit for the year	(4 703 054)	(71 671 597)
Adjusted for:		
Non-cash revenue included in Net Surplus	(4 444 000)	(6 845 670)
Actuarial Gains	(4 444 000)	(4 595 670)
Contributed Assets	-	(2 250 000)
Non-cash expenditure included in Net Surplus	95 068 826	108 006 801
Employee Related Costs - Contributions towards	5 749 027	8 057 131
Post Retirement Medical Benefits	814 000	813 000
Long Service Awards	501 000	560 000
Bonuses	4 292 130	4 985 599
Staff Leave	107 540	1 664 270
Shortfall in Cape Joint Pension Fund	34 356	34 262
Debt Impairment	39 222 085	48 527 264
Depreciation, Amortisation and Impairment	37 219 580	39 479 894
Finance Charges	12 734 642	11 222 140
Post Retirement Medical Benefits	2 904 000	2 766 000
Long Service Awards	716 000	759 000
Provision for Rehabilitation of Landfill-sites	9 114 642	7 697 140
Actuarial Losses	-	-
Loss on disposal of Non-Monetary Assets	143 493	720 373
Cash expenditure not included in Net Surplus	(8 300 227)	(8 094 257)
Post Retirement Medical Benefits	(901 000)	(804 282)
Long Service Awards	(753 000)	(650 049)
Bonuses	(4 570 805)	(4 996 248)
Staff Leave	(2 075 422)	(1 643 679)
Operating Surplus before changes in working capital	77 621 545	21 395 277
Movement in working capital	(194 353 874)	(9 623 189)
Receivables	(65 735 122)	(48 153 368)
Inventory	(1 507 995)	48 088
Consumer Deposits	287 373	164 455
Payables from exchange transactions	(132 227 041)	49 320 302
Unspent Conditional Government Grants	3 491 493	(2 094 532)
Taxes	1 337 418	(8 908 135)
<b>Cash Flow from Operating Activities</b>	<b>(116 732 329)</b>	<b>11 772 088</b>

### 43 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	4 989 164	4 883 312
Call and Notice Deposits	39 210 929	41 860 241
Cash Floats	20 193	26 792
<b>Total</b>	<b>44 220 285</b>	<b>46 770 344</b>

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

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### 44 BUDGET COMPARISONS

#### 44.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats.

The following items are affected by these classification differences:

##### Statement of Financial Position

The Statement of Financial Position is presented on a comparable basis in all material aspects.

##### Statement of Financial Performance

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

	Actuals per Statement of Financial Performance R	Reclassification due mSCOA vs GRAP classification R	Actuals per Budget Comparison R
<b>REVENUE</b>			
Property Rates	50 991 845	-	50 991 845
Service Charges - Electricity Revenue	119 398 348	-	119 398 348
Service Charges	118 524 822		
Availability Charges	873 526		
Service Charges - Water Revenue	44 385 285	-	44 385 285
Service Charges	44 150 822		
Availability Charges	234 463		
Service Charges - Sanitation Revenue	14 968 449	-	14 968 449
Service Charges	14 775 010		
Availability Charges	193 440		
Service Charges - Refuse Revenue	17 168 608	-	17 168 608
Rent on land	-	1 352 189	1 352 189
Rental of Facilities and Equipment	3 276 313	(1 352 189)	1 924 125
Interest Earned - External Investments	4 321 711	-	4 321 711
Interest Earned - Outstanding Debtors	27 451 383	-	27 451 383
Fines	586 821	-	586 821
Licences and Permits	1 830 599	-	1 830 599
Agency Services	100 021	-	100 021
Transfers Recognised - Operational	68 852 204	-	68 852 204
Other Revenue	4 202 869	-	48 678 844
Gains	4 444 000	-	4 444 000
Actuarial Gains	4 444 000		
Total Revenue (excluding capital transfers)	<b>361 978 458</b>	-	<b>406 454 433</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

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### 44 BUDGET COMPARISONS (CONTINUED)

	Actuals per Statement of Financial Performance R	Reclassification due mSCOA vs GRAP classification R	Actuals per Budget Comparison R
<b>EXPENDITURE</b>			
Employee Related Costs	95 247 662	3 620 000	98 867 662
Remuneration of Councillors	7 340 041	-	7 340 041
Debt Impairment	39 222 085	-	39 222 085
Depreciation and Asset Impairment	37 219 581	-	37 219 581
Finance Charges	43 000 767	(3 620 000)	39 380 767
Bulk purchases	109 867 151	-	109 867 151
Inventory consumed	36 429 467	-	36 429 467
Contracted Services	-	20 579 915	20 579 915
Other Expenditure	45 504 712	(20 579 915)	24 924 797
Losses	9 869 462	-	9 869 462
Loss on disposal of Non-Monetary Assets	143 493		
Inventory Write Off	9 725 969		
<b>Total Expenditure</b>	<b>423 700 927</b>	<b>-</b>	<b>423 700 928</b>
<b>Surplus/(Deficit)</b>	<b>(61 722 469)</b>	<b>-</b>	<b>(17 246 495)</b>
Transfers and subsidies - capital (monetary) - Government	12 543 441	-	12 543 441
Transfers and subsidies - capital (monetary) - Other	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(49 179 029)</b>	<b>-</b>	<b>(4 703 054)</b>

The items reclassified can be summarised as follow:

Item	GRAP Classification	Budget Classification	Amount
Grazing Fees	Rentals of Facilities and Equipment	Rent on Land	1 352 189
Post Retirement Medical Benefits	Finance Charges	Employee Related Costs	2 904 000
Long Service Awards	Finance Charges	Employee Related Costs	716 000
Catering Services	Other Expenditure	Contracted Services	217 923
Audit Committee	Other Expenditure	Contracted Services	68 624
External Personnel and Labour	Other Expenditure	Contracted Services	1 938 879
Electrical	Other Expenditure	Contracted Services	6 441 233
Legal Cost	Other Expenditure	Contracted Services	2 383 835
Infrastructure and Planning	Other Expenditure	Contracted Services	45 219
Medical Health Services	Other Expenditure	Contracted Services	3 450
Valuer and Assessors	Other Expenditure	Contracted Services	673 430
Contractors Equipment	Other Expenditure	Contracted Services	3 717 123
Accounting and Auditing	Other Expenditure	Contracted Services	3 105 410
Building Contractors	Other Expenditure	Contracted Services	143 952
Contractors Other Assets	Other Expenditure	Contracted Services	86 865
Security Services	Other Expenditure	Contracted Services	712 598
Laboratory Services	Other Expenditure	Contracted Services	365 232
Business and Financial Management	Other Expenditure	Contracted Services	676 142

### Cash Flow Statement

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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 44 BUDGET COMPARISONS (CONTINUED)

#### 44.2 Statement of Financial Position

##### Actual Amounts vs Final Budget

Cash and cash equivalents	Improvement in cash management, internal controls and an overall reduction of non-priority spending.
Receivables from exchange transactions	Improvement in the overall collection rate due to stringent credit control and debt collection procedures.
Other current assets	The balance includes the VAT portion of the provision for debt impairment. If the Taxes balance is included, the variance is immaterial.
Trade and other payables & Long term portion of trade payables	The municipality moved creditors to long-term liabilities based on the Eskom Debt Relief Programme and the National Dispute with the Water Board, but neither of the creditors deferred any portion of the outstanding balances on 30 June 2024. Overall improvement in creditor management and timeous payment of ESKOM accounts.
Employee Benefits	The variance is due to the split between current and non-current portions of Employee benefits. When the balances are netted-off, the remaining variance is immaterial.
Long-term Liabilities	The loan repayment amounts were not sufficiently considered during the budget compilation process.
Provisions	Increase in the estimated costs to rehabilitate Landfill sites at the end of its useful life.
Accumulated Surplus	The net results of the above exceeded expectations.

#### 44.3 Statement of Financial Performance

##### Actual Amounts vs Final Budget

Property Rates	Under collection is based on the complaints from the community that the rates tariff are too high and unaffordable.
Service charges - Electricity	Municipality perform better on the adjusted figures, this is result of the Revenue Enhancement Programme.
Service Charges - Water Revenue	Municipality is struggling to collect revenue from water, especially in ESKOM towns where credit control in terms of disconnections cannot be implemented.
Service Charges - Sanitation Revenue	Variances is based on the fact that only portions of the service is pre-paid.
Service Charges - Refuse Revenue	Municipality is struggling to collect revenue, especially in ESKOM towns where credit control in terms of disconnections cannot be implemented.

##### Virements

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 44 BUDGET COMPARISONS (CONTINUED)

#### Actual Amounts vs Final Budget

Gains	Municipality did not bargain for gains to be receive.
Debt Impairment	The municipality tried to keep debt impairment to the very limit based on a higher collection rate as the collection rated dipped the debt impairment increased.
Depreciation and Asset Impairment	The budget for the depreciation of landfill sites was excessive.
Finance Charges	The municipality cannot determine the interest it will need to pay as it varies.
Inventory consumed	Inventory consumed is based on the cash flow of the municipality and it will decline as collection rate of cash decline.
Losses	The municipality tried to keep debt impairment to the very limit based on a higher collection rate as the collection rated dipped the debt impairment increased
Transfers and subsidies - capital (monetary) - Government	Grant funding received less than expected.

#### 44.4 Cash Flow Statement

#### Actual Amounts vs Final Budget

Property rates, penalties & collection charges	Undercollection is based on the complaints from the community that the rates tariff are too high and unaffordable.
Service charges	Municipality perform better on the adjusted figures, this is result of the Revenue Enhancement Programme.
Transfers and Subsidies	Grant funding received less than expected.
Suppliers and Employees	Improvement in expenditure management, internal controls, and an overall reduction of non-priority spending.
Capital Assets	Grant funding received less than expected.
Repayment of Borrowing	The loan repayment amounts were not sufficiently considered during the budget compilation process.

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

#### 45.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	455 965 439	461 024 630
Unauthorised expenditure current year - operating	24 501 367	62 800 071
Unauthorised expenditure current year - capital	-	-
Approved by Council	-	(67 859 262)
<b>Unauthorised expenditure awaiting further action</b>	<b>480 466 806</b>	<b>455 965 439</b>

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

	2024 (Actual) R	2024 (Final Budget) R	2024 (Unauthorised) R	2023 (Unauthorised) R
<b>Unauthorised expenditure - Operating</b>				
Vote 1 - Executive Mayor And Council (10: le)	10 935 525	9 408 044	1 527 481	-
Vote 2 - Municipal Manager (11: le)	12 569 284	6 550 795	6 018 489	-
Vote 3 - Corporate Services (13: le)	28 487 820	36 859 506	-	-
Vote 4 - Financial Services (15: le)	65 385 380	51 382 559	14 002 821	62 800 071
Vote 5 - Community Services: Comm Dev (16: le)	29 565 550	58 505 314	-	-
Vote 6 - Community Services: Publsafety (17: le)	9 427 196	9 870 633	-	-
Vote 7 - Infrastructure,Eng And Technical (18: le)	267 330 171	264 377 596	2 952 575	-
<b>Total</b>	<b>423 700 928</b>	<b>436 954 447</b>	<b>24 501 367</b>	<b>62 800 071</b>

	2024 (Actual) R	2024 (Final Budget) R	2024 (Unauthorised) R	2023 (Unauthorised) R
<b>Unauthorised expenditure - Capital</b>				
Vote 8 - Executive Mayor And Council (20: Cs)	-	6 000 000	-	-
Vote 9 - Municipal Manager (21: Cs)	-	550 000	-	-
Vote 10 - Corporate Services (23: Cs)	-	-	-	-
Vote 11 - Community Services: Comm Dev (26: Cs)	-	-	-	-
Vote 12 - Infrastructure,Eng And Technical (28: Cs)	10 838 721	41 943 934	-	-
<b>Total</b>	<b>10 838 721</b>	<b>48 493 934</b>	<b>-</b>	<b>-</b>

#### 45.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	55 998 101	52 148 121
Fruitless and wasteful expenditure incurred - prior years	-	-
Fruitless and wasteful expenditure incurred - current year	11 487 776	12 475 563
Recovered from Employees	-	-
Approved by Council	(5 052 262)	(8 625 583)
<b>Fruitless and wasteful expenditure awaiting further action</b>	<b>62 433 616</b>	<b>55 998 101</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)</b>		
Details of fruitless and wasteful expenditure incurred		
(a) Creditors interest paid prior to 1 July	55 998 102	43 529 360
(b) SA Post Office interest paid		19 272
(c) MH Office machines interest paid		-
(d) Eskom penalties and interest paid	6 317 427	12 375 468
(e) Telkom interest paid	17 365	-
(f) Namaqua Gas interest paid	384	710
(g) Auditor General interest paid	3 546	23 180
(h) Compensation Fund		-
(i) ABSA Card Services	3 468	14 177
(j) TGIS	266	608
(k) Driver's Licence Card interest	3 549	-
(l) ABCO	5 052 456	-
(m) LA retirement Fund	89 314	-
(n) Cape Joint Retirement fund		34 262
(o) Cape Retirement Fund		1 064
<b>Total</b>	<b>67 485 877</b>	<b>55 998 102</b>

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

### 45.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	261 776 564	285 277 434
Correction of prior period	109 279 430	(33 865 273)
Restated balance	371 055 994	251 412 161
Irregular expenditure incurred - current year	3 030 210	17 340 619
Approved by Council	(7 532 594)	(6 976 216)
<b>Irregular expenditure awaiting further action</b>	<b>366 553 610</b>	<b>261 776 564</b>

Details of irregular expenditure incurred

(a) Deviations from SCM regulations - 3 quotations not obtained	-	1 419 104
(b) Deviations from SCM regulations	3 030 210	15 921 515
<b>Total</b>	<b>3 030 210</b>	<b>17 340 619</b>

Details of irregular expenditure awaiting further action:

(a) Deviations from SCM regulations - 3 quotations not obtained	1 929 572	635 381
(b) Deviations from SCM regulations	9 729 022	9 729 022
(c) Irregular expenditure prior to 1 July	354 895 016	251 412 162
<b>Total</b>	<b>366 553 610</b>	<b>261 776 564</b>

Irregular expenditure has historically been a significant challenge in the Nama Khoi Municipality. Management has therefore implemented various procedures to not only prevent non-compliance leading to Irregular expenditure proactively but also to address the significant backlogs.

As part of these processes, the municipality re-assessed prior year payments to identify additional non-compliance, based on prior year audit findings. This has resulted in a significant increase in instances of Irregular expenditure compared to balances previously reported.

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>46 MATERIAL LOSSES</b>		
<b>46.1 Water distribution losses</b>		
Kilo litres disinfected/purified/purchased	2 073 593	2 070 183
Kilo litres sold and free basic services	1 641 022	1 667 340
	<u>432 571</u>	<u>402 843</u>
Kilo litres lost during distribution	432 571	402 843
<b>Percentage lost during distribution</b>	<b>20.86%</b>	<b>19.46%</b>
Distribution loss (Rand Value)	9 724 196	8 383 163
Water losses can mainly be ascribed to a combination of major pipe bursts, field leakages and ageing meter infrastructure.		
<b>46.2 Electricity distribution losses</b>		
Units purchased (Kwh)	57 778 379	54 746 458
Units sold, free basic services and standard friction losses	45 296 442	44 278 652
	<u>12 481 937</u>	<u>10 467 806</u>
Units lost during distribution (Kwh)	12 481 937	10 467 806
<b>Percentage lost during distribution</b>	<b>21.60%</b>	<b>19.12%</b>
Distribution loss (Rand Value)	17 645 711	11 339 861
Electricity losses are due to electricity theft on pre-paid meters and illegal connections.		
<b>47 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>47.1 SALGA Contributions [MFMA 125 (1)(b)]</b>		
Opening balance	463 046	235 401
Expenditure incurred	1 163 096	1 077 645
Payments - current year	(750 000)	(614 599)
Payments - previous year	(500 000)	(235 401)
	<u>376 142</u>	<u>463 046</u>
<b>Payments in advance</b>	<b>376 142</b>	<b>463 046</b>
<b>47.2 Audit Fees [MFMA 125 (1)(c)]</b>		
Opening balance	5 801 868	6 769 250
Expenditure incurred	3 280 090	3 901 924
External Audit - Auditor-General	3 211 466	3 774 504
Audit Committee	68 624	127 420
Payments - current year	-	-
Payments - previous year	(2 950 754)	(4 869 306)
	<u>6 131 204</u>	<u>5 801 868</u>
<b>Outstanding Balance</b>	<b>6 131 204</b>	<b>5 801 868</b>
<b>47.3 VAT [MFMA 125 (1)(c)]</b>		
Opening balance	210 285	(490 816)
Net amount claimed / (declared) during the year	(2 361 860)	3 780 926
Net amount paid / (received) during the year	1 160 842	(3 079 825)
	<u>(990 734)</u>	<u>210 285</u>
<b>Outstanding Balance</b>	<b>(990 734)</b>	<b>210 285</b>
VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.		

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>47 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)</b>		
<b>47.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]</b>		
Opening balance	(569)	-
Payroll deductions and Council Contributions during the year	(16 336 713)	(16 708 292)
Payments	15 073 608	16 707 722
<b>Outstanding Balance</b>	<b>(1 263 674)</b>	<b>(569)</b>
<b>47.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]</b>		
Opening balance	-	-
Payroll deductions and Council Contributions during the year	(19 633 262)	(21 029 806)
Payments made to pension and medical fund	18 110 624	21 029 806
<b>Outstanding Balance</b>	<b>(1 522 638)</b>	<b>-</b>
<b>47.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]</b>		
The following Councillors had arrear accounts for more than 90 days as at 30 June:		
WS Jordaan (Wonick)	-	97 041
<b>Total</b>	<b>-</b>	<b>97 041</b>
<b>47.7 Deviations from Supply Chain Management Regulations</b>		
Deviations from Supply Chain Management Regulations were identified on the following categories:		
Section 36(1)(a)(i) - Emergencies	406 972	112 111
Section 36(1)(a)(ii) - Single provider	-	-
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical so follow official procurement process	568 555	4 229 023
<b>Total</b>	<b>975 527</b>	<b>4 341 134</b>
All the deviations were ratified by the Municipal Manager and reported to Council.		
<b>48 CAPITAL COMMITMENTS</b>		
Approved and contracted for	<b>4 917 323</b>	<b>8 541 455</b>
Infrastructure	4 917 323	8 541 455
This expenditure will be financed from:		
Government Grants	4 917 323	8 541 455
<b>Total</b>	<b>4 917 323</b>	<b>8 541 455</b>
Capital Commitments are disclosed inclusive of Value Added Tax (VAT).		

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 49 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

#### 49.1 Credit Risk

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

The following financial assets are exposed to credit risk:

Cash and Cash Equivalents	44 200 093	46 743 553
Receivables from exchange transactions	47 377 248	29 913 489
Receivables from non-exchange transactions	507 475	91 126
Long-term Receivables	-	-
<b>Total</b>	<b>92 084 816</b>	<b>76 748 168</b>

#### Cash and Cash Equivalents

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

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

#### Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

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

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

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

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

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

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

Electricity	10 568 120	3 797 737
Water	7 893 409	7 972 576
Refuse	3 976 860	1 713 251
Sewerage	2 624 494	957 486
Property Rentals	-	355 921
Other	(6 436 749)	1 263 230
Availability Charges	280 847	-
<b>Total</b>	<b>18 906 981</b>	<b>16 060 200</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 49 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 49.2 Currency risk (Market Risk)

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

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

#### 49.3 Interest rate risk (Market Risk)

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

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (excluding cash on hand)	44 200 093	46 743 553
Long-term Liabilities (including current portion)	(20 480 359)	(24 508 454)
<b>Net balance exposed</b>	<b>23 719 734</b>	<b>22 235 099</b>

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

0.5% (2023 - 0.5%) increase in interest rates	118 599	111 175
0.5% (2023 - 0.5%) decrease in interest rates	(118 599)	(111 175)

#### 49.4 Liquidity risk

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

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

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
<b>30 JUNE 2024</b>				
Annuity Loans	6 608 350	18 723 660	-	25 332 010
Finance Lease Liabilities	259 863	-	-	259 863
Payables from exchange transactions	266 382 098	-	-	266 382 098
<b>Total</b>	<b>273 250 311</b>	<b>18 723 660</b>	<b>-</b>	<b>291 973 971</b>
<b>30 JUNE 2023</b>				
Annuity Loans	6 608 350	25 332 010	-	31 940 360
Finance Lease Liabilities	519 726	259 863	-	779 589
Payables from exchange transactions	456 410 640	-	-	456 410 640
<b>Total</b>	<b>463 538 717</b>	<b>25 591 873</b>	<b>-</b>	<b>489 130 590</b>

#### 49.5 Other price risk (Market Risk)

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

The Municipality is not exposed to any other price risk.

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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### 50 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

#### Financial Assets

Cash and Cash Equivalents	44 200 093	46 743 553
Bank Accounts	4 989 164	4 883 312
Investment Deposits	39 210 929	41 860 241
Receivables from Exchange Transactions	47 377 248	29 913 489
Electricity	19 398 727	10 282 520
Water	13 140 023	11 867 292
Refuse	5 859 859	3 506 302
Sewerage	4 052 655	2 262 868
Property Rentals	11 320 910	504 257
Other	(6 394 926)	1 490 250
Receivables from Non-Exchange Transactions	507 475	91 126
Availability Charges	507 475	91 126
Long-term Receivables	-	-
Receivables with repayment arrangements	-	-
<b>Total</b>	<b>92 084 816</b>	<b>76 748 168</b>

#### Financial Liabilities

Payables from exchange transactions	266 382 098	456 410 640
Trade Payables	263 013 572	452 499 778
Retentions	2 164 070	1 572 712
Other Payables	1 204 456	2 338 151
Long-term Liabilities	20 734 081	25 239 378
Annuity Loans	20 480 359	24 508 454
Finance Lease Liabilities	253 723	730 924
<b>Total</b>	<b>287 116 179</b>	<b>481 650 018</b>

### 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	12 443 572	11 034 868
Rates	12 361 877	10 861 275
Fines	81 695	173 594
Taxes - VAT Claimable from SARS	-	236 532
<b>Total</b>	<b>12 443 572</b>	<b>11 271 400</b>

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

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 19 for property rates levied for the year and basis for interest and rate used on outstanding balances.

Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 4 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>51 STATUTORY RECEIVABLES (CONTINUED)</b>		
Refer to note 4 for determining the recoverability of property rates and traffic fines.		
Property Rates		
- Past due at the reporting date, and which have been impaired	71 161 594	63 476 449
- Past due that have not been impaired	<u>8 156 515</u>	<u>6 949 042</u>
<b>52 PRINCIPAL-AGENT ARRANGEMENTS</b>		
The Municipality has assessed that the following significant principal-agent arrangements exists:		
<b>52.1 Principal in other Principal-Agent Arrangements (non-material)</b>		
Nama Khoi Municipality is the Principal in arrangements with service providers who sell prepaid electricity on their behalf. Prepaid vendors earn commission on the value of each transaction.		
The following information is disclosed in aggregate:		
Compensation paid for agency activities:		
Commission - Prepaid Electricity - note 37	<u>1 015 049</u>	<u>1 247 326</u>
There are no resources under the custodianship of the agents, nor have they been recognised as such.		
<b>52.2 Agent in arrangement with Provincial Department of Transport</b>		
Nama Khoi Municipality is the Agent in the Principal-Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.		
Compensation received for agency activities:		
Agency Services - note 29	<u>100 021</u>	<u>288 330</u>
Nama Khoi municipality was paid a commission fee by Provincial Department of Transport for acting as an agent on its behalf during the financial year.		
Reconciliation of Agency Funds and Disbursements:		
Total agency funds received	100 021	288 330
Amount remitted to the principal	<u>(100 021)</u>	<u>(288 330)</u>
Variance between amounts received and amounts remitted	<u>-</u>	<u>-</u>
<b>53 EVENTS AFTER REPORTING DATE</b>		
The Municipal had no significant events after reporting date.		
<b>54 IN-KIND DONATIONS AND ASSISTANCE</b>		
The Municipality did not receive any in-kind donations or assistance during the year under review.		

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>55 PRIVATE PUBLIC PARTNERSHIPS (PPP's)</b>		
The Municipality did not enter into any PPP's in the current and prior year.		
<b>56 CONTINGENT LIABILITIES</b>		
The municipality is currently engaged in the following litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.		
<b>56.1 Nama Khoi Municipality / Cornelissen Inc (obo Schreuders Attorneys)</b>	1 000 000	1 000 000
Legal fees charged to the Municipality which was not sanctioned by Council. Management's estimate of financial exposure, including costs and disbursements is estimated at R1.0 million		
<b>56.2 IMATU obo RC Hartley / Nama Khoi Municipality (Neville Cloete Attorneys Inc)</b>	160 000	160 000
Claim for allegedly unpaid Acting Allowance as Acting Head of Department of Community services. Estimated costs exposure approximately R160 000.		
<b>56.3 Nama Khoi Municipality / Okiep Copper Company (Pty) Ltd (obo Webber Wentzel Attorneys)</b>	500 000	500 000
This matter involves a summons issued by the Municipality against O'Okiep Copper Company (Pty) Ltd (OCC) for the transfer of the Springbok airfield pursuant to a written sale agreement entered into between the Municipality and the OCC in 1994 in terms of which Springbok Municipality (Nama Khoi Local Municipality's predecessor) bought the airfield from the OCC. The OCC is defending the action, and has also instituted a counter-claim and as a consequence thereof was claiming (1) an order declaring that the Municipality must vacate the airfield, (2) that the Municipality must pay rental income for the period the Municipality occupied the airfield, and (3) that the Municipality must pay rehabilitation costs for the repair and maintenance of the airfield. The OCC has now amended its plea and as a consequence has done away with its counter-claim for rental and rehabilitation costs.		
The pleadings have closed and the matter needs to be prepared for trial. However, the OCC has made certain proposals to settle the matter, which proposal for settlement have not been accepted and thus the matter is in process of being prepared for trial. Management's estimate of financial exposure is estimated at R500 000.		
<b>56.4 Nama Khoi Municipality / Afriforum NPC (obo Webber Wentzel Attorneys)</b>	200 000	200 000
This matter involves an application by Afriforum NPC against the Municipality for declaratory relief pertaining to the appointment of the Head of Department: Technical services. The Municipality has opposed the matter, however the parties are currently attempting to resolve the matter amicably. In the event that the matter can not be resolved amicably and the application is proceeded with, the estimate of financial exposure including legal costs and disbursements will be approximately R200 000 in the event that the application is successful.		
<b>56.5 Nama Khoi Municipality / Country Hotels (Pty) Ltd (obo Webber Wentzel Attorneys)</b>	855 738	-
This matter involves a summons issued by Country Hotels for payment of damages in the form of 50% of water charges paid as a result of the alleged improper installation of an alleged defective water meter on the water supply that serves the Springbok Inn resulting in the plaintiff allegedly being overcharged for water consumed at the Springbok Inn. The Municipality has defended the action, however, the parties are currently attempting to resolve the matter amicably.		
The amount being claimed is R605 737.99, being 50% of the total water charges paid to the Municipality to date, plus interest on 50% of each payment for water at the prescribed rate from date of the payment of the overestimated charges.		

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>Figures in Rand</b>	<b>2024</b>	<b>2023</b>
<b>56.6 Nama Khoi Municipality / Liquid Telecommunications (obo Webber Wentzel Attorneys)</b>	2 899 683	-
<p>This matter involves a summons issued by Liquid Telecommunications South Africa for payment relating to the alleged failure by the Municipality to make payments in respect of telecommunication services and for breach of contract. The Municipality has defended the matter amicably. Liquid Telecom's legal representatives have also indicated that they intend to amend Liquid Telecom's Particulars of Claim.</p> <p>The amount being claimed is R2 449 683 plus interest on overdue amount at Nedbank's prevailing prime overdraft rate plus 2%, compounded monthly in arrears.</p>		
<b>56.7 Nama Khoi Municipality / Pauline le Cordeur (obo Webber Wentzel Attorneys)</b>	150 000	-
<p>This matter involves an application for a declaration that the Applicant is the lawful owner of Erf 1323 Nababeep, situated within the Nama Khoi Municipality, in the Northern Cape Province. A declaration that the transfer and registration of the Property, in terms of the Title Deed number T297/1889, is null and void. An order directing the Third Respondent, in terms of section 6 of the Deeds Registries Act 47 of 1937, to cancel the transfer of the Property to the Second Respondent. An order authorising and directing the Third Respondent to transfer the Property into the name of the Applicant and that the Municipality and the Second Respondent pay the costs of the application.</p> <p>The Municipality initially opposed the application, however, the Municipality subsequently filed a Conditional Notice of Withdrawal and to abide as well as an explanatory affidavit to assist the Court.</p>		
<b>55.8 Nama Khoi Municipality / Eskom SOC Limited, (Bossr Inc Cape Town)</b>	31 138	700 000
<p>Nama Khoi Municipality held an Court Order prohibiting Eskom to disconnect the electricity. Nama Khoi Municipality and ESKOM has settled the litigation on 26 January 2024. Bossr were instructed to withdraw the application.</p>		
<b>56.8 Nama Khoi Municipality / Illegal Miners - Kleinzee (Bossr Inc Cape Town)</b>	-	300 000
<p>Review in court over eviction of illegal miners from Kleinzee by De Beers. Currently in discussions and negotiations with De Beers Consolidated mines. De Beers and Municipality currently in negotiations. Estimate costs exposure approximately R300 000.</p>		
<b>55.10 Nama Khoi Municipality / Sedibeng Water (Bossr Inc Cape Town)</b>	-	200 000
<p>Possible claim against Sedibeng Water for electricity usage and other charges. Interdicting Sedibeng Water from disconnecting the water supply and to institute a claim against Sedibeng Water. Sedibeng underwent a disestablishment under Bloem Water. Estimate costs exposure approximately R200 000.</p>		
<b>55.11 Nama Khoi Municipality / William Bowers (Ettienne Vermaak)</b>	-	50 000
<p>Disciplinary hearing of Mr William Bowers. Postponed in 2022/2023 financial year to get the public protector to testify in the hearing. As this is a disciplinary hearing and not a court case, no amount is claimed by Mr Bowers. Mr Vermaak confirmed on 09 July 2024 that he is not representing the Municipality in any case or litigation at the moment.</p>		
<b>55.12 Nama Khoi Municipality / Brandon Love (Ettienne Vermaak)</b>	-	50 000
<p>Disciplinary hearing of Mr Brandon Love. Postponed in 2022/2023 financial year due to his ill health. As this is a disciplinary hearing and not a court case, no amount is claimed by Mr Love. Mr Vermaak confirmed on 09 July 2024 that he is not representing the Municipality in any case or litigation at the moment.</p>		
<b>55.13 Total</b>	<b>5 796 559</b>	<b>3 160 000</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

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### 57 RELATED PARTIES

#### 57.1 Related Party Transactions

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

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

#### 57.2 Related Party Loans

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

#### 57.3 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 31 and 32.

#### 57.4 Other related party transactions

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

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

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

Company Name	Employee of the State (Service Capacity) / Relationship	Amount	Amount
FR Mining Engineering and Construction (Pty) Ltd	Micheal Raymond (Commonage Officer - Nama Khoi Municipality) - Brother of Director	-	225 541
Supplies Ablaze	Harold Roberts (Regional Director - Dept Roads and Public Works) - Parent of Director	246 665	-
BVI Raadgewende Ingenieurs	Elaxzan Cloete (HR Officer - Dept of Roads and Public Works) - Spouse of Director	3 799 258	-
Springbok A-Z Repair cc	Petronella Cloete (SAPS) - Spouse of Director	331 598	9 174
Xhoebies Richveld Mining	E Cloete and B Damon (HR - Dept Health and ICT - Nama Khoi Mun) - Spouse of Director and Sister of Director	-	23 250
Adv Ettienne Vermaak	Johanna Vermaak (Pharmacist - Department of Health Karl Bremer Hospital) - Spouse of Director	1 147 269	83 530
<b>Total</b>		<b>5 524 790</b>	<b>341 495</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

2024

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### 59 FINANCIAL SUSTAINABILITY

Nama Khoi municipality operates with a Funded Budget Plan and implements cost containment measures rigorously, as it has limited available revenue compared to its extensive expenditure needs. The municipality initiated a cost of supply studies for water, electricity, and sewerage services and will be implementing the cost-reflective tariffs starting with the 2025-26 Budget. The municipality manage its income and expenditure on a month-to-month basis as to ensure the municipality meets its financial obligations.

The going concern remained a challenge for Nama Khoi municipality as debtors and creditors kept on increasing during the financial year, however, it must be noted that the municipality commenced initiatives to address the issues. In terms of creditors the municipality applied for the Debt Write-off initiative from National Treasury, and in relation to debtors the municipality embarked on Revenue Enhancement Project that includes the replacement of pre-paid electricity meters, whilst pre-paid water meters currently in the pilot phase. The municipality is in dispute with the Water Board, relating to the tariff increases in prior years. Bulk purchases account is in question, due to the meters were found not to be accurate. There have been constant breakdowns where the municipality assisted the Water Board at no cost or rebates for work done.

Basic Services is the main source of income for Nama Khoi, with operational grants in the form of Equitable Shares closely second. Many households within the municipal region are also social grant dependent with 5000+ registered indigents out of the 11 500 + households. At this stage, it will be extremely difficult for the municipality to operate without government grants, as it does not have funds for Capital Projects and solely rely on MIG, WSIG, EPWP, and INEP.

External experts assisted Nama Khoi municipality to revise its current policies and to align them with the latest legislation and best practice industry standards. The municipality does financial reporting monthly and has an active Institutional Economic and Finance Committee where matters such as the collection of cash, outstanding debtors, and new revenue enhancement initiatives are discussed. The municipality also reports monthly on all reporting requirements to National Treasury.

Revenue enhancement initiatives currently implemented to change the municipality's financial sustainability include the following:

- The reduction of non-revenue water – the initiative is in collaboration with DBSA.
- Initiatives in collaboration with Syntell and it includes:
  - o Replacement of prepaid electricity meters,
  - o Introduction of pre-paid water meters,
  - o The TID rollover that will also include a debtor's audit, upfront payment of large powers users, etc.

Service Delivery remains a challenge due to vast distances and aged infrastructure, however, the municipality acquired a loan and has managed to purchase the fleet previously on lease, and currently has a saving on the payment while having more funds available to add to the fleet while also addressing certain service relating issues. A panel of consultants and service providers was appointed in the previous financial year to assist the municipality with the implementation of projects, while also giving the small business owners the opportunity to be actively involved in the municipality. Small scale entrepreneurs are currently assisting the municipality with the refuse removal. This will reduce the load on the refuse trucks, which will effectively lead to cost reduction.

The municipality received many proposals on alternative energy throughout the financial year and the outcome will have an impact on the electricity usage by default having a saving for the municipality. Mining activities are about to be revived in the area bringing much hope to the community and the possibility of new revenue streams for the municipality. The municipality have embarked on a Green Energy project through the Syntell Enhancement Programme. This includes buying electricity at R1 per unit, instead of Eskom's tariffs, that are above R2 per unit.

The municipality successfully applied for the Debt Relief Programme and is in line that three quarters of the debt to be written off. The municipality spent a portion of the vehicle fleet loan, secured in the previous financial year. An analysis will be conducted on the needs of the community to acquire more service delivery assets. This will boost service delivery while reducing expenditure such as overtime and repairs on fleet.

### 61 B-BBEE PERFORMANCE

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Figures in Rand

2024

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### 62 SEGMENT REPORTING

#### 62.1 General Information

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

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

No	Reportable Segment	Goods and/or services delivered
1	Executive and Council	Supply of overall governance and oversight
2	Municipal Manager	Supply of overall governance and administration
3	Corporate Services	Supply of support functions
4	Financial Services	Supply of financial management functions and management of property rates
5	Community Services	Facilitation of community services including cemeteries, halls, health, parks, libraries and sport facilities, and public safety including traffic control, fire fighting, disaster management and pounds.
6	Technical Services	Planning and development and maintenance of roads
7	Energy sources	Electricity services
8	Water management	Water services
9	Waste water management	Sewerage services
10	Waste management	Refuse removal

#### 62.2 Reporting on segment assets and liabilities

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

#### 62.3 Geographic Segment Reporting

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

#### 62.4 Measurement of specific segment information

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

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

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

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 62 SEGMENT REPORTING (CONTINUED)

	Executive and Council R	Municipal Manager R	Corporate Services R	Financial Services R	Community Services R	Technical Services R	Energy sources R	Water management R	Waste water management R	Waste management R	Total R
<b>2024</b>											
<b>REVENUE</b>											
<b>External Revenue from Non-Exchange Transactions</b>	-	1 103 000	-	112 345 301	3 467 254	-	61 185 451	-	12 637 551	-	190 738 557
Property Rates	-	-	-	50 991 845	-	-	-	-	-	-	50 991 845
Government Grants and Subsidies - Operating	-	1 103 000	-	50 658 304	1 237 900	-	15 853 000	-	-	-	68 852 204
Government Grants and Subsidies - Capital	-	-	-	-	-	-	-	-	12 543 441	-	12 543 441
Contributed Assets	-	-	-	-	-	-	-	-	-	-	-
Availability Charges	-	-	-	528 901	-	-	678 417	-	94 111	-	1 301 429
Fines, penalties and forfeits	-	-	-	10 007	398 755	-	178 059	-	-	-	586 821
Interest Earned - outstanding debtors (non-exchange)	-	-	-	5 712 243	-	-	-	-	-	-	5 712 243
Licences and Permits	-	-	-	-	1 830 599	-	-	-	-	-	1 830 599
Actuarial Gains	-	-	-	4 444 000	-	-	-	-	-	-	4 444 000
Debt Waived	-	-	-	-	-	-	44 475 975	-	-	-	44 475 975
<b>External Revenue from Exchange Transactions</b>	370 606	294 778	1 904 850	40 481 001	3 243 961	90 502	114 505 266	44 150 822	14 775 010	8 442 520	228 259 316
Service Charges	-	-	-	12 745 644	-	-	114 505 266	44 150 822	14 775 010	8 442 520	194 619 262
Rental of Facilities and Equipment	-	-	1 698 735	-	1 577 578	-	-	-	-	-	3 276 313
Interest Earned - external investments	-	-	-	4 321 711	-	-	-	-	-	-	4 321 711
Interest Earned - outstanding debtors (exchange)	-	-	-	21 739 140	-	-	-	-	-	-	21 739 140
Agency Services	-	-	-	-	100 021	-	-	-	-	-	100 021
Other Income	370 606	294 778	206 115	1 674 506	1 566 362	90 502	-	-	-	-	4 202 869
<b>TOTAL REVENUE</b>	<b>370 606</b>	<b>1 397 778</b>	<b>1 904 850</b>	<b>152 826 302</b>	<b>6 711 215</b>	<b>90 502</b>	<b>175 690 718</b>	<b>44 150 822</b>	<b>27 412 561</b>	<b>8 442 520</b>	<b>418 997 873</b>
<b>EXPENDITURE</b>											
Employee Related Costs	1 662 347	10 254 110	8 923 374	19 484 627	15 895 496	11 405 438	6 618 390	8 355 699	8 035 152	4 613 028	95 247 662
Remuneration of Councillors	7 340 041	-	-	-	-	-	-	-	-	-	7 340 041
Debt Impairment	-	-	-	2 737	-	-	39 207 528	10 889	-	931	39 222 085
Depreciation, Amortisation and Impairment	-	-	4 198 607	-	2 574 711	-	12 847 795	5 910 929	7 582 221	4 105 319	37 219 581
Finance Charges	-	-	-	33 886 125	-	-	-	-	-	9 114 642	43 000 767
Bulk Purchases	-	-	-	-	-	-	109 867 151	-	-	-	109 867 151
Other Expenditure	1 933 137	2 315 174	14 405 652	11 866 626	2 281 675	4 230 961	7 477 210	753 691	124 566	116 020	45 504 712
Loss on disposal of Non-Monetary Assets	-	-	-	143 492	-	-	-	-	-	-	143 492
Inventory Consumed	-	-	258 846	-	45 412	10 403 947	-	25 450 529	248 403	22 331	36 429 467
Inventory Write Off	-	-	-	1 773	-	-	-	9 724 196	-	-	9 725 969
<b>Total Expenditure</b>	<b>10 935 525</b>	<b>12 569 284</b>	<b>27 786 479</b>	<b>65 385 380</b>	<b>20 797 293</b>	<b>26 040 347</b>	<b>176 018 074</b>	<b>50 205 934</b>	<b>15 990 342</b>	<b>17 972 270</b>	<b>423 700 928</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(10 564 919)</b>	<b>(11 171 506)</b>	<b>(25 881 629)</b>	<b>87 440 922</b>	<b>(14 086 078)</b>	<b>(25 949 845)</b>	<b>(327 357)</b>	<b>(6 055 112)</b>	<b>11 422 219</b>	<b>(9 529 749)</b>	<b>(4 703 054)</b>
Less: Government Grants and Subsidies - Capital	-	-	-	-	-	-	-	-	(12 543 441)	-	(12 543 441)
Less: Contributed Assets	-	-	-	-	-	-	-	-	-	-	-
<b>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(10 564 919)</b>	<b>(11 171 506)</b>	<b>(25 881 629)</b>	<b>87 440 922</b>	<b>(14 086 078)</b>	<b>(25 949 845)</b>	<b>(327 357)</b>	<b>(6 055 112)</b>	<b>(1 121 222)</b>	<b>(9 529 749)</b>	<b>(17 246 495)</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>77 586</b>	<b>329 036</b>	<b>-</b>	<b>38 261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 364 051</b>	<b>11 822 829</b>	<b>-</b>	<b>13 631 764</b>

# NAMA KHOI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 62 SEGMENT REPORTING (CONTINUED)

	Executive and Council R	Municipal Manager R	Corporate Services R	Financial Services R	Community Services R	Technical Services R	Energy sources R	Water management R	Waste water management R	Waste management R	Total R
<b>2023</b>											
<b>REVENUE</b>											
<b>External Revenue from Non-Exchange Transactions</b>	-	1 143 617	-	124 019 666	3 997 732	-	2 464 308	452 791	8 696 725	-	140 774 839
Property Rates	-	-	-	51 448 145	-	-	-	-	-	-	51 448 145
Government Grants and Subsidies - Operating	-	1 143 617	-	61 710 184	1 344 343	-	-	-	-	-	64 198 145
Government Grants and Subsidies - Capital	-	-	-	-	-	-	1 950 776	-	8 491 611	-	10 442 387
Contributed Assets	-	-	-	2 250 000	-	-	-	-	-	-	2 250 000
Availability Charges	-	-	-	-	-	-	513 532	452 791	205 114	-	1 171 436
Fines, penalties and forfeits	-	-	-	-	1 487 437	-	-	-	-	-	1 487 437
Interest Earned - outstanding debtors (non-exchange)	-	-	-	4 015 667	-	-	-	-	-	-	4 015 667
Licences and Permits	-	-	-	-	1 165 952	-	-	-	-	-	1 165 952
Actuarial Gains	-	-	-	4 595 670	-	-	-	-	-	-	4 595 670
<b>External Revenue from Exchange Transactions</b>	<b>103 036</b>	<b>329 905</b>	<b>2 612 604</b>	<b>23 510 336</b>	<b>1 942 004</b>	<b>717</b>	<b>100 259 935</b>	<b>42 411 041</b>	<b>14 022 847</b>	<b>16 273 486</b>	<b>201 465 912</b>
Service Charges	-	-	-	-	-	-	100 259 935	42 411 041	14 022 847	16 273 486	172 967 311
Rental of Facilities and Equipment	-	-	2 438 076	-	1 513 826	-	-	-	-	-	3 951 902
Interest Earned - external investments	-	-	-	2 713 645	-	-	-	-	-	-	2 713 645
Interest Earned - outstanding debtors (exchange)	-	-	-	17 415 434	-	-	-	-	-	-	17 415 434
Agency Services	-	-	-	-	288 330	-	-	-	-	-	288 330
Other Income	103 036	329 905	174 528	3 381 257	139 848	717	-	-	-	-	4 129 291
<b>TOTAL REVENUE</b>	<b>103 036</b>	<b>1 473 522</b>	<b>2 612 604</b>	<b>147 530 002</b>	<b>5 939 737</b>	<b>717</b>	<b>102 724 243</b>	<b>42 863 832</b>	<b>22 719 572</b>	<b>16 273 486</b>	<b>342 240 751</b>
<b>EXPENDITURE</b>											
Employee Related Costs	-	11 204 781	11 690 114	18 658 759	15 713 667	11 605 250	7 099 920	7 789 569	7 642 542	7 711 582	99 116 182
Remuneration of Councillors	6 758 975	-	-	-	-	-	-	-	-	-	6 758 975
Debt Impairment	-	-	-	48 527 262	-	-	-	-	-	-	48 527 262
Depreciation, Amortisation and Impairment	-	-	2 736 456	211 412	3 686 135	7 019 947	8 598 404	4 651 831	6 531 749	6 043 961	39 479 895
Finance Charges	-	-	3 525 000	18 755 388	-	-	-	-	-	-	22 280 388
Bulk Purchases	-	-	-	-	-	-	101 918 231	-	-	-	101 918 231
Other Expenditure	2 238 184	2 255 722	17 900 298	10 941 864	2 406 239	1 763 456	5 422 840	1 089 998	143 939	-	44 162 539
Actuarial Losses	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of Non-Monetary Assets	-	720 373	-	-	-	-	-	-	-	-	720 373
Inventory Consumed	-	-	452 346	-	63 244	7 206 820	-	34 675 658	237 883	21 329	42 657 281
Inventory Write Off	-	-	-	-91 942	-	-	-	8 383 163	-	-	8 291 221
<b>Total Expenditure</b>	<b>8 997 158</b>	<b>14 180 876</b>	<b>36 304 214</b>	<b>97 002 743</b>	<b>21 869 285</b>	<b>27 595 472</b>	<b>123 039 394</b>	<b>56 590 219</b>	<b>14 556 113</b>	<b>13 776 871</b>	<b>413 912 347</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(8 894 122)</b>	<b>(12 707 354)</b>	<b>(33 691 610)</b>	<b>50 527 259</b>	<b>(15 929 548)</b>	<b>(27 594 756)</b>	<b>(20 315 151)</b>	<b>(13 726 387)</b>	<b>8 163 459</b>	<b>2 496 615</b>	<b>(71 671 596)</b>
Less: Government Grants and Subsidies - Capital	-	-	-	-	-	-	(1 950 776)	-	(8 491 611)	-	(10 442 387)
Less: Contributed Assets	-	-	-	(2 250 000)	-	-	-	-	-	-	(2 250 000)
<b>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(8 894 122)</b>	<b>(12 707 354)</b>	<b>(33 691 610)</b>	<b>48 277 259</b>	<b>(15 929 548)</b>	<b>(27 594 756)</b>	<b>(22 265 927)</b>	<b>(13 726 387)</b>	<b>(328 152)</b>	<b>2 496 615</b>	<b>(84 363 983)</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>5 782 474</b>	<b>974 839</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 696 327</b>	<b>4 660 857</b>	<b>2 723 153</b>	<b>-</b>	<b>15 837 650</b>

# NAMA KHOI LOCAL MUNICIPALITY

## APPENDIX A (UNAUDITED)

### SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDED 30 JUNE 2024

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2023	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2024
<b><u>Annuity Loans</u></b>							
Nedbank	12042023	11.30%	2028/05/01	24 508 454	-	(4 028 096)	20 480 359
<b>Total Annuity Loans</b>				<b>24 508 454</b>	<b>-</b>	<b>(4 028 096)</b>	<b>20 480 359</b>
<b><u>Finance Lease Liabilities</u></b>							
Nashua Ltd	000055 MAJ	8.25%	2024/12/31	730 924	-	(477 201)	253 722
<b>Total Finance Lease Liabilities</b>				<b>730 924</b>	<b>-</b>	<b>(477 201)</b>	<b>253 722</b>
<b>TOTAL LONG-TERM LIABILITIES</b>				<b>25 239 378</b>	<b>-</b>	<b>(4 505 297)</b>	<b>20 734 081</b>

# NAMA KHOI LOCAL MUNICIPALITY

## APPENDIX B (UNAUDITED)

### DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDED 30 JUNE 2024

	OPENING BALANCE	CORRECTION OF ERROR	RESTATED BALANCE	GRANTS RECEIVED	GRANTS REPAID	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	CLOSING BALANCE
	R	R	R	R	R	R	R	R
<b>NATIONAL GOVERNMENT</b>								
Equitable Share	-	-	-	63 411 304	-	(63 411 304)	-	-
Finance Management Grant (FMG)	-	-	-	3 100 000	-	(3 100 000)	-	-
Municipal Infrastructure Grant (MIG)	4 645 673	-	4 645 673	10 272 000	(4 645 673)	-	(10 260 144)	11 856
Expanded Public Works Programme (EPWP)	69 270	-	69 270	1 103 000	(69 270)	(1 103 000)	-	-
Integrated National Electrification Programme (INEP)	49 224	-	49 224	-	(49 224)	-	-	-
Water Service Infrastructure Grant (WSIG)	7 767 579	-	7 767 579	10 000 000	-	-	(2 283 296)	15 484 283
<b>Total</b>	<b>12 531 746</b>	<b>-</b>	<b>12 531 746</b>	<b>87 886 304</b>	<b>(4 764 167)</b>	<b>(67 614 304)</b>	<b>(12 543 440)</b>	<b>15 496 139</b>
<b>PROVINCIAL GOVERNMENT</b>								
Libraries, Archives and Museums	185 697	-	185 697	1 565 000	-	(1 237 900)	-	512 797
Department of Water Affairs - WSACDBP	510 747	(510 747)	-	-	-	-	-	-
LG SETA	228 576	-	228 576	-	-	-	-	228 576
Department Sport, Arts and Culture	308 500	(308 500)	-	-	-	-	-	-
Swimming Pool	450 000	-	450 000	-	-	-	-	450 000
World Cup 2010	52 139	(52 139)	-	-	-	-	-	-
Municipal Disaster Recovery Grant	817 356	-	817 356	-	-	-	-	817 356
Fire Equipment	52 264	(52 264)	-	-	-	-	-	-
Housing	1 265 273	-	1 265 273	200 000	-	-	-	1 465 273
<b>Total</b>	<b>3 870 552</b>	<b>(923 650)</b>	<b>2 946 902</b>	<b>1 765 000</b>	<b>-</b>	<b>(1 237 900)</b>	<b>-</b>	<b>3 474 002</b>
<b>OTHER GRANT PROVIDERS</b>								
Wade Project	40 362	(40 362)	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
<b>Total</b>	<b>40 362</b>	<b>(40 362)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ALL SPHERES OF GOVERNMENT</b>	<b>16 442 660</b>	<b>(964 012)</b>	<b>15 478 648</b>	<b>89 651 304</b>	<b>(4 764 167)</b>	<b>(68 852 204)</b>	<b>(12 543 440)</b>	<b>18 970 141</b>

# NAMA KHOI LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	FINAL BUDGET	ACTUAL OUTCOME	BUDGET VARIANCE	RESTATED OUTCOME
	2024	2024	2024	2024	2024	2023
	R	R	R	R	R	R
<b>Financial Performance</b>						
Property rates	57 427 711	(1 181)	57 426 530	50 991 845	(6 434 685)	51 448 145
Service charges	255 290 457	(51 112 824)	204 177 633	195 920 691	(8 256 942)	174 138 746
Investment revenue	2 084 695	2 133 945	4 218 640	4 321 711	103 071	2 713 645
Transfers and subsidies - operational	69 179 000	817 355	69 996 355	68 852 204	(1 144 151)	64 198 145
Other own revenue	27 656 391	8 601 516	36 257 907	86 367 981	50 110 074	37 049 682
<b>Total Operating Revenue (excluding capital transfers)</b>	<b>411 638 254</b>	<b>(39 561 189)</b>	<b>372 077 065</b>	<b>406 454 433</b>	<b>34 377 368</b>	<b>329 548 363</b>
Employee costs	102 966 854	(8 163 766)	94 803 088	98 867 662	4 064 574	102 641 182
Remuneration of councillors	6 758 975	543 069	7 302 044	7 340 041	37 997	6 758 975
Debt impairment	-	22 200 000	22 200 000	39 222 085	17 022 085	48 527 262
Depreciation and asset impairment	81 663 419	(9 271 852)	72 391 567	37 219 581	(35 171 986)	39 479 895
Finance charges	2 702 525	14 522 812	17 225 337	39 380 767	22 155 430	18 755 388
Bulk purchases	138 000 000	(18 000 000)	120 000 000	109 867 151	(10 132 849)	101 918 231
Inventory consumed	65 596 037	(14 500 037)	51 096 000	36 429 467	(14 666 533)	42 657 281
Contracted Services	42 469 709	(21 850 709)	20 619 000	20 579 915	(39 085)	14 646 752
Transfers and grants	-	-	-	-	-	-
Other expenditure	55 545 290	(27 648 434)	27 896 856	24 924 797	(2 972 059)	29 515 787
Losses	8 420 552	(5 000 000)	3 420 552	9 869 462	6 448 910	9 011 594
<b>Total Expenditure</b>	<b>504 123 361</b>	<b>(67 168 917)</b>	<b>436 954 444</b>	<b>423 700 928</b>	<b>(13 253 517)</b>	<b>413 912 347</b>
<b>Surplus/(Deficit)</b>	<b>(92 485 107)</b>	<b>27 607 728</b>	<b>(64 877 379)</b>	<b>(17 246 495)</b>	<b>47 630 884</b>	<b>(84 363 984)</b>
Transfers and subsidies - capital (monetary) - Government	36 599 000	(342 421)	36 256 579	12 543 441	(23 713 138)	10 442 387
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	2 250 000
<b>Surplus/(Deficit) for the year</b>	<b>(55 886 107)</b>	<b>27 265 307</b>	<b>(28 620 800)</b>	<b>(4 703 054)</b>	<b>23 917 746</b>	<b>(71 671 597)</b>
<b>Capital expenditure &amp; funds sources</b>						
Capital expenditure	55 899 000	(7 405 000)	48 494 000	13 631 764	(34 862 236)	15 837 650
Transfers recognised - capital	36 599 000	(342 421)	36 256 579	10 735 423	(25 521 156)	12 999 883
Borrowing	-	25 000 000	25 000 000	-	(25 000 000)	-
Internally generated funds	19 300 000	(7 062 645)	12 237 355	103 298	(12 134 057)	76 196
<b>Total sources of capital funds</b>	<b>55 899 000</b>	<b>17 594 934</b>	<b>73 493 934</b>	<b>10 838 721</b>	<b>(62 655 213)</b>	<b>13 076 080</b>
<b>Cash flows</b>						
Net cash from (used) operating	36 654 433	(33 205 604)	3 448 829	(117 019 702)	(120 468 532)	11 607 634
Net cash from (used) investing	(55 899 000)	8 222 826	(47 676 174)	(13 631 764)	34 044 410	(13 587 651)
Net cash from (used) financing	-	-	-	128 101 408	128 101 408	24 233 374
Net Cash Movement for the year	(19 244 567)	(24 982 778)	(44 227 345)	(2 550 059)	41 677 286	22 253 357
Cash/cash equivalents at beginning of year	46 770 344	-	46 770 344	46 770 336	(8)	24 516 986
<b>Cash/cash equivalents at the year end</b>	<b>27 525 777</b>	<b>(24 982 778)</b>	<b>2 543 000</b>	<b>44 220 278</b>	<b>41 677 278</b>	<b>46 770 343</b>

# NAMA KHOI LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>REVENUE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	1 805 944	110 933	1 916 877	1 762 281	(154 596)	1 573 428
Finance and administration	148 795 627	(51 668 802)	97 126 825	154 738 715	57 611 890	150 145 735
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	3 273 205	(5 926)	3 267 279	2 864 929	(402 350)	2 863 358
Sport and recreation	123 504	8 124	131 628	70 999	(60 629)	86 913
Public safety	-	-	-	105 259	105 259	195 593
<b>Economic and environmental services</b>						
Planning and development	-	-	-	-	-	-
Road transport	1 902 485	(303 402)	1 599 083	3 759 070	2 159 987	2 794 589
<b>Trading services</b>						
Energy sources	149 263 003	(29 273 274)	119 989 729	175 690 718	55 700 989	102 724 243
Water management	57 162 542	13 865 950	71 028 492	44 150 822	(26 877 670)	42 863 832
Waste water management	59 026 989	13 510 329	72 537 318	27 412 561	(45 124 757)	22 719 572
Waste management	26 639 689	13 852 750	40 492 439	8 442 520	(32 049 919)	16 273 486
<b>Other</b>	244 266	(292)	243 974	-	(243 974)	-
<b>Total Revenue - Standard</b>	<b>448 237 254</b>	<b>(39 903 610)</b>	<b>408 333 644</b>	<b>418 997 873</b>	<b>10 664 229</b>	<b>342 240 750</b>
<b>EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	22 535 895	(7 707 041)	14 828 854	22 216 441	7 387 587	21 476 383
Finance and administration	92 747 063	10 225 309	102 972 372	110 128 262	7 155 889	148 940 817
Internal audit	1 346 544	(631 412)	715 132	1 056 356	341 224	1 043 974
<b>Community and public safety</b>						
Community and social services	7 246 802	(2 787 681)	4 459 121	4 677 640	218 518	4 672 497
Sport and recreation	14 097 928	(254 971)	13 842 957	6 915 591	(6 927 366)	7 324 564
Public safety	3 323 183	(768 730)	2 554 453	3 597 057	1 042 605	2 456 469
<b>Economic and environmental services</b>						
Planning and development	1 629 126	(1 329 817)	299 309	3 345 455	3 046 146	1 426 093
Road transport	21 766 893	(7 034 539)	14 732 354	12 016 005	(2 716 349)	18 608 952
<b>Trading services</b>						
Energy sources	180 888 231	(30 070 258)	150 817 973	176 018 074	25 200 102	123 039 394
Water management	89 021 880	(18 697 431)	70 324 449	49 768 351	(20 556 098)	56 590 219
Waste water management	27 218 678	(6 289 609)	20 929 069	15 996 103	(4 932 967)	14 556 113
Waste management	42 301 138	(1 862 901)	40 438 237	17 965 594	(22 472 643)	13 776 871
<b>Other</b>	-	40 164	40 164	-	(40 164)	-
<b>Total Expenditure - Standard</b>	<b>504 123 361</b>	<b>(67 168 917)</b>	<b>436 954 444</b>	<b>423 700 928</b>	<b>(13 253 517)</b>	<b>413 912 347</b>
<b>Surplus/(Deficit) for the year</b>	<b>(55 886 107)</b>	<b>27 265 307</b>	<b>(28 620 800)</b>	<b>(4 703 054)</b>	<b>23 917 746</b>	<b>(71 671 597)</b>

# NAMA KHOI LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATEd OUTCOME 2023 R
<b>REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)</b>						
<b>REVENUE</b>						
Vote 1 - Executive Mayor And Council (10: le)	317 835	52 192	370 027	370 606	579	103 036
Vote 2 - Municipal Manager (11: le)	1 490 993	67 293	1 558 286	1 397 778	(160 508)	1 473 522
Vote 3 - Corporate Services (13: le)	3 073 746	5 853	3 079 599	1 904 850	(1 174 749)	2 612 604
Vote 4 - Financial Services (15: le)	145 696 631	(52 500 973)	93 195 658	152 826 302	59 630 644	147 530 002
Vote 5 - Community Services: Comm Dev (16: le)	30 134 440	13 854 656	43 989 096	11 413 502	(32 575 594)	19 289 717
Vote 6 - Community Services: Publsafety (17: le)	2 066 610	(301 543)	1 765 067	3 740 233	1 975 166	2 923 505
Vote 7 - Infrastructure,Eng And Technical (18: le)	265 456 999	(1 081 086)	264 375 913	247 344 602	(17 031 311)	168 308 364
<b>Total Revenue by Vote</b>	<b>448 237 254</b>	<b>(39 903 608)</b>	<b>408 333 646</b>	<b>418 997 873</b>	<b>10 664 227</b>	<b>342 240 750</b>
<b>EXPENDITURE</b>						
Vote 1 - Executive Mayor And Council (10: le)	10 100 816	(692 772)	9 408 044	10 935 525	1 527 481	8 997 158
Vote 2 - Municipal Manager (11: le)	14 728 580	(8 177 785)	6 550 795	12 569 284	6 018 489	14 180 876
Vote 3 - Corporate Services (13: le)	33 853 494	3 006 012	36 859 506	28 487 820	(8 371 686)	36 304 214
Vote 4 - Financial Services (15: le)	37 437 975	13 944 584	51 382 559	65 385 380	14 002 821	97 002 743
Vote 5 - Community Services: Comm Dev (16: le)	63 746 744	(5 241 430)	58 505 314	29 565 550	(28 939 764)	25 775 798
Vote 6 - Community Services: Publsafety (17: le)	11 667 561	(1 796 928)	9 870 633	9 427 196	(443 437)	9 870 358
Vote 7 - Infrastructure,Eng And Technical (18: le)	332 588 191	(68 210 595)	264 377 596	267 330 171	2 952 575	221 781 198
<b>Total Expenditure by Vote</b>	<b>504 123 361</b>	<b>(67 168 914)</b>	<b>436 954 447</b>	<b>423 700 928</b>	<b>(13 253 519)</b>	<b>413 912 346</b>
<b>Surplus/(Deficit) for the year</b>	<b>(55 886 107)</b>	<b>27 265 306</b>	<b>(28 620 801)</b>	<b>(4 703 054)</b>	<b>23 917 747</b>	<b>(71 671 596)</b>

# NAMA KHOI LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>REVENUE AND EXPENDITURE</b>						
<b>REVENUE BY SOURCE</b>						
Property rates	57 427 711	(1 181)	57 426 530	50 991 845	(6 434 685)	51 448 145
Service charges - electricity revenue	149 047 037	(45 112 824)	103 934 213	119 398 348	15 464 136	100 767 815
Service charges - water revenue	57 175 742	(2 000 000)	55 175 742	44 385 285	(10 790 457)	42 869 484
Service charges - sanitation revenue	22 427 989	(2 000 000)	20 427 989	14 968 449	(5 459 540)	14 227 961
Service charges - refuse revenue	26 639 689	(2 000 000)	24 639 689	17 168 608	(7 471 081)	16 273 486
Rent on land	1 194 450	-	1 194 450	1 352 189	157 739	-
Rental of facilities and equipment	3 240 262	-	3 240 262	1 924 125	(1 316 137)	2 764 937
Interest earned - external investments	2 084 695	2 133 945	4 218 640	4 321 711	103 071	2 713 645
Interest earned - outstanding debtors	19 529 080	5 915 488	25 444 568	27 451 383	2 006 815	21 431 101
Fines, penalties and forfeits	574 854	-	574 854	586 821	11 967	1 487 437
Licences and permits	1 586 366	-	1 586 366	1 830 599	244 233	1 297 901
Agency services	399 827	(310 422)	89 405	100 021	10 616	288 330
Transfers and subsidies - Operating	69 179 000	817 355	69 996 355	68 852 204	(1 144 151)	64 198 145
Other revenue	1 131 552	2 996 450	4 128 002	48 678 844	44 550 842	5 184 307
Gains	-	-	-	4 444 000	4 444 000	4 595 670
<b>Total Revenue (excl capital transfers)</b>	<b>411 638 254</b>	<b>(39 561 189)</b>	<b>372 077 065</b>	<b>406 454 433</b>	<b>34 377 368</b>	<b>329 548 363</b>
<b>EXPENDITURE BY TYPE</b>						
Employee related costs	102 966 854	(8 163 766)	94 803 088	98 867 662	4 064 574	102 641 182
Remuneration of councillors	6 758 975	543 069	7 302 044	7 340 041	37 997	6 758 975
Debt impairment	-	22 200 000	22 200 000	39 222 085	17 022 085	48 527 262
Depreciation and asset impairment	81 663 419	(9 271 852)	72 391 567	37 219 581	(35 171 986)	39 479 895
Finance charges	2 702 525	14 522 812	17 225 337	39 380 767	22 155 430	18 755 388
Bulk purchases - electricity	138 000 000	(18 000 000)	120 000 000	109 867 151	(10 132 849)	101 918 231
Inventory consumed	65 596 037	(14 500 037)	51 096 000	36 429 467	(14 666 533)	42 657 281
Contracted Services	42 469 709	(21 850 709)	20 619 000	20 579 915	(39 085)	14 646 752
Transfers and grants	-	-	-	-	-	-
Other expenditure	55 545 290	(27 648 434)	27 896 856	24 924 797	(2 972 059)	29 515 787
Losses	8 420 552	(5 000 000)	3 420 552	9 869 462	6 448 910	9 011 594
<b>Total Expenditure</b>	<b>504 123 361</b>	<b>(67 168 917)</b>	<b>436 954 444</b>	<b>423 700 928</b>	<b>(13 253 517)</b>	<b>413 912 347</b>
<b>Surplus/(Deficit)</b>	<b>(92 485 107)</b>	<b>27 607 728</b>	<b>(64 877 379)</b>	<b>(17 246 495)</b>	<b>47 630 884</b>	<b>(84 363 984)</b>
Transfers and subsidies - Capital (monetary) - Government	36 599 000	(342 421)	36 256 579	12 543 441	(23 713 138)	10 442 387
Transfers and subsidies - Capital (monetary) - Other	-	-	-	-	-	-
Transfers and subsidies - Capital (in-kind)	-	-	-	-	-	2 250 000
<b>Surplus/(Deficit) for the year</b>	<b>(55 886 107)</b>	<b>27 265 307</b>	<b>(28 620 800)</b>	<b>(4 703 054)</b>	<b>23 917 746</b>	<b>(71 671 597)</b>

# NAMA KHOI LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>CAPITAL EXPENDITURE</b>						
<b>CAPITAL EXPENDITURE (MUNICIPAL VOTE)</b>						
<b>Multi-year expenditure</b>						
Vote 1 - Executive Mayor And Council (10: Ie)	-	-	-	-	-	-
Vote 2 - Municipal Manager (11: Ie)	-	-	-	-	-	-
Vote 7 - Infrastructure,Eng And Technical (18: Ie)	-	-	-	-	-	-
Vote 11 - Community Services: Comm Dev (26: Cs)	-	-	-	-	-	-
Vote 12 - Infrastructure,Eng And Technical (28: Cs)	-	-	-	-	-	-
<b>Total Multi-year expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Single-year expenditure</b>						
Vote 1 - Executive Mayor And Council (10: Ie)	17 100 000	(11 100 000)	6 000 000	115 847	(5 884 153)	5 782 474
Vote 2 - Municipal Manager (11: Ie)	-	550 000	550 000	329 036	(220 964)	974 839
Vote 7 - Infrastructure,Eng And Technical (18: Ie)	-	-	-	-	-	-
Vote 8 - Executive Mayor And Council (20: Cs)	-	-	-	-	-	-
Vote 9 - Municipal Manager (21: Cs)	-	-	-	-	-	-
Vote 11 - Community Services: Comm Dev (26: Cs)	-	-	-	-	-	-
Vote 12 - Infrastructure,Eng And Technical (28: Cs)	38 799 000	3 145 000	41 944 000	13 186 880	(28 757 120)	9 080 337
<b>Total Single-year expenditure</b>	<b>55 899 000</b>	<b>(7 405 000)</b>	<b>48 494 000</b>	<b>13 631 764</b>	<b>(34 862 236)</b>	<b>15 837 650</b>
<b>Total Capital Expenditure by Vote</b>	<b>55 899 000</b>	<b>(7 405 000)</b>	<b>48 494 000</b>	<b>13 631 764</b>	<b>(34 862 236)</b>	<b>15 837 650</b>
<b>CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	17 100 000	(11 100 000)	6 000 000	406 622	(5 593 378)	5 782 474
Finance and administration	-	-	-	38 261	38 261	-
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
<b>Economic and environmental services</b>						
Planning and development	-	550 000	550 000	-	(550 000)	974 839
Road transport	-	-	-	-	-	-
<b>Trading services</b>						
Energy sources	1 600 000	2 600 000	4 200 000	-	(4 200 000)	1 696 327
Water management	600 000	887 000	1 487 000	1 364 051	(122 949)	4 660 857
Waste water management	36 599 000	(342 000)	36 257 000	11 822 829	(24 434 171)	2 723 153
Waste management	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>55 899 000</b>	<b>(7 405 000)</b>	<b>48 494 000</b>	<b>13 631 764</b>	<b>(34 862 236)</b>	<b>15 837 650</b>

# NAMA KHOI LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>CAPITAL EXPENDITURE (CONTINUED)</b>						
<b>FUNDING SOURCES</b>						
National Government	36 599 000	(342 421)	36 256 579	10 735 423	(25 521 156)	12 999 883
Provincial Government	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>36 599 000</b>	<b>(342 421)</b>	<b>36 256 579</b>	<b>10 735 423</b>	<b>(25 521 156)</b>	<b>12 999 883</b>
Borrowing	-	25 000 000	25 000 000	-	(25 000 000)	-
Internally generated funds	19 300 000	(7 062 645)	12 237 355	103 298	(12 134 057)	76 196
<b>Total Capital Funding</b>	<b>55 899 000</b>	<b>17 594 934</b>	<b>73 493 934</b>	<b>10 838 721</b>	<b>(62 655 213)</b>	<b>13 076 080</b>

# NAMA KHOI LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>CASH FLOWS</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates, penalties & collection charges	61 477 224	(6 025 251)	55 451 973	41 806 098	(13 645 875)	41 468 192
Service charges	306 390 968	(137 810 948)	168 580 020	176 097 850	7 517 830	153 889 353
Other revenue	7 876 158	1 742 731	9 618 889	46 534 866	36 915 977	5 621 856
Government - operating	14 028 976	55 150 024	69 179 000	72 343 697	3 164 697	62 103 613
Government - capital	36 599 000	(342 421)	36 256 579	12 543 440	(23 713 139)	10 442 387
Interest	2 084 695	2 133 945	4 218 640	4 321 711	103 071	2 713 645
<b>Payments</b>						
Suppliers and employees	(389 100 063)	66 469 128	(322 630 935)	(440 401 240)	(117 770 305)	(253 573 164)
Finance charges	(2 702 525)	(14 522 812)	(17 225 337)	(30 266 125)	(13 040 788)	(11 058 248)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>36 654 433</b>	<b>(33 205 604)</b>	<b>3 448 829</b>	<b>(117 019 702)</b>	<b>(120 468 532)</b>	<b>11 607 634</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-
<b>Payments</b>						
Capital assets	(55 899 000)	8 222 826	(47 676 174)	(13 631 764)	34 044 410	(13 587 651)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(55 899 000)</b>	<b>8 222 826</b>	<b>(47 676 174)</b>	<b>(13 631 764)</b>	<b>34 044 410</b>	<b>(13 587 651)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Borrowing long term/refinancing	-	-	-	132 319 332	132 319 332	25 000 000
Increase (decrease) in consumer deposits	-	-	-	287 373	287 373	164 455
<b>Payments</b>						
Repayment of borrowing	-	-	-	(4 505 298)	(4 505 298)	(931 081)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128 101 408</b>	<b>128 101 407</b>	<b>24 233 374</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(19 244 567)</b>	<b>(24 982 778)</b>	<b>(44 227 345)</b>	<b>(2 550 059)</b>	<b>41 677 285</b>	<b>22 253 357</b>
Cash/cash equivalents at the year begin:	46 770 344	-	46 770 344	46 770 344	-	24 516 987
Cash/cash equivalents at the year end:	27 525 777	(24 982 777)	2 543 000	44 220 285	41 677 285	46 770 344