

KAMIESBERG

MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS

30 JUNE 2024

KAMIESBERG MUNICIPALITY

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KAMIESBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

NATURE OF BUSINESS

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

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Kamiesberg Municipality includes the following areas of Garies, Hondeklipbaai, Kamassies, Kheis, Kharkams, Kamieskroon, Klipfontein, Koiingnaas, Leliefontein, Lepelsfontein, Nourivier, Paulshoek, Rooifontein, Soebatsfontein, Spoegrivier and Tweerivier.

MUNICIPAL MANAGER

RC Beukes

CHIEF FINANCIAL OFFICER

F Strauss

REGISTERED OFFICE

Private Bag X200
Garies
8220

AUDITORS

Auditor-General
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

First National Bank

ATTORNEYS

Van der Wall & Partners
TNK Attorneys
Wessels & Smith Inc
Godwin Bossr & Ass
Matthews & Partners

WEBSITE

www.kamiesberg.gov.za

KAMIESBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

RELEVANT LEGISLATION

Constitution (Act no.108 of 1998)
Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE KAMIESBERG MUNICIPALITY

SC Nero (Mayor)
MW Cloete (Speaker)
BC Brandt (Chief Whip)
LE Petersen
MJB Hanekom
CC Kordom
RG Cloete
CCC Coetzee
SS Cloete
DJ Markus
PA Smit

KAMIESBERG MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2024, which are set out on pages 5 to 102 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

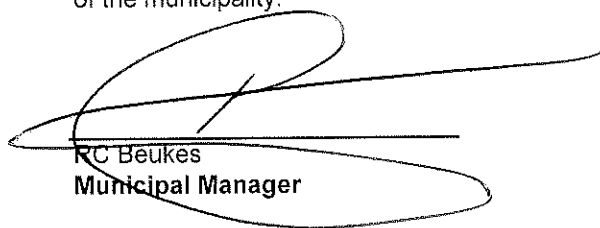
I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

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

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

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

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



RC Beukes
Municipal Manager

30/6/24
Date

KAMIESBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R	2023 R
ASSETS			
Non-Current Assets		264 879 918	271 466 125
Property, Plant and Equipment	2	233 698 792	240 201 241
Investment Property	3	30 951 346	31 040 629
Intangible Assets	4	224 380	218 855
Heritage Assets	5	5 400	5 400
Current Assets		39 346 050	31 743 446
Inventory	6	2 768 009	1 261 682
Receivables from Exchange Transactions	7	10 583 020	8 650 883
Receivables from Non-exchange Transactions	8	6 075 738	4 476 388
Taxes	17,3	19 080 762	16 503 278
Cash and Cash Equivalents	9	838 521	851 215
Total Assets		304 225 967	303 209 571
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		44 957 576	38 743 048
Long-term Borrowings	10	355 395	694 317
Non-current Provisions	11	40 770 181	34 132 731
Non-current Employee Benefits	12	3 832 000	3 916 000
Current Liabilities		126 762 601	107 167 323
Consumer Deposits	13	1 575 473	1 553 571
Current Employee Benefits	14	3 169 165	2 840 485
Trade and Other Payables from Exchange Transactions	15	120 709 430	96 119 269
Unspent Transfers and Subsidies	16	1 308 532	5 035 004
Current Portion of Long-term Borrowings	10	-	1 618 994
Total Liabilities		171 720 177	145 910 370
Net Assets		132 555 733	157 299 201
Accumulated Surplus/(Deficit)		132 555 733	157 299 201
Total Net Assets and Liabilities		304 275 909	303 209 571

KAMIESBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R	2023 R
REVENUE			
Revenue from Non-exchange Transactions		62 872 931	64 068 149
Taxation Revenue		10 242 020	12 429 688
Property Rates	18	10 242 020	12 429 688
Transfer Revenue		44 060 205	42 034 339
Government Grants and Subsidies	19	44 060 205	42 034 339
Contributed Property, Plant and Equipment		-	-
Other Revenue		8 570 706	9 604 122
Actuarial Gains	12	562 000	499 532
Fines, Penalties and Forfeits		549	148
Interest Earned - Non-exchange Transactions	25	5 021 114	5 496 890
Operational Revenue	26	2 987 043	3 607 552
Revenue from Exchange Transactions		25 735 083	17 293 170
Service Charges	20	17 627 847	10 247 777
Sales of Goods and Rendering of Services	21	43 425	27 134
Rental from Fixed Assets	22	212 687	174 017
Interest Earned - External Investments	23	488 640	429 295
Interest Earned - Exchange Transactions	24	5 836 166	5 990 044
Licences and Permits		150 379	1 645
Agency Services		1 375 939	423 258
Total Revenue		88 608 014	81 361 319
EXPENDITURE			
Employee related Costs	26	(29 687 392)	(28 256 576)
Remuneration of Councillors	27	(4 960 218)	(4 703 220)
Bad Debts Written Off		(2 375 211)	-
Contracted Services	28	(3 757 474)	(3 255 637)
Depreciation and Amortisation	29	(21 091 216)	(20 787 941)
Actuarial Losses		-	-
Finance Costs	30	(15 571 019)	(8 797 724)
Bulk Purchases	31	(16 700 789)	(13 867 743)
Inventory Consumed	6,1	(1 496 190)	(2 953 270)
Operational Costs	32	(10 307 911)	(8 080 469)
Total Expenditure		(105 947 420)	(90 702 580)
Operating Surplus/(Deficit) for the Year		(17 339 406)	(9 341 260)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	33	(11 277 953)	(22 132 044)
Gains/(Loss) on Sale of Fixed Assets	34	(36 852)	364 978
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	35	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		(28 654 211)	(31 108 326)

KAMESBERG MUNICIPALITY
REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Executive & Council	1.1 - Municipal Manager	Aggregated	Governance and Administration	Supporting service departments
	1.2 - Councillors	Aggregated	Governance and Administration	Supporting service departments
Vote 2 - Finance and Administration	2.1 - Finance	Aggregated	Governance and Administration	Supporting service departments
	2.2 - Corporate	Aggregated	Governance and Administration	Supporting service departments
Vote 3 - Community and Social Services	3.1 - Cemeteries	Aggregated	Community and Public Safety	Library services and cemeteries
	3.2 - Library	Aggregated	Community and Public Safety	Recreational centers and community halls
Vote 4 - Sport and Recreation	4.1 - Sport Ground and Community Facilities	Aggregated	Community and Public Safety	Recreational centers and community halls
Vote 5 - Waste Management	5.1 - Refuse and Sanitation	Aggregated	Technical Services	Waste Management
Vote 6 - Water	6.1 - Water	Aggregated	Technical Services	Water Management
Vote 7 - Electricity	7.1 - Electricity	Aggregated	Technical Services	Energy Sources
Vote 8 - Economic and Social Development	8.1 - Local Economic Development	Aggregated	Economic and Environmental Services	Local Economic Development
Vote 9 - Technical and Roads	9.1 - Streets	Aggregated	Economic and Environmental Services	Roads and Stormwater
Vote 10 - Waste Water Management	10.1 - Waste Water Management	Aggregated	Technical Services	Waste Water Management

SECONDARY SEGMENTS

mSCQA Functional Segments identified	Aggregation	Reportable Segment	Types of Goods/Services delivered
• Governance and Administration	Executive and Council	Governance and Administration	Supporting service departments
	Finance and Administration	Governance and Administration	Supporting service departments
	Internal Audit	Governance and Administration	Supporting service departments
• Community and Public Safety	Community and Social Services	Community and public safety	Library services, Community halls rentals and recreation centers
	Sport and Recreation	Community and public safety	Community and recreation centers
• Economic and Environmental Services	Planning and Development	Economic and environmental services	Local Economic Development
	Road Transport	Economic and environmental services	Roads and Storm Water
• Trading services	Energy Sources	Trading Services	Electricity services
	Water Management	Trading Services	Water management
	Waste Water Management	Trading Services	Waste water management
	Waste Management Service	Trading Services	Waste management service
• Other	Tourism	Other	Tourism

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does not monitor performance geographically as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive.

KAMIESBERG MUNICIPALITY
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Governance and Administration		Community and Public Safety		Technical Services		Economic and Environmental Services		Other		Total	
	R	R	R	R	R	R	R	R	R	R	R	R
SEGMENT REVENUE												
External revenue from exchange transactions	8 062 120	-	-	22 677 198	-	16 879	-	-	-	-	30 786 197	
Service Charges - Electricity Revenue	-	-	-	10 926 217	-	-	-	-	-	-	10 926 217	
Service Charges - Water Revenue	-	-	-	3 072 353	-	-	-	-	-	-	3 072 353	
Service Charges - Sanitation Revenue	-	-	-	1 778 605	-	-	-	-	-	-	1 778 605	
Service Charges - Refuse Revenue	-	-	-	1 850 673	-	-	-	-	-	-	1 850 673	
Rental of Facilities and Equipment	212 687	-	-	-	-	-	-	-	-	-	212 687	
Interest Earned - External Investments	488 640	-	-	-	-	-	-	-	-	-	488 640	
Interest Earned - Outstanding Debtors	5 807 929	-	-	5 049 350	-	-	-	-	-	-	10 857 280	
Licences and Permits	150 379	-	-	-	-	-	-	-	-	-	150 379	
Agency Services	1 375 939	-	-	-	-	-	-	-	-	-	1 375 939	
Other Revenue	26 546	-	-	-	-	16 879	-	-	-	-	43 425	
External revenue from non-exchange transactions	50 164 430	399	-	-	-	564 908	-	-	-	-	50 729 737	
Fines	150	399	-	-	-	-	-	-	-	-	549	
Transfers Recognised - Operational	36 373 263	-	-	-	-	564 908	-	-	-	-	36 938 171	
Property Rates	10 242 020	-	-	-	-	-	-	-	-	-	10 242 020	
Other Income	3 549 043	-	-	-	-	-	-	-	-	-	3 549 043	
Gains	(45)	-	-	-	-	-	-	-	-	-	(45)	
Revenue from transactions with other segments	-	-	-	-	-	-	-	-	-	-	-	
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	
Total Segment Revenue (excluding capital transfers and	58 226 550	399	-	22 677 198	-	561 788	-	-	-	-	81 485 935	
SEGMENT EXPENDITURE												
Employee Related Costs	(15 487 034)	-	-	(9 150 735)	-	(5 049 823)	-	-	-	-	(29 687 392)	
Remuneration of Councillors	(4 960 218)	-	-	-	-	-	-	-	-	-	(4 960 218)	
Debt Impairment	(13 653 164)	-	-	-	-	-	-	-	-	-	(13 653 164)	
Depreciation and Asset Impairment	(8 424 549)	-	-	(12 666 667)	-	-	-	-	-	-	(21 091 216)	
Finance Charges	(12 015 241)	-	-	(9 555 778)	-	-	-	-	-	-	(15 571 019)	
Bulk Purchases	-	-	-	(16 700 789)	-	-	-	-	-	-	(16 700 789)	
Inventory Consumed	1 674 472	-	-	(3 154 528)	-	(16 134)	-	-	-	-	(1 486 190)	
Contracted Services	(3 620 074)	-	-	(81 600)	-	(55 800)	-	-	-	-	(3 757 474)	
Transfers and Grants	-	-	-	-	-	-	-	-	-	-	-	
Other Expenditure	(9 945 475)	-	-	(61 052)	-	(301 384)	-	-	-	-	(10 307 911)	
Losses	(36 907)	-	-	-	-	-	-	-	-	-	(36 907)	
Expenditure from transactions with other segments	-	-	-	-	-	-	-	-	-	-	-	
Internal Charges	-	-	-	-	-	-	-	-	-	-	-	
Total Segment Expenditure	(66 468 089)	-	-	(45 371 149)	-	(5 422 941)	-	-	-	-	(117 262 179)	
Surplus/(Deficit)	(8 241 539)	399	-	(22 693 951)	-	(4 841 154)	-	-	-	-	(35 776 245)	

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
Transfers Recognised - Capital	7 122 034	-	-	-	-	7 122 034
Contributions Recognised - Capital	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	(1 119 505)	399	(22 693 951)	(4 841 154)	-	(28 654 211)
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(1 119 505)	399	(22 693 951)	(4 841 154)	-	(28 654 211)
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(1 119 505)	399	(22 693 951)	(4 841 154)	-	(28 654 211)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 119 505)	399	(22 693 951)	(4 841 154)	-	(28 654 211)

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Unallocated	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	304 225 967	304 225 967
Segment liabilities	-	-	-	-	(171 720 177)	(171 720 177)
Additions to non-current assets	-	-	-	-	-	-
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-

KAMIESBERG MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

SEGMENT REVENUE	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Unallocated	Total
	R	R	Energy Sources	Water Management	Waste Water Management	Waste Management	R	R	R	R
External revenue from exchange transactions	2 386	164 371	11 469 096	6 119 721	2 306 940	2 781 441	-	7 912 243	-	30 756 197
Service Charges - Electricity Revenue	-	-	10 926 217	-	-	-	-	-	-	10 926 217
Service Charges - Water Revenue	-	-	-	3 072 363	-	-	-	-	-	3 072 363
Service Charges - Sanitation Revenue	-	-	-	-	1 778 605	-	-	-	-	1 778 605
Service Charges - Refuse Revenue	-	-	-	-	-	1 850 673	-	-	-	1 850 673
Rental of Facilities and Equipment	-	-	-	-	-	-	212 687	-	-	212 687
Interest Earned - External Investments	-	-	-	-	-	-	488 640	-	-	488 640
Interest Earned - Outstanding Debtors	-	-	542 879	-	-	-	-	5 807 929	-	10 857 280
Licences and Permits	-	149 878	-	3 047 368	528 335	930 769	-	502	-	150 379
Agency Services	-	-	-	-	-	-	-	1 375 939	-	1 375 939
Other Revenue	2 386	14 493	-	-	-	-	-	26 546	-	43 425
External revenue from non-exchange transactions	-	1 608 458	-	-	-	-	-	49 121 280	-	50 729 737
Fines	-	549	-	-	-	-	-	-	-	549
Transfers Recognised - Operational	-	1 607 908	-	-	-	-	-	35 330 263	-	36 938 171
Property Rates	-	-	-	-	-	-	-	10 242 020	-	10 242 020
Other Income	-	-	-	-	-	-	-	3 549 043	-	3 549 043
Gains	-	-	-	-	-	-	-	(45)	-	(45)
Revenue from transactions with other segments	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	2 386	1 772 829	11 469 096	6 119 721	2 306 940	2 781 441	-	57 033 523	-	81 485 935
SEGMENT EXPENDITURE										
Employee Related Costs	-	(5 213 350)	(1 448 848)	(3 354 437)	-	(4 347 450)	-	(15 323 307)	-	(29 687 392)
Remuneration of Councilors	-	-	-	-	-	-	-	(4 960 218)	-	(4 960 218)
Debt Impairment	-	-	-	-	-	-	-	(13 653 164)	-	(13 653 164)
Depreciation and Asset Impairment	-	-	(3 207 678)	(6 546 190)	(1 018 779)	(1 894 020)	-	(8 424 549)	-	(21 091 216)
Finance Charges	-	-	-	-	-	(3 555 778)	-	(12 015 241)	-	(15 571 019)
Bulk Purchases	-	-	(16 700 789)	-	-	-	-	-	-	(16 700 789)
Inventory Consumed	-	(16 134)	(299 645)	(353 280)	(1 673 730)	(827 873)	-	1 674 472	-	(1 496 190)
Contracted Services	-	(316 518)	-	(81 600)	-	-	-	(3 359 356)	-	(3 757 474)
Transfers and Grants	-	-	-	-	-	-	-	-	-	-
Other Expenditure	-	(320 370)	(47 046)	(416)	-	(13 586)	-	(9 926 489)	-	(10 307 911)
Losses	-	-	-	-	-	-	-	(36 807)	-	(36 807)
Total Segment Expenditure	-	(5 866 372)	(21 704 007)	(10 335 917)	(2 692 509)	(10 636 717)	-	(66 024 658)	-	(117 262 179)
Surplus/(Deficit)	2 386	(4 093 544)	(10 234 911)	(4 216 196)	(385 569)	(7 857 275)	-	(8 991 135)	-	(35 776 245)

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Unallocated	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	R
Transfers Recognised - Capital	-	-	-	-	-	-	-	7 122 034	-	7 122 034
Contributions Recognised - Capital	-	-	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	2 386	(4 093 544)	(10 234 911)	(4 216 196)	(385 569)	(7 857 275)	-	(1 889 101)	-	(28 654 211)
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	2 386	(4 093 544)	(10 234 911)	(4 216 196)	(385 569)	(7 857 275)	-	(1 889 101)	-	(28 654 211)
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	2 386	(4 093 544)	(10 234 911)	(4 216 196)	(385 569)	(7 857 275)	-	(1 889 101)	-	(28 654 211)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2 386	(4 093 544)	(10 234 911)	(4 216 196)	(385 569)	(7 857 275)	-	(1 889 101)	-	(28 654 211)

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Unallocated	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	R
OTHER INFORMATION										
Segment Assets	-	-	-	-	-	-	-	-	304 225 967	304 225 967
Segment liabilities	-	-	-	-	-	-	-	-	(171 720 177)	(171 720 177)
Additions to non-current assets	-	-	-	-	-	-	-	-	-	-
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-

Reconciliation of Segment Revenue to Total Revenue as per the Annual Financial Statements for the year ended 30 June 2024

Total Segment Revenue (including capital transfers and contributions)	88 607 969
Total Revenue as per Statement of Financial Performance	88 571 162
Difference	36 807
Reconciling items	36 807
Reversal of impairment loss on Receivables	36 807

Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2024

Total Segment Expenditure	(117 262 179)
Total Expenditure as per Statement of Financial Performance	(105 947 420)
Difference	(11 314 759)
Reconciling items	(11 314 759)
Impairment loss on Receivables	(11 314 759)

Reconciliation of the Statement of Financial Performance as at 30 June 2024 as per the Annual Financial Statements vs the Surplus of the Segment report

Surplus/(Deficit) for the year as per Segments	(28 654 211)
Surplus/(Deficit) for the year as per Statement of Financial Performance	(28 654 211)
Difference - as explained above	-

Reconciliation of Segment Assets to Total Assets as per the Annual Financial Statements for the year ended 30 June 2024

Total Segment Assets	304 225 967
Total Assets as per Statement of Financial Position	304 225 967
Difference	-

Management does not monitor assets per segments as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

Reconciliation of Segment Liabilities to Total Liabilities as per the Annual Financial Statements for the year ended 30 June 2024

Total Segment Liabilities	(171 720 177)
Total Liabilities as per Statement of Financial Position	(171 720 177)
Difference	-

Management does not monitor liabilities per segments as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

KAMIESBERG MUNICIPALITY
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

SEGMENT REVENUE	Governance and Administration		Community and Public Safety		Technical Services		Economic and Environmental Services		Other		Total
	R	R	R	R	R	R	R	R	R	R	
External revenue from exchange transactions	7 345 216	-	-	15 437 299	-	7 544	-	-	-	-	22 790 060
Service Charges - Electricity Revenue	-	-	-	5 546 074	-	-	-	-	-	-	5 546 074
Service Charges - Water Revenue	-	-	-	1 042 423	-	-	-	-	-	-	1 042 423
Service Charges - Sanitation Revenue	-	-	-	1 883 023	-	-	-	-	-	-	1 883 023
Service Charges - Refuse Revenue	-	-	-	1 776 256	-	-	-	-	-	-	1 776 256
Rental of Facilities and Equipment	174 017	-	-	-	-	-	-	-	-	-	174 017
Interest Earned - External Investments	429 295	-	-	-	-	-	-	-	-	-	429 295
Interest Earned - Outstanding Debtors	6 297 411	-	-	5 189 523	-	-	-	-	-	-	11 486 934
Licences and Permits	1 645	-	-	-	-	-	-	-	-	-	1 645
Agency Services	423 258	-	-	-	-	-	-	-	-	-	423 258
Other Revenue	19 590	-	-	-	-	7 544	-	-	-	-	27 134
External revenue from non-exchange transactions	51 885 838	348	-	-	820 467	-	-	-	-	-	52 706 653
Dividends Received	(200)	348	-	-	-	-	-	-	-	-	148
Fines	-	-	-	-	820 467	-	-	-	-	-	820 467
Transfers Recognised - Operational	12 437 520	-	-	-	-	-	-	-	-	-	12 437 520
Property Rates	34 851 037	-	-	-	-	-	-	-	-	-	34 851 037
Other Income	364 978	-	-	-	-	-	-	-	-	-	364 978
Gains	125 418	-	-	-	-	-	-	-	-	-	125 418
Revenue from transactions with other segments	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	59 231 054	348	-	15 437 299	828 012	-	-	-	-	-	75 496 713
SEGMENT EXPENDITURE											
Employee Related Costs	(14 211 864)	-	-	(8 289 433)	(5 755 479)	-	-	-	-	-	(28 256 576)
Remuneration of Councillors	(4 703 220)	-	-	-	-	-	-	-	-	-	(4 703 220)
Debt Impairment	(20 157 561)	-	-	-	-	-	-	-	-	-	(20 157 561)
Depreciation and Asset Impairment	(7 515 548)	-	-	(13 760 616)	-	-	-	-	-	-	(21 276 164)
Finance Charges	(7 764 398)	-	-	(1 033 326)	-	-	-	-	-	-	(8 797 724)
Bulk Purchases	-	-	-	(13 867 743)	-	-	-	-	-	-	(13 867 743)
Inventory Consumed	(204 626)	-	-	(4 360 321)	-	-	-	-	-	-	(4 564 948)
Contracted Services	(2 703 304)	-	-	(469 591)	(82 742)	-	-	-	-	-	(3 255 637)
Transfers and Grants	-	-	-	-	-	-	-	-	-	-	-
Other Expenditure	(7 530 968)	-	-	(73 761)	(475 739)	-	-	-	-	-	(8 080 469)
Losses	-	-	-	-	-	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	(64 791 289)	-	-	(41 854 791)	(9 313 961)	-	-	-	-	-	(112 960 041)
Surplus/(Deficit)	(9 560 235)	348	-	(26 417 492)	(5 485 949)	-	-	-	-	-	(37 463 328)

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
Transfers Recognised - Capital	4 364 513	-	1 990 490	-	-	6 355 003
Contributions Recognised - Capital	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	(1 195 723)	348	(24 427 002)	(5 485 949)	-	(31 108 326)
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(1 195 723)	348	(24 427 002)	(5 485 949)	-	(31 108 326)
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(1 195 723)	348	(24 427 002)	(5 485 949)	-	(31 108 326)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 195 723)	348	(24 427 002)	(5 485 949)	-	(31 108 326)

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	303 209 571	303 209 571
Segment liabilities	-	-	-	-	(145 910 370)	(145 910 370)
Additions to non-current assets	-	-	-	-	-	-
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-

KAMIESBERG MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Unallocated	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management services				
R	R	R	R	R	R	R	R	R	R	R
9 110	(1 565)	6 210 634	4 149 739	2 387 322	2 689 605	-	7 345 216	-	-	22 790 060
-	-	5 546 074	-	-	-	-	-	-	-	5 546 074
-	-	-	1 042 423	-	-	-	-	-	-	1 042 423
-	-	-	-	1 883 023	-	-	-	-	-	1 883 023
-	-	-	-	-	1 776 256	-	-	-	-	1 776 256
-	-	-	-	-	-	-	174 017	-	-	174 017
-	-	-	-	-	-	-	429 295	-	-	429 295
-	-	-	-	-	-	-	6 297 411	-	-	11 496 934
-	-	664 560	3 107 315	504 288	913 348	-	1 645	-	-	1 645
-	-	-	-	-	-	-	423 258	-	-	423 258
-	-	-	-	-	-	-	19 590	-	-	27 134
9 110	(1 565)	-	-	-	-	-	-	-	-	-

SEGMENT REVENUE

External revenue from exchange transactions

Service Charges - Electricity Revenue	-
Service Charges - Water Revenue	-
Service Charges - Sanitation Revenue	-
Service Charges - Refuse Revenue	-
Rental of Facilities and Equipment	-
Interest Earned - External Investments	-
Interest Earned - Outstanding Debtors	-
Licences and Permits	-
Agency Services	-
Other Revenue	-

External revenue from non-exchange transactions

Dividends Received	-
Fines	148
Transfers Recognised - Operational	-
Property Rates	-
Availability Charges	-
Other Income	-
Gains	-

Revenue from transactions with other segments

Internal Revenue	-
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Total Segment Revenue (excluding capital transfers and contributions)

9 110	1 820 615	6 210 634	4 149 739	2 387 322	2 689 605	-	58 105 836	-	-	75 371 295
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SEGMENT EXPENDITURE

Employee Related Costs	-
Remuneration of Councilors	-
Debt Impairment	-
Depreciation and Asset Impairment	-
Finance Charges	-
Bulk Purchases	-
Inventory Consumed	-
Contracted Services	-
Other Expenditure	-
Losses	-
Internal charges	-

Total Segment Expenditure

-	(5 818 920)	(1 192 741)	(3 184 644)	-	(3 912 048)	-	(14 148 223)	-	-	(28 256 576)
-	-	-	-	-	-	-	(4 703 220)	-	-	(4 703 220)
-	-	-	-	-	-	-	(20 157 561)	-	-	(20 157 561)
-	-	(3 226 943)	(6 545 927)	(1 021 919)	(2 477 604)	-	(7 878 353)	-	-	(21 150 746)
-	-	-	-	-	(1 033 326)	-	(7 764 398)	-	-	(8 797 724)
-	-	(13 867 743)	-	-	-	-	-	-	-	(13 867 743)
-	-	(183 457)	(77 205)	(501 371)	(1 623 807)	-	(204 626)	-	-	(2 590 465)
-	(373 253)	-	(469 591)	-	-	-	(4 387 276)	-	-	(5 230 120)
-	(465 239)	(59 554)	(3 774)	-	(10 433)	-	(7 530 968)	-	-	(8 080 468)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-

Surplus/(Deficit)

9 110	(4 838 362)	(12 319 804)	(6 131 402)	864 032	(6 367 613)	(10 500)	(8 668 789)	-	-	(37 463 329)
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	Community and public safety	Economic and environmental services	Energy Sources	Water Management	Waste Water Management	Waste Management	Other	Governance and Administration	Unallocated	Total
	R	R	R	R	R	R	R	R	R	R
Transfers Recognised - Capital Contributions Recognised - Capital Contributed Assets	-	-	-	1 990 490	-	-	-	4 364 513	-	6 355 003
Surplus/(Deficit) after Capital Transfers & Contributions Taxation	9 110	(4 838 362)	(12 319 804)	(4 140 911)	864 032	(6 367 613)	(10 500)	(4 304 276)	-	(31 108 326)
Surplus/(Deficit) after Taxation	9 110	(4 838 362)	(12 319 804)	(4 140 911)	864 032	(6 367 613)	(10 500)	(4 304 276)	-	(31 108 326)
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	9 110	(4 838 362)	(12 319 804)	(4 140 911)	864 032	(6 367 613)	(10 500)	(4 304 276)	-	(31 108 326)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	9 110	(4 838 362)	(12 319 804)	(4 140 911)	864 032	(6 367 613)	(10 500)	(4 304 276)	-	(31 108 326)

	Community and public safety	Economic and environmental services	Energy Sources	Water Management	Trading Services	Waste Water Management	Waste Management	Other	Governance and Administration	Unallocated	Total
	R	R	R	R	R	R	R	R	R	R	R
OTHER INFORMATION											
Segment Assets	-	-	-	-	-	-	-	-	-	303 209 571	303 209 571
Segment liabilities	-	-	-	-	-	-	-	-	-	(145 910 370)	(145 910 370)
Additions to non-current assets	-	-	-	-	-	-	-	-	-	-	-
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-	-

Reconciliation of Segment Revenue to Total Revenue as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Revenue (including capital transfers and contributions)	81 726 298
Total Revenue as per Statement of Financial Performance	81 726 298
Difference	-
Reconciling items	-
Reversal of impairment loss on Receivables	-

Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Expenditure	(112 834 623)
Total Expenditure as per Statement of Financial Performance	(90 702 580)
Difference	(22 132 044)
Reconciling items	(22 132 044)
Impairment loss on Receivables	(22 132 044)
Impairment loss on Fixed Assets	-

Reconciliation of the Statement of Financial Performance as at 30 June 2023 as per the Annual Financial Statements vs the Surplus of the Segment report

Surplus/(Deficit) for the year as per Segments	(31 108 326)
Surplus/(Deficit) for the year as per Statement of Financial Performance	(31 108 326)
Difference - as explained above	-

Reconciliation of Segment Assets to Total Assets as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Assets	303 209 571
Total Assets as per Statement of Financial Position	303 209 571
Difference	-

Management does not monitor assets per segments as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

Reconciliation of Segment Liabilities to Total Liabilities as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Liabilities	(145 910 370)
Total Liabilities as per Statement of Financial Position	(145 910 370)
Difference	-

Management does not monitor liabilities per segments as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

KAMIESBERG MUNICIPALITY

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

	Accumulated Surplus/ (Deficit)	Total
	R	R
Balance at 1 July 2022	170 790 318	170 790 318
Correction of Error - note 36.9	17 617 208	17 617 208
Restated balance	188 407 526	188 407 526
Net Surplus/(Deficit) for the year	(31 108 326)	(31 108 326)
Net Surplus/(Deficit) previously reported	(26 290 168)	(26 290 168)
Effects of Correction of Errors - note 36.10	(4 818 158)	(4 818 158)
Restated balance at 30 June 2023	157 299 200	157 299 200
Net Surplus/(Deficit) for the year	(28 654 211)	(28 654 211)
Balance at 30 June 2024	128 644 990	128 644 990

KAMIESBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R	2023 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		1 093 162	33 969
Service Charges		9 613 582	2 105 655
Other Revenue		4 770 398	4 233 378
Government - Operating		37 009 735	35 687 101
Government - Capital		3 324 000	5 762 900
Interest		11 345 920	11 916 229
Cash payments			
Suppliers and Employees		(45 645 291)	(48 346 957)
Finance Charges		(11 862 241)	(7 605 398)
Net Cash from Operating Activities	37	9 649 264	3 786 877
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(7 595 855)	(5 457 023)
Proceeds on Disposal of Investment Property		372 000	-
Purchase of Intangible Assets		(60 876)	-
Net Cash from Investing Activities		(7 284 731)	(5 457 023)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Borrowing		(1 957 915)	(1 464 966)
Net Cash from Financing Activities		(1 957 915)	(1 464 966)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		406 618	(3 135 112)
Cash and Cash Equivalents at the beginning of the year		851 215	3 986 327
Cash and Cash Equivalents at the end of the year	38	838 521	851 215
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(12 694)	(3 135 113)

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	Original Budget R	Budget Adjustments (i.t.o. s28 and s31 of the MFMA) R	Final Adjustment Budget R	Shifting of Funds (i.t.o. MFMA) R	Virement (i.t.o. Council approved by-law) R	Final Budget R	Actual Outcome 2024 R	Actual Outcome as % of Final Budget %
ASSETS									
Current Assets									
	Cash and cash equivalents	33 792 546	-	33 792 546	-	-	33 792 546	838 521	-97,52%
	Trade and other receivables from exchange transactions	10 767 634	-	10 767 634	-	-	10 767 634	10 583 020	-1,71%
	Receivables from non-exchange transactions	-	-	-	-	-	-	6 075 738	100,00%
	Inventory	-	-	-	-	-	-	2 768 009	100,00%
	VAT	75 330	-	75 330	-	-	75 330	19 080 762	25229,57%
	Other current assets	754 315	-	754 315	-	-	754 315	-	-100,00%
	Total Current Assets	45 389 825	-	45 389 825	-	-	45 389 825	39 346 050	-13,32%
Non-Current Assets									
	Investment property	221 625 202	-	221 625 202	-	-	221 625 202	30 951 346	-86,03%
	Property, plant and equipment	265 744 712	(32 045 920)	233 698 792	-	-	233 698 792	233 698 792	0,00%
	Heritage assets	5 400	-	5 400	-	-	5 400	5 400	0,00%
	Intangible assets	6 419 543	-	6 419 543	-	-	6 419 543	224 380	-96,50%
	Total Non-Current Assets	493 794 857	(32 045 920)	461 748 937	-	-	461 748 937	264 879 918	-42,64%
TOTAL ASSETS									
		539 184 682	(32 045 920)	507 138 762	-	-	507 138 762	304 225 967	-40,01%

LIABILITIES									
Current Liabilities									
Consumer deposits	1 514 512	-	1 514 512	-	-	1 514 512	1 575 473	4,03%	
Trade and other payables from exchange transactions	6 068 070	-	6 068 070	-	-	6 068 070	120 709 430	1889,26%	
Trade and other payables from non-exchange transactions	936 761	-	936 761	-	-	936 761	1 308 532	39,69%	
Provisions	(237 417)	-	(237 417)	-	-	(237 417)	3 169 165	-1434,85%	
VAT	6 612 136	-	6 612 136	-	-	6 612 136	-	-100,00%	
Other current liabilities	102 833	-	102 833	-	-	102 833	-	-100,00%	
41.2.3	14 996 895	-	14 996 895	-	-	14 996 895	126 762 601	745,26%	
Non-Current Liabilities									
Borrowing	3 442 908	-	3 442 908	-	-	3 442 908	355 395	-89,68%	
Provisions	62 783 639	-	62 783 639	-	-	62 783 639	44 602 181	-28,96%	
41.2.4	66 226 547	-	66 226 547	-	-	66 226 547	44 957 576	-32,12%	
TOTAL LIABILITIES	81 223 442	-	81 223 442	-	-	81 223 442	171 720 177	111,42%	
NET ASSETS									
Accumulated Surplus	457 961 240	(541 000)	457 420 240	-	-	457 420 240	132 555 733	-71,02%	
41.2.5	457 961 240	(541 000)	457 420 240	-	-	457 420 240	132 555 733	-71,02%	
TOTAL NET ASSETS									

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

Notes	Original Budget R	Budget Adjustments (i.t.o. s28 and s31 of the MFMA) R	Final Adjustment Budget R	Shifting of Funds (i.t.o. s31 of the MFMA) R	Virement (i.t.o. Council approved by- law) R	Final Budget R	Actual Outcome 2024 R	Actual Outcome as % of Final Budget %
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	8 972 000	-	8 972 000	-	-	8 972 000	1 093 162	100,00%
Service Charges	15 567 584	-	15 567 584	-	-	15 567 584	9 613 582	100,00%
Other Revenue	13 354 719	-	13 354 719	-	-	13 354 719	4 770 398	-64,28%
Government - Operating	37 406 000	-	37 406 000	-	-	37 406 000	37 009 735	100,00%
Government - Capital	12 626 000	-	12 626 000	-	-	12 626 000	3 324 000	100,00%
Interest	358 007	-	358 007	-	-	358 007	11 345 920	100,00%
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and Employees	(50 339 295)	-	(50 339 295)	-	-	(50 339 295)	(45 645 291)	-9,32%
Finance costs	(2 735 202)	-	(2 735 202)	-	-	(2 735 202)	(11 862 241)	100,00%
Transfers and Grants	-	-	-	-	-	-	-	-
42.4.1	35 209 813	-	35 209 813	-	-	35 209 813	9 649 264	-72,59%
CASH FLOW FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of Investment Property	-	-	-	-	-	-	372 000	100,00%
Decrease/(Increase) in Non-Current Debtors	-	-	-	-	-	-	-	-
Decrease/(Increase) in Other Non-Current Receivables	-	-	-	-	-	-	-	-
Decrease/(Increase) in Non-Current Investments	-	-	-	-	-	-	-	-
Payments								
Capital Assets	(13 588 935)	-	(13 588 935)	-	-	(13 588 935)	(7 656 731)	100,00%
42.4.2	(13 588 935)	-	(13 588 935)	-	-	(13 588 935)	(7 284 731)	100,00%
CASH FLOW FROM FINANCING ACTIVITIES								

Receipts									
Short Term Loans									
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Consumer Deposits	2 398 536	-	2 398 536	-	-	2 398 536	-	-	100,00%
	(24 204)	-	(24 204)	-	-	(24 204)	-	-	100,00%
Payments									
Repayment of Borrowing									
	-	-	-	-	-	-	(1 957 915)	-	100,00%
42.4.3	2 374 332	-	2 374 332	-	-	2 374 332	(1 957 915)	-	100,00%
Net Cash from/(used) Financing Activities									
NET INCREASE/(DECREASE) IN CASH HELD	24 210 383	-	24 210 383	-	-	24 210 383	406 618	-	-98,32%
Cash and Cash Equivalents at the year begin:	13 924 728	-	13 924 728	-	-	13 924 728	851 215	-	-93,89%
Cash and Cash Equivalents at the year end:	38 135 111	-	38 135 111	-	-	38 135 111	1 257 833	-	-96,70%

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Original Budget R	Budget Adjustments (i.t.o. s28 and s31 of the MFMA) R	Final Adjustment Budget R	Shifting of Funds (i.t.o. s31 of the MFMA) R	Virement (i.t.o. Council approved by- law) R	Final Budget R	Actual Outcome 2024 R	Actual Outcome as % of Final Budget %
REVENUE									
Exchange Revenue									
Service charges - Electricity		6 197 592	-	6 197 592	-	-	6 197 592	10 926 217	76,30%
Service charges - Water		3 484 994	-	3 484 994	-	-	3 484 994	3 072 353	-11,84%
Service charges - Waste Water Management		2 041 266	-	2 041 266	-	-	2 041 266	1 778 605	-12,87%
Service charges - Waste Management		1 891 196	-	1 891 196	-	-	1 891 196	1 850 673	-2,14%
Sale of Goods and Rendering of Services		1 005 852	-	1 005 852	-	-	1 005 852	43 425	-95,68%
Agency services		1 402 030	-	1 402 030	-	-	1 402 030	1 375 939	-1,86%
Interest earned from Receivables		5 023 589	-	5 023 589	-	-	5 023 589	5 836 166	16,18%
Interest earned from Current and Non Current Assets		174 107	-	174 107	-	-	174 107	488 640	180,66%
Rental from Fixed Assets		85 442	-	85 442	-	-	85 442	212 687	148,93%
Licence and permits		1 816	-	1 816	-	-	1 816	150 379	8180,79%
Operational Revenue		1 262 841	-	1 262 841	-	-	1 262 841	-	-100,00%
Non-Exchange Revenue									
Property rates		14 061 886	-	14 061 886	-	-	14 061 886	10 242 020	-27,16%
Fines, penalties and forfeits		2 462	-	2 462	-	-	2 462	549	-77,70%
Transfer and subsidies - Operational		37 406 000	-	37 406 000	-	-	37 406 000	36 938 171	-1,25%
Interest		4 714 448	-	4 714 448	-	-	4 714 448	5 021 114	6,50%
Operational Revenue		-	-	-	-	-	-	2 987 043	100,00%
Total Revenue (excluding capital transfers and contributions)	42.3.1	78 755 521	-	78 755 521	-	-	78 755 521	80 923 980	2,75%

EXPENDITURE

Employee related costs	33 063 049	-	33 063 049	-	-	33 063 049	29 125 392	-11,91%
Remuneration of councillors	4 833 562	-	4 833 562	-	-	4 833 562	4 960 218	2,62%
Bulk purchases - electricity	16 364 259	-	16 364 259	-	-	16 364 259	16 700 789	2,06%
Inventory consumed	4 747 495	-	4 747 495	-	-	4 747 495	1 496 190	-68,48%
Debt impairment	18 210 402	-	18 210 402	-	-	18 210 402	11 277 953	-38,07%
Depreciation and amortisation	32 154 824	-	32 154 824	-	-	32 154 824	21 091 216	-34,41%
Interest	2 735 202	-	2 735 202	-	-	2 735 202	15 571 019	469,28%
Contracted services	1 472 189	-	1 472 189	-	-	1 472 189	3 757 474	155,23%
Irrecoverable debts written off	-	-	-	-	-	-	2 375 211	100,00%
Operational costs	5 764 018	-	5 764 018	-	-	5 764 018	10 307 911	78,83%
Losses on disposal of Assets	-	-	-	-	-	-	36 852	100,00%
Total Expenditure	119 345 000	-	119 345 000	-	-	119 345 000	116 700 224	-2,22%
Surplus/(Deficit)	(40 589 479)	-	(40 589 479)	-	-	(40 589 479)	(35 776 245)	-11,86%
Transfers and subsidies - capital (monetary allocations)	12 626 000	(541 000)	12 085 000	-	-	12 085 000	7 122 034	-41,07%
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	100,00%

42.3.2

Surplus/(Deficit) after Capital Transfers & Contributions

Taxation	(27 963 479)	(541 000)	(28 504 479)	-	-	(28 504 479)	(28 654 211)	0,53%
Surplus/(Deficit) after Taxation	(27 963 479)	(541 000)	(28 504 479)	-	-	(28 504 479)	(28 654 211)	0,53%
Attributable to Minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(27 963 479)	(541 000)	(28 504 479)	-	-	(28 504 479)	(28 654 211)	0,53%
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(27 963 479)	(541 000)	(28 504 479)	-	-	(28 504 479)	(28 654 211)	0,53%

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

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

The annual financial statements have been prepared in accordance with the Finance Management Act (MFMA) and effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board 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 except where an exemption or transitional provision have been granted. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

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

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand.

1.3. GOING CONCERN ASSUMPTION

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

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is 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 accounting errors have been identified in

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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.

1.5. CONSISTENT AND NEW 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.

1.6. 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 operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

Management has determined materiality for the purposes of explaining variances between the final budget amounts and actual results included in the annual financial statements, as R905 000 and a variance of more than 10%.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury.

Budget information is presented on an accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

A reconciliation is provided in the budget comparison regarding classification differences between the approved budget and the actual figure.

Explanations for differences between the approved and final budget are included in the Notes to the Financial Statements.

Explanations for material differences between the final budget amounts and actual amounts are included in the notes to the annual financial statements.

Explanations for material differences between the final budget amounts and actual amounts are included in the notes to the annual financial statements. The municipality

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

considers a variance between the actual and budget of more than 10% of the budgeted value as material, provided that such variance exceeds R905 000. All variances less than R905 000 are considered immaterial.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards and Interpretations of the Standards of GRAP have been issued but are not yet effective and have not been early adopted by the municipality:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 103	<p><u>Heritage assets</u></p> <p>There are proposed amendments to the classification of mixed-use assets, cultural significance and the fair value accounting.</p> <p>The amendments to the Standard are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
GRAP 104	<p><u>Financial Instruments</u></p> <p>The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.</p> <p>The Municipality might need to revise the categories of financial instruments and the impairment model.</p>	1 April 2025
GRAP 1: Going concern	<p><u>Presentation of Financial statements: Going concern</u></p> <p>The objective of this Standard is to prescribe the basis for presentation of general-purpose financial statements, to ensure comparability</p>	Unknown

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

REFERENCE	TOPIC	EFFECTIVE DATE
	<p>both with the entity's financial statements of previous periods and with the financial statements of other entities. Adjustments for going concern proposed to provide guidance on the preparation of AFS as going concern and the related disclosure.</p> <p>The transitional provisions are specified in the revised Standard. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	
Improvement to GRAP standards (2023)	<p><u>Improvement to GRAP standards (2023)</u></p> <p>The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The Improvements may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the Improvements once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
GRAP 105, GRAP 106 and GRAP 107 (amendments)	<p>Transfer of Functions and Mergers</p> <p>The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p>	Unknown
Guideline	<p><u>Application of Materiality of Financial Statements</u></p> <p>The guideline is not authoritative but only encourage.</p>	No effective date as only encouraged

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

REFERENCE	TOPIC	EFFECTIVE DATE
	No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	
iGRAP 22	<p>Foreign Currency Transactions and Advanced Consideration</p> <p>The interpretation is to provide guidance on determining the transaction date for purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.</p> <p>Early adoption of the Interpretation is encouraged.</p> <p>No significant impact is expected as the foreign currency transactions and advance consideration is not relevant to the operations of the Municipality.</p>	1 April 2025

1.9. RESERVES

1.9.1. Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, funds are transferred from the accumulated surplus / (deficit) to the CRR. The cash funds in the CRR can only be utilized for the purpose of purchasing/ construction items of property, plant and equipment and may not be used for the maintenance of these items. The CRR is reduced and the accumulated surplus / (Deficit) is credited by a corresponding amount when the amounts in the CRR are utilized.

1.10. LEASES

1.10.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays,

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to the disclosure of finance liability and de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.10.2. Municipality as Lessor

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The 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 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. The accounting policies relating to the disclosure of financial assets and derecognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1.11. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met is transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the liability. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.12. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met is transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the municipality until it is utilised.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.13. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

obligation and a reliable estimate of the provision can be made. Provisions are reviewed at the 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 pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

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

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.

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.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

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

1.14. EMPLOYEE BENEFITS

(a) Post-Retirement Medical Obligations

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 a contribution and the remaining 40%

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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 net defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high-quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The interest cost of the defined benefit obligation is recognised as a finance cost in the Statement of Financial Performance, as it meets the definition of Interest Cost in GRAP 25. The liability was calculated using 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 fair value of the obligation. Payments made by the Municipality are set off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against 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 charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

(b) 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 periodically and the corresponding liability is raised. Payments are set off against the net defined benefit liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of net interest in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

(c) 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 year-end and also on the total remuneration package of the employee.

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Accumulated 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.

(d) Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year-end is based on a bonus accrued at year-end for each employee.

(e) Other Short-term Employee Benefits

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

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

1.15. CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with the 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.

1.16. PROPERTY, PLANT AND EQUIPMENT

1.16.1. Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure 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 shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on the acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired, including any transaction costs.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary asset, or a combination of monetary and non-monetary assets, the assets acquired are 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.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period.

Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy. If cost can however not be established, then infrastructure assets will be initially measured and recognised at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market.

1.16.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and 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 associated with the asset.

1.16.3. Depreciation and Impairment

Land is not depreciated as it is regarded as having an indefinite useful life. Depreciation on assets other than land is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Property, plant and equipment 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 charged to 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 impairment is recognised in the Statement of Financial Performance.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use. The municipality assesses at each reporting date if there is an indication of impairment.

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

<u>Land and Buildings</u>	<u>Years</u>
Land	Indefinite
Buildings	2-100
<u>Infrastructure</u>	
Roads and Streets	1-70
Storm Water	1-50
Electricity	1-40
Water	1-70
Sanitation	1-30
Waste Management	1-50
Other	30
<u>Community</u>	
Recreation Grounds	4-40
Housing	5-40
Community Halls	2-40
Libraries	2-40
Parks and Gardens	2-40
Clinics	2-40
Security and Policing	2-40
Other	2-40
<u>Finance lease assets</u>	
Office equipment	2-5
Other assets	2-5
<u>Other</u>	
Motor Vehicles	5-10

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Furniture and other Office equipment	3-10
Furniture and fittings	2-32
Plant and Equipment	2-15
Computer equipment	3-5

1.16.4. De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed of 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.

1.16.5. Land and Buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings, the fair value as determined by a valuator was used to determine the deemed cost as on 1 July 2007. For Other Assets, the depreciation cost method was used to establish the deemed cost as on 1 July 2007.

1.17. INTANGIBLE ASSETS

1.17.1. Initial Recognition

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

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position 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.

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project;
- the municipality has the ability to use or sell the intangible asset;
- it is probable that the municipality will receive future economic benefits or service potential; and
- the Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary asset, 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.

1.17.2. Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. 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 subject to an annual impairment test.

1.17.3. Amortisation and Impairment

Amortisation is charged to write off the cost or valuation of intangible assets over their estimated useful lives using the straight-line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year's end, 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:

<u>Intangible Assets</u>	<u>Years</u>
Computer Software	2-5
Computer Software Licenses	2-5

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with

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GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

1.17.4. De-recognition

Intangible assets are derecognised when the asset is disposed of 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.

1.17.5. Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2007.

1.18. INVESTMENT PROPERTY

1.18.1. Initial Recognition

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

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, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use is also classified as investment property.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as of the date of acquisition, including transaction cost. The cost of self-constructed investment property is measured at cost.

Transfers are made to or from investment property only when there is a change in use.

For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of use change.

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For a transfer from investment property to inventory (view sale), the deemed cost for subsequent accounting is the fair value as of the date of the change.

For a transfer from owner-occupied property becomes an investment property measured at fair value, the difference between the carrying value and fair value at the reporting date shall be treated as a revaluation.

For a transfer from inventory to investment property (operating lease), the municipality shall apply an accounting policy for operating leases.

1.18.2. Subsequent Measurement – Cost Model

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

1.18.3. Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year's end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	<u>Years</u>
Buildings	30

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

1.18.4. De-recognition

Investment property is derecognised when it is disposed of or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.18.5. Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an

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asset could not be determined. The fair value as determined by a valuator was used to determine the deemed cost as on 1 July 2007.

1.19. HERITAGE ASSETS

1.19.1. 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, and only 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.

A heritage asset that qualifies for recognition as an asset is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

1.19.2. Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.19.3. Depreciation and Impairment

Heritage assets are not depreciated

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 impairment is recognised in the Statement of Financial Performance.

1.19.4. De-recognition

Heritage assets are derecognised when it is disposed of 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.

1.19.5. Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December

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2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used to determine the deemed cost as on 1 July 2011.

1.20. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.20.1. Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is

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appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

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.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.20.2. Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

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(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage to an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through the replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated based on such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the

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remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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.

An impairment loss is recognised immediately in surplus or deficit unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

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

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. 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 (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.21. INVENTORIES

1.21.1. Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only 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. Where inventory is manufactured, constructed or produced, the cost

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includes the cost of labour, materials and overheads used during the manufacturing process.

Water inventory is measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.21.2. Subsequent Measurement

Inventories, consisting of consumable stores, land, materials and supplies, water and work-in-progress, 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. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. 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 number of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the first-in-first-out method.

Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

Land held for sale is measured as the lower of cost and current replacement cost. The cost of land held for sale is assigned by using specific identification of their individual costs. Land is transferred from Investment Property to Inventory at carrying value when it is available for sale in the ordinary course of operations or the process of development for sale.

1.22. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions). The future utilization of Unspent Conditional Grants is evaluated in order to determine whether it is treated as a financial instrument.

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1.22.1. Initial Recognition

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

1.22.2. Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.22.2.1. Receivables

Receivables are classified as financial assets at amortised cost and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments. If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss 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 (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality.

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If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.22.2.2. *Payables and Annuity Loans*

Financial liabilities consist of trade and other payables and annuity loans. They are categorised as financial liabilities held at amortised cost, 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.

1.22.2.3. *Cash and Cash Equivalents*

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.22.3. *De-recognition*

1.22.3.1. *Financial Assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.22.3.2. *Financial Liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.22.4. *Offsetting of Financial Instruments*

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only 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.

1.23. STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Receivables that arise due to contractual arrangements are accounted for in terms of the accounting policy on Financial Instruments. Statutory receivables can arise from both exchange and non-exchange transactions.

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1.23.1. Initial Recognition

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition of an asset.

1.23.2. Subsequent Measurement

The Municipality initially measures the statutory receivables at their transaction amount. The Municipality measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to reflect any:

- (a) interest or other charges that may have accrued on the receivable;
- (b) impairment losses; and
- (c) amounts derecognised.

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 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.

1.23.3. Derecognition

The Municipality derecognises a statutory receivable when:

- (a) the rights to the cash flows from the receivable are settled, expire or are waived;
- (b) the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- (c) the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and can

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exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Municipality:

- i. derecognise the receivable; and
- ii. recognise separately any rights and obligations created or retained in the transfer.

1.24. REVENUE

1.24.1. 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.

Government Grants and Subsidies received, or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised 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 without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition, the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of IGRAP 1, as there is no intention of collecting this revenue.

Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment when such items of property, plant and equipment qualify for recognition and first become available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

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.

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Contributed property, plant and equipment are recognised when such items of property, plant and equipment qualify for recognition and become available for use by the Municipality.

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

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Debt forgiven is recognised when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners. Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

Services in-kind that are significant to the Municipality's operations are recognised as assets and 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.

If the services in-kind are not significant to the Municipality's operations or do not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition are satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset because the Municipality controls the resource from which future economic benefits or

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service potential is expected to flow to the Municipality. The assets are immediately consumed and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality, therefore, recognises an expense and related revenue for the consumption of services in-kind.

Revenue arising from the legislation is recognised in accordance with the approved tariff.

1.24.2. 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.

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

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

Revenue from the services rendered is recognised when:

- The amount of revenue can be measured reliably;
- It is probable that economic benefits or service potential associated with the transaction will flow to the municipality;
- The stage of completion at the reporting date can be measured reliably;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

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 individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis

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and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when 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.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

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 recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) 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. In the case of residential property, a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connections on the property. Service charges are based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

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

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, sale of goods and services and operational revenue.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

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.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising from a transaction is usually determined by an agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

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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 imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

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

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.25. ACCOUNTING BY PRINCIPALS AND AGENTS

A principal-agent arrangement exists where there is 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).

The municipality can be either the agent or the principal in terms of the circumstances of the arrangement.

Where the municipality is considered the principal, all revenues, expenses, liabilities and assets are recorded in the records of the municipality in accordance with the relevant standards of GRAP.

Where the municipality is the agent of the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or money due being recorded in terms of GRAP 104: Financial Instruments.

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Identification

Special consideration is given to the classification of an agreement (once the standard is triggered) to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Who determines significant terms?
- Who receives the benefit from the transactions?
- Is the municipality exposed to the variability of the outcome?

If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

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. In the assessment reference is made to substance over form. Therefore the exact wording of the contract is not the only indicator (for example if reference is made to "agent"). If rights and obligations are substantially transferred this could indicate a principal/agent arrangement. If not the arrangement is accounted for as a normal supplier/customer relationship.

1.26. SERVICE CONCESSION ARRANGEMENTS: (Municipality as grantor)

Identification

Service concession arrangements of the municipality include the provision of mandated functions on behalf of the municipality by the operator for a specified period, for which the operator is compensated for its services over the period of the service concession arrangement.

Initial Recognition

Service concession assets are measured initially at fair value except where the assets are existing assets of the municipality in which case the assets are reclassified at their carrying amounts. Service concession assets will be identified separately.

The service concession liability is recognised and initially measured at:

- The same amount as the service concession asset,
- Adjusted by the amount of any other consideration (e.g., cash) from the municipality to the operator, or from the operator to the municipality.

Subsequent Measurement

The municipality initially measures the service concession asset at fair value if it is not an existing asset of the municipality.

After initial recognition, the municipality applies the measurement (including impairment) and derecognition principles to the service concession asset applicable to similar items of Property, Plant and Equipment, Intangible Assets or Heritage Assets.

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

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

Other Liabilities, Contingent Liabilities, Contingent Assets and Revenue

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

The municipality accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the principles of Revenue from Exchange Transactions.

Dividing the arrangement

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

Recognition of the performance obligation and the right to receive significant interest in a service concession asset

Were the municipality controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the municipality recognises its right to receive the residual interest (i.e. a receivable) in the service concession asset at the commencement of the arrangement. The value of the receivable at the end of the service concession arrangement reflects the value of the service concession asset as if it were already in the age and the condition expected at the end of the service concession arrangement.

1.27. TRANSFER OF FUNCTIONS (Municipality as acquirer)

A function is an integrated set of activities that is capable of being conducted and managed to achieve a Municipality's objectives, either by providing economic benefits or service potential.

A transfer of functions is the reorganisation and/or the re-allocation of functions between Municipalities by transferring functions between Municipalities or into another entity.

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An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the Municipality or other rights and obligations.

The Municipality accounts for each transfer of functions between entities not under common control by applying the acquisition method. Applying the acquisition method requires:

- (a) identifying the acquirer (Municipality);
- (b) determining the acquisition date;
- (c) recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- (d) recognising the difference between (c) and the consideration transferred to the seller.

As of the acquisition date, the Municipality recognises the identifiable assets acquired and the liabilities assumed. The identifiable assets acquired and liabilities assumed meets the definitions of assets and liabilities in the *Framework for the Preparation and Presentation of Financial Statements* and the recognition criteria in the applicable Standards of GRAP at the acquisition date. In addition, the identifiable assets acquired and liabilities assumed are part of what the Municipality and the acquiree (or its former owners) agreed in the binding arrangement.

The Municipality measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

The Municipality subsequently measures and accounts for assets acquired and liabilities assumed in accordance with other applicable Standards of GRAP.

1.28. RELATED PARTIES

The Municipality resolved to adopt some of the disclosure requirements as per GRAP 20 – “Related Party Disclosures”.

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.

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The following are regarded as related parties of the Municipality:

- (a) A person or a close member of that person's family is related to the Municipality if that person:
- has control or joint control over the Municipality.
 - has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
 - is a member of the management of the Municipality or its controlling entity.
- (b) An entity is related to the Municipality if any of the following conditions apply:
- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
 - both entities are joint ventures of the same third party.
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
 - the entity is controlled or jointly controlled by a person identified in (a).
 - a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).
 - the entity, or any member of a group of which it is part, provides management services to the reporting entity or to the controlling entity of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- (a) all members of the governing body of the Municipality;
- (b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;

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- (c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- (d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- (a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee;
- (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived from 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 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.

1.29. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is an expenditure that has not been budgeted, an expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and an 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.

1.30. IRREGULAR EXPENDITURE

Irregular expenditure is an 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 excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial

KAMIESBERG MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.31. 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 the actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.32. 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 entity. 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 fully 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.

Management judgement is required when recognising and measuring contingent liabilities and contingent assets.

1.33. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the carrying amounts represented in the annual financial statements and related disclosures. The use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

Post-retirement medical obligations and Long service awards

The cost of post-retirement medical obligations and long service 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. Major assumptions used are disclosed in note 12 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors 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.

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 the historical information available.

Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings 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 estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.

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- Local Government Industry Guides were used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Municipality's asset register;
- Cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- Cost as supplied by suppliers.

For deemed cost applied to land and buildings as per the 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.

Intangible Assets

The useful lives of intangible assets are based on management's estimation. 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.

Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

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

Investment Property

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

Management referred to the following when making assumptions regarding useful lives and the valuation of investment property:

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- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.

For deemed cost applied to Investment Property as per the 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.

Provisions, Contingent Liabilities and Contingent Assets

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities and contingent assets. Provisions are discounted where the time value effect is material.

Provision for Landfill Sites

The provision for rehabilitation of the landfill site is recognised as and when environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value of the expected future cash flows to rehabilitate the landfill site at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates linked to government bond rates were used to calculate the effect of the time value of money.

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 the reporting date. This provision will be realised as employees take leave or when employment is terminated.

Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components 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.

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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 the management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.34. 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 as part of receivables or payables in the Statement of Financial Position.

1.35. MATERIAL LOSSES

Material Losses represent distribution losses of electricity and water. The electricity and water units lost are calculated by taking into account the units purchased and sold during the year. Thereafter, the lost units are quantified by using the acquisition price.

Distribution losses for electricity are only disclosed in the financial statements in terms of the Municipal Finance Management Act (Act 56 of 2003).

Distribution losses for water are recognised and disclosed in the financial statements in terms of the Water Services Act (Act 108 of 1997) and the Municipal Finance Management Act (56 of 2003).

1.36. CAPITAL COMMITMENTS

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

1.37. SEGMENT REPORTING

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

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- for which separate financial information is available

Management identifies reportable segments in accordance with the monthly section 71 report, which are regularly reviewed by management. Management reviews the performance on an aggregated basis of total revenue and total expenditure.

The municipality manages its assets and liability as a whole and are not reviewed on a segregated basis for each town. Segment reporting per geographical area is not deemed relevant.

The measurement basis per the monthly reports is the same as the annual financial statements.

The restatement of segment information is only done if there was a change in the reportable structure of the municipality and information is readily available.

1.38. 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:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those 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.

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 June 2024

	Cost		Correction of Error		Additions	Under Construction	Disposals	Closing Balance	Accumulated Depreciation and Impairment Losses			Disposals	Impairment	Closing Balance	Carrying Value
	Opening Balance		of Error						Opening Balance	Correction of Error	Depreciation				
Infrastructure	149 179 777	149 00			-	-	-	149 179 926	92 566 664	(1 893 126)	5 593 881	-	-	96 257 420	52 922 508
	62 269 713	-72 263 51			146 790	-	-	62 344 240	37 466 171	(337 743)	3 207 678	-	-	40 336 106	22 008 134
	154 113 566	-103 406 04			6 793 209	-	-	160 603 368	99 808 929	(161 811)	6 546 190	-	-	66 193 308	94 670 060
	23 110 860	-			-	-	-	23 110 860	9 158 857	-	1 018 779	-	-	10 177 636	12 933 224
	31 544 769	-			3 081 671	-	-	34 626 440	18 020 537	-	1 975 742	-	-	19 996 279	14 630 161
	2 104 042	-			-	-	-	2 104 042	1 967 669	-	81 722	-	-	2 049 390	54 652
Solid Waste Infrastructure	29 440 727	-			3 061 671	-	-	32 502 398	16 052 868	-	1 894 020	-	-	17 946 888	14 575 510
	420 218 684	-175 520 55			10 021 670	-	-	433 064 834	217 021 158	(2 392 679)	18 332 270	-	-	232 960 749	197 104 085
Community Assets															
	70 868	-			-	-	-	70 868	56 695	-	-	-	-	56 695	14 174
	828 247	-			-	-	-	828 247	545 056	-	-	-	-	545 056	283 191
	124 511	-			-	-	-	124 511	48 751	-	-	-	-	48 751	75 760
Parks	13 055 294	-			570 570	-	-	13 625 864	358 662	-	158 069	-	-	514 731	13 111 134
	14 078 920	-			570 570	-	-	14 649 491	1 007 164	-	158 069	-	-	1 165 232	13 484 258
Land and Buildings															
	14 812 843	-7 660 445 42			-	-	-	7 152 398	478 291	(165 515)	-	-	-	312 777	6 838 821
Other Land	18 420 434	6 753 703 00			-	-	-	25 174 137	12 640 248	(741 228)	1 048 985	-	-	12 948 006	12 226 131
	33 233 277	-906 742 42			-	-	-	32 326 534	13 118 539	(906 742)	1 048 985	-	-	13 260 782	19 065 752
Operational Buildings															
	520 750	-75 625 40			54 852	-	-	481 573	758 247	(489 153)	35 959	-	-	287 410	194 164
	1 832 342	-784 214 80			30 435	-	-	1 049 024	1 845 635	(1 383 821)	74 873	-	-	512 426	536 598
	1 287 344	828 115 29			-	-	-	2 107 236	948 974	508 655	123 348	-	-	1 561 026	546 211
	2 685 666	-			-	-	-	1 306 617	2 568 673	(963 393)	294 856	-	-	1 038 014	268 603
Transport Assets	6 336 103	-31 724 91			85 287	-	-	4 944 450	6 121 529	(2 327 713)	529 036	-	-	3 358 875	1 545 575
Leases															
	997 522	3 056 00			-	-	-	1 000 578	636 637	(171 533)	26 996	-	-	492 100	508 478
	3 707 420	-3 061 00			-	-	-	3 704 359	465 658	404 563	843 493	-	-	1 713 714	1 950 644
Furniture and Office Equipment	4 704 942	-5 00			-	-	-	4 704 937	1 102 295	233 030	870 490	-	-	2 205 815	2 489 122
Transport Assets															
	478 571 926	-1 113 992 88			10 677 526	-	-	486 690 245	238 370 685	(5 394 104)	20 838 850	-	-	252 991 453	233 698 792
Total															

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2.2 30 June 2023

	Cost/Revaluation				Accumulated Depreciation and Impairment Losses				Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Correction of Error	
Infrastructure									
Roads	149 179 777	-	-	-	-	149 179 777	86 985 853	-	56 613 112
Electricity	62 269 713	-	-	-	-	62 269 713	34 239 227	-	24 803 542
Water Supply	149 891 650	-	-	4 221 915	-	154 113 566	53 263 002	-	94 304 837
Sanitation	22 603 049	-	-	507 810	-	23 110 860	8 136 938	-	13 952 003
Solid Waste	30 259 882	-	1 508 560	-	-	31 868 442	11 766 944	1 389 274	13 847 906
Solid Waste Infrastructure	2 104 042	-	-	-	-	2 104 042	1 885 966	-	136 374
Landfill Sites	29 764 400	-	(323 673)	-	-	29 440 727	13 575 265	1 389 274	16 052 868
	414 204 072	-	1 608 560	4 729 726	-	420 542 358	194 391 964	1 389 274	203 521 200
Community Assets									
Community Facilities									
Centres	70 868	-	-	-	-	70 868	49 608	-	56 695
Cemeteries/Crematoria	828 247	-	-	-	-	828 247	482 193	-	283 191
Parks	124 511	-	-	-	-	124 511	41 064	-	545 056
Outdoor Facilities	12 333 830	-	-	721 685	-	13 055 284	276 250	-	48 751
	13 357 256	-	-	721 685	-	14 078 950	849 155	-	356 682
Land and Buildings									
Other Land	14 812 843	-	-	-	-	14 812 843	478 291	-	1 007 164
Operational Buildings	18 420 434	-	-	-	-	18 420 434	11 590 813	-	478 291
	33 233 277	-	-	-	-	33 233 277	12 059 104	-	12 840 248
Other Assets									
Computer Equipment	515 118	-	5 632	-	-	520 750	288 838	419 968	13 118 539
Furniture and Office Equipment	1 832 342	-	-	-	-	1 832 342	562 242	876 590	758 247
Machinery and Equipment	1 297 344	-	-	-	-	1 297 344	904 605	-	1 845 635
Transport Assets	2 885 666	-	-	-	-	2 885 666	1 395 952	1 149 407	348 371
	6 330 470	-	5 632	-	-	6 336 103	3 151 677	2 442 966	948 974
Leases									
Furniture and Office Equipment	997 522	-	-	-	-	997 522	303 301	286 570	2 568 673
Transport Assets	3 707 420	-	-	-	-	3 707 420	294 884	147 610	5 121 529
	4 704 942	-	-	-	-	4 704 942	598 185	434 180	636 637
		-	-	-	-				3 241 761
		-	-	-	-				1 102 295
Total	471 830 017	-	1 614 193	5 451 390	-	478 895 600	211 050 084	4 266 420	238 370 685
									240 524 914

	2024 R	2023 R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	13 981 413	13 981 413
Roads	517 358	517 358
Electricity	21 995	21 995
Water Supply	12 206 709	12 206 709
Sanitation	1 235 352	1 235 352
Community Assets	12 351 692	12 351 692
Total Property, Plant and Equipment under construction	26 333 105	26 333 105
The movements for the year can be reconciled as follows:		
Balance at beginning of year	26 333 105	20 881 715
Expenditure during the year	-	5 451 390
Contributed PPE	-	-
Assets unbundled during the year	-	-
Balance at end of year	26 333 105	26 333 105
2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:		
Infrastructure Assets	4 972 962	4 972 962
Electricity	21 995	21 995
Water Supply	4 223 426	4 223 426
Sanitation	727 542	727 542
Community Assets	11 630 028	11 630 028
Total	16 602 990	16 602 990
The project is taking longer than expected due to reprioritisation of projects and insufficient funds to complete the project in current year.		
2.5 Property, Plant and Equipment where construction or development has been halted:		
Infrastructure Assets	890 272	890 272
Roads	517 358	517 358
Water Supply	372 914	372 914
Total	890 272	890 272
The project has been halted due to reprioritisation of projects and insufficient funds to complete the project in current year.		
2.6 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Other materials	352 458	225 878
Contracted Services	-	398 023
Total Repairs and Maintenance	352 458	623 901
2.7 Assets pledged as security:		
Leased Property, Plant and Equipment of R3 325 893 (2023: R3 602 647) is secured for leases as set out in Note 10.1.		
2.8 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for (inclusive of VAT):	9 524 207	19 455 850
Infrastructure	9 524 207	19 455 850
Total	9 524 207	19 455 850
This expenditure will be financed from:		
Government Grants	9 524 207	19 455 850
Total	9 524 207	19 455 850
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	31 040 629	31 040 629
Cost	31 338 155	31 338 155
Balance previously stated	-	21 796 292
Correction of Error - Note 36.2	-	9 541 863
Accumulated Impairment Loss	(297 526)	(297 526)
Disposal	(372 000)	-
Reversal of Impairment loss	282 716	-
Net Carrying amount at 30 June	30 951 346	31 040 629
Cost	30 966 155	31 338 155
Accumulated Impairment Loss	(14 809)	(297 526)

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	185 369	151 706
The municipality has no Investment Property which is in the process of being constructed or developed.		
The municipality has no Investment Property that is taking a significantly longer period of time to complete than expected.		
The municipality has no Investment Property where construction or development has been halted.		
4. INTANGIBLE ASSETS		
Net Carrying amount at 1 July	218 855	257 628
Cost	484 211	484 211
Accumulated Amortisation	(265 356)	(226 583)
Additions	60 876	-
Amortisation	(55 351)	(38 773)
Net Carrying amount at 30 June	224 379	218 855
Cost	545 086	484 211
Accumulated Amortisation	(320 707)	(265 356)
No intangible asset were assed 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 age no intangible assets pledged as security for liabilities.		
There are no contractual commitments for the acquisition of intangible assets.		
5. HERITAGE ASSETS		
Net Carrying amount at 1 July	5 400	5 400
Cost	5 400	5 400
Accumulated Impairment Loss	-	-
Additions	-	-
Disposals	-	-
Net Carrying amount at 30 June	5 400	5 400
Cost	5 400	5 400
Accumulated Impairment Loss	-	-
Heritage assets consists of 3 x short magazine Lee Enfield (SMLE) MK3 Rifles.		
There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.		
There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.		
There are no Heritage Assets pledged as security for liabilities		
There are no Heritage Assets that are used by the municipality for more than one purpose.		
6. INVENTORY		
Consumables	434 221	693 395
Water	2 333 788	568 287
Balance previously reported		394 344
Correction of error - Note 36.3		173 943
Total Inventory	2 768 009	1 281 682
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
6.1 Inventories recognised as an expense during the year:		
Consumables	1 496 190	2 953 270
Total	1 496 190	2 953 270
No inventories were pledged as security for liabilities.		

	2024 R	2023 R
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	9 996 423	10 133 385
Balance previously reported	-	12 788 617
Correction of error - Note 36.4	-	(2 655 232)
Water	36 196 919	34 316 777
Waste Management	17 012 961	15 691 009
Balance previously reported	-	15 692 518
Correction of error - Note 36.4	-	(1 510)
Waste Water Management	9 543 076	8 704 512
Balance previously reported	-	8 705 862
Correction of error - Note 36.4	-	(1 351)
Other Arrears	22 164 897	20 407 636
Total: Receivables from exchange transactions (before provision)	94 914 275	89 253 318
Less: Provision for Debt Impairment	(84 331 255)	(80 602 435)
Total: Receivables from exchange transactions (after provision)	10 583 020	8 650 883

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 consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	380 750	288 512
31 - 60 Days	450 198	199 088
61 - 90 Days	281 785	173 290
+ 90 Days	8 883 690	9 472 495
Total	9 996 423	10 133 385

(Water): Ageing

Current (0 - 30 days)	494 630	421 252
31 - 60 Days	662 125	399 232
61 - 90 Days	437 978	375 840
+ 90 Days	34 602 186	33 120 452
Total	36 196 919	34 316 777

(Waste Management): Ageing

Current (0 - 30 days)	252 422	232 405
31 - 60 Days	241 665	221 858
61 - 90 Days	233 996	216 808
+ 90 Days	16 284 878	15 019 938
Total	17 012 961	15 691 009

(Waste Water Management): Ageing

Current (0 - 30 days)	200 454	186 366
31 - 60 Days	178 858	168 995
61 - 90 Days	166 374	161 650
+ 90 Days	8 997 390	8 187 501
Total	9 543 076	8 704 512

(Other): Ageing

Current (0 - 30 days)	174 780	163 853
31 - 60 Days	209 698	198 227
61 - 90 Days	172 888	162 278
+ 90 Days	21 607 530	19 883 278
Total	22 164 896	20 407 636

(Total): Ageing

Current (0 - 30 days)	1 503 036	1 292 388
31 - 60 Days	1 742 544	1 187 400
61 - 90 Days	1 293 021	1 089 866
+ 90 Days	90 375 674	85 683 664
Total	94 914 275	89 253 318

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	80 602 435	70 439 758
Previously stated		76 967 491
Correction of Error - Note 36.4		(6 527 734)
Contribution to provision	3 242 453	9 116 912
Previously stated		6 971 770
Correction of Error - Note 36.4		2 145 142
VAT on provision	486 368	1 045 766
Balance at end of year	<u>84 331 255</u>	<u>80 602 435</u>

Ageing of amounts past due but not impaired:

1 month past due	1 742 544	1 187 400
2+ months past due	7 337 440	6 171 095
	<u>9 079 984</u>	<u>7 358 495</u>

8. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	72 993 893	63 845 035
Balance previously reported		63 852 868
Correction of error - Note 36.5		(7 833)
Other Receivables	499 275	499 652
	73 493 168	64 344 687
Less: Provision for Debt Impairment	(67 417 432)	(59 868 299)
Total Receivables from non-exchange transactions	<u>6 075 736</u>	<u>4 476 388</u>

The fair value of other receivables approximate their carrying value.

Rates 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 rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

Current (0 - 30 days)	1 097 726	984 302
31 - 60 Days	998 799	914 696
61 - 90 Days	941 164	881 151
+ 90 Days	69 956 205	61 064 886
Total	<u>72 993 894</u>	<u>63 845 035</u>

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	59 868 299	46 853 167
Balance previously reported		50 169 080
Correction of error - Note 36.5		(3 315 913)
Contribution to provision	7 549 133	13 015 132
Balance previously reported		13 185 791
Correction of error - Note 36.5		(170 659)
Balance at end of year	<u>67 417 432</u>	<u>59 868 299</u>

Ageing of amounts past due but not impaired:

1 month past due	998 799	914 696
2+ months past due	3 479 937	2 077 738
	<u>4 478 736</u>	<u>2 992 434</u>

9. BANK ACCOUNTS**Cash and Cash Equivalents**

Current Accounts	17 938	(58 245)
Call Deposits and Investments	820 584	909 460
Total Cash and Cash Equivalents - Assets	<u>838 521</u>	<u>851 215</u>

The municipality has the following collateral, contingent balances and guarantees on bank accounts:

Collateral legal entity - Kamiesberg Local Municipality:

<u>Type</u>	<u>Face value</u>	<u>Date signed</u>
Cession & Pledge of Credit Balances	R 151 734	2010/09/20
Cession & Pledge of Credit Balances	R 32 678	
	<u>R 184 412</u>	

Contingent balances - Kamiesberg Local Municipality:

<u>Type</u>	<u>Face value</u>
Contingent balance	R 184 412

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The municipality has the following bank accounts:

Current Accounts

First National Bank - Account Number 620 2250 1440 (Primary Bank Account):

2024
R

2023
R

17 938

(58 245)

17 938

(58 245)

Call Deposits and Investments

First National Bank - Account Number 62012466018:

46

17 347

First National Bank - Account Number 62182751729:

-

108 497

First National Bank - Account Number 62117682791:

7 729

8 494

First National Bank - Account Number 74282299369:

379 115

378 128

First National Bank - Account Number 71053360915:

203 218

188 303

First National Bank - Account Number 71059354764:

225 222

208 691

First National Bank - Account Number 63059298092:

5 255

-

820 584

909 460

Details of current account is as follow:

First National Bank - Account Number 620 2250 1440 (Primary Bank Account):

Cash book balance at beginning of year

(58 245)

4 043 488

Cash book balance at end of year

17 938

(58 245)

Bank statement balance at beginning of year

372 373

250 269

Bank statement balance at end of year

318 659

372 373

Details of call investment accounts are as follow:

First National Bank - Account Number 62012466018:

Cash book balance at beginning of year

17 347

5 421

Cash book balance at end of year

46

17 347

Bank statement balance at beginning of year

17 347

5 421

Bank statement balance at end of year

46

17 347

First National Bank - Account Number 62182751729:

Cash book balance at beginning of year

108 497

3 096 660

Cash book balance at end of year

-

108 497

Bank statement balance at beginning of year

108 497

3 096 660

Bank statement balance at end of year

-

108 497

First National Bank - Account Number 62117682791:

Cash book balance at beginning of year

8 494

8 221

Cash book balance at end of year

7 729

8 494

Bank statement balance at beginning of year

8 494

8 221

Bank statement balance at end of year

7 729

8 494

First National Bank - Account Number 74282299369:

Cash book balance at beginning of year

378 128

354 027

Cash book balance at end of year

379 115

378 128

Bank statement balance at beginning of year

378 128

354 027

Bank statement balance at end of year

407 479

378 128

First National Bank - Account Number 71053360915:

Cash book balance at beginning of year

188 303

177 708

Cash book balance at end of year

203 218

188 303

Bank statement balance at beginning of year

188 303

177 708

Bank statement balance at end of year

203 218

188 303

First National Bank - Account Number 71059354764:

Cash book balance at beginning of year

208 692

197 447

Cash book balance at end of year

225 222

208 692

Bank statement balance at beginning of year

208 692

197 447

Bank statement balance at end of year

225 222

208 692

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
10. LONG-TERM BORROWINGS		
Capitalised Lease Liability - At amortised cost	355 395	2 313 310
	355 395	2 313 310
<u>Less:</u> Current Portion transferred to Current Liabilities	-	(1 618 994)
Total Long-term Borrowings	355 395	694 317

10.1	The obligations under finance leases are scheduled below:		Minimum payments
	Amounts payable under finance leases:		
	Payable within one year	722 291	1 772 778
	Payable within two to five years	-	721 701
	Payable after five years	-	-
		722 291	2 494 479
	<u>Less:</u> Future finance obligations	(366 896)	(181 169)
	Present value of finance lease obligations	355 395	2 313 310

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective interest rate	Annual Escalation	Lease Term	Maturity Date
Nashua Mobile	Laptops & Modems	10%	0%	2 Years	30/06/2024
Nashua	Fax machines and Copiers	14%	0%	5 Years	30/06/2024
Bidvest	Vehicles	10%	0%	3 Years	30/04/2025

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Finance Leases are secured by property, plant and equipment - Note 2.

11. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	40 770 181	34 132 731
Total Non-current Provisions	40 770 181	34 132 731

11.1	<u>Landfill Sites</u>		
	Balance 1 July	34 132 731	33 423 079
	Previously stated		34 132 731
	Correction of Error - Note 36.6		(709 653)
	Contribution for the year	3 555 778	1 033 326
	Previously stated		2 607 654
	Correction of Error - Note 36.6		(1 574 328)
	Increase/(Decrease) due to discounting	3 081 671	(323 674)
	Previously stated		(4 170 153)
	Correction of Error - Note 36.6		3 846 479
	Total provision 30 June	40 770 181	34 132 731
	<u>Less:</u> Transfer of Current Portion to Current Provisions	-	-
	Balance 30 June	40 770 181	34 132 731

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 future obligations for rehabilitating the landfill sites have been calculated using a discount rate between 7,4% - 11,64% depending on the remaining useful life of the landfill-sites.

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Hondeklip Bay	Klipfontein	Soebatsfontein
Rehabilitation area (m²)	5 788	2 070	7 146
Preliminary and General	615 839	224 314	586 454
Site Clearance and Preparation	8 624	3 084	10 648
Stormwater Control Measures	610 306	384 270	693 951
Capping	2 118 578	785 181	2 571 772
Leachate Management	291 466	194 085	318 801
Fencing	760 807	13 777	13 777
Environmental Authorisation (Closure License)	460 688	460 688	460 688
Technical ROD	232 968	232 968	232 968
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	146 069	226 808	235 554
Landscape Architects	165 762	165 149	164 535
Topographical Survey	14 505	7 950	7 950
Contingencies	440 562	160 471	419 540
Engineering Professional Fees	591 062	243 577	583 313
Site Supervision (Engineer's Representative)	228 173	203 276	282 145
Site Supervision (Environmental Control Officer&OHS Agent)	180 300	151 389	156 120

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Garies	Spoegrivier	Nourivier	
Rehabilitation area (m²)	9 611	1 645	1 771	
Preliminary and General	821 555	201 797	203 227	
Site Clearance and Preparation	14 320	2 451	2 639	
Stormwater Control Measures	1 005 333	408 694	379 057	
Capping	3 641 133	623 673	663 630	
Leachate Management	381 159	193 231	191 522	
Fencing	13 777	13 777	13 777	
Environmental Authorisation (Closure License)	460 688	460 688	460 688	
Technical ROD	232 968	232 968	232 968	
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	161 369	169 895	204 305	
Landscape Architects	165 117	164 913	163 970	
Topographical Survey	7 950	7 950	7 950	
Contingencies	587 728	144 362	145 385	
Engineering Professional Fees	785 321	216 998	218 686	
Site Supervision (Engineer's Representative)	286 214	200 604	189 914	
Site Supervision (Environmental Control Officer&OHS Agent)	184 349	147 204	130 464	
	Twee rivier	Kharkams	Koingnaas	
Rehabilitation area (m²)	2 715	2 115	5 084	
Preliminary and General	282 263	267 431	500 594	
Site Clearance and Preparation	4 045	3 151	7 575	
Stormwater Control Measures	484 815	564 768	694 304	
Capping	994 155	799 047	2 029 038	
Leachate Management	240 213	264 985	335 885	
Fencing	13 777	13 777	13 777	
Environmental Authorisation (Closure License)	460 688	460 688	460 688	
Technical ROD	232 968	232 968	232 968	
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	198 131	166 367	238 788	
Landscape Architects	164 866	164 661	165 117	
Topographical Survey	7 950	7 950	14 505	
Contingencies	201 927	191 316	358 117	
Engineering Professional Fees	276 063	262 057	482 235	
Site Supervision (Engineer's Representative)	200 070	197 753	220 010	
Site Supervision (Environmental Control Officer&OHS Agent)	146 367	142 740	167 590	
	Leliefontein	Rooifontein/ Kamassies	Paulshoek	Kamieskroon
Rehabilitation area (m²)	1 022	2 910	685	11 080
Preliminary and General	143 631	300 195	117 613	1 024 238
Site Clearance and Preparation	1 523	4 336	1 021	16 509
Stormwater Control Measures	315 590	508 187	291 451	846 102
Capping	403 329	1 070 589	283 232	4 218 643
Leachate Management	149 665	250 463	134 289	402 514
Fencing	13 777	13 777	13 777	819 237
Environmental Authorisation (Closure License)	460 688	460 688	460 688	460 688
Technical ROD	232 968	232 968	232 968	232 968
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	139 748	267 980	170 556	169 895
Landscape Architects	164 284	163 687	164 315	164 378
Topographical Survey	7 950	7 950	7 950	15 085
Contingencies	102 752	214 755	84 138	732 724
Engineering Professional Fees	148 340	292 996	117 628	976 716
Site Supervision (Engineer's Representative)	193 478	186 708	193 834	276 363
Site Supervision (Environmental Control Officer&OHS Agent)	136 044	125 442	136 602	168 322

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The estimate cost, based on an average inflation rate of 5,02%, and -date of decommission of the sites are as follows:

Location	Estimated decommission date	2024 R	2023 R
Hondeklip Bay	2027	7 952 457	7 572 327
Koingnaas	2028	7 202 728	6 858 435
Klipfontein	2029	4 416 291	4 205 190
Soebatsfontein	2050	23 934 893	22 790 795
Garies	2032	12 945 937	12 327 116
Tweerivier	2038	7 758 821	7 387 946
Kharkams	2032	5 533 604	5 269 095
Spoegrivier	2029	4 074 199	3 879 450
Nourivier	2027	3 715 993	3 538 367
Leliefontein	2031	3 682 737	3 506 701
Rooifontein/ Kamassies	2031	5 777 822	5 501 639
Paulshoek	2032	3 566 187	3 395 722
Kamieskroon	2044	28 030 891	26 691 003
		118 592 560	112 923 786

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
12. NON-CURRENT EMPLOYEE BENEFITS		
Provision for Post Retirement Health Care Benefits	2 581 000	2 677 000
Provision for Long Service Awards	1 251 000	1 239 000
Total Non-current Employee Benefits	3 832 000	3 916 000
<u>Post Retirement Health Care Benefits</u>		
Balance 1 July	2 715 000	2 505 000
Contribution for the year	504 000	495 000
Expenditure for the year	(36 000)	(36 000)
Actuarial Gain	(539 000)	(249 000)
Total provision 30 June	2 642 000	2 715 000
Less: Transfer of Current Portion to Current Provisions - Note 14	(61 000)	(38 000)
Balance 30 June	2 581 000	2 677 000
<u>Long Service Awards</u>		
Balance 1 July	1 482 000	1 539 000
Contribution for the year	289 000	299 000
Expenditure for the year	(243 000)	(177 000)
Actuarial Gain	(23 000)	(179 000)
Total provision 30 June	1 505 000	1 482 000
Less: Transfer of Current Portion to Current Provisions - Note 14	(254 000)	(243 000)
Balance 30 June	1 251 000	1 239 000

12.1 Provision for Post Retirement Health Care Benefits

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

In-service (employee) members	22	22
In-service (employee) non-members	65	65
Continuation members (e.g. Retirees, widows, orphans)	1	1
Total Members	88	88

	2024 R	2023 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	1 335 000	1 397 000
In-service non-members	1 064 000	1 078 000
Continuation members	243 000	240 000
Total Liability	2 642 000	2 715 000

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

	2022 R	2021 R	2020 R
In-service members	1 292 000	1 445 000	966 000
In-service non-members	963 000	847 000	586 000
Continuation members	250 000	355 000	296 000
Total Liability	2 505 000	2 647 000	1 848 000

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

LA Health

The Current-service Cost for the ensuing year is estimated to be R188 000, whereas the Interest Cost for the next year is estimated to be R323 000.

	2024 %	2023 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	12,35%	12,57%
Health Care Cost Inflation Rate	6,32%	8,17%
Net Effective Discount Rate	4,20%	4,07%

ii) Mortality rates

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

The Pensioner Annuitant (90) or "PA(90)" tables are a set of mortality tables based on UK life insurance office pensioners during the period 1967-70. These mortality rates were then projected to estimate mortality rates applicable in 1990.

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

iii) Normal retirement age

The normal retirement age for employees of the municipality is 62 years.

iv) Expected rate of salary increases

Parties are still busy with negotiations of salary increases. The expected rate of salary increase is CPI.

	2024 R	2023 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 642 000	2 715 000
Fair value of plan assets	-	-
	<u>2 642 000</u>	<u>2 715 000</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	<u>2 642 000</u>	<u>2 715 000</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	2 715 000	2 505 000
Total expenses	504 000	495 000
Current service cost	165 000	200 000
Interest Cost	339 000	295 000
Remeasurement of net defined benefit liability	(539 000)	(249 000)
Return on plan assets (excl interest)	-	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	(539 000)	(249 000)
Changes in effect of limiting	-	-
Past service cost	-	-
Gains and losses from settlement	-	-
Effect of change in foreign exchange rates	-	-
Contributions to plan from employer	-	-
Contributions to plan from employee	-	-
Benefits Paid	(38 000)	(36 000)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	<u>2 642 000</u>	<u>2 715 000</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2024

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Central Assumptions	2,399	0,243	2,642

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Medical aid contribution inflation rate	+1%	2,547	0,255	2,802	6%
Health care inflation	-1%	2,192	0,232	2,424	-8%
Discount rate	+1%	2,051	0,233	2,284	-14%
Discount rate	-1%	2,835	0,254	3,089	17%
Post-retirement mortality	+1 year	2,342	0,231	2,573	-3%
Post-retirement mortality	-1 year	2,456	0,255	2,711	3%
Average retirement age	-1 year	2,707	0,243	2,950	12%
Withdrawal Rate	-10%	2,08	0,243	2,323	-12%

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	188 000	323 000	511 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Medical aid contribution inflation rate	+1%	199 000	342 000	541 000	6%
Medical aid contribution inflation rate	-1%	173 000	296 000	469 000	-8%
Discount rate	+1%	161 000	301 000	462 000	-10%
Discount rate	-1%	223 000	347 000	570 000	12%
Post-retirement mortality	+1%	184 000	314 000	498 000	-3%
Post-retirement mortality	-1%	193 000	331 000	524 000	3%
Average retirement age	-1 year	172 000	361 000	533 000	4%
Withdrawal Rate	-10%	163 000	283 000	446 000	-13%

2024
R

2023
R

Experience adjustments were calculated as follows:

Liabilities: (Gain) / loss	(539 000)	(249 000)
Assets: Gain / (loss)	-	-

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

	2022 R	2021 R	2020 R
Liabilities: (Gain) / loss	(547 000)	(215 000)	(226 000)
Assets: Gain / (loss)	-	-	-

Material analysis

The following figure shows the maturity analysis (undiscounted expected benefit payments for the next 80 years in R'million).

Future Year	Expected Benefit Payments	Future Year	Expected Benefit Payments	Future Year	Expected Benefit Payments
1	0.061	6 to 10	1.327	31 to 40	33.664
2	0.076	11 to 15	2.867	41 to 50	31.228
3	0.080	16 to 20	5.524	51 to 60	17.958
4	0.105	21 to 25	10.173	61 to 70	5.793
5	0.147	26 to 30	13.152	71 to 80	0.836

12.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 87 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R136 000 whereas the Interest Cost for the next year is estimated to be R138 000.

Key actuarial assumptions used:	2024 %	2023 %
i) Rate of interest		
Discount rate	11,13%	11,20%
General Salary Inflation (long-term)	5,28%	6,52%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	4,57%	4,39%

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

Present value of fund obligations	1 505 000	1 482 000
Fair value of plan assets	-	-
	1 505 000	1 482 000
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	1 505 000	1 482 000

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	1 482 000	1 539 000
Total expenses	289 000	299 000
Current service cost	136 000	140 000
Interest Cost	153 000	159 000
Remeasurement of net defined benefit liability	(23 000)	(179 000)
Return on plan assets (excl interest)	-	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	(23 000)	(179 000)
Changes in effect of limiting	-	-
Past service cost	-	-
Gains and losses from settlement	-	-
Effect of change in foreign exchange rates	-	-
Contributions to plan from employer	-	-
Contributions to plan from employee	-	-
Benefits Paid	(243 000)	(177 000)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	<u>1 505 000</u>	<u>1 482 000</u>
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2024

	Change	Liability (Rm)	% change
Assumption		1 505 000	
Central assumptions		1 505 000	
General earnings inflation rate	+1%	1 587 000	5%
General earnings inflation rate	-1%	1 430 000	-5%
General earnings inflation rate	+1%	1 428 000	-5%
Discount rate	-1%	1 590 000	6%
Discount rate	+2 yrs	1 633 000	9%
Average retirement age	-2 yrs	1 415 000	-6%
Average retirement age	x 2	1 231 000	-18%
Withdrawal rates	x 0.5	1 690 000	12%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	138 000	154 000	292 000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
General earnings inflation rate	+1%	148 000	163 000	311 000	7%
General earnings inflation rate	-1%	129 000	145 000	274 000	-6%
Discount rate	+1%	130 000	158 000	288 000	-1%
Discount rate	-1%	147 000	149 000	296 000	1%
Average retirement age	+2 yrs	150 000	168 000	318 000	9%
Average retirement age	-2 yrs	130 000	144 000	274 000	-6%
Withdrawal Rate	x 2	101 000	123 000	224 000	-23%
Withdrawal Rate	x 0.5	165 000	174 000	339 000	17%

	2024 R	2023 R
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(243 000)	(179 000)
Assets: Gain / (loss)	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

	2022 R	2021 R	2020 R
Liabilities: (Gain) / loss	(20 000)	(29 987)	(30 868)
Assets: Gain / (loss)	-	-	-

Maturity analysis

The following figure shows the DBO's maturity analysis (undiscounted expected benefits vesting) for the next 40 years in R'million.

Future Year	Expected Benefits Vesting	Future Year	Expected Benefits Vesting
1	0.254	6 to 10	1.643
2	0.160	11 to 15	1.662
3	0.166	16 to 20	1.685
4	0.270	21 to 30	1.647
5	0.358	31 to 40	0.216

12.3 Retirement funds

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

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

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

	2024 R	2023 R
<u>CONSOLIDATED RETIREMENT FUND (PREVIOUSLY CAPE JOINT RETIREMENT FUND)</u>		
The contribution rate paid by the members (9,0%) and Council (18,0%). 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 120.1% (30 June 2022 - 131,5%).		
Contributions paid recognised in the Statement of Financial Performance	2 124 623	1 957 281

DEFINED CONTRIBUTION FUNDS

Council contribute to the National Municipal Workers Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is 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.

Contributions paid recognised in the Statement of Financial Performance

National Municipal Workers Fund	118 064	110 764
SAMWU National Provident Fund	667 885	708 963
	<u>785 949</u>	<u>819 728</u>

Expected contributions for the next period

National Municipal Workers Fund	118 064	118 064
SAMWU National Provident Fund	611 000	667 885
	<u>729 065</u>	<u>785 949</u>

13. CONSUMER DEPOSITS

Water and Electricity	1 575 473	1 553 571
Total Consumer Deposits	<u>1 575 473</u>	<u>1 553 571</u>

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

14. CURRENT EMPLOYEE BENEFITS

Staff Bonuses	720 446	672 465
Staff Leave	2 133 719	1 887 019
Current Portion of Non-Current Provisions	315 000	281 000
Current Portion of Post Retirement Benefits - Note 12	61 000	38 000
Current Portion of Long-Service Awards - Note 12	254 000	243 000
Total Provisions	<u>3 169 165</u>	<u>2 840 485</u>

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
14.1 Staff Bonuses		
Balance at beginning of year	672 465	698 318
Contribution to current portion	1 254 571	1 288 836
Expenditure incurred	(1 206 590)	(1 314 689)
Balance at end of year	<u>720 446</u>	<u>672 465</u>
Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		
14.2 Staff Leave		
Balance at beginning of year	1 887 019	1 892 572
Contribution to current portion	481 097	245 175
Expenditure incurred	(234 397)	(250 728)
Balance at end of year	<u>2 133 719</u>	<u>1 887 019</u>
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. There is no possibility of reimbursement.		
15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	114 848 385	89 866 925
Balance previously reported	114 848 385	89 330 178
Correction of Error - Note 36.7	-	536 748
Accrued Interest	-	-
Advance Payments	1 777 223	1 571 591
Control, Clearing and Interface Accounts	2 897 827	3 494 380
Retentions	1 186 373	1 186 373
Total Trade Payables	<u>120 709 430</u>	<u>96 119 269</u>
Payables are being recognised net of any discounts. The carrying value of trade and other payables approximates its fair value. All payables are unsecured.		
16. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	1 308 532	5 035 004
National Government Grants	523 540	4 220 011
Provincial Government Grants	727 951	727 951
District Municipality	57 041	87 041
Other Sources	-	-
Less: Unpaid Transfers and Subsidies	-	-
National Government Grants	-	-
Provincial Government Grants	-	-
District Municipality	-	-
Other Sources	-	-
Total Unspent Transfers and Subsidies	<u>1 308 532</u>	<u>5 035 004</u>
See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.		
The Unspent Grants are not cash-backed by short-term deposits or the primary bank account of the municipality. This results in non-compliance with the MFMA and the DORA.		
The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.		
No grants were delayed or withheld.		
Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.		
17. TAXES		
17.1 VAT Payable	(478 878)	(478 878)
VAT Output in Suspense	(11 744 403)	(11 333 266)
Balance previously reported	-	(11 732 458)
Correction of Error - Note 36.8	-	399 191
Total VAT Payable	<u>(12 223 281)</u>	<u>(11 812 144)</u>
17.2 VAT Receivable	4 064 548	2 931 645
VAT Input in Suspense	27 239 495	25 383 777
Total VAT Receivable	<u>31 304 043</u>	<u>28 315 422</u>
17.3 Net VAT (Payable)/Receivable	<u>19 080 762</u>	<u>16 503 278</u>
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
18. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	14 205 330	16 263 474
Previously stated		16 271 307
Correction of Error - Note 36.10		(7 833)
<u>Less: Revenue Forgone</u>	<u>(3 963 311)</u>	<u>(3 833 787)</u>
Total Property Rates	10 242 020	12 429 688
<u>Valuations - 1 July 2023</u>		
Rateable Land and Buildings	16 980 062	16 323 054
Business and Commercial Property	1 893 457	1 865 040
Farm Properties	809 392	814 650
Industrial Property	82 196	-
Mining Properties	2 060 148	2 087 746
Municipal Properties	796 088	-
Protected Areas	68 712	-
Public Benefit Organisations	1 520 711	1 444 170
Public Service Infrastructure Properties	484 058	-
Residential Properties	5 799 087	5 616 840
State Trust Land	3 466 213	4 494 608
<u>Less: Revenue Forgone</u>	<u>(4 887 842)</u>	<u>(3 833 787)</u>
Total Assessment Rates	12 092 220	12 489 267

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2019. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate

Residential	1.90931c/R	1.81321c/R
Commercial	2.86397c/R	2.71982c/R
Agricultural	0.07363c/R	0.07020c/R
State	4.77328c/R	4.53303c/R
Industrial	2.86398c/R	2.71982c/R
Mining	4.77328c/R	4.53303c/R
Multipurpose	-	-

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at a rate determined by the council on outstanding rates amounts.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential	- The first R15 000 on the valuation is exempted.
Public Benefit Organisations	- 100%
State	- 30%
Places of worship	- 100%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2024 R	2023 R
19. GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants and Subsidies - Operating	36 938 171	35 527 568
Equitable Share	32 230 263	30 607 101
Expanded Public Works Programme Integrated Grant	564 908	820 467
Local Government Financial Management Grant	3 100 000	3 100 000
Libraries, Archives and Museums	1 043 000	1 000 000
Government Grants and Subsidies - Capital	7 122 034	6 355 003
Municipal Infrastructure Grant	7 122 034	4 364 513
Department Water Affairs and Environment (DWAF)	-	1 990 490
Total Government Grants and Subsidies	44 060 205	41 882 571
Included in above are the following grants and subsidies received:		
<u>Unconditional</u>	32 230 263	30 607 101
Equitable Share	32 230 263	30 607 101

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
Conditional	11 829 943	11 427 238
Local Government Financial Management Grant	3 100 000	3 100 000
Libraries, Archives and Museums	1 043 000	1 000 000
Expanded Public Works Programme Integrated Grant	564 908	820 467
Municipal Infrastructure Grant	7 122 034	4 364 513
Department Water Affairs and Environment (DWAF)	-	1 990 490
Namakwa DM	-	151 769
Total Government Grants and Subsidies	44 060 205	42 034 339
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	32 230 263	30 607 101
Finance and Administration	10 222 034	7 464 513
Community and Social Services	1 043 000	1 000 000
Planning and Development	564 908	820 467
Water Management	-	1 990 490
Total Government Grants and Subsidies	44 060 205	41 882 571
19.1 Equitable Share		
Opening balance	-	-
Grants received	28 092 000	30 607 101
Conditions met - Operating	(28 092 000)	(30 607 101)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
19.2 Local Government Financial Management Grant (FMG)		
Opening balance	-	-
Grants received	3 100 000	3 100 000
Conditions met - Operating	(3 100 000)	(3 100 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
19.3 Municipal Infrastructure Grant (MIG)		
Opening balance	3 580 969	2 115 618
Grants received	7 545 000	7 945 000
Repaid to National Revenue Fund	(3 580 487)	(2 115 136)
Conditions met - Capital	(7 122 034)	(4 364 513)
Conditions still to be met	423 447	3 580 969
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
19.4 Expanded Public Works Programme (EPWP)		
Opening balance	129 533	391 814
Grants received	865 000	950 000
Repaid to National Revenue Fund	(131 004)	(249 082)
Conditions met - Operating	(563 437)	(963 200)
Conditions met - Capital	-	-
Conditions still to be met	100 092	129 533
The grant was used for job creation.		
19.5 Department Water Affairs and Environment (DWAF)		
Opening balance	509 509	2 175 150
Grants received	-	2 500 000
Repaid to National Revenue Fund	(509 509)	(2 175 150)
Conditions met - Operating	-	-
Conditions met - Capital	-	(1 990 490)
Conditions still to be met	-	509 510
The grant was used for the refurbishment of water infrastructure.		

	2024 R	2023 R
19.6 Library Grant		
Opening balance	-	-
Grants received	1 043 000	1 000 000
Conditions met - Operating	(1 043 000)	(1 000 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The grant was used to finance library activities.		
19.7 Northern Cape Tourism Authority		
Opening balance	1 027	1 027
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	1 027	1 027
The grant was used to finance tourism activities.		
19.8 Namakwa District Municipality		
Opening balance	87 041	208 810
Grants received	-	-
Conditions met - Operating	(30 000)	(121 769)
Conditions met - Capital	-	-
Conditions still to be met	57 041	87 041
The grant was used for various projects.		
19.9 Project Nala		
Opening balance	620 180	620 180
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	620 180	620 180
The grant was used for job creation.		
19.10 Department Finance, Economic Development & Tourism		
Opening balance	100 000	100 000
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	100 000	100 000
The grant was used for job creation.		
19.11 Department Sport, Arts and Culture		
Opening balance	6 262	6 262
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	6 262	6 262
The grant was used for various related projects.		
19.12 Department of Social Services		
Opening balance	482	482
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	482	482
The grant was used for Covid-19 relief.		

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
19.12 Total Grants		
Opening balance	5 035 485	7 085 176
Grants received	40 445 000	46 102 101
Repaid to National Revenue Fund	(4 221 000)	(4 682 100)
Conditions met - Operating	(32 826 437)	(37 114 689)
Conditions met - Capital	(7 122 034)	(6 355 003)
	1 309 014	5 035 485
Conditions still to be met		
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	1 308 532	5 035 004
Unpaid Conditional Government Grants and Receipts	-	-
Total	1 308 532	5 035 004
20. SERVICE CHARGES		
Electricity	10 926 217	5 546 074
Service Charges	12 804 336	5 548 203
Balance previously stated		8 206 295
Correction of Error - Note 36.10		(2 658 092)
Less: Revenue Forgone	(1 878 119)	(2 129)
Water	3 072 353	1 042 423
Service Charges	4 304 012	2 320 630
Less: Revenue Forgone	(1 231 659)	(1 278 206)
Waste Management	1 850 673	1 776 256
Service Charges	3 036 489	3 101 396
Less: Revenue Forgone	(1 185 817)	(1 325 140)
Waste Water Management	1 778 605	1 883 023
Service Charges	2 303 296	2 340 168
Less: Revenue Forgone	(524 691)	(457 145)
Total Service Charges	17 627 847	10 247 777
Revenue Forgone can be defined as any income that the Municipality is, by law, entitled to levy but which has subsequently been forgone by way of rebate or remission.		
21. SALES OF GOODS AND RENDERING OF SERVICES		
Building Plan Approval	14 493	(1 565)
Camping Fees	2 386	9 110
Photocopies and Faxes	6 226	6 522
Sale of Goods	20 320	13 067
Total Sales of Goods and Rendering of Services	43 425	27 134
22. RENTAL FROM FIXED ASSETS		
Investment Property	185 369	151 706
Property, Plant and Equipment	27 319	22 311
Total Rental from Fixed Assets	212 687	174 017
23. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	488 640	429 295
Total Interest Earned - External Investments	488 640	429 295
24. INTEREST EARNED - OUTSTANDING RECEIVABLES		
Trade Receivables	5 836 166	5 990 044
Interest Earned - Non-Exchange Transactions	5 021 114	5 496 890
Total Interest Earned - Outstanding Receivables	10 857 280	11 486 934
25. OPERATIONAL REVENUE		
Debt Relief	2 987 043	3 168 340
Insurance Refund	-	439 212
Staff Recoveries	-	-
Total Operational Revenue	2 987 043	3 607 552

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
26, EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	20 727 938	19 953 924
Pension and UIF Contributions	2 886 768	2 755 467
Medical Aid Contributions	880 793	848 118
Overtime	899 284	777 453
Bonuses	1 254 571	1 288 836
Motor Vehicle Allowance	974 880	980 977
Cell Phone Allowance	85 300	68 550
Housing Allowances	160 230	168 604
Other benefits and allowances	416 632	291 035
Payments in lieu of leave	481 097	245 175
Skills Development Fund Levy	279 799	265 434
Post-retirement Benefit Obligations	640 000	635 000
Total Employee Related Costs	29 687 392	28 256 576

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

REMUNERATION OF KEY MANAGEMENT PERSONNEL*Remuneration of the Municipal Manager - Mr RC Beukes*

Basic Salary	713 283	622 390
Pension and UIF Contributions	110 484	106 563
Medical Aid Contributions	32 810	30 834
Motor Vehicle Allowance	260 169	250 658
Cell Phone Allowance	22 800	22 800
Housing Allowances	12 420	12 420
Other benefits and allowances	104 068	100 263
Payments in lieu of leave	-	110 189
Total	1 256 034	1 256 118

Remuneration of the Chief Financial Officer - Mr F Strauss (current)

Basic Salary	624 495	-
Pension and UIF Contributions	2 125	-
Motor Vehicle Allowance	205 159	-
Cell Phone Allowance	21 895	-
Housing Allowances	11 927	-
Other benefits and allowances	82 064	-
Total	947 666	-

Remuneration of the Chief Financial Officer - Mr TE Diphokoje (previous)

Basic Salary	-	30 973
Pension and UIF Contributions	-	-
Medical Aid Contributions	-	-
Motor Vehicle Allowance	-	-
Cell Phone Allowance	-	-
Housing Allowances	-	-
Other benefits and allowances	-	-
Payments in lieu of leave	-	-
Total	-	30 973

Remuneration of Senior Manager : Corporate Services and LED - Mr GW von Mollendorf

Basic Salary	109 188	747 940
Pension and UIF Contributions	177	2 125
Performance Bonus	7 500	90 000
Motor Vehicle Allowance	750	9 000
Cell Phone Allowance	1 035	12 420
Housing Allowances	7 101	82 321
Other benefits and allowances	32 497	-
Payments in lieu of leave	-	-
Total	158 248	943 807

Remuneration of Senior Manager : Technical Services - Mr HT Cloete

Basic Salary	90 927	532 616
Pension and UIF Contributions	15 853	91 107
Medical Aid Contributions	8 107	47 333
Motor Vehicle Allowance	14 193	170 319
Cell Phone Allowance	750	9 000
Housing Allowances	1 035	12 420
Other benefits and allowances	8 453	82 321
Payments in lieu of leave	76 996	-
Total	216 314	945 117

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R			
Remuneration of Senior Manager : Technical Services - Mr TR Cloete					
Basic Salary	195 895	-			
Pension and UIF Contributions	708	-			
Motor Vehicle Allowance	52 958	-			
Cell Phone Allowance	6 605	-			
Housing Allowances	3 598	-			
Other benefits and allowances	24 918	-			
Total	284 682	-			
Total Key Management Remuneration					
Basic Salary	1 537 893	1 933 919			
Pension and UIF Contributions	128 639	199 796			
Medical Aid Contributions	40 917	78 167			
Motor Vehicle Allowance	487 021	510 977			
Cell Phone Allowance	46 195	40 800			
Housing Allowances	26 417	37 280			
Other benefits and allowances	201 686	264 906			
Payments in lieu of leave	109 493	110 189			
Total	2 578 262	3 176 014			
27, REMUNERATION OF COUNCILLORS					
SC Nero (Mayor)	941 362	898 874			
MW Cloete (Speaker)	763 334	720 644			
BC Brandt (Chief Whip)	422 436	398 210			
RG Cloete	331 369	312 076			
LE Petersen	331 369	314 797			
CC Kordom	331 368	312 076			
CCC Coetzee	331 369	312 076			
SS Cloete	331 369	312 076			
DJ Markus	331 369	312 076			
MJB Hanekom	422 436	401 220			
PA Smit	422 436	398 210			
A Engelbrecht	-	2 721			
MC Rooi	-	2 721			
H Steenkamp	-	2 721			
MJ Cloete	-	2 721			
Total Councillors' Remuneration	4 960 217	4 703 220			
Remuneration paid to Councillors can be summarised as follow:					
	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	576 392	214 134	105 217	45 619	941 362
Speaker	424 305	171 308	122 102	45 619	763 334
Chief Whip	287 222	89 595	-	45 619	422 436
Executive Committee Members	539 386	179 189	35 059	91 238	844 872
Councillors	1 281 387	406 596	26 517	273 714	1 988 214
Total Councillors' Remuneration	3 108 692	1 060 822	288 895	501 809	4 960 218
			2024 R	2023 R	
28. CONTRACTED SERVICES					
Catering Services			74 515	32 950	
Security Services			16 670	33 086	
Transport Services			134 590	82 742	
Accounting and Auditing			23 913	1 066 010	
Audit Committee			75 189	100 649	
Land and Quantity Surveyors			173 635	-	
Qualification Verification			6 261	9 621	
Valuer and Assessors			1 477 565	1 200	
Laboratory Services			81 600	71 568	
Legal Cost			649 010	566 457	
Electrical			-	-	
Employee Wellness			111 500	145 323	
Maintenance of Equipment			-	398 023	
Maintenance of Unspecified Assets			260 718	290 510	
Prepaid Electricity Vendors			644 672	452 645	
Safeguard and Security			27 635	4 853	
Total Contracted Services			3 757 474	3 255 637	
29, DEPRECIATION AND AMORTISATION					
Property, Plant and Equipment			21 035 865	20 749 168	
Previously stated				19 359 894	
Correction of Error - Note 36.10				1 389 274	
Intangible Assets			55 351	38 773	
Total Depreciation and Amortisation			21 091 216	20 787 941	

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
30, FINANCE COSTS		
Long-term Borrowings	157 691	308 416
Non-current Provisions	3 555 778	1 033 326
Previously stated		2 607 654
Correction of Error - Note 36.10		(1 574 328)
Non-current Employee Benefits	153 000	159 000
Interest on late payments to suppliers	11 704 550	7 296 982
Total Finance Costs	15 571 019	8 797 724
31, BULK PURCHASES		
Electricity	16 700 789	13 867 743
Water	-	-
Total Bulk Purchases	16 700 789	13 867 743
32 OPERATIONAL COSTS		
Advertising, Publicity and Marketing	132 631	78 163
Audit Fees	4 749 548	3 409 026
Bank Charges, Facility and Card Fees	159 799	146 365
Courier and Delivery Services	360	1 156
Communication	355 097	310 993
External Computer Service	667 030	846 849
Hire Charges	167 212	-
Insurance Underwriting	542 671	357 402
Licences	125 132	171 296
Printing, Publications and Books	18 986	129 163
Professional Bodies, Membership and Subscription	513 250	507 705
Registration Fees	32 698	-
Remuneration to Ward Committees	212 000	262 500
Skills Development Fund Levy	5 462	1 824
Travel and Subsistence	2 440 074	1 752 005
Transport	145 000	10 500
Uniform and Protective Clothing	40 961	95 522
Total Operational Costs	10 307 911	8 080 469
33 REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 7	3 728 821	9 116 912
Previously stated		6 971 770
Correction of Error - Note 36.10		2 145 142
Receivables from Non-exchange Revenue - Note 8	7 549 133	13 015 132
Previously stated		13 185 791
Correction of Error - Note 36.10		(170 659)
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	11 277 954	22 132 044
34 GAINS/(LOSS) ON SALE OF FIXED ASSETS		
Intangible Assets	-	-
Investment Property	-	-
Property, Plant and Equipment	(36 852)	364 978
Total Gains/ (Loss) on Sale of Fixed Assets	(36 852)	364 978
35 REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON FIXED ASSETS		
Investment Property	-	-
Property, Plant and Equipment	-	-
Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

36. CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

	2024 R	2023 R
36.1 Property, Plant and Equipment		
Balance previously reported	-	240 621 182
Cost	-	475 839 440
Previously Reported	-	474 725 447
Correction of IGRAP 2 Adjustment recognised in 2022/2023 - Note 2	-	1 113 993
Accumulated Depreciation	-	(238 370 685)
Previously Reported	-	(234 104 265)
Correction of depreciation on landfill sites - Note 2	-	(1 389 274)
Depreciation on Furniture and Equipment recorded incorrectly in periods before 1 July 2022 - Note 2	-	(1 125 655)
Depreciation on Transport Assets recorded incorrectly in periods before 1 July 2022 - Note 2	-	(1 149 407)
Depreciation on Computer Equipment recorded incorrectly in periods before 1 July 2022 - Note 2	-	(167 904)
Depreciation on Lease Assets recorded incorrectly in periods before 1 July 2022 - Note 2	-	(434 180)
Restated Balance	-	237 468 755
<i>Correction of reclassification of assets between asset classes, movable assets and immovable assets recognised incorrectly in prior years, and backlog depreciation recorded incorrectly in prior years.</i>		
36.2 Investment Property		
Balance previously reported	-	21 498 766
Correction of Investment Property not recognised prior to 1 July 2022 - Note 3	-	9 541 863
Restated Balance	-	31 040 629
<i>Correction of Investment property asset register.</i>		
36.3 Inventory		
Balance previously reported	-	1 087 739
Inventory recorded incorrectly in 2022/2023 - Note 6	-	173 943
Restated Balance	-	1 261 682
<i>Inventory recorded incorrectly in prior years.</i>		
36.4 Receivables from Exchange Transactions		
Balance previously reported	-	6 926 383
Correction of debt impairment in periods before 1 July 2022 - Note 7	-	6 527 734
Correction of debt impairment in 2022/23 - Note 7	-	(2 145 142)
Correction of debtors' accounts in 2022/2023 - Note 7	-	(2 658 092)
Restated Balance	-	8 650 883
<i>Correction of debtors accounts and debt impairment calculations.</i>		
36.5 Receivables from Non-Exchange Transactions		
Balance previously reported	-	997 648
Correction of debt impairment in periods before 1 July 2022 - Note 8	-	3 315 913
Correction of debt impairment in 2022/23 - Note 8	-	170 659
Correction of debtors' accounts in 2022/2023 - Note 8	-	(7 833)
Restated Balance	-	4 476 388
<i>Correction of debtors accounts and debt impairment calculations.</i>		
36.6 Non-Current Provisions		
Balance previously reported	-	32 570 233
Correction of Landfill sites provision in periods prior to 1 July 2022 - Note 11.1	-	(709 653)
Correction of Landfill sites contribution recognised in 2022/2023 - Note 11.1	-	(1 574 328)
Correction of IGRAP 2 Adjustment recognised in 2022/2023 - Note 11.1	-	3 846 479
Restated Balance	-	34 132 731
<i>Correction of rehabilitation cost previously recognised.</i>		
36.7 Trade and Other Payables from Exchange Transactions		
Balance previously reported	-	95 582 522
Correction of trade payables in 2022/2023 - Note 15	-	536 748
Restated Balance	-	96 119 269
<i>Correction of Prepaid electricity purchased, but not consumed. Corrections to Creditors.</i>		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
36.8 Taxes		
Balance previously reported	-	16 104 086
Correction of Output VAT in periods before 1 July 2022/2023 - Note 17	-	399 191
Restated Balance	-	16 503 278

Correction of VAT on prior year transactions.

36.9 Accumulated Surplus/(Deficit) - 1 July 2022		
Correction of Landfill sites provision in periods prior to 1 July 2022 - Note 36.1	-	709 653
Depreciation on Furniture and Equipment recorded incorrectly in periods before 1 July 2022 - Note 36.1	-	(1 125 655)
Depreciation on Transport Assets recorded incorrectly in periods before 1 July 2022 - Note 36.1	-	(1 149 407)
Depreciation on Computer Equipment recorded incorrectly in periods before 1 July 2022 - Note 36.1	-	(167 904)
Depreciation on Lease Assets recorded incorrectly in periods before 1 July 2022 - Note 36.1	-	(434 180)
Correction of Debt Impairment in periods before 1 July 2022 - Note 36.5	-	6 527 734
Correction of debt impairment in periods before 1 July 2022 - Note 8	-	3 315 913
Correction of Investment Property not recognised prior to 1 July 2022 - Note 3	-	9 541 863
Correction of Output VAT in periods before 1 July 2022/2023 - Note 17	-	399 191
Total	-	17 617 208

36.10 Changes to Statement of Financial Performance

Movement on operating account as a result of errors in implementation of GRAP standards in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property Rates	36.5	12 437 520	(7 833)	12 429 688
Government Grants and Subsidies		42 034 339	-	42 034 339
Actuarial Gains		499 532	-	499 532
Fines, Penalties and Forfeits		148	-	148
Interest Earned - Non-exchange Transactions		5 496 890	-	5 496 890
Service Charges	36.4	12 905 868	(2 658 092)	10 247 777
Sales of Goods and Rendering of Services		27 134	-	27 134
Rental from Fixed Assets		174 017	-	174 017
Interest Earned - External Investments		429 295	-	429 295
Interest Earned - Exchange Transactions		5 990 044	-	5 990 044
Licences and Permits from Exchange Transactions		1 645	-	1 645
Agency Services		423 258	-	423 258
Operational Revenue		3 607 552	-	3 607 552
Total		84 027 244	(2 665 924)	81 361 319
Expenditure				
Employee related Costs		(28 256 576)	-	(28 256 576)
Remuneration of Councillors		(4 703 220)	-	(4 703 220)
Contracted Services	36.8	(3 255 637)	-	(3 255 637)
Depreciation and Amortisation	36.1	(19 398 667)	(1 389 274)	(20 787 941)
Finance Costs		(10 372 052)	1 574 328	(8 797 724)
Bulk Purchases		(13 867 743)	-	(13 867 743)
Inventory Consumed	36.3	(2 590 465)	(362 805)	(2 953 270)
Operational Costs		(8 080 469)	-	(8 080 469)
Total		(90 524 829)	(177 751)	(90 702 580)
Gains and Losses				
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	36.4 & 36.5	(20 157 561)	(1 974 483)	(22 132 044)
Gains/(Loss) on Sale of Fixed Assets		364 978	-	364 978
Total		(19 792 583)	(1 974 483)	(21 767 066)
Net Surplus/(Deficit) for the year		(26 290 168)	(4 818 158)	(31 108 326)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
37. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	(28 654 211)	(26 290 168)
Adjustments for:		
Depreciation and Amortisation	20 994 201	19 398 668
Loss/(Gain) on Sale of Fixed Assets	521 236	-
Impairment Loss/(Reversal of Impairment Loss)	(282 716)	-
Government Grants and Subsidies received	36 224 000	41 420 001
Government Grants and Subsidies recognised as revenue	(39 950 471)	(42 004 340)
Contribution to provisions – Non-Current Provisions	3 555 778	2 607 654
Contribution from/to - Current Employee Benefits	294 680	(31 405)
Contribution from/to provisions - Non-Current Employee Benefits	512 000	581 000
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(562 000)	(428 000)
Contribution to provisions – Bad Debt	10 791 586	20 157 561
Bad Debts written off	2 375 211	-
Operating Surplus/(Deficit) before changes in working capital	5 819 294	15 410 970
Changes in working capital	3 829 970	(11 624 094)
Increase/(Decrease) in Trade and Other Payables	24 590 161	14 465 439
Increase/(Decrease) in Taxes	(2 577 484)	(2 459 794)
(Increase)/Decrease in Inventory	(1 506 327)	(425 598)
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(7 527 899)	(10 800 213)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(9 148 481)	(12 403 928)
Cash generated/(absorbed) by operations	9 649 264	3 786 877
	2024 R	2023 R
38. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 9	17 938	(58 245)
Call Deposits and Investments - Note 9	820 584	909 460
Total cash and cash equivalents	838 521	851 215
39. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 9	838 521	851 215
Less:	(829 654)	(4 556 126)
Unspent Transfers and Subsidies - Note 16	(1 308 532)	(5 035 004)
VAT - Note 17	478 878	478 878
Resources available for working capital requirements	8 867	(3 704 911)
40. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 10	355 395	2 313 310
Used to finance property, plant and equipment - at cost	(355 395)	(2 313 310)
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		
41. BUDGET INFORMATION		
The Annual Budget of the Municipality is prepared for a 2023/24 MTREF period and is applicable from 1 July 2023 until 30 June 2024.		
A reconciliation is provided on the face of the Statement of comparison of budget and actual amounts for the classification disclosure differences resulting between the Budget and the Annual financial statements.		
41.1 Explanation of variances between approved and final budget amounts		
The reasons for the variances between the approved and final budgets are mainly due to virements, and the reprioritising of operating and capital projects.		
Explanation of variances greater than 10% and larger than R905 000: Final Budget and Actual Amounts		
41.2 Statement of Financial Position		
41.2.1 Current Assets		
Cash and cash equivalents		
Lower cash levels due to cash flow constraints.		
Receivables from non-exchange transactions		
Receivables from non-exchange transactions budgeted incorrectly under Receivables from Exchange Transactions.		
Inventory		
No amount was budgeted for Inventory on year-end.		

VAT

No amount was budgeted for VAT.

Other current assets

The municipality did not have any other current assets on year-end.

41.2.2 Non-Current Assets

Property, Plant and Equipment

Decrease in Property, Plant and Equipment due to addressing prior year audit findings.

Investment Property

Decrease in Investment Property due to addressing prior year audit findings.

Intangible assets

Decrease in Intangible Assets due to addressing prior year audit findings.

41.2.3 Current Liabilities

Trade and other payables from exchange transactions

Increase in Trade and Other Payables as a result of cash flow challenges experience by the municipality.

Trade and other payables from non-exchange transactions

Increase in Trade and Other Payables as a result of cash flow challenges experience by the municipality.

Provisions

Increase due to incorrect budgeting. Prior year amount not used as basis.

VAT

Decrease due to incorrect budgeting. Prior year amount not used as basis.

Other current liabilities

Decrease due to incorrect budgeting. Prior year amount not used as basis.

41.2.4 Non-Current Liabilities

Borrowing

Decrease due to incorrect budgeting. Prior year amount not used as basis.

Provisions

Decrease due to incorrect budgeting. Prior year amount not used as basis.

41.2.5 Net Assets

Accumulated Surplus

Net effect of reasons documented above

41.3 Statement of Financial Performance**41.3.1 Revenue**

Property rates

Decrease in property rates due to reduced tax base.

Service charges - Electricity

Incorrect baseline used for budgeting of service charges.

Service charges - Water

Incorrect baseline used for budgeting of service charges.

Service charges - Waste Water Management

Incorrect baseline used for budgeting of service charges.

Sale of Goods and Rendering of Services

Incorrect baseline used for budgeting of sale of goods and services.

Operational Revenue

Debt relief on outstanding account of Auditor-General.

41.3.2 Expenditure

Employee related costs

Vacant positions of senior management not filled during the year.

Bulk purchases - electricity

Increase in electricity sales during the year.

Debt impairment

Increase due to incorrect budgeting. Prior year amount not used as basis.

Interest

Finance cost for rehabilitation of landfill-sites and post-retirement provision not included in budgeted amount.

Depreciation and amortisation

Incorrect baseline used for budgeting of depreciation.

Contracted services

Increase in maintenance costs

Irrecoverable debts written off

Bad debts written-off not included in budget.

Other Losses

Assets written-off during the year.

41.4 Cash Flow Statement**41.4.1 Net Cash from Operating Activities**

Property rates

Non-payment of accounts by tax payers.

Service Charges

Non-payment of accounts by tax payers.

Interest

Incorrect base-line used for budgeting.

Government - Capital

Repayment of grants to National Revenue Fund.

Suppliers and Employees

Municipality experience difficulty to pay trade creditors.

Finance costs

Finance cost for rehabilitation of landfill-sites and post-retirement provision not included in budgeted amount.

41.4.2 Net Cash from Investing Activities

Proceeds on disposal of Investment Property

Investment Property sold not included in budget.

Capital Assets

Repayment of grant funding to the National Revenue Fund.

41.4.3 Net Cash from Financing Activities

Borrowing long term/ refinancing

No new borrowings taken up during the year.

Repayment of Borrowing

Repayment of finance leases not included in budget.

41.4.4 Cash and Cash Equivalents at the year end:

Lower cash levels due to cash flow constraints.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
42. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
42.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	431 177 733	368 524 621
Unauthorised expenditure current year - operational	11 585 762	37 604 846
Unauthorised expenditure current year - capital	7 106 819	25 048 266
Approved by Council on 8 August 2024	(309 822 392)	-
Unauthorised expenditure awaiting authorisation	<u>140 047 922</u>	<u>431 177 733</u>

Unauthorised expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings		
Over expenditure of approved budget - 2010		Under investigation	-	29 684
Over expenditure of approved budget - 2011		Under investigation	-	28 371 069
Over expenditure of approved budget - 2012		Under investigation	-	16 738 583
Over expenditure of approved budget - 2013		Under investigation	-	25 203 509
Over expenditure of approved budget - 2014		Under investigation	-	18 978 632
Bank Shortages - 2011		Under investigation	-	28 274
Fraud Vehicle Registration - 2011		Under investigation	-	78 504
Withdrawal by former CFO, EB Toontjies - 2011	6 800	Under investigation	-	6 800
Over expenditure of approved budget - 2015		Under investigation	-	18 055 902
Over expenditure of approved budget - 2016		Under investigation	-	10 999 101
Over expenditure of approved budget - 2017		Under investigation	-	90 897 845
Over expenditure of approved budget - 2018		Under investigation	-	17 313 186
Over expenditure of approved budget - 2019		Under investigation	-	29 029 602
Over expenditure of approved budget - 2020		Under investigation	-	27 597 078
Over expenditure of approved budget - 2021	2 806 476	Under investigation	-	29 307 899
Over expenditure of approved budget - 2022	55 888 953	Under investigation	-	55 888 953
Over expenditure of approved budget - 2023	44 183 723	Under investigation	-	44 183 723
Over expenditure of approved budget - 2024	16 289 848	Under investigation	-	-
			<u>119 175 799</u>	<u>412 708 344</u>

	2024 Actual R	2024 Final Budget R	2024 Variance R	2024 Unauthorised R
Unauthorised expenditure current year - operating				
Executive and Council	11 838 414	18 719 296	(6 880 882)	-
Finance and Administration	54 629 675	53 230 159	1 399 516	1 399 516
Waste Management	10 638 717	7 546 108	3 092 609	3 092 609
Water	10 335 917	5 695 847	4 640 070	4 640 070
Electricity	21 704 007	25 600 537	(3 896 530)	-
Economic and Social Development	1 720 739	2 326 420	(605 681)	-
Technical and Roads	3 702 202	5 571 032	(1 868 830)	-
Waste Water Management	2 692 509	238 941	2 453 568	2 453 568
	<u>117 262 179</u>	<u>119 345 000</u>	<u>(2 082 821)</u>	<u>11 585 762</u>

	2024 Actual R	2024 Final Budget R	2024 Variance R	2024 Unauthorised R
Unauthorised expenditure current year - capital				
Executive and Council	31 896	-	31 896	31 896
Water Distribution	6 793 209	342 246	6 450 963	6 450 963
Electricity	146 790	513 368	(366 578)	-
Economic and Social Development	655 857	-	655 857	655 857
Sewerage	3 081 671	12 733 321	(9 651 650)	-
	<u>10 709 423</u>	<u>13 588 935</u>	<u>(2 879 512)</u>	<u>7 138 716</u>

	2024 R	2023 R
42.2 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	26 803 175	19 516 633
Correction of prior period error	-	-
Restated opening balance	26 803 175	19 516 633
Fruitless and wasteful expenditure current year	10 112 822	7 286 541
Condoned or written off by Council	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>36 915 997</u>	<u>26 803 175</u>

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
Fruitless and wasteful expenditure can be summarised as follow:		
Incident	Disciplinary steps/criminal proceedings	
Legal Cost (Hondeklipbaai Stands) - 2011	Under investigation	199 191
Interest on late Creditors payments - 2011	Under investigation	417 306
Interest on late Creditors payments - 2012	Under investigation	172 301
Interest on late Creditors payments - 2014	Under investigation	255 946
Interest on late Creditors payments - 2015	Under investigation	537 535
Salary payment to J Links after dismissal	Under investigation	8 417
Interest and penalties paid to SARS - 2014	Under investigation	204 546
Interest and penalties paid to SARS - 2015	Under investigation	353 136
Interest and penalties paid to SARS - 2017	Under investigation	286 069
Interest paid to various suppliers - 2016	Under investigation	2 444 160
Interest paid to various suppliers - 2017	Under investigation	1 718 792
Interest paid to various suppliers 2018	Under investigation	1 626 031
Legal Cost (LJ Swart case) - 2018	Under investigation	872 243
Interest and penalties paid to SARS - 2018	Under investigation	211 589
Interest paid to various suppliers 2019	Under investigation	2 204 875
Interest paid to various suppliers 2020	Under investigation	2 743 843
Interest paid to various suppliers 2021	Under investigation	751 299
Interest paid to various suppliers 2022	Under investigation	4 509 354
Interest paid to various suppliers 2023	Under investigation	7 286 541
Interest paid to various suppliers 2024	Under investigation	10 112 822
		36 915 997
		26 803 175

42.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	132 047 679	120 325 233
Correction of prior period error	-	-
Restated opening balance	132 047 679	120 325 233
Irregular expenditure current year	11 840 514	11 722 446
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Irregular expenditure awaiting further action	143 888 193	132 047 679

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	
Expenditure contrary to SCM Processes 2010	Under investigation	3 715 210
Expenditure contrary to SCM Processes - 2012	Under investigation	2 661 945
Expenditure contrary to SCM Processes - 2017	Under investigation	1 118 745
Preference point system not used for bids between R30 000 and R200 000	Under investigation	1 935 162
Tax Reference numbers not obtained for transactions between R10 000 - R30 000	Under investigation	1 349 975
No declaration of interest forms (MBD4)	Under investigation	55 979
Expenditure contrary to SCM Processes - 2016	Under investigation	233 100
Grants used for operating purposes - 2016	Under investigation	3 539 704
Expenditure contrary to SCM Processes - 2018	Under investigation	7 171 777
Preference points incorrectly calculated	Under investigation	68 000
Acting longer than three months not approved by MEC	Under investigation	87 897
2019 Irregular Expenditure	Under investigation	18 341 347
Expenditure was more than R2 000 up to R30 000 and was procured without obtaining at least three written price quotations and the deviation was not approved by the CFO or his designate.	Under investigation	221 780
Bid adjudication committee does not consist of at least four senior managers of the municipality.	Under investigation	51 788 862
Expenditure totalled more than R2 000 and less than R200 000 and was not awarded to the lowest price or the entity with the most points.	Under investigation	354 229
Provider did not provide MBD4 declaration of interest ³	Under investigation	1 084 542
Expenditure contrary to SCM Processes - 2020	Under investigation	3 093 079
Total payments made exceeded the contract or quoted amount, including approved extensions.	Under investigation	4 400
Expenditure contrary to SCM Processes - 2021	Under investigation	14 862 151
Non compliance on SCM: Bid Adjudication Committee	Under investigation	5 190 355
Expenditure contrary to SCM Processes - 2022	Under investigation	3 446 994
Expenditure contrary to SCM Processes - 2023	Under investigation	11 722 446
Expenditure contrary to SCM Processes - 2024	Under investigation	11 840 514
		143 888 193
		132 047 679

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA.

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
43. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
43.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)		
Opening balance	5 211 336	4 704 131
Council subscriptions	505 000	507 205
Amount paid - current year	-	-
Amount paid - previous years	(50 000)	-
Balance unpaid (included in creditors)	5 666 336	5 211 336
43.2 Audit fees - [MFMA 125 (1)(c)]		
Opening balance	4 919 788	4 083 484
Current year audit fee	6 034 255	4 454 644
External Audit - Auditor-General	5 261 980	3 920 380
Interest	772 275	534 264
Amount paid - current year	(450 000)	(450 000)
Amount paid - previous year	-	-
Credit note	(2 987 043)	(3 168 340)
Balance unpaid (included in creditors)	7 517 000	4 919 788
43.3 VAT - [MFMA 125 (1)(c)]		
VAT is payable on the payment basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year. The net of VAT Input Payables and VAT Output Receivables are shown in Note 17.		
43.4 PAYE and UIF - [MFMA 125 (1)(c)]		
Opening balance	700 419	1 179 090
Current year payroll deductions	4 828 798	4 454 563
Amount paid - current year	(3 665 964)	(3 754 144)
Amount paid - previous year	(691 615)	(1 179 090)
Balance unpaid (included in creditors)	1 171 638	700 419
43.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	1 542 568	4 116 149
Correction of prior period error	-	-
Restated opening balance	1 542 568	4 116 149
Current year payroll deductions and Council Contributions	6 205 351	5 977 486
Amount paid - current year	(4 584 840)	(4 429 858)
Amount paid - previous year	(1 542 481)	(4 121 210)
Balance unpaid (included in creditors)	1 620 598	1 542 568
43.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]		
The following Councillors had arrear accounts for more than 90 days as at 30 June 2024:		
	2024 Outstanding more than 90 days	2023 Outstanding more than 90 days
SS Cloete	2 764	-
RG Cloete	16 721	24 131

43.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

30 June 2024

Type of Deviation				
Amount	Single Supplier	Impossible	Impractical	Emergency
427 024	16 622	410 402	-	-
65 000	-	65 000	-	-
146 007	-	146 007	-	-
202 024	-	202 024	-	-
266 702	-	266 702	-	-
114 435	-	114 435	-	-
214 139	3 520	210 619	-	-
513 362	-	513 362	-	-
72 440	-	72 440	-	-
253 279	-	253 279	-	-
324 996	-	324 996	-	-
108 972	-	108 972	-	-
2 708 380	20 142	2 688 238	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

30 June 2023

Type of Deviation

	Amount	Single Supplier	Impossible	Impractical	Emergency
July	393 698	2 522	391 176	-	-
August	74 476	-	74 476	-	-
September	278 662	-	278 662	-	-
October	91 772	-	91 772	-	-
November	40 000	-	40 000	-	-
December	198 388	-	198 388	-	-
January	134 941	-	134 941	-	-
February	115 000	-	115 000	-	-
March	48 714	16 223	32 491	-	-
April	198 780	-	198 780	-	-
May	108 869	-	108 869	-	-
June	84 382	-	84 382	-	-
	<u>1 767 680</u>	<u>18 745</u>	<u>1 748 935</u>	<u>-</u>	<u>-</u>

2024
R2023
R

43.8 Material losses

Electricity distribution losses

Units purchased (Kwh)

6 923 304

6 834 585

Units lost during distribution (Kwh)

597 760

1 047 229

Percentage lost during distribution

8,63%

15,32%

Distribution loss (Rand Value)

6 325 543

5 082 955

The reason for the increase in electricity losses is due to electricity theft on pre-paid meters. Fines were issued for first time offenders.

Water distribution losses

Units purchased (ml)

193 860

81 787

Units lost during distribution (ml)

100 807

14 238

Percentage lost during distribution

52,00%

17,41%

Distribution loss (Rand Value)

1 568 807

14 238

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

43.9 Skills Development Levy - [MFMA 125 (1)(c)]

Opening balance

43 419

95 265

Current year payroll deductions

285 261

267 318

Amount paid - current year

(213 342)

(223 899)

Correction of prior period error

-

-

Amount paid - previous year

(18 790)

(95 265)

Balance unpaid (included in creditors)

96 54843 419

44. FINANCIAL RISK MANAGEMENT

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

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

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

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

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

2024
R2023
R

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

1% (2023: 1%) Increase in interest rates

4 831

(14 621)

1% (2023: 1%) Decrease in interest rates

(4 831)

14 621

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(d) Credit Risk

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

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

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

All services are payable within 30 days from invoice date. Refer to note 7 and 8 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2024 %	2024 R	2023 %	2023 R
<u>Non-exchange Receivables</u>				
Other Receivables	100,00%	499 275	100,00%	499 275
	100,00%	499 275	100,00%	499 275
<u>Exchange Receivables</u>				
Electricity	10,53%	9 996 423	11,26%	9 013 906
Water	38,14%	36 196 919	39,12%	31 321 365
Waste Management	17,92%	17 012 961	17,15%	13 732 216
Waste Water Management	10,05%	9 543 076	9,41%	7 534 656
Other	23,35%	22 164 897	23,05%	18 454 788
	100,00%	94 914 275	100,00%	80 057 131

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 7 and 8 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at a rate determined by council where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2024 %	2024 R	2023 %	2023 R
<u>Non-exchange Receivables</u>				
Other Receivables	0,00%	-	0,00%	-
<u>Exchange Receivables</u>				
Services	100,00%	84 331 255	100,00%	80 029 815
	100,00%	84 331 255	100,00%	80 029 815

The provision for bad debts could be allocated between the different categories of receivables as follow:

	Exchange Receivables	Non-exchange Receivables
<u>Ageing of amounts past due but not impaired are as follow:</u>		
2024		
1 month past due	1 742 544	-
2+ months past due	7 337 440	-
	9 079 984	-
2023		
1 month past due	1 187 400	-
2+ months past due	6 171 095	-
	7 358 495	-

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

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

Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2024 R	2023 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	94 914 275	89 253 318
Receivables from non-exchange transactions	499 275	499 652
Cash and Cash Equivalents	838 521	851 215
	96 252 072	90 604 184

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(e) Liquidity Risk

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

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

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

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2024				
Long-term Liabilities	722 291	-	-	-
Trade and Other Payables	120 709 430	-	-	-
	<u>121 431 722</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2023				
Long-term Liabilities	1 772 778	721 701	-	-
Trade and Other Payables	96 119 269	-	-	-
	<u>97 892 047</u>	<u>721 701</u>	<u>-</u>	<u>-</u>

45. FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

45.1	<u>Financial Assets</u>	<u>Classification</u>	2024 R	2023 R
	Receivables from Exchange Transactions			
	Electricity	Financial Instruments at amortised cost	9 996 423	9 013 906
	Water	Financial Instruments at amortised cost	36 196 919	31 321 365
	Waste Management	Financial Instruments at amortised cost	17 012 961	13 732 216
	Waste Water Management	Financial Instruments at amortised cost	9 543 076	7 534 856
	Other Arrears	Financial Instruments at amortised cost	22 164 897	18 454 788
	Cash and Cash Equivalents			
	Bank Balances	Financial Instruments at amortised cost	17 938	4 043 488
	Call Deposits	Financial Instruments at amortised cost	820 584	3 839 485
	Total Financial Assets		<u>95 752 796</u>	<u>87 940 104</u>
	SUMMARY OF FINANCIAL ASSETS			
	Financial Instruments at amortised cost:			
	Receivables from Exchange Transactions	Electricity	9 996 423	9 013 906
	Receivables from Exchange Transactions	Water	36 196 919	31 321 365
	Receivables from Exchange Transactions	Waste Management	17 012 961	13 732 216
	Receivables from Exchange Transactions	Waste Water Management	9 543 076	7 534 856
	Receivables from Exchange Transactions	Other Arrears	22 164 897	18 454 788
	Cash and Cash Equivalents	Bank Balances	17 938	4 043 488
	Cash and Cash Equivalents	Call Deposits	820 584	3 839 485
	Total Financial Assets		<u>95 752 796</u>	<u>87 940 104</u>
45.2	<u>Financial Liabilities</u>	<u>Classification</u>		
	Long-term Liabilities			
	Capitalised Lease Liability	Financial Instruments at amortised cost	355 395	2 313 310
	Trade and Other Payables			
	Trade Payables	Financial Instruments at amortised cost	114 848 385	89 866 925
	Advance Payments	Financial Instruments at amortised cost	1 777 223	1 571 591
	Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	2 897 827	3 494 380
	Retentions	Financial Instruments at amortised cost	1 186 373	1 186 373
			<u>121 064 826</u>	<u>98 432 579</u>

KAMIESBERG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
SUMMARY OF FINANCIAL LIABILITIES		
Financial instruments at amortised cost:		
Long-term Liabilities		
Trade and Other Payables		
Trade and Other Payables		
Trade and Other Payables		
Trade and Other Payables		
Capitalised Lease Liability	355 395	2 313 310
Trade Payables	114 848 385	89 866 925
Advance Payments	1 777 223	1 571 591
Control, Clearing and Interface Accounts	2 897 827	3 494 380
Retentions	1 186 373	1 186 373
	<u>121 064 826</u>	<u>98 432 579</u>
46. STATUTORY RECEIVABLES		
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
Taxes		
VAT Receivable	4 064 548	1 665 608
Receivables from Non-Exchange Transactions	72 993 893	63 845 035
Rates	72 993 893	63 845 035
Fines	-	-
Total Statutory Receivables (before provision)	77 058 441	65 710 643
Less: Provision for Debt Impairment	(52 972 372)	(45 423 239)
Total Statutory Receivables (after provision)	<u>24 086 069</u>	<u>20 287 404</u>
Statutory Receivables arises from the following legislation:		
Taxes	- Value Added Tax Act (No 89 of 1991)	
Rates	- Municipal Properties Rates Act (No 6 of 2004)	
Fines	- Criminal Procedures Act	
Statutory receivables are initially measured at transaction value, and subsequently at cost.		
(Rates): Ageing		
Current (0 - 30 days)	1 097 726	984 302
31 - 60 Days	998 799	914 696
61 - 90 Days	941 164	881 151
+ 90 Days	69 956 205	61 064 886
Total	<u>72 993 894</u>	<u>63 845 035</u>
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	45 423 239	36 558 989
Contribution to provision	7 549 133	8 864 250
Balance at end of year	<u>52 972 372</u>	<u>45 423 239</u>
Ageing of amounts past due and impaired:		
1 month past due	-	836 948
2+ months past due	67 417 432	50 223 423
	<u>67 417 432</u>	<u>51 060 371</u>
Ageing of amounts past due but not impaired:		
1 month past due	998 799	914 696
2+ months past due	3 479 937	2 077 738
	<u>4 478 736</u>	<u>2 992 434</u>
Interest Received from Statutory Receivables		
Taxes	5 021 114	4 049 923
Receivables from Non-Exchange Transactions	-	-
	<u>5 021 114</u>	<u>4 049 923</u>
Interest is levied at a rate determined by the council on outstanding rates amounts.		
47. PRIVATE PUBLIC PARTNERSHIPS		
Council has not entered into any private public partnerships during the financial year.		
48. PRINCIPAL - AGENT ARRANGEMENTS		
48.1 Principal in other Principal-Agent Arrangements (non-material)		
Kamiesberg 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.		
There are no resources under the custodianship of the agents, nor have they been recognised as such.		

48.2 Agent in arrangement

The 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.

The municipality does not incur any expenses on behalf of the Provincial Department. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and municipal cashier collection points. No resources are held on behalf of the Provincial Department (other than the receipts).

The Municipality was paid 12% commission by the Provincial Department of Transport for acting as an agent on its behalf during the financial year.

49. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

Kamiesberg Municipality v PA Schreuder (Garies Magistrates Court Case no: 19/2018):

Kamiesberg Municipality has lodged an appeal to the High Court of South Africa, Northern Cape Division, against the court judgement on 01 April 2021. Contingent financial exposure of R250 000.

The case has been registered at the High Court of South Africa, Northern Cape Division with case no: CAXR39/2021 with the contingent financial exposure remaining at R250 000.

Auditor-General of South Africa (against entity) Case Number 226/23, R 10 000 of Legal Costs

Auditor-General of South Africa (against entity) Case Number 384/24, R 40 000 of legal costs

Koingnaas Belastingbetalers Vereniging (against and by the entity) Case Nr 384/24 R 100 000 in Respect of Legal Cost

Action for recovery of outstanding municipal rates and levies with financial exposure of R80 000.

50. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

50.1 Related Party Transactions

	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Year ended 30 June 2024						
Councillors						
SC Nero	477	2 357	-	-	393	-
LE Petersen	1 432	3 363	-	-	640	-
MJB Hanekom	407	-	-	5	-	-
CC Kordom	477	2 757	-	-	635	-
RG Cloete	668	2 373	-	1 909	16 721	-
MW Cloete	5 632	13 075	-	-	1 332	-
CCC Coetzee	1 700	5 195	-	177	2 208	-
SS Cloete	477	6 230	-	24	2 764	-
	11 270	35 350	-	2 115	24 693	-
Municipal Manager and Section 56/57 Employees						
RC Beukes	8 687	4 021	-	-	1 782	-
	8 687	4 021	-	-	1 782	-
	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Year ended 30 June 2023						
Councillors						
SC Nero	453	2 299	-	-	187	-
LE Petersen	1 360	2 671	-	-	246	-
MJB Hanekom	386	-	-	35	248	-
CC Kordom	453	2 432	-	115	(2)	-
RG Cloete	635	-	-	484	5 241	-
MW Cloete	-	5 719	-	-	751	-
CCC Coetzee	6 074	5 020	-	511	78	-
SS Cloete	-	4 368	-	623	3 702	-
DJ Markus	3 354	2 324	-	4 519	56 427	-
	12 716	24 833	-	6 287	66 879	-
Municipal Manager and Section 56/57 Employees						
RC Beukes	-	-	-	-	-	-
	-	-	-	-	-	-

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

Related party relationship

Councillors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

50.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

50.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.

50.4 Current Employee Benefits

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2024:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
RC Beukes	Municipal Manager	81 971	-	198 762
F Strauss	Chief Financial Officer	53 363	-	208 480
GW Von Mollendorf	Senior Manager: Corporate Services	-	-	3 160
TR Cloete	Senior Manager: Technical Services	23 516	-	17 759
		158 850	-	428 161

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2023:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
RC Beukes	Municipal Manager	32 668	-	176 595
TE Diphokoje	Chief Financial Officer	-	-	-
GW Von Mollendorf	Senior Manager: Corporate Services	34 260	-	25 311
HT Cloete	Senior Manager: Technical Services	69 692	-	57 794
		136 620	-	259 700

51. FINANCIAL SUSTAINABILITY

Management is of the opinion that will municipality will continue to operate as a going concern and perform its functions as set out in the Constitution.

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the socio-economic profile (high unemployment rate) of Kamiesberg communities resulted in a serious risk for Kamiesberg Municipality's going concern.

Unless sustainable job creation is achieved, Kamiesberg Municipality will not be able to function as a going concern without Government Grants and Subsidies.

The average creditors payment period is 1 248 days (2023: 1 165 days).

The municipality is experiencing difficulty to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceed the current assets with R88 246 670 (2023: R75 423 877). The municipality has started discussions with Eskom regarding the settlement of the Eskom account with the assistance of Utility Consulting Solutions and also to procure cheaper electricity as the current electricity model is making the municipality unsustainable.

The municipality has budgeted for an operating deficit of R23 757 000 for the 2024/2025 financial year, and R16 419 000 and R32 710 000 for the 2025/2026 and 2026/2027 years respectively. The municipality has also budgeted for cash flows of R2 374 000, R2 491 000 and R2 608 000 for 2043/2025, 2025/2026 and 2026/2027 respectively.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

52. EVENTS AFTER REPORTING PERIOD

No events after the reporting date were identified by management that will effect the operations of the municipality or the results of those operations significantly.

Court Case on Approval of tariffs for the electricity distribution :

on the 17th November 2023 The National Energy Regulator of South Africa (NERSA) notified municipalities in that Nersa, approach of using benchmarking and guidelines has been set aside, and declaring unlawful by the High Court in the Nerson Mandela Bay Chamber of Business and other, the judgment allowed NERSA to revise the Municipal tariff Guideline to be compliant with the section 15 of the Electricity regulation Act.

The above judgment was delivered when NERSA, SALGA and Sustainable Energy Africa made available to all municipal licensees a simplified cost of supply (COS) tool. This simplified tool shows a link between the required revenue and the cost between associated with supplying a category of customers, the classification of costs between fixed and variable and energy related, demand-related, and customer-related costs.

However, after the notice, Afriform submitted that NERSA deviated from the good path. In a notice dated 29th January 2024.

The court judgment was delivered on the 8th July 2024 municipal financial year, which is after the reporting date. Part of the judgement states that "For the 2024/2024, e. Part of the judgement states that the first respondent shall consider and if they legally compliant which is after the reporting date, complainant approve such electricity tariffs applications by municipalities as are based on the municipalities's cost of supply studies timeously submitted by the municipalities as are based on the the municipalities's cost of supply studies timeously submitted by the Notice by the Notice to the Municipal Licenced Electricity Distributors, 17th November 2024 (Annexure 'FA7' to the Foundation Affidavit), 66 municipality were considered to be on-compliant. Kamiesberg Municipality was initially non-compliant with 60 days but became compliant within 60 days that was granted by the High Court after submission of the Cost of the Cost of Supply. The amount will be for or less R12 291 993,60. A Gauteng High Court judgement was passed which determined that NERSA's assumption method for approval of municipal electricity tariffs is unlawful, invalid and of no force and effect for the 2024/25 electricity tariffs unless a cost of supply study has been performed and the tariffs are based on such a study. This will be a non-adjusting event for the 2023/24 financial year but may have an impact in the next financial year.

53. ADDITIONAL DISCLOSURES IN TERMS OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

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

APPENDIX B
KAMIESBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R		2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R
-	(9 515 439)	(9 515 439)	Governance and Administration	-	(11 838 414)	(11 838 414)
62 478 182	(59 925 111)	2 553 071	Executive and council Finance and administration	64 155 557	(54 186 244)	9 969 313
1 000 347	(353 951)	646 396	Community and Public Safety	1 043 399	(443 431)	599 968
9 110	-	9 110	Community and social services Sport and recreation	2 386	-	2 386
820 467	(1 661 844)	(841 377)	Economic and Environmental Services	564 908	(1 720 739)	(1 155 831)
(1 765)	(4 641 617)	(4 643 382)	Planning and development Road transport	164 521	(3 702 202)	(3 537 681)
8 868 726	(18 530 438)	(9 661 712)	Trading Services	11 469 096	(21 704 007)	(10 234 911)
6 140 229	(10 281 140)	(4 140 911)	Energy sources Water management	6 119 721	(10 335 917)	(4 216 196)
2 387 322	(1 523 290)	864 032	Waste water management	2 306 940	(2 692 509)	(385 569)
2 689 605	(9 057 217)	(6 367 613)	Waste management	2 781 441	(10 638 717)	(7 857 275)
-	(10 500)	(10 500)	Other	-	-	-
84 392 222	(115 500 548)	(31 108 326)	Sub Total	88 607 969	(117 262 179)	(28 654 211)
-	-	-	Less Inter-Departmental Charges	-	-	-
84 392 222	(115 500 548)	(31 108 326)	Total	88 607 969	(117 262 179)	(28 654 211)

APPENDIX A
KAMIESBERG MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2024

EXTERNAL LOANS	Rate	Loan Number	Balance at 30 June 2023	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2024
LEASE LIABILITY							
Nashua	14,00%	Various	293 873	-	-	(287 956)	5 916
Nashua Mobile	10,00%	Various	33 910	-	-	(33 910)	-
Bidvest	10,00%	Various	1 985 528	-	-	(1 636 049)	349 479
Total Lease Liabilities			2 313 310	-	-	(1 957 915)	355 395
TOTAL EXTERNAL LOANS			2 313 310	-	-	(1 957 915)	355 395

APPENDIX C
KAMIESBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024
MUNICIPAL VOTES CLASSIFICATIONS

2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R		2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R
-	(2 723 925)	(2 723 925)	EXECUTIVE COUNCIL	-	(4 084 909)	(4 084 909)
-	(6 791 514)	(6 791 514)	Municipal Manager Mayor and Council	-	(7 753 505)	(7 753 505)
-	(50 048 217)	1 842 303	FINANCE AND ADMINISTRATION	54 126 321	(44 524 706)	9 601 615
11 587 462	(10 230 845)	1 356 617	Finance Administration	11 222 263	(10 104 969)	1 117 294
348	-	348	COMMUNITY AND SOCIAL SERVICES	399	-	399
-	-	-	Libraries	-	-	-
-	-	-	SPORT AND RECREATION	-	-	-
-	-	-	Caravan Park	-	-	-
2 689 605	(9 057 217)	(6 367 613)	WASTE MANAGEMENT	2 781 441	(10 638 717)	(7 857 275)
-	-	-	Refuse and Sanitation	-	-	-
6 140 229	(10 281 140)	(4 140 911)	WATER	6 119 721	(10 335 917)	(4 216 196)
-	-	-	Water	-	-	-
8 868 726	(18 530 438)	(9 661 712)	ELECTRICITY	11 469 096	(21 704 007)	(10 234 911)
-	-	-	Electricity	-	-	-
829 577	(1 672 344)	(842 767)	ECONOMIC AND SOCIAL DEVELOPMENT	567 294	(1 720 739)	(1 153 445)
-	-	-	Local Economic Development	-	-	-
(1 565)	(4 641 617)	(4 643 182)	TECHNICAL AND ROADS	14 493	(3 702 202)	(3 687 708)
-	-	-	Streets	-	-	-
2 387 322	(1 523 290)	864 032	WASTE WATER MANAGEMENT	2 306 940	(2 692 509)	(385 569)
-	-	-	Sewerage	-	-	-
84 392 222	(115 500 548)	(31 108 326)	Sub Total	88 607 969	(117 262 179)	(28 654 211)
-	-	-	Less Inter-Departmental Charges	-	-	-
84 392 222	(115 500 548)	(31 108 326)	Total	88 607 969	(117 262 179)	(28 654 211)

APPENDIX D
KAMIESBERG MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2023	Correction of Error	Restated Balance 30 June 2023	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2024	Unspent 30 June 2024 (Creditor)	Unpaid 30 June 2024 (Debtor)
National Government Grants											
<u>Equitable Share</u>	-	-	-	28 092 000	-	-	(28 092 000)	-	-	-	-
Finance Management Grant	-	-	-	3 100 000	-	-	(3 100 000)	-	-	-	-
Municipal Infrastructure Grant	3 580 969	-	3 580 969	7 545 000	-	(3 580 487)	-	(7 122 034)	423 447	423 447	-
Department Water Affairs and Environment	509 509	-	509 509	-	-	(509 509)	-	-	-	-	-
Expanded Public Works Programme	129 533	-	129 533	665 000	-	(131 004)	(563 437)	-	100 092	100 092	-
Total National Government Grants	4 220 011	-	4 220 011	39 402 000	-	(4 221 000)	(31 755 437)	(7 122 034)	523 540	523 540	-
Provincial Government Grants											
Library	-	-	-	1 043 000	-	-	(1 043 000)	-	-	-	-
Project Nala	620 180	-	620 180	-	-	-	-	-	620 180	620 180	-
Department Finance, Economic Development & Tourism	100 000	-	100 000	-	-	-	-	-	100 000	100 000	-
Northern Cape Tourism Authority	1 027	-	1 027	-	-	-	-	-	1 027	1 027	-
Department Social Services	482	-	482	-	-	-	-	-	482	482	-
Department Sport, Arts and Culture	6 262	-	6 262	-	-	-	-	-	6 262	6 262	-
Total Provincial Government Grants	727 951	-	727 951	1 043 000	-	-	(1 043 000)	-	727 951	727 951	-
District Municipality											
Namakwa DM	87 041	-	87 041	-	-	-	(30 000)	-	57 041	57 041	-
Total District Municipality Grants	87 041	-	87 041	-	-	-	(30 000)	-	57 041	57 041	-
Total Grants	5 035 003	-	5 035 003	40 445 000	-	(4 221 000)	(32 828 437)	(7 122 034)	1 308 532	1 308 532	-

KAMIESBERG - Reconciliation of Table A1 Budget Summary

RAMESIBONG - Reconciliation of Table A1 Budget Summary												
Description	2023/24						2022/23					
	Original Budget	Budget Adjustments (I.L.O. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12
Financial Performance												
Property rates	14 062	-	14 062	10 242	-	-	72.8%	72.8%	-	-	-	12 430
Service charges	13 615	-	13 615	17 628	-	3 820	129.5%	129.5%	-	-	-	10 248
Investment revenue	9 912	-	9 912	11 346	-	(4 013)	114.5%	114.5%	-	-	-	11 916
Transfers recognised - operational	37 406	-	37 406	36 938	-	(1 434)	98.7%	98.7%	-	-	-	35 679
Other own revenue	3 760	-	3 760	4 770	-	468	126.8%	126.8%	-	-	-	4 599
Total Revenue (excluding capital transfers and contributions)	78 756	-	78 756	80 924	-	(1 010)	0.0%	0.0%	-	-	-	74 872
Employee costs	33 063	-	33 063	29 125	-	3 938	88.1%	88.1%	-	-	-	27 757
Remuneration of councillors	4 834	-	4 834	4 960	-	(127)	102.6%	102.6%	-	-	-	4 703
Depreciation & asset impairment	32 155	-	32 155	21 091	-	11 064	65.6%	65.6%	-	-	-	20 788
Finance charges	2 735	-	2 735	15 571	-	(12 836)	569.3%	569.3%	-	-	-	8 798
Materials and bulk purchases	21 112	-	21 112	18 197	-	2 915	86.2%	86.2%	-	-	-	16 821
Transfers and grants	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Other expenditure	25 447	-	23 974	27 755	-	(3 781)	-	-	-	-	-	33 468
Total Expenditure	119 345	-	117 873	116 700	-	1 173	99.0%	97.8%	-	-	-	112 335
Surplus/(Deficit)	(40 589)	-	(39 117)	(35 776)	-	-	0.0%	0.0%	-	-	-	(37 463)
Transfers recognised - capital	12 626	(541)	12 085	7 122	-	-	0.0%	0.0%	-	-	-	6 355
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(27 963)	(541)	(27 032)	(28 654)	-	-	-	-	-	-	-	(31 108)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Surplus/(Deficit) for the year	(27 963)	(541)	(27 032)	(28 654)	-	-	-	-	-	-	-	(31 108)
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	12 733	(541)	12 192	-	-	12 192	0.0%	0.0%	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Borrowing	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Internally generated funds	856	-	856	-	-	856	0.0%	0.0%	-	-	-	-
Total sources of capital funds	13 589	(541)	13 048	-	-	13 048	0.0%	0.0%	-	-	-	-
Cash flows												
Net cash from (used) operating	35 210	-	35 210	9 649	-	25 561	27.4%	27.4%	-	-	-	-
Net cash from (used) investing	(13 589)	-	(13 589)	(7 285)	-	(6 304)	53.6%	53.6%	-	-	-	-
Net cash from (used) financing	2 374	-	2 374	(1 958)	-	4 332	-82.5%	-82.5%	-	-	-	-
Cash/cash equivalents at the year end	65 293	-	37 920	1 258	-	36 662	3.3%	1.9%	-	-	-	-

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

KAMIESBERG - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)												
Description	2023/24							2022/23				
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard	67 496	(541)	66 955	64 156		-	0,0%	0,0%				62 478
Governance and administration	-	-	-	-		-	0,0%	0,0%				-
Executive and council	67 496	(541)	66 955	64 156		-	0,0%	0,0%				62 478
Finance and administration	-	-	-	-		-	0,0%	0,0%				-
Internal audit	1 054	-	1 054	1 046		-	0,0%	0,0%				1 009
Community and public safety	1 045	-	1 045	1 043		-	0,0%	0,0%				1 000
Community and social services	9	-	9	2		-	0,0%	0,0%				9
Sport and recreation	-	-	-	-		-	0,0%	0,0%				-
Public safety	-	-	-	-		-	0,0%	0,0%				-
Housing	-	-	-	-		-	0,0%	0,0%				-
Health	960	-	960	729		-	0,0%	0,0%				819
Economic and environmental services	-	-	-	565		-	0,0%	0,0%				820
Planning and development	960	-	960	165		-	0,0%	0,0%				(2)
Road transport	-	-	-	-		-	0,0%	0,0%				-
Environmental protection	21 871	-	21 871	22 677		-	0,0%	0,0%				20 086
Trading services	7 596	-	7 596	11 469		-	0,0%	0,0%				8 869
Electricity	9 518	-	9 518	6 120		-	0,0%	0,0%				6 140
Water	2 461	-	2 461	2 307		-	0,0%	0,0%				2 387
Waste water management	2 295	-	2 295	2 781		-	0,0%	0,0%				2 690
Waste management	-	-	-	-		-	0,0%	0,0%				-
Other	91 382	(541)	90 841	88 608		-	0,0%	0,0%				84 392
Total Revenue - Standard												

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

KAMIESBERG - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)												
Description	2023/24						2022/23					
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Expenditure - Standard												
Governance and administration	71 949	-	71 949	66 025	-	-	0,0%	0,0%	-	-	-	69 441
Executive and council	10 529	-	10 529	11 838	-	-	0,0%	0,0%	-	-	-	9 515
Finance and administration	61 420	-	61 420	54 186	-	-	0,0%	0,0%	-	-	-	59 925
Internal audit	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Community and public safety	170	-	170	443	-	-	0,0%	0,0%	-	-	-	354
Community and social services	170	-	170	443	-	-	0,0%	0,0%	-	-	-	354
Sport and recreation	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Public safety	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Housing	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Health	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Economic and environmental services	7 897	-	7 897	5 423	-	-	0,0%	0,0%	-	-	-	6 303
Planning and development	2 326	-	2 326	1 721	-	-	0,0%	0,0%	-	-	-	1 662
Road transport	5 571	-	5 571	3 702	-	-	0,0%	0,0%	-	-	-	4 642
Environmental protection	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Trading services	39 328	-	39 328	45 371	-	-	0,0%	0,0%	-	-	-	39 403
Electricity	25 601	-	25 601	21 704	-	-	0,0%	0,0%	-	-	-	18 530
Water	5 696	-	5 696	10 336	-	-	0,0%	0,0%	-	-	-	10 281
Waste water management	239	-	239	2 693	-	-	0,0%	0,0%	-	-	-	1 523
Waste management	7 546	-	7 546	10 639	-	-	0,0%	0,0%	-	-	-	9 057
Other	247	-	247	-	-	-	0,0%	0,0%	-	-	-	11
Total Expenditure - Standard	119 345	-	119 345	117 262	-	-	0,0%	0,0%	-	-	-	115 501
Surplus/(Deficit) for the year	(27 963)	(541)	(28 504)	(28 654)	-	-	0,0%	0,0%	-	-	-	(31 108)

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

Vote Description		2023/24						2022/23			
Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote											
Vote 1 - EXECUTIVE COUNCIL	3 686	—	3 686	—	3 686	0,0%	0,0%	—	—	—	—
Vote 2 - FINANCE AND ADMINISTRATION	63 810	(541)	63 269	65 349	(2 079)	0,0%	0,0%	—	—	—	63 478
Vote 3 - COMMUNITY AND SOCIAL SERVICES	1 054	—	1 054	0	1 054	0,0%	0,0%	—	—	—	0
Vote 4 - SPORT AND RECREATION	—	—	—	—	—	0,0%	0,0%	—	—	—	—
Vote 5 - WASTE MANAGEMENT	2 295	—	2 295	2 781	(486)	0,0%	0,0%	—	—	—	2 690
Vote 6 - WATER	9 518	—	9 518	6 120	3 399	0,0%	0,0%	—	—	—	6 140
Vote 7 - ELECTRICITY	7 596	—	7 596	11 469	(3 873)	0,0%	0,0%	—	—	—	8 869
Vote 8 - ECONOMIC AND SOCIAL DEVELOPMENT	—	—	—	567	(567)	0,0%	0,0%	—	—	—	830
Vote 9 - TECHNICAL AND ROADS	960	—	960	14	946	0,0%	0,0%	—	—	—	(2)
Vote 10 - WASTE WATER MANAGEMENT	2 461	—	2 461	2 307	154	0,0%	0,0%	—	—	—	2 387
Total Revenue by Vote	91 382	(541)	90 841	88 608	2 233	0,0%	0,0%	—	—	—	84 392
Expenditure by Vote to be appropriated											
Vote 1 - EXECUTIVE COUNCIL	18 719	—	18 719	11 838	—	0,0%	0,0%	—	—	—	9 515
Vote 2 - FINANCE AND ADMINISTRATION	53 230	—	53 230	54 630	1 400	0,0%	0,0%	—	—	—	60 279
Vote 3 - COMMUNITY AND SOCIAL SERVICES	417	—	417	—	—	0,0%	0,0%	—	—	—	—
Vote 4 - SPORT AND RECREATION	—	—	—	—	—	0,0%	0,0%	—	—	—	—
Vote 5 - WASTE MANAGEMENT	7 546	—	7 546	10 639	3 093	0,0%	0,0%	—	—	—	9 057
Vote 6 - WATER	5 696	—	5 696	10 336	4 640	0,0%	0,0%	—	—	—	10 281
Vote 7 - ELECTRICITY	25 601	—	25 601	21 704	—	0,0%	0,0%	—	—	—	18 530
Vote 8 - ECONOMIC AND SOCIAL DEVELOPMENT	2 326	—	2 326	1 721	—	0,0%	0,0%	—	—	—	1 672
Vote 9 - TECHNICAL AND ROADS	5 571	—	5 571	3 702	—	0,0%	0,0%	—	—	—	4 642
Vote 10 - WASTE WATER MANAGEMENT	239	—	239	2 693	—	0,0%	0,0%	—	—	—	—
Total Expenditure by Vote	119 345	—	119 345	117 262	11 586	0,0%	0,0%	—	—	—	113 977
Surplus/(Deficit) for the year	(27 963)	(541)	(28 504)	(28 654)	—	0,0%	0,0%	—	—	—	—

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

KAMIESBERG - Reconciliation of Table A4 Budgeted Financial Performance (Revenue and expenditure)												
Description	2023/24						2022/23					
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	6 198	-	6 198	10 926		-	0,0%	0,0%				5 546
Service charges - Water	3 485	-	3 485	3 072		-	0,0%	0,0%				1 042
Service charges - Waste Water Management	2 041	-	2 041	1 779		-	0,0%	0,0%				1 883
Service charges - Waste Management	1 891	-	1 891	1 851		-	0,0%	0,0%				1 776
Sale of Goods and Rendering of Services	1 006	-	1 006	43		-	0,0%	0,0%				27
Agency services	1 402	-	1 402	1 376		-	0,0%	0,0%				423
Interest	-	-	-	-		-	0,0%	0,0%				429
Interest earned from Receivables	5 024	-	5 024	5 836		-	0,0%	0,0%				5 990
Interest earned from Current and Non Current Assets	174	-	174	489		-	0,0%	0,0%				-
Dividends	-	-	-	-		-	0,0%	0,0%				-
Rent on Land	-	-	-	-		-	0,0%	0,0%				-
Rental from Fixed Assets	85	-	85	213		-	0,0%	0,0%				174
Licence and permits	2	-	2	150		-	0,0%	0,0%				2
Operational Revenue	1 263	-	1 263	-		-	0,0%	0,0%				-
Non-Exchange Revenue												
Property rates	14 062	-	14 062	10 242		-	0,0%	0,0%				12 430
Surcharges and Taxes	-	-	-	-		-	0,0%	0,0%				-
Fines, penalties and forfeits	2	-	2	1		-	0,0%	0,0%				-
Licences or permits	-	-	-	-		-	0,0%	0,0%				0
Transfer and subsidies - Operational	37 406	-	37 406	36 938		-	0,0%	0,0%				35 679
Interest	4 714	-	4 714	5 021		-	0,0%	0,0%				5 497
Fuel Levy	-	-	-	-		-	0,0%	0,0%				-
Operational Revenue	-	-	-	2 987		-	0,0%	0,0%				3 608
Gains on disposal of Assets	-	-	-	-		-	0,0%	0,0%				365
Other Gains	-	-	-	-		-	0,0%	0,0%				-
Total Revenue (excluding capital transfers and contributions)	78 756	-	78 756	80 923,980		-	0,0%	0,0%				74 872

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

KAMIESBERG - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)												
Description	2023/24							2022/23				
	Original Budget	Budget Adjustments (i.l.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Expenditure By Type												
Employee related costs	33 063	-	33 063	29 125	-	-	0,0%	0,0%	-	-	-	27 757
Remuneration of councillors	4 834	-	4 834	4 960	-	-	0,0%	0,0%	-	-	-	4 703
Bulk purchases - electricity	16 364	-	16 364	16 701	-	-	0,0%	0,0%	-	-	-	13 868
Inventory consumed	4 747	-	4 747	1 496	-	-	0,0%	0,0%	-	-	-	2 953
Debt impairment	18 210	-	18 210	11 278	-	-	0,0%	0,0%	-	-	-	22 132
Depreciation and amortisation	32 155	-	32 155	21 091	-	-	0,0%	0,0%	-	-	-	20 788
Interest	2 735	-	2 735	15 571	-	-	0,0%	0,0%	-	-	-	8 798
Contracted services	1 472	-	-	3 757	-	-	0,0%	0,0%	-	-	-	3 256
Transfers and subsidies	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Irrecoverable debts written off	-	-	-	2 375	-	-	0,0%	0,0%	-	-	-	-
Operational costs	5 764	-	5 764	10 308	-	-	0,0%	0,0%	-	-	-	8 080
Losses on disposal of Assets	-	-	-	37	-	-	0,0%	0,0%	-	-	-	-
Other Losses	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Total Expenditure	119 345	-	117 873	116 700	-	-	0,0%	0,0%	-	-	-	112 335
Surplus/(Deficit)	(40 589)	-	(39 117)	(35 776)	-	-	0,0%	0,0%	-	-	-	(37 463)
Transfers recognised - capital	12 626	(541)	12 085	7 122	-	-	0,0%	0,0%	-	-	-	6 355
Contributions recognised - capital	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(27 963)	(541)	(27 032)	(28 654)	-	-	0,0%	0,0%	-	-	-	(31 108)
Taxation	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Surplus/(Deficit) after taxation	(27 963)	(541)	(27 032)	(28 654)	-	-	0,0%	0,0%	-	-	-	(31 108)
Attributable to minorities	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Surplus/(Deficit) attributable to municipality	(27 963)	(541)	(27 032)	(28 654)	-	-	0,0%	0,0%	-	-	-	(31 108)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	0,0%	0,0%	-	-	-	-
Surplus/(Deficit) for the year	(27 963)	(541)	(27 032)	(28 654)	-	-	0,0%	0,0%	-	-	-	(31 108)

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

Vote Description	2023/24						2022/23					
	Original Budget	Total Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - EXECUTIVE COUNCIL	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 3 - COMMUNITY AND SOCIAL SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 4 - SPORT AND RECREATION	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 5 - WASTE MANAGEMENT	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 6 - WATER	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 7 - ELECTRICITY	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 8 - ECONOMIC AND SOCIAL DEVELOPMENT	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 9 - TECHNICAL AND ROADS	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 10 - WASTE WATER MANAGEMENT	-	-	-	-	-	-	0%	0%	-	-	-	-
Capital multi-year expenditure	-	-	-	-	-	-	0%	0%	-	-	-	-
Single-year expenditure												
Vote 1 - EXECUTIVE COUNCIL	-	-	-	32	-	-	0%	0%	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 3 - COMMUNITY AND SOCIAL SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 4 - SPORT AND RECREATION	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 5 - WASTE MANAGEMENT	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 6 - WATER	342	-	342	6 793	-	-	0%	0%	-	-	-	10 779
Vote 7 - ELECTRICITY	513	-	513	147	-	-	0%	0%	-	-	-	2 328
Vote 8 - ECONOMIC AND SOCIAL DEVELOPMENT	-	-	-	656	-	-	0%	0%	-	-	-	2 501
Vote 9 - TECHNICAL AND ROADS	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 10 - WASTE WATER MANAGEMENT	12 733	(541)	12 192	3 082	-	-	0%	0%	-	-	-	15 252
Capital single-year expenditure	13 589	(541)	13 048	10 709	-	-	0%	0%	-	-	-	30 861
Total Capital Expenditure - Vote	13 589	(541)	13 048	10 709	-	-	0%	0%	-	-	-	30 861

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

Vote Description R thousand	2023/24							2022/23				
	Original Budget	Total Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
Governance and administration												
Executive and council	-	-	-	-	-	-	0%	0%	-	-	-	-
Finance and administration	-	-	-	-	-	-	0%	0%	-	-	-	-
Internal audit	-	-	-	-	-	-	0%	0%	-	-	-	-
Community and public safety	-	-	-	-	-	-	0%	0%	-	-	-	-
Community and social services	-	-	-	-	-	-	0%	0%	-	-	-	-
Sport and recreation	-	-	-	-	-	-	0%	0%	-	-	-	-
Public safety	-	-	-	-	-	-	0%	0%	-	-	-	-
Housing	-	-	-	-	-	-	0%	0%	-	-	-	-
Health	-	-	-	-	-	-	0%	0%	-	-	-	-
Economic and environmental services	-	-	-	-	-	-	0%	0%	-	-	-	-
Planning and development	-	-	-	-	-	-	0%	0%	-	-	-	-
Road transport	-	-	-	-	-	-	0%	0%	-	-	-	-
Environmental protection	-	-	-	-	-	-	0%	0%	-	-	-	-
Trading services	13 589	(541)	13 048	-	-	-	0%	0%	-	-	-	-
Electricity	513	-	513	-	-	-	0%	0%	-	-	-	-
Water	342	-	342	-	-	-	0%	0%	-	-	-	-
Waste water management	12 733	(541)	12 192	-	-	-	0%	0%	-	-	-	-
Waste management	-	-	-	-	-	-	0%	0%	-	-	-	-
Other	-	-	-	-	-	-	0%	0%	-	-	-	-
Total Capital Expenditure - Standard	13 589	(541)	13 048	-	-	-	0%	0%	-	-	-	-
Funded by:												
National Government	12 733	(541)	12 192	-	-	-	0%	0%	-	-	-	-
Provincial Government	-	-	-	-	-	-	0%	0%	-	-	-	-
District Municipality	-	-	-	-	-	-	0%	0%	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	0%	0%	-	-	-	-
Transfers recognised - capital	12 733	(541)	12 192	-	-	-	0%	0%	-	-	-	-
Borrowing	-	-	-	-	-	-	0%	0%	-	-	-	-
Internally generated funds	856	-	856	-	-	-	0%	0%	-	-	-	-
Total Capital Funding	13 589	(541)	13 048	-	-	-	0%	0%	-	-	-	-

KAMIESBERG - Reconciliation of Table A7 Budgeted Cash Flows

Description	2023/24						2022/23	
	Original Budget	Budget Adjustments (i.i.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget		Actual Outcome as % of Original Budget
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
	Receipts							
	8 972	-	8 972	1 093	7 879	12,2%	12,2%	34
	15 568	-	15 568	9 614	5 954	61,8%	61,8%	2 106
	13 355	-	13 355	4 770	8 584	35,7%	35,7%	4 233
	37 406	-	37 406	37 010	396	98,9%	98,9%	35 687
	12 626	-	12 626	3 324	9 302	26,3%	26,3%	5 763
	358	-	358	11 346	(10 988)	3169,2%	3169,2%	11 916
	-	-	-	-	-			-
	Payments							
	(50 339)	-	(50 339)	(45 645)	(4 694)	90,7%	90,7%	(48 347)
	(2 735)	-	(2 735)	(11 862)	9 127			(7 605)
-	-	-	-	-			-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	35 210	-	35 210	9 649	25 561	27,4%	27,4%	3 787
CASH FLOWS FROM INVESTING ACTIVITIES								
	Receipts							
	-	-	-	372	(372)	#DIV/0!	#DIV/0!	-
	-	-	-	-	-			-
	-	-	-	-	-			-
	-	-	-	-	-			-
	Payments							
	(13 589)	-	(13 589)	(7 657)	(5 932)	56,3%	56,3%	(5 457)
	-	-	-	-	-			-
	(13 589)	-	(13 589)	(7 285)	-	0,0%	0,0%	(5 457)
	NET CASH FROM/(USED) INVESTING ACTIVITIES							

KAMIESBERG - Reconciliation of Table A7 Budgeted Cash Flows

Description	2023/24							2022/23
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	—	—	—	—	—			—
Borrowing long term/refinancing	2 399	—	2 399	—	2 399			—
Increase (decrease) in consumer deposits	(24)	—	(24)	—	(24)	0,0%	0,0%	—
Payments								
Repayment of borrowing	—	—	—	(1 958)	1 958			(1 465)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2 374	—	2 374	(1 958)	4 332	-82,5%	-82,5%	(1 465)
NET INCREASE/ (DECREASE) IN CASH HELD								
Cash/cash equivalents at the year begin:	23 995	—	23 995	407				(3 135)
Cash/cash equivalents at the year end:	41 298	—	13 925	851				3 986
	65 293	—	37 920	1 258	36 662	3,3%	1,9%	851