KHAI-MA
MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

30 JUNE 2025

KHAI-MA MUNICIPALITY

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KHAI-MA MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

NATURE OF BUSINESS

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

GRADING OF MUNICIPALITY

GRADE 1

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 Khai-Ma Municipality includes the areas of Pofadder, Aggeneys, Pella, Witbank and Onseepkans.

MAYOR

E Cloete

SPEAKER

BJ Bock

CHIEF WHIP

EJ Mowers

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor	E Cloete
Speaker	BJ Bock
Executive Councillor	NC Masebeni
Executive Councillor	DL Jano

ACTING MUNICIPAL MANAGER

SA Tatas-Titus

CHIEF FINANCIAL OFFICER

A Leteane (Acting)

REGISTERED OFFICE

P.O. Box 108
POFADDER
8890

AUDITORS

Auditor-General of South Africa

PRINCIPLE BANKERS

The Standard Bank of S.A. Ltd

KHAI-MA MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

ATTORNEYS

Van der Merwe/Miller Ing.

RELEVANT LEGISLATION

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)
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 KHAI-MA MUNICIPALITY

COUNCILLOR

S S Brandt
EP Cloete
NE Van Rooi (Resigned)
SM Baker
BJ Bock
EJ Mowers
NC Masebeni
DL Jano
CA Waterboer
O Adams
T Wagae (Resigned)
HD Nel
KG Lepolesa (Replacement)

KHAI-MA MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2025, which are set out on pages 01 to 117 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 2026 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.

Kgomodikae Lesewane
Municipal Manager

28-Nov-25
Date

KHAI-MA MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R	2024 R
ASSETS			
Non-Current Assets		**190 946 575**	**170 956 143**
Property, Plant and Equipment	2	186 736 626	166 778 244
Investment Property	3	4 150 000	4 156 096
Intangible Assets	4	59 949	21 802
Current Assets		**53 077 418**	**38 074 627**
Inventory	6	22 813 556	15 761 874
Receivables from Exchange Transactions	7	6 908 384	6 308 669
Receivables from Non-exchange Transactions	8	1 147 967	1 315 720
Operating Lease Asset	5	49 990	50 175
Taxes	18	17 517 843	14 090 211
Cash and Cash Equivalents	9	4 639 678	547 978
Total Assets		**244 023 993**	**209 030 770**
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		**71 617 012**	**78 425 502**
Long-term Borrowings	10	45 600	87 162
Non-current Provisions	11	49 931 096	47 378 351
Non-current Employee Benefits	12	8 622 001	7 543 001
Long-term Trade and Other Payables	13	13 018 315	23 416 988
Current Liabilities		**114 440 531**	**79 440 766**
Consumer Deposits	14	339 728	298 983
Current Employee Benefits	15	4 250 528	4 130 376
Trade and Other Payables from Exchange Transactions	16	118 836 829	63 284 811
Unspent Transfers and Subsidies	17	1 366 508	1 287 840
Current Portion of Long-term Trade and Other Payables	13	(10 394 623)	10 394 623
Current Portion of Long-term Borrowings	10	41 561	44 132
Total Liabilities		**186 057 543**	**157 866 267**
Net Assets		**57 966 449**	**51 164 503**
Revaluation Reserve	19	38 255 130	40 681 441
Accumulated Surplus/(Deficit)		19 711 319	10 483 061
Total Net Assets and Liabilities		**244 023 993**	**209 030 770**

KHAI-MA MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R	2024 R
REVENUE			
Revenue from Non-exchange Transactions		**89 087 434**	**62 225 027**
Taxation Revenue		**8 932 365**	**9 193 774**
Property Rates	20	8 893 950	9 162 279
Surcharges and Taxes		38 415	31 494
Transfer Revenue		**60 518 462**	**47 992 253**
Government Grants and Subsidies	21	60 518 462	47 992 253
Other Revenue		**19 636 607**	**5 039 001**
Availability Charges	22	69 894	66 948
Fines. Penalties and Forfeits		-	16 900
Interest Earned - Non-exchange Transactions		1 049 468	1 181 636
Operational Revenue	29	18 517 245	3 773 517
Revenue from Exchange Transactions		**38 239 484**	**46 318 540**
Service Charges	24	28 434 104	26 697 554
Sales of Goods and Rendering of Services	25	39 171	158 545
Rental from Fixed Assets	26	449 559	745 791
Interest Earned - External Investments	27	146 868	151 677
Interest Earned - Exchange Transactions	28	9 099 044	9 021 102
Licences and Permits	23	68 243	74 461
Operational Revenue	29	2 496	9 469 409
Total Revenue		**127 326 918**	**108 543 567**
EXPENDITURE			
Employee related costs	30	(31 587 321)	(30 923 326)
Remuneration of Councillors	31	(5 370 829)	(4 957 767)
Bad Debts Written Off		(53 059)	-
Contracted Services	32	(2 297 214)	(1 833 933)
Depreciation and Amortisation	33	(4 759 848)	(5 027 947)
Actuarial Losses	12	(457 993)	(158 861)
Finance Costs	34	(10 633 181)	(8 196 973)
Bulk Purchases	35	(14 177 551)	(11 762 773)
Inventory Consumed	6	(2 165 934)	(2 885 639)
Operational Costs	36	(11 860 211)	(11 803 221)
Total Expenditure		**(83 363 141)**	**(77 550 439)**
Operating Surplus/(Deficit) for the Year		**43 963 777**	**30 993 127**
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	6	-	(7 999)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	37	(17 384 621)	(17 055 444)
Gains/(Loss) on Sale of Fixed Assets	38	-	(52 631)
NET SURPLUS/(DEFICIT) FOR THE YEAR		**26 579 157**	**13 877 053**

KHAI-MA MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R
Balance at 1 July 2023	42 764 501.00	**(2 083 695)**	**40 680 806**
Correction of Error - note 39.9	-	-	-
Restated balance	42 764 501	(2 083 695)	40 680 806
Net Surplus/(Deficit) for the year	-	13 877 053	13 877 053
Net Surplus/(Deficit) previously reported	-	13 877 053	13 877 053
Effects of Correction of Errors - note 39.10		-	-
Offsetting of depreciation	(2 083 060)	2 083 060	-
Restated balance	**40 681 441**	**13 876 419**	**54 557 860**
Net Surplus/(Deficit) for the year	-	26 579 157	26 579 157
Offsetting of depreciation	(2 426 311)	2 426 311	-
Balance at 30 June 2025	**38 255 130**	**42 881 887**	**81 137 017**

KHAI-MA MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R	2024 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		9 150 124	8 085 848
Service Charges		20 450 136	20 476 729
Other Revenue		19 233 578	14 241 207
Government - Operating		46 182 523	32 915 111
Government - Capital		17 387 126	16 030 807
Interest		146 868	151 677
Cash payments			
Suppliers of goods and services		(55 008 822)	(38 958 971)
Employee related cost		(37 151 992)	(35 986 278)
Finance Charges		(4 913 842)	(1 337 882)
Transfers and Grants		-	-
Net Cash from Operating Activities	**40**	**15 475 700**	**15 618 248**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(24 307 392)	(15 911 920)
Purchase of Intangible Assets		(50 791)	-
Net Cash from Investing Activities		**(24 358 183)**	**(15 911 920)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Borrowing		(44 132)	(14 425)
Net Cash from Financing Activities		**(44 132)**	**(14 425)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(8 926 615)	(308 097)
Cash and Cash Equivalents at the beginning of the year		547 978	856 075
Cash and Cash Equivalents at the end of the year	41	4 639 678	547 978
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**4 091 700**	**(308 097)**

KHAI-MA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
ASSETS									
Current Assets									
Cash and cash equivalents		(11 896 255)	(6 050 000)	(17 945 255)	-	-	(17 945 255)	4 639 678	-125.85%
Trade and other receivables from exchange transactions		23 600 185	-	23 600 185	-	-	23 600 185	6 908 384	-70.73%
Receivables from non-exchange transactions		1 860 764	-	1 860 764	-	-	1 860 764	1 147 967	-38.31%
Inventory		2 738 600	-	2 738 600	-	-	2 738 600	22 813 556	733.04%
VAT		6 999 049	-	6 999 049	-	-	6 999 049	17 517 843	150.29%
Other current assets		1 194 967	-	1 194 967	-	-	1 194 967	49 990	-95.82%
Total Current Assets	44.2.1	24 498 310	(6 050 000)	18 448 310	-	-	18 448 310	53 077 418	187.71%
Non-Current Assets									
Investment property		4 161 890	-	4 161 890	-	-	4 161 890	4 150 000	-0.29%
Property, plant and equipment		166 207 885	6 650 000	172 857 885	-	-	172 857 885	186 736 626	8.03%
Intangible assets		5 624	-	5 624	-	-	5 624	59 949	965.95%
Total Non-Current Assets	44.2.2	170 375 399	6 650 000	177 025 399	-	-	177 025 399	190 946 575	7.86%
TOTAL ASSETS		194 873 709	600 000	195 473 709	-	-	195 473 709	244 023 993	24.84%

LIABILITIES									
Current Liabilities									
Consumer deposits		237 515	-	237 515	-	-	237 515	339 728	43.03%
Trade and other payables from exchange transactions		74 397 373	6 650 000	81 047 373	-	-	81 047 373	118 836 829	46.63%
Trade and other payables from non-exchange transactions		20 000 000	-	20 000 000	-	-	20 000 000	1 366 508	100.00%
Provision		13 315 015	-	13 315 015	-	-	13 316 015	4 250 528	-68.08%
Other current liabilities		-	-	-	-	-	-	(10 353 062)	100.00%
Total Current Liabilities	**44.2.3**	107 949 903	6 650 000	114 599 903	-	-	114 599 903	114 440 531	-0.14%
Non-Current Liabilities									
Financial liabilities		-	-	-	-	-	-	45 600	100.00%
Provision		32 206 624	-	32 206 624	-	-	32 206 624	58 553 097	81.80%
Long term portion of trade payables		-	-	-	-	-	-	13 018 315	100.00%
Total Non-Current Liabilities	**44.2.4**	32 206 624	-	32 206 624	-	-	32 206 624	71 617 012	122.37%
TOTAL LIABILITIES		140 156 527	6 650 000	146 806 527	-	-	146 806 527	186 057 543	26.74%
NET ASSETS									
Accumulated Surplus/(Deficit)		52 045 033	(4 724 000)	4 724 000	-	-	4 724 000	19 711 319	317.26%
Reserves		-	-	-	-	-	-	38 255 130	100.00%
TOTAL NET ASSETS	**44.2.5**	52 045 033	(4 724 000)	4 724 000	-	-	4 724 000	57 966 449	1127.06%

KHAI-MA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
REVENUE									
Exchange Revenue									
Service charges - Electricity		16 490 685	-	16 490 685	-	-	16 490 685	14 948 948	-9.35%
Service charges - Water		9 674 848	-	9 674 848	-	-	9 674 848	8 438 780	-12.78%
Service charges - Waste Water Management		1 889 804	1 000 000	2 889 804	-	-	2 889 804	2 401 515	-16.90%
Service charges - Waste Management		2 192 798	-	2 192 798	-	-	2 192 798	2 644 861	20.62%
Sale of Goods and Rendering of Services		42 498	-	42 498	-	-	42 498	39 171	-7.83%
Interest earned from Receivables		7 757 603	-	7 757 603	-	-	7 757 603	9 099 044	17.29%
Interest earned from Current and Non Current Assets		156 903	-	156 903	-	-	156 903	146 868	-6.40%
Rental from Fixed Assets		522 425	-	522 425	-	-	522 425	449 559	-13.95%
Licence and permits		136 872	-	136 872	-	-	136 872	68 243	-50.14%
Operational Revenue		119 936	-	119 936	-	-	119 936	2 496	-97.92%
Non-Exchange Revenue									
Property rates		10 810 589	(1 000 000)	9 810 589	-	-	9 810 589	8 893 950	-9.34%
Surcharges and Taxes		-	-	-	-	-	-	38 415	100.00%
Fines, penalties and forfeits		30 518	-	30 518	-	-	30 518	-	-100.00%
Licences or permits		-	-	-	-	-	-	-	100.00%
Transfer and subsidies - Operational		35 839 100	1 200 000	37 039 100	-	-	37 039 100	41 178 336	11.18%
Interest		-	-	-	-	-	-	1 049 468	100.00%
Operational Revenue		-	-	-	-	-	-	18 587 139	100.00%
Total Revenue (excluding capital transfers and contributions)	44.2.6	85 664 579	1 200 000	86 864 579	-	-	86 864 579	107 986 792	24.32%

EXPENDITURE									
Employee related costs		39 794 423	(814 000)	38 980 423	-	-	38 980 423	32 045 314	-17.79%
Remuneration of councillors		3 977 020	800 000	4 777 020	-	-	4 777 020	5 370 829	12.43%
Bulk purchases - electricity		14 247 508	-	14 247 508	-	-	14 247 508	14 177 551	-0.49%
Inventory consumed		9 842 151	-	9 842 151	-	-	9 842 151	2 165 934	-77.99%
Debt impairment		11 527 873	-	11 527 873	-	-	11 527 873	17 384 621	50.81%
Depreciation and amortisation		6 145 139	-	6 145 139	-	-	6 145 139	4 759 848	-22.54%
Interest		2 351 555	-	2 351 555	-	-	2 351 555	10 633 181	352.18%
Contracted services		4 038 811	(3 898 811)	140 000	-	-	140 000	2 297 214	1540.87%
Operational costs		13 268 642	(726 000)	12 542 642	-	-	12 542 642	11 860 211	-5.44%
Losses on disposal of Assets		-	-	-	-	-	-	-	100.00%
Other Losses		-	-	-	-	-	-	-	100.00%
Total Expenditure	44.2.7	105 193 122	(4 638 811)	100 554 311	-	-	100 554 311	100 694 703	0.14%
Surplus/(Deficit)		(19 528 543)	5 838 811	(13 689 732)	-	-	(13 689 732)	7 292 089	-153.27%
Transfers and subsidies - capital (monetary allocations)		19 756 800	2 924 000	22 680 800	-	-	22 680 800	19 340 126	-14.73%
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	
Surplus/(Deficit) after Capital Transfers & Contributions		228 257	8 762 811	8 991 068	-	-	8 991 068	26 632 215	196.21%
Taxation		-	-	-		-	-	-	
Surplus/(Deficit) after Taxation		228 257	8 762 811	8 991 068	-	-	8 991 068	26 632 215	196.21%
Attributable to Minorities		-	-	-	-	-	-	-	
Surplus/(Deficit) Attributable to Municipality		228 257	8 762 811	8 991 068	-	-	8 991 068	26 632 215	196.21%
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	
Surplus/(Deficit) for the year		228 257	8 762 811	8 991 068	-	-	8 991 068	26 632 215	196.21%

KHAI-MA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Taxation		6 535 121	-	6 535 121	-	-	6 535 121	9 150 124	100.00%
Service Charges		18 663 640	-	18 663 640	-	-	18 663 640	20 450 136	100.00%
Other Revenue		5 090 475	-	5 090 475	-	-	5 090 475	19 233 578	277.83%
Government - Operating		42 308 000	-	42 308 000	-	-	42 308 000	46 182 523	9.16%
Government - Capital		8 798 000	-	8 798 000	-	-	8 798 000	17 387 126	97.63%
Interest		-	-	-	-	-	-	146 868	100.00%
Dividends		-	-	-	-	-	-	-	
Payments									
Suppliers and Employees		(80 673 836)	-	(80 673 836)	-	-	(80 673 836)	(92 160 814)	14.24%
Finance costs		(2 351 555)	-	(2 351 555)	-	-	(2 351 555)	(4 913 842)	100.00%
Transfers and Grants		-	-	-	-	-	-	-	
Net Cash from/(used) Operating Activities	44.2.8	(1 630 155)	-	(1 630 155)	-	-	(1 630 155)	16 475 700	-1049.34%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Debtors			-	-	-	-	-	-	
Decrease/(Increase) in Other Non-Current Receivables		-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Investments		-	-	-	-	-	-	-	
Payments									
Capital Assets		(14 127 000)	-	(14 127 000)	-	-	(14 127 000)	(24 358 183)	100.00%
Net Cash from/(used) Investing Activities	44.2.9	(14 127 000)	-	(14 127 000)	-	-	(14 127 000)	(24 358 183)	72.42%

CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
Short Term Loans		-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	
Increase/(Decrease) in Consumer Deposits		11 208	-	11 208	-	-	11 208	-	100.00%
Payments									
Repayment of Borrowing		-	-	-	-	-	-	(44 132)	100.00%
Net Cash from/(used) Financing Activities	**44.2.10**	11 208	-	11 208	-	-	11 208	(44 132)	100.00%
NET INCREASE/(DECREASE) IN CASH HELD		(15 745 947)	-	(15 745 947)	-	-	(15 745 947)	(8 926 615)	-43.31%
Cash and Cash Equivalents at the year begin:		4 946 192	-	4 946 192			4 946 192	547 978	100.00%
Cash and Cash Equivalents at the year end:		(10 799 755)	-	(10 799 755)	-	-	(10 799 755)	(8 378 637)	-22.42%

INSERT ACCOUNTING POLICY

See word document 14 - 57

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2025

	Cost/Revaluation						Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Revaluation	Write-off	Closing Balance	Opening Balance	Correction of Error	Depreciation	Write-off	Impairment	Closing Balance	
Infrastructure													
Roads and Storm Water	22 904 778	-	-	-	-	22 904 776	14 205 680	-	592 913	-	-	14 798 592	8 106 186
Electricity	13 160 930	-	1 698 261	-	-	14 859 191	6 333 994	-	195 123	-	-	6 529 117	8 330 073
Water Supply	88 185 872	-	20 380 216	-	-	108 566 088	17 557 955	-	1 669 338	-	-	19 227 293	89 338 794
Sanitation	10 196 560	-	1 384 012	-	-	11 580 572	6 321 579	-	246 960	-	-	6 568 539	5 012 033
Solid Waste	17 768 026	-	1 098 755	-	-	18 866 781	14 662 551	-	562 629	-	-	15 225 180	3 631 601
	152 216 166	-	24 551 243	-	-	176 767 409	59 081 759	-	3 266 963	-	-	62 348 721	114 418 688
Community Assets													
Community Facilities													
Halls	15 420 131	-	-	-	-	15 420 131	10 073 996	-	647 827	-	-	10 721 823	4 698 308
Fire/Ambulance Stations	28 734	-	-	-	(14 367)	14 367	28 135	-	449	(14 367)	-	14 217	150
Libraries	3 359 967	-	-	-	-	3 359 967	974 569	-	151 832	-	-	1 126 401	2 233 566
Sport and Recreation Facilities													
Outdoor Facilities	11 119 989	-	-	-	-	11 119 989	5 355 557	-	557 781	-	-	5 913 338	5 206 651
	29 928 822	-	-	-	(14 367)	29 914 455	16 432 258	-	1 357 889	(14 367)	-	17 775 780	12 138 675
Other Assets													
Other Land	52 655 990	-	-	-	-	52 655 990	286 350	-	-	-	-	286 350	52 369 641
Operational Buildings													
Municipal Offices	6 690 478	-	-	-	-	6 690 478	542 150	-	94 609	-	-	636 759	6 053 719
Workshops	4 620	-	-	-	-	4 620	4 094	-	143	-	-	4 238	382
Computer Equipment	1 025 295	-	133 914	-	(140 402)	1 018 807	553 226	-	158 610	(140 402)	-	571 434	447 373
Furniture and Office Equipment	985 230	-	-	-	(252 074)	733 156	805 895	-	149 012	(252 074)	-	702 833	30 323
Machinery and Equipment	1 011 670	-	14 333	-	(127 217)	898 786	844 368	-	72 507	(127 217)	-	789 659	109 127
Transport Assets	5 778 719	-	-	-	(83 657)	5 695 062	5 105 696	-	204 293	(83 657)	-	5 226 331	468 731
	68 152 003	-	148 246	-	(603 349)	67 696 900	8 141 779	-	679 174	(603 349)	-	8 217 604	59 479 296
Leases													
Furniture and Office Equipment	61 379	-		-		61 379	(75 670)	-	-		-	(75 670)	137 049
	61 379	-	-	-	-	61 379	(75 670)	-	-	-	-	(75 670)	137 049
Total	250 358 370	-	24 699 489	-	(617 716)	274 440 143	83 580 126	-	5 304 026	(617 716)	-	88 266 435	186 173 707

KHAI MA MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2.2 30 JUNE 2024

	Cost/Revaluation						Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Write-off	Closing Balance	Opening Balance	Correction of Error	Depreciation	Write-off	Impairment	Closing Balance	
Infrastructure													
Roads and Storm Water	22 904 778	-	-	-	-	22 904 778	13 606 685	-	598 994	-	-	14 205 680	8 699 098
Electricity	13 160 930	-	-	-	-	13 160 930	6 138 847	-	195 147	-	-	6 333 994	6 826 936
Water Supply	72 604 403	-	15 581 470	-	-	88 185 872	16 247 966	-	1 309 990	-	-	17 557 955	70 627 917
Sanitation	10 196 560	-	-	-	-	10 196 560	6 138 201	-	183 378	-	-	6 321 579	3 874 981
Solid Waste	17 120 202	-	647 824	-	-	17 768 026	13 927 095	-	735 456	-	-	14 662 551	3 105 475
	135 986 873	-	16 229 293	-	-	152 216 166	56 058 793	-	3 022 966	-	-	59 081 759	93 134 407
Community Assets													
Community Facilities													
Halls	15 420 131	-	-	-	-	15 420 131	9 416 933	-	657 063	-	-	10 073 996	5 346 135
Fire/Ambulance Stations	28 734	-	-	-	-	28 734	27 537	-	599	-	-	28 135	599
Libraries	3 359 967	-	-	-	-	3 359 967	822 738	-	151 832	-	-	974 569	2 385 398
Sport and Recreation Facilities													
Outdoor Facilities	11 119 989	-	-	-	-	11 119 989	4 797 016	-	558 542	-	-	5 355 557	5 764 432
	29 928 822	-	-	-	-	29 928 822	15 064 223	-	1 368 035	-	-	16 432 258	13 496 564
Other Assets													
Other Land	52 655 990	-	-	-	-	52 655 990	286 350	-	-	-	-	286 350	52 369 641
Operational Buildings													
Municipal Offices	6 690 478	-	-	-	-	6 690 478	447 306	-	94 844	-	-	542 150	6 148 328
Workshops	4 620	-	-	-	-	4 620	3 951	-	143	-	-	4 094	526
Computer Equipment	869 280	-	294 672	-	(138 658)	1 025 295	592 066	-	75 100	(113 940)	-	553 226	472 069
Furniture and Office Equipment	1 084 973	-	48 040	-	(147 783)	985 230	869 271	-	63 371	(126 746)	-	805 895	179 335
Machinery and Equipment	1 100 673	-	4 039	-	(93 042)	1 011 670	858 058	-	78 150	(91 840)	-	844 368	167 302
Transport Assets	5 778 719	-	-	-	-	5 778 719	4 806 408	-	299 287	-	-	5 105 696	673 023
	68 184 735	-	346 651	-	(379 382)	68 152 003	7 863 410	-	610 896	(332 526)	-	8 141 779	60 010 224
Leases													
Furniture and Office Equipment	34 749	-	108 000	-	(81 370)	61 379	4 344	-	-	(80 014)	-	(75 670)	137 049
	34 749	-	108 000	-	(81 370)	61 379	4 344	-	-	(80 014)	-	(75 670)	137 049
Total	234 135 178	-	16 683 944	-	(460 752)	250 358 370	78 990 769	-	5 001 896	(412 540)	-	83 580 126	166 778 244

		2025 R	2024 R
2.3	**Property, Plant and Equipment which is in the process of being constructed or developed:**		
	Infrastructure Assets	22 966 669	27 498 903
	Electricity	1 698 261	-
	Water Supply	21 268 408	27 498 903
	Community Assets	-	-
	Other Assets	5 449 800	5 449 800
	Total Property, Plant and Equipment under construction	**28 416 469**	**32 948 703**

The movements for the year can be reconciled as follows:

	2025 R	2024 R
Balance at beginning of year	32 948 703	21 910 712
Expenditure during the year	24 159 146	15 581 470
Assets unbundled during the year	(28 691 381)	(4 543 478)
Balance at end of year	**28 416 469**	**32 948 703**

		2025 R	2024 R
2.4	**Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:**		
	Infrastructure Assets	21 268 408	17 244 121
	Water Supply	21 268 408	17 244 121
	Community Assets	-	-
	Other Assets	5 449 800	5 449 800
	Total	26 718 208	22 693 921

The Municipality awaits further funding and additional budget allocation to complete the projects. However MIG has now approved

		2025 R	2024 R
2.5	**Expenditure incurred to repair and maintain Property, Plant and Equipment:**		
	Other materials	1 474 687	888 959
	Contracted Services	615 456	683 268
	Total Repairs and Maintenance	**2 090 143**	**1 572 227**

2.6 Assets pledged as security:

Leased Property, Plant and Equipment of R142 749 (2024:R133 233) is secured for leases as set out in Note 10.

2.7 Details of Valuation

Land and Buildings were revalued on 1 July 2019 by an independent valuer, DDP Valuations. Fair values were determined by reference to observable prices in the active market or recent market transactions on arm's length transactions. Land and Buildings are revalued every 5 years.

Reconciliation of Revaluation Surplus:

	2025 R	2024 R
Opening balance	40 681 441	42 764 501
Offsetting of depreciation	(2 426 311)	(2 083 060)
Closing balance	38 255 130	40 681 441

		2025 R	2024 R
2.8	**Contractual commitments for acquisition of Property, Plant and Equipment:**		
	Approved and contracted for:	2 049 250	10 520 713
	Infrastructure	2 049 250	10 520 713
	Community	-	-
	Total	**2 049 250**	**10 520 713**
	This expenditure will be financed from:		
	Government Grants	2 049 250	10 520 713
	Total	**2 049 250**	**10 520 713**

		2025 R	2024 R
3.	**INVESTMENT PROPERTY**		
3.1	**Net Carrying amount at 1 July**	**4 156 096**	**4 162 192**
	Cost	4 369 622	4 369 622
	Accumulated Depreciation	(213 526)	(207 430)
	Depreciation for the year	(6 096)	(6 096)
	Net Carrying amount at 30 June	**4 150 000**	**4 156 096**
	Cost	4 369 622	4 369 622
	Accumulated Depreciation	(219 622)	(213 526)
3.2	**Revenue from Investment Property**		
	Revenue derived from the rental of Investment Property	50 453	122 865

The Municipality has no Investment Property which is in the process of being constructed or developed.

The Municipality has no Investment Property where construction or development has been halted.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

		2025 R	2024 R
4.	**INTANGIBLE ASSETS**		
4.1	**Net Carrying amount at 1 July**	**21 802**	**46 177**
	Cost	509 017	553 817
	Accumulated Amortisation	(487 215)	(507 640)
	Balance previously reported		(349 772)
	Correction of Error - Note 41.2		-
	Accumulated Impairment Loss	-	-
	Additions	50 791	-
	Amortisation	(12 645)	(19 955)
	Disposals		(44 799)
	Amortisation written back on disposal		40 380
	Net Carrying amount at 30 June	**59 949**	**21 802**
	Cost	548 675	509 017
	Accumulated Amortisation	(488 726)	(487 215)

The Municipality has no Intangible Assets which is in the process of being constructed or developed.

The Municipality has no Intangible Assets that is taking a significantly longer period of time to complete than expected.

The Municipality has no Intangible Assets where consruction or development has been halted.

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.

		2025 R	2024 R
5.	**OPERATING LEASE ARRANGEMENTS**		
5.1	**The Municipality as Lessor**		
	Operating Leases	49 990	50 175
	Total	**49 990**	**50 175**
	Disclosed as follows:		
	Current Operating Lease Asset	49 990	50 175
		49 990	**50 175**
	Reconciliation		
	Balance at the beginning of the year	50 175	66 787
	Movement during the year	(185)	(16 612)
	Balance at the end of the year	**49 990**	**50 175**

	2025 R	2024 R
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	50 453	122 865
1 to 5 Years	218 758	206 473
More than 5 Years	38 958	101 696
Total Operating Lease Arrangements	**308 169**	**431 034**

This operating lease income determined from contracts that have a specific condition income and does not include leases which has a undetermined conditional income.

6. INVENTORY

	2025	2024
Consumables	1 019 470	1 019 470
Housing Stock	1 265 346	1 265 346
Water	20 528 741	13 477 058
Total Inventory	**22 813 556**	**15 761 874**

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

6.1 Inventories recognise as an expense during the year:

	2025	2024
Consumables	1 028 893	166 050
Materials and Supplies	1 167 593	889 621
Water	(30 552)	1 829 968
Total	**2 165 934**	**2 885 639**

No inventories were pledged as security for liabilities.

7. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Electricity	4 697 514	3 341 813
Balance previously reported		3 341 813
Correction of Error - Note 39.3		-
Water	98 803 914	86 509 809
Balance previously reported		86 509 809
Correction of Error - Note 39.3		-
Property Rentals	1 489 851	1 171 080
Waste Management	16 355 554	13 583 182
Balance previously reported		13 583 182
Correction of Error - Note 39.3		-
Waste Water Management	16 577 672	13 781 944
Balance previously reported		13 781 944
Correction of Error - Note 39.3		-
Other Arrears	967 636	882 443
Balance previously reported		882 443
Correction of Error - Note 39.3		-
Department of Transport	790 615	790 615
Balance previously reported		790 615
Correction of Error - Note 39.3		-
Total: Receivables from exchange transactions (before provision)	**139 682 755**	**120 060 887**
__Less:__ Provision for Debt Impairment	(132 775 333)	(113 752 218)
Total: Receivables from exchange transactions (after provision)	**6 907 422**	**6 308 669**

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.

No Receivables have been pledged as security.

(Electricity): Ageing

	2025	2024
Current (0 - 30 days)	787 504	816 816
31 - 60 Days	286 996	286 995
61 - 90 Days	277 564	134 533
+ 90 Days	3 345 448	2 103 470
Total	**4 697 512**	**3 341 813**

	2025 R	2024 R
(Water): Ageing		
Current (0 - 30 days)	1 331 085	2 568 258
31 - 60 Days	1 261 423	1 285 564
61 - 90 Days	1 114 237	1 287 340
+ 90 Days	95 097 166	81 368 647
Total	**98 803 911**	**86 509 809**
(Property Rentals): Ageing		
Current (0 - 30 days)	36 650	83 609
31 - 60 Days	33 200	39 168
61 - 90 Days	33 200	39 431
+ 90 Days	1 386 800	1 008 872
Total	**1 489 850**	**1 171 080**
(Waste Management): Ageing		
Current (0 - 30 days)	320 617	567 734
31 - 60 Days	296 553	260 311
61 - 90 Days	287 304	250 716
+ 90 Days	15 451 078	12 504 421
Total	**16 355 552**	**13 583 182**
(Waste Water Management): Ageing		
Current (0 - 30 days)	331 436	581 150
31 - 60 Days	306 053	260 489
61 - 90 Days	295 654	252 761
+ 90 Days	15 644 527	12 687 544
Total	**16 577 670**	**13 781 944**
(Other): Ageing		
Current (0 - 30 days)	2 940	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	964 696	882 443
Total	**967 636**	**882 443**
(Total): Ageing		
Current (0 - 30 days)	2 810 232	4 617 567
31 - 60 Days	2 184 225	2 132 527
61 - 90 Days	2 007 959	1 964 782
+ 90 Days	131 889 715	110 555 396
Total	**138 892 131**	**119 270 272**

Summary of Debtors by Customer Classification

	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2025				
Current (0 - 30 days)	1 961 498	762 083	86 651	2 810 232
31 - 60 Days	1 724 890	404 392	54 943	2 184 225
61 - 90 Days	1 681 620	272 222	54 117	2 007 959
+ 90 Days	126 468 815	4 856 140	564 760	131 889 715
Sub-total	131 836 823	6 294 837	760 471	138 892 131
Less: Provision for Debt Impairment				(132 775 333)
Total debtors by customer classification				6 116 798

Summary of Debtors by Customer Classification

	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2024				
Current (0 - 30 days)	3 595 337	913 514	108 786	4 617 638
31 - 60 Days	1 770 773	320 197	41 557	2 132 527
61 - 90 Days	1 759 586	185 343	19 852	1 964 782
+ 90 Days	106 814 243	3 479 498	261 584	110 555 326
Sub-total	113 939 940	4 898 552	431 780	119 270 272
Less: Provision for Debt Impairment				(113 752 218)
Total debtors by customer classification				**5 518 053**

	2025 R	2024 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	113 752 218	96 484 366
Contribution to provision	16 541 839	15 015 524
VAT on provision	2 481 276	2 252 329
Balance at end of year	**132 775 333**	**113 752 218**

The total amount of this provision is R132 775 333 and consist of:

Services	132 775 333	113 752 218
Other Debtors	-	-
Total Provision for Debt Impairment on Receivables from exchange transactions	**132 775 333**	**113 752 218**

Ageing of amounts past due but not impaired:

1 month past due	4 097 190	1 691 102
2+ months past due	-	-
	4 097 190	**1 691 102**

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

8. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	13 782 244	12 950 536
Other Receivables	246 671	403 352
	14 028 916	13 353 887
Less: Provision for Debt Impairment	(12 880 949)	(12 038 167)
Total Receivables from non-exchange transactions	**1 147 967**	**1 315 720**

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)	265 742	485 665
31 - 60 Days	199 612	184 945
61 - 90 Days	189 507	177 084
+ 90 Days	13 127 383	12 102 841
Total	**13 782 244**	**12 950 536**

Summary of Debtors (Rates) by Customer Classification

	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2025				
Current (0 - 30 days)	174 956	48 623	42 164	265 742
31 - 60 Days	138 282	19 356	41 975	199 612
61 - 90 Days	130 866	17 232	41 409	189 507
+ 90 Days	8 136 678	1 337 491	3 653 214	13 127 383
Sub-total	8 580 782	1 422 702	3 778 761	13 782 244
Less: Provision for Debt Impairment				(12 880 949)
Total debtors by customer classification				**901 296**

Summary of Debtors (Rates) by Customer Classification

	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2024				
Current (0 - 30 days)	378 243	68 424	38 998	485 665
31 - 60 Days	153 020	15 283	16 641	184 945
61 - 90 Days	150 171	10 611	16 303	177 084
+ 90 Days	11 352 515	608 707	141 619	12 102 841
Sub-total	12 033 949	703 026	213 561	12 950 536
Less: Provision for Debt Impairment				(12 038 167)
Total debtors by customer classification				**912 369**

	2025 R	2024 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	12 038 167	9 998 247
Contribution to provision	842 782	2 039 920
Balance at end of year	**12 880 949**	**12 038 167**
The total amount of this provision is R12 880 949 and consist of:		
Taxes	12 880 949	12 038 167
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	**12 880 949**	**12 038 167**
Ageing of amounts past due but not impaired:		
1 month past due	199 612	165 474
2+ months past due	701 683	497 253
	901 296	**912 369**

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

9. BANK ACCOUNTS

9.1 Cash and Cash Equivalents

	2025 R	2024 R
Current Accounts	3 008 777	347 077
Call Deposits and Investments	1 630 801	200 801
Cash On-hand	100	100
Total Cash and Cash Equivalents - Assets	**4 639 678**	**547 978**

The municipality has the following bank accounts:

Current Accounts

	2025 R	2024 R
Standard Bank Limited – Account Number 04 185 0173 (Primary Bank Account)	3 008 777	347 077
	3 008 777	**347 077**

	2025 R	2024 R
Call Deposits and Investments		
Standard Bank Limited - (FMG (248425757010)):	1 000 592	592
Standard Bank Limited - (Build of 184 Houses (018425757017)):	173	173
Standard Bank Limited - (Municipal Infrastructure Grant (248425757015)):	5 036	200 036
Standard Bank Limited - (LGSETA (248425757007)):	-	-
Standard Bank Limited - (Water Service Infrastructure (248425757006)):	115 000	-
Standard Bank - (INEP):	510 000	
	1 630 801	**200 801**

Details of current accounts are as follow:

	2025 R	2024 R
Standard Bank Limited – Account Number 04 185 0173 (Primary Bank Account)		
Cash book balance at beginning of year	347 077	855 640
Cash book balance at end of year	3 008 777	347 077
Bank statement balance at beginning of year	666 977	-
Bank statement balance at end of year	3 194 957	666 977

Details of call investment accounts are as follow:

	2025 R	2024 R
Standard Bank Limited - (FMG (248425757010)):		
Cash book balance at beginning of year	592	126
Cash book balance at end of year	1 000 592	592
Bank statement balance at beginning of year	592	-
Bank statement balance at end of year	1 000 592	592
Standard Bank Limited - (Build of 184 Houses (018425757017)):		
Cash book balance at beginning of year	173	173
Cash book balance at end of year	173	173
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
Standard Bank Limited - (Municipal Infrastructure Grant (248425757015)):		
Cash book balance at beginning of year	200 036	36
Cash book balance at end of year	5 036	200 036
Bank statement balance at beginning of year	200 035	-
Bank statement balance at end of year	5 036	200 035
Standard Bank Limited - (Water Service Infrastructure (248425757006)):		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	115 000	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	115 000	-

10. LONG-TERM BORROWINGS

	2025 R	2024 R
Capitalised Lease Liability - At amortised cost	87 162	131 294
	87 162	**131 294**
Less: Current Portion transferred to Current Liabilities	**(41 561)**	**(44 132)**
Capitalised Lease Liability - At amortised cost	(41 561)	(44 132)
Total Long-term Borrowings	**45 600**	**87 162**

10.1 The obligations under finance leases are scheduled below:

	Minimum payments 2025	Minimum payments 2024
Amounts payable under finance leases:		
Payable within one year	54 579	64 670
Payable within two to five years	50 031	104 610
Payable after five years		-
	104 610	169 280
Less: Future finance obligations	(17 448)	(37 986)
Present value of finance lease obligations	87 162	131 294

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	P3155DN Mono Printer	10,00%	0%	3 Years	2025/03/31
Nashua	IM350H1SP Printer	20,95%	0%	3 Years	2027/05/31
Nashua	IMC2010H1SP Printer	18,30%	0%	3 Years	2027/05/31

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.

	2025 R	2024 R
11. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	49 931 096	47 378 351
Correction of Error - Note 39.4	-	-
Total Non-current Provisions	**49 931 096**	**47 378 351**

11.1 *Landfill Sites*

	2025	2024
Balance 1 July	47 378 351	42 901 192
Contribution for the year	2 160 647	3 829 336
Balance previously reported	2 160 647	3 829 336
Correction of Error - Note 39.4		-
Increase/(Decrease) due to discounting	392 097	647 824
Total provision 30 June	**49 931 096**	**47 378 351**
Less: Transfer of Current Portion to Current Provisions	-	-
Balance 30 June	**49 931 096**	**47 378 351**

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:

	Pofadder	Pella	Witbank	Melkbosrand	Sending/ Viljoensdraai
Rehabilitation Area (m²)	32 519	11 256	548	1 741	858
Preliminary and general	3 410 633	1 419 497	169 167	479 255	242 299
Site Clearance and Preparation	49 429	17 109	833	2 646	1 304
Storm Water Control Measures	1 881 054	1 004 226	255 813	717 543	365 116
Capping	16 499 916	6 023 622	303 548	1 020 259	458 266
Leachate Management	699 450	474 779	134 236	340 331	184 654
Fencing	1 858 664	1 215 628	346 598	868 482	481 729
Environmental Authorisation (Closure License)	460 688	460 688	460 688	460 688	460 688
Technical ROD	236 794	236 794	236 794	236 794	236 794
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	156 795	256 485	229 525	157 290	253 695
Landscape Architects	173 171	169 581	170 516	169 178	169 251
Topographical Survey	25 117	15 573	8 350	10 549	8 350
Contingencies	2 439 915	1 015 486	121 019	342 852	173 337
Engineering: Professional Fees	3 014 016	1 456 387	226 306	544 921	324 140
Site Supervision (Engineer's Representative)	559 134	277 068	190 088	174 923	175 754
Site Supervision (Environmental Control Officer & OHS Agent)	138 397	111 456	97 821	77 454	78 570

In terms of the licencing of the landfill-sites, the municipality will incur licensing and rehabilitation costs of R 72 331 068 (2024: R67 002 042) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using the year-end spot rate of borrowing.

Location	Estimated decommission date	2025 R	2024 R
Pofadder	2029	41 989 558	38 072 933
Pella	2027	16 315 339	15 424 142
Witbank	2027	3 401 878	3 292 201
Melkbosrand	2027	6 458 605	6 202 211
Sending/ Viljoensdraai	2027	4 165 688	4 010 555
		72 331 068	67 002 042

12. NON-CURRENT EMPLOYEE BENEFITS

	2025 R	2024 R
Provision for Post Retirement Health Care Benefits	7 396 000	6 384 000
Provision for Long Service Awards	1 226 001	1 159 001
Total Non-current Employee Benefits	**8 622 001**	**7 543 001**

Post Retirement Health Care Benefits

	2025 R	2024 R
Balance 1 July	6 775 000	6 070 000
Contribution for the year	1 022 000	952 000
Expenditure for the year	(396 836)	(373 901)
Actuarial Loss/(Gain)	454 836	126 901
Total provision 30 June	**7 855 000**	**6 775 000**
Less: Transfer of Current Portion to Current Provisions - Note 14	(459 000)	(391 000)
Balance 30 June	**7 396 000**	**6 384 000**

Long Service Awards

	2025 R	2024 R
Balance 1 July	1 345 001	1 102 001
Contribution for the year	280 000	248 000
Expenditure for the year	(165 157)	(36 960)
Actuarial Loss/(Gain)	3 157	31 960
Total provision 30 June	**1 463 001**	**1 345 001**
Less: Transfer of Current Portion to Current Provisions - Note 14	(237 000)	(186 000)
Balance 30 June	**1 226 001**	**1 159 001**

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:

	2025	2024
In-service (employee) members	16	16
In-service (employee) non-members	51	56
Continuation members (e.g. Retirees, widows, orphans)	7	6
Total Members	**74**	**78**

The liability in respect of past service has been estimated to be as follows:

	2025	2024
In-service members	1 515 000	2 076 000
In-service non-members	1 106 000	978 000
Continuation members	4 350 000	3 721 000
Total Liability	**6 971 000**	**6 775 000**

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

	2023 R	2022 R	2021 R
In-service members	3 116 000	3 726 000	3 187 000
In-service non-members	872 000	1 240 000	1 073 000
Continuation members	2 082 000	2 184 000	2 405 000
Total Liability	6 070 000	7 150 000	6 665 000

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

LA Health
Key Health, and
SAMWU Medical Aid

The Current-service Cost for the ensuing year is estimated to be R226 000, whereas the Interest Cost for the next year is estimated to be R796 000.

Key actuarial assumptions used:	%	%
i) Rate of Interest		
Discount rate	10.80%	12.09%
Health Care Cost Inflation Rate	6.60%	7.60%
Net Effective Discount Rate	3.90%	4.17%

ii) Mortality rates

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

iii) Normal retirement age

The average retirement age of staff 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.

	2025 R	2024 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	7 855 000	6 775 000
Fair value of plan assets	-	-
	7 855 000	6 775 000
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	**7 855 000**	**6 775 000**
Reconciliation of present value of net defined benefit liability		
Present value of fund obligation at the beginning of the year	6 775 000	6 070 000
Total expenses	1 022 000	952 000
Current service cost	226 000	214 000
Interest Cost	796 000	738 000
Remeasurement of net defined benefit liability	454 836	126 901
Return on plan assets (excl interest)	-	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	454 836	126 901
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	(396 836)	(373 901)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	7 855 000	6 775 000
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	-	-

Sensitivity Analysis on the Accrued Liability on 30 June 2025

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liaBJlity (Rm)
Central Assumptions	2.621	4.350	6.971

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liaBJlity (Rm)	% change
Health care inflation rate	1%	2.820	4.393	7.213	3.00%
Health care inflation rate	-1%	2.371	4.298	6.669	-4.00%
Discount rate	1%	2.267	4.056	6.323	-9.00%
Discount rate	-1%	3.065	4.686	7.751	11.00%
Post-employment mortality	+1 year	2.564	4.223	6.787	-3.00%
Post-employment mortality	-1 year	2.678	4.475	7.153	3.00%
Average retirement age	-1 year	2.931	4.350	7.281	4.00%
Continuation of membership at retirement	-10%	2.279	4.350	6.629	-5.00%

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	226 000	796 000	1 022 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation rate	1%	270 000	896 000	1 166 000	14%
Health care inflation rate	-1%	190 000	712 000	902 000	-12%
Discount rate	1%	194 000	775 000	969 000	-5%
Discount rate	-1%	267 000	819 000	1 086 000	6%
Post-employment mortality	+1 year	220 000	772 000	992 000	-3%
Post-employment mortality	-1 year	232 000	820 000	1 052 000	3%
Average retirement age	-1 year	226 000	830 000	1 056 000	3%
Continuation of membership at retirement	-10%	196 000	747 000	943 000	-8%

	2025 Rm	2024 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	0.248	0.204
Assets: Gain / (loss)	-	-

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

	2023 Rm	2022 Rm	2021 Rm
Liabilities: (Gain) / loss	(0.731)	(0.168)	0.032
Assets: Gain / (loss)	-	-	-

Material analysis

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

Table A5.2: Maturity analysis of the DBO (up to 80 years, R millions)

Future Year	Expected Benefit Payments	Future Year	Expected Benefit Payments	Future Year	Expected Benefit Payments
1	0.484	6 to 10	3.895	31 to 40	20.680
2	0.518	11 to 15	4.951	41 to 50	17.505
3	0.638	16 to 20	6.328	51 to 60	9.698
4	0.655	21 to 25	8.150	61 to 70	2.824
5	0.699	26 to 30	9.432	71 to 80	0.290

12.2

The Long Service Bonus plans are defined benefit plans. As at year end, 67 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R141 000 whereas the Interest Cost for the next year is estimated to be R139 000.

Key actuarial assumptions used:	%	%
i) Rate of interest		
Discount rate	9.70%	11.05%
General Salary Inflation (long-term)	4.80%	6.20%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	4.70%	4.56%

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

Present value of fund obligations	1 463 001	1 345 001
Fair value of plan assets	-	-
	1 463 001	1 345 001
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	**1 463 001**	**1 345 001**

	2025 R	2024 R
Reconciliation of present value of net defined benefit liability		
Present value of fund obligation at the beginning of the year	1 345 001	1 102 001
Total expenses	280 000	248 000
Current service cost	141 000	125 000
Interest Cost	139 000	123 000
Remeasurement of net defined benefit liability	3 157	31 960
Return on plan assets (excl interest)	-	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	3 157	31 960
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	(165 157)	(36 960)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	**1 463 001**	**1 345 001**

	2025 R	2024 R
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	-	-

Sensitivity Analysis on the Accrued Liability on 30 June 2025

Assumption	Change	LiaBJlity (Rm)	% change
Central assumptions		1 463 000	
General earnings inflation rate	1%	1 545 000	6%
General earnings inflation rate	-1%	1 389 000	-5%
Discount rate	1%	1 387 000	-5%
Discount rate	-1%	1 548 000	6%
Average retirement age	2 yrs	1 612 000	10%
Average retirement age	-2 yrs	1 248 000	-15%
Withdrawal rates	x2	1 188 000	-19%
Withdrawal rates	x0.5	1 648 000	13%

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	141 000	139 000	280 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
General earnings inflation rate	1%	150 000	147 000	297 000	6%
General earnings inflation rate	-1%	132 000	131 000	263 000	-6%
Discount rate	1%	133 000	143 000	276 000	-1%
Discount rate	-1%	149 000	134 000	283 000	1%
Average retirement age	+2 year	153 000	152 000	305 000	9%
Average retirement age	-2 year	119 000	118 000	237 000	-15%
Withdrawal rates	x2	107 000	110 000	217 000	-23%
Withdrawal rates	x0.5	164 000	158 000	322 000	15%

	2025 Rm	2024 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	0.042	0.037
Assets: Gain / (loss)	-	-

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

	2023 Rm	2022 Rm	2021 Rm
Liabilities: (Gain) / loss	(0.037)	0.056	(0.047)
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.

Table A4.2: Maturity analysis of the DBO (up to 40 years, R millions)

Future Year	Expected Benefits Vesting	Future Year	Expected Benefits Vesting
1	0.262	6 to 10	1.251
2	0.166	11 to 15	1.297
3	0.330	16 to 20	1.299
4	0.080	21 to 30	0.996
5	0.252	31 to 40	0.027

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.

LA RETIREMENT FUND (PREVIOUSLY CAPE JOINT PENSION FUND)

The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2025 revealed that the fund has a funding level of 118.5% (30 June 2024 - 120.3%).

	2025	2024
Contributions paid recognised in the Statement of Financial Performance	2 074 722	2 074 722

DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement 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

	2025	2024
National fund for Municipal Workers	89 124	89 124
SAMWU National Provident Fund	596 566	596 566
	685 690	685 690

13. **LONG-TERM TRADE AND OTHER PAYABLES**

	2025	2024
Municipal Debt Relief	13 018 315	33 811 611
Less: Current Portion transferred to Current Liabilities		(10 394 623)
Total Long-term Trade and Other Payables	**13 018 315**	**23 416 988**

The National Treasury approved the application from the Khai-Ma Municipality for debt relief on their Eskom account of R39 054 944 on 1 November 2023. The amount will be subject to write-off over 3 years if all conditions are met. The municipality in the current year; however, did not meet the minimum compliance requirements that qualifies the write-off and did not obtain the debt write-off.

14. CONSUMER DEPOSITS

	2025 R	2024 R
Electricity	273 285	245 171
Rental Properties	16 528	14 247
Water	34 865	24 515
Tenders	15 050	15 050
Total Consumer Deposits	**339 728**	**298 983**

Consumer deposits are paid by consumers on application for new and electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts, Council utilizes the deposit as payment for the outstanding account.

15. CURRENT EMPLOYEE BENEFITS

	2025 R	2024 R
Staff Bonuses	737 663	722 369
Staff Leave	2 816 865	2 831 007
Current Portion of Non-Current Provisions	696 000	577 000
Current Portion of Post Retirement Benefits - Note 12	459 000	391 000
Current Portion of Long-Service Provisions - Note 12	237 000	186 000
Total Provisions	**4 250 528**	**4 130 376**

The movement in current provisions are reconciled as follows:

15.1 *Staff Bonuses*

	2025 R	2024 R
Balance at beginning of year	722 369	701 804
Contribution to current portion	1 387 064	1 434 921
Expenditure incurred	(1 371 769)	(1 414 357)
Balance at end of year	**737 663**	**722 369**

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.

15.2 *Staff Leave*

	2025 R	2024 R
Balance at beginning of year	2 831 007	2 884 896
Contribution to current portion	185 914	617 142
Expenditure incurred	(200 057)	(671 031)
Balance at end of year	**2 816 865**	**2 831 007**

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.

16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2025 R	2024 R
Trade Payables	85 608 911	44 457 291
Balance previously stated		41 063 933
Correction of error - Note 39.6		3 393 358
Transfers and Subsidies payable	-	-
Advance Payments	721 724	699 930
Control, Clearing and Interface Accounts	24 372 524	10 712 403
Other Payables	1 515 070	1 332 340
Department of Transport	6 618 600	6 082 847
Total Trade Payables	**118 836 829**	**63 284 811**

Payables are being recognised net of any discounts.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

		2025 R	2024 R
17.	**UNSPENT TRANSFERS AND SUBSIDIES**		
	Unspent Transfers and Subsidies	1 366 508	1 287 840
	National Government Grants	808 179	875 934
	Balance previously stated		875 934
	Correction of error - Note 39.7		-
	Provincial Government Grants	132 203	42 911
	Balance previously stated		42 911
	Correction of error - Note 39.7		-
	District Municipality	-	-
	Other Sources	426 125	368 995
	Less: Unpaid Transfers and Subsidies	-	-
	National Government Grants	-	-
	Provincial Government Grants	-	-
	District Municipality	-	-
	Other Sources	-	-
	Total Unspent Transfers and Subsidies	**1 366 508**	**1 287 840**

See appendix "E" for reconciliation of grants from other spheres of government.
The Unspent Grants are cash-backed by term deposits.
The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.
Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

		2025 R	2024 R
18.	**TAXES**		
18.1	VAT Payable	-	-
	VAT Output in Suspense	(11 188 828)	(9 638 764)
	Less: Contribution to Provision for Doubtful Debt Impairment	21 836 429	15 130 179
	Total VAT Payable	**10 647 600**	**5 491 415**
18.2	VAT Receivable	368 511	(340 422)
	VAT Input in Suspense	6 501 732	8 939 217
	Balance previously reported		8 939 217
	Correction of Error - Note 39.8		-
	Total VAT Receivable	**6 870 243**	**8 598 796**
18.3	**Net VAT (Payable)/Receivable**	**17 517 843**	**14 090 211**

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

		2025 R	2024 R
19.	**NET ASSET RESERVES**		
	RESERVES	38 255 130	40 681 441
	Revaluation Reserve	38 255 130	40 681 441
	Total Net Asset Reserve and Liabilities	**38 255 130**	**40 681 441**

19.1 The Revaluation Reserve is created by surplus arising from the revaluation of property, plant and equipment.

		2025 R	2024 R
20.	**PROPERTY RATES**		
	Actual		
	Rateable Land and Buildings	14 638 049	20 957 396
	Business and Commercial Property	1 971 877	1 588 160
	Industrial Property	51 232	41 262
	Mining Properties	2 613 710	2 105 096
	Municipal Properties	147 509	118 808
	Public Benefit Organisations	265 669	213 977
	Public Service Infrastructure Properties	11 583	9 328
	Residential Properties	4 897 089	3 944 242
	State-owned Properties	437 416	352 306
	Agricultural Property	4 216 113	12 563 397
	Other Categories	25 849	20 819
	Less: Revenue Forgone	(5 744 098)	(11 795 116)
	Total Property Rates	**8 893 950**	**9 162 279**

	2025 R	2024 R
Valuations - 1 July 2023		
Rateable Land and Buildings	1 655 397 500	1 655 397 500
Business and Commercial Property	111 133 000	111 133 000
Industrial Property	2 850 000	2 850 000
Mining Properties	255 000 000	255 000 000
Private roads	4 977 000	4 977 000
Public Benefit Organisations	17 461 000	17 461 000
Public Open spaces	4 417 000	4 417 000
Public Service Infrastructure Properties	3 049 000	3 049 000
Residential Properties	312 465 000	312 465 000
State-owned Properties	28 444 000	28 444 000
Agricultural Property	915 601 500	915 601 500
Less: Revenue Forgone	(1 068 643 401)	(1 068 643 401)
Total Assessment Rates	586 754 099	586 754 099

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

	2025	2024
Residential	0.0152c/R	0.01422c/R
Commercial	0.1798c/R	0.0168c/R
Industrial and Agricultural	0.01798c/R	0.0168c/R

Rates are levied annually and monthly. Monthly rates are payable by the 20th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

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

Residential -	The first R25 000 on the valuation is exempted.
State -	Nil %

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.

21. GOVERNMENT GRANTS AND SUBSIDIES

	2025	2024
Government Grants and Subsidies - Operating	41 178 336	31 961 445
Equitable Share	29 006 816	27 500 000
Expanded Public Works Programme Integrated Grant	758 202	-
Local Government Financial Management Grant	2 316 737	2 236 184
Municipal Infrastructure Grant	7 877 874	987 192
Libraries, Archives and Museums	1 218 707	1 209 089
LG SETA	-	28 980
Government Grants and Subsidies - Capital	19 340 126	16 030 807
Municipal Infrastructure Grant	7 387 126	10 805 807
Water Services Infrastructure Grant	10 000 000	5 225 000
Integrated National Electrification Programme Grant	1 953 000	
Total Government Grants and Subsidies	**60 518 462**	**47 992 253**

Included in above are the following grants and subsidies received:

	2025	2024
Unconditional	29 006 816	27 500 000
Equitable Share	29 006 816	27 500 000
Conditional	31 511 646	20 492 253
Local Government Financial Management Grant	2 316 737	2 236 184
Libraries, Archives and Museums	1 218 707	1 209 089
LG SETA	-	28 980
Municipal Infrastructure Grant	15 265 000	11 793 000
Water Services Infrastructure Grant	10 000 000	5 225 000
Integrated National Electrification Programme Grant	1 953 000	
Total Government Grants and Subsidies	**60 518 462**	**47 992 253**

	2025 R	2024 R
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	29 006 816	27 500 000
Finance and Administration	2 316 737	2 265 164
Community and Social Services	1 218 707	1 209 089
Energy Sources	1 953 000	-
Water Management	25 265 000	17 018 000
Waste Water Management	758 202	-
Total Government Grants and Subsidies	**60 518 462**	**47 992 253**

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

21.1 Equitable Share

	2025	2024
Opening balance	-	-
Grants received	29 006 816	27 500 000
Conditions met - Operating	(29 006 816)	(27 500 000)
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

21.2 Local Government Financial Management Grant (FMG)

	2025	2024
Opening balance	663 816	1 260 546
Grants received	2 900 000	2 900 000
Interest received	-	-
Repaid to National Revenue Fund	(663 816)	(1 260 546)
Conditions met - Operating	(2 316 737)	(2 236 184)
Conditions met - Capital	-	-
Conditions still to be met	583 263	663 816

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).

21.3 Municipal Systems Improvement Grant (MSIG)

	2025	2024
Opening balance	212 118	212 118
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	212 118	212 118

The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

21.4 Municipal Infrastructure Grant (MIG)

	2025	2024
Opening balance	-	-
Grants received	15 265 000	11 793 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(7 877 874)	(987 192)
Conditions met - Capital	(7 387 126)	(10 805 807)
Conditions still to be met	-	-

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

21.5 Integrated National Electrification Programme Grant

	2025	2024
Opening balance	-	1 500 000
Grants received	1 953 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	(1 500 000)
Conditions met - Operating	-	-
Conditions met - Capital	(1 953 000)	-
Conditions still to be met	-	-

The INEP grant was used for electrification projects.

		2025 R	2024 R
21.6	**Library Grant**		
	Opening balance	42 911	-
	Grants received	1 308 000	1 252 000
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(1 218 707)	(1 209 089)
	Conditions met - Capital	-	-
	Conditions still to be met	132 203	42 911

The grant was used to provide Library services to the community.

		2025 R	2024 R
21.7	**Expanded Public Works Programme**		
	Opening balance	-	-
	Grants received	771 000	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(758 202)	-
	Conditions met - Capital	-	-
	Conditions still to be met	12 798	-

The grant was used for job creation.

		2025 R	2024 R
21.8	**Water Services Infrastructure Grant**		
	Opening balance	-	-
	Grants received	10 000 000	5 225 000
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	(10 000 000)	(5 225 000)
	Conditions still to be met	-	-

The grant was used for water infrastructure projects.

		2025 R	2024 R
21.9	**LG SETA**		
	Opening balance	368 995	334 030
	Grants received	57 130	63 945
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(28 980)
	Conditions met - Capital	-	-
	Conditions still to be met	426 125	368 995

The grant was used to provide training to employees.

		2025 R	2024 R
21.9	**Total Grants**		
	Opening balance	1 287 840	3 306 694
	Grants received	61 260 946	48 733 944
	Interest received	-	-
	Repaid to National Revenue Fund	(663 816)	(2 760 546)
	Conditions met - Operating	(41 178 336)	(31 961 445)
	Conditions met - Capital	(19 340 126)	(16 030 807)
	Conditions still to be met/(Grant expenditure to be recovered)	1 366 508	1 287 840
22.	AVAILABILITY CHARGES		
	Electricity	69 894	66 948
	Water	-	-
	Total Availability Charges	**69 894**	**66 948**
23.	LICENCES AND PERMITS		
	Trading	31 170	7 236
	Road and Transport	37 073	67 226
	Total Licences and Permits	**68 243**	**74 461**
	Disclosed as follows:		
	Revenue from Non-Exchange Transactions	-	-
	Revenue from Exchange Transactions	68 243	74 461
	Total Licences and Permits	**68 243**	**74 461**

		2025 R	2024 R
24.	**SERVICE CHARGES**		
	Electricity	**14 948 948**	**13 226 463**
	Service Charges	16 249 210	14 369 836
	Less: Revenue Forgone	(1 300 262)	(1 143 372)
	Water	**8 438 780**	**8 961 094**
	Service Charges	13 587 029	14 092 380
	Less: Revenue Forgone	(5 148 250)	(5 131 286)
	Waste Management	**2 401 515**	**2 211 870**
	Service Charges	6 048 993	5 628 824
	Less: Revenue Forgone	(3 647 478)	(3 416 953)
	Waste Water Management	**2 644 861**	**2 298 126**
	Service Charges	6 115 112	5 550 551
	Less: Revenue Forgone	(3 470 251)	(3 252 424)
	Total Service Charges	**28 434 104**	**26 697 554**

Revenue Forgone 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.

		2025 R	2024 R
25.	**SALES OF GOODS AND RENDERING OF SERVICES**		
	Application Fees for Land Usage	16 354	64 212
	Building Plan Approval	11 797	55 731
	Clearance Certificates	6 582	3 419
	Photocopies and Faxes	1 230	1 093
	Scrap, Waste & Other Goods	-	30 548
	Valuation Services	3 207	3 543
	Total Sales of Goods and Rendering of Services	**39 171**	**158 545**
26.	**RENTAL FROM FIXED ASSETS**		
	Property, Plant and Equipment	449 559	745 791
	Total Rental from Fixed Assets	**449 559**	**745 791**
27.	**INTEREST EARNED - EXTERNAL INVESTMENTS**		
	Bank	146 868	151 677
	Total Interest Earned - External Investments	**146 868**	**151 677**
28.	**INTEREST EARNED - EXCHANGE TRANSACTIONS**		
	Trade Receivables	9 099 044	9 021 102
	Total Interest Earned - Outstanding Receivables	**9 099 044**	**9 021 102**
29.	**OPERATIONAL REVENUE**		
	Debt waived	16 617 796	9 466 383
	Registration Fees	2 496	3 026
	Settlement by National Treasury	1 899 449	3 773 517
	Total Operational Revenue	**18 519 740**	**13 242 926**
	Debt Waived by:		
	- Eskom	-	9 466 383
	- Vaal Water Central	16 617 796	-
	- 1% Audit Fee Appropriation - AGSA	1 899 449	3 773 517
		18 517 245	**13 239 900**

Disclosed as follows:

	2025 R	2024 R
Revenue from Exchange Transactions	2 496	3 026
Revenue from Non-Exchange Transactions	18 517 245	13 239 900
Total Operational Revenue	**18 519 740**	**13 242 926**

30. EMPLOYEE RELATED COSTS

	2025	2024
Basic Salaries and Wages	23 148 825	22 035 182
Pension and UIF Contributions	2 784 622	2 804 440
Medical Aid Contributions	534 028	554 631
Overtime	1 919 972	1 967 128
Bonuses	1 387 064	1 414 357
Motor Vehicle Allowance	371 530	841 423
Cell Phone Allowance	89 500	80 100
Housing Allowances	40 118	47 988
Other benefits and allowances	845 467	168 043
Payments in lieu of leave	185 914	671 034
Post-retirement Benefit Obligations	280 281	339 000
Medical - Note 12.1	226 000	214 000
Long Service Awards - Note 12.2	54 281	125 000
	31 587 321	30 923 326
Less: Employee Costs allocated elsewhere	-	-
Cost Capitalised to PPE	-	-
Cost allocated to Inventory	-	-
Total Employee Related Costs	**31 587 321**	**30 923 326**

KEY MANAGEMENT PERSONNEL

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager - Mrs SA Tatas-Titus		
Basic Salary	673 943	750 088
Back Pay	27 228	-
Pension and UIF Contributions	128 336	136 964
Medical Aid Contributions	17 991	
Motor Vehicle Allowance	245 397	64 160
Cell Phone Allowance	24 000	22 000
Other benefits and allowances	77 452	66 719
Total	**1 194 348**	**1 039 931**

Remuneration of the Acting Chief Financial Officer - Mr A R Leteane		
Basic Salary	586 819	-
Back Pay	1 417	-
Pension and UIF Contributions	-	-
Cell Phone Allowance	8 000	-
Other benefits and allowances	-	-
Payments in lieu of leave	-	-
Total	**596 236**	**-**

Remuneration of the Municipal Manager - Mr CJ Fortuin (previous acting)		
Basic Salary		84 655
Back Pay		-
Pension and UIF Contributions		177
Medical Aid Contributions		5 307
Motor Vehicle Allowance		11 000
Cell Phone Allowance		2 000
Other benefits and allowances		7 092
Total	**-**	**110 231**

Remuneration of the Senior Manager: Office of the Municipal Manager - Mr CJ Fortuin		
Basic Salary		357 579
Back Pay		17 645
Pension and UIF Contributions		708
Medical Aid Contributions		21 228
Motor Vehicle Allowance		44 000
Cell Phone Allowance		8 000
Other benefits and allowances		51 340
Total	**-**	**500 500**

	2025 R	2024 R
Remuneration of the Chief Financial Officer - Mr PJ van der Merwe (retired)		
Basic Salary		336 066
Back Pay		792 260
Pension and UIF Contributions		200 861
Medical Aid Contributions		23 047
Motor Vehicle Allowance		72 000
Cell Phone Allowance		6 000
Other benefits and allowances		68
Payments in lieu of leave		365 707
Long service awards		36 960
Total	-	**1 834 970**
Remuneration of Senior Manager: Corporate Services - Mr JJ Liebenberg		
Basic Salary	864 053	870 380
Back Pay	28 120	26 887
Pension and UIF Contributions	2 125	2 125
Cell Phone Allowance	12 000	12 000
Other benefits and allowances	63 584	61 521
Total	**969 883**	**972 914**
Remuneration of Senior Manager: Technical Services - Mr H Christians		
Basic Salary	878 103	870 380
Back Pay	28 120	26 887
Pension and UIF Contributions	2 125	2 125
Cell Phone Allowance	12 000	12 000
Other benefits and allowances	63 584	61 521
Total	**983 932**	**972 914**
Remuneration of the Chief Financial Officer - Ms L Daka (previous acting)		
Acting Allowance	-	94 994
Total	-	**94 994**
Total Key Management Remuneration		
Basic Salary	3 002 917	3 271 149
Back Pay	84 885	863 680
Acting Allowance	-	94 994
Pension and UIF Contributions	132 587	342 981
Medical Aid Contributions	17 991	49 582
Motor Vehicle Allowance	245 397	191 160
Cell Phone Allowance	56 000	62 000
Other benefits and allowances	204 621	248 262
Payments in lieu of leave	-	365 707
Long service awards	-	36 960
	3 744 399	**5 526 455**

31. REMUNERATION OF COUNCILLORS

	2025 R	2024 R
S S Brandt	311 798	332 320
EP Cloete	971 927	942 954
NE Van Rooi (resigned)	308 156	177 386
SM Baker	571 217	409 593
BJ Bock	786 900	764 285
EJ Mowers	661 017	332 320
NC Masebeni	433 995	423 387
DL Jano	433 995	423 387
CA Waterboer	339 710	332 320
O Adams	339 710	332 320
T Wagae (Backpay)	3 656	185 445
HD Nel	339 710	332 050
KG Lepolesa (Replacement)	30 684	-
Total Councillors' Remuneration	**5 532 455**	**4 957 767**

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	693 693	231 231	47 004		971 927
Speaker	664 075	75 820	47 004		786 900
Chief Whip	574 359	39 654	47 004		661 017
Executive Committee Members	637 580	136 402	94 008		867 990
Section 79 Committee Chairperson	393 159	131 053	47 004		571 217
Councillors	1 282 931	158 984	231 489		1 673 404
Total Councillors' Remuneration	**4 245 797**	**773 144**	**513 513**	-	**5 532 455**

In-kind Benefits

The Mayor is a full-time Councillor. She is provided with an office and secretarial support at the cost of the Municipality. The Mayor may utilise official Council transportation when engaged in official duties.

Councillors receive the use of tablets/Laptops upon commencing their term in order to perform their daily tasks. Upon completion of this term this must be handed back because it is municipal property.

		2025 R	2024 R
32.	**CONTRACTED SERVICES**		
	Outsourced Services	44 409	38 190
	Cleaning Services	44 409	38 190
	Consultants and Professional Services	1 496 640	1 064 197
	Business and Advisory	1 329 197	885 160
	Business and Financial Management	1 282 533	489 308
	Human Resources	6 261	-
	Medical Examinations	32 903	55 483
	Research and Advisory	-	320 000
	Valuer and Assessors	-	20 369
	Laboratory Services	35 428	38 119
	Water	35 428	38 119
	Legal Cost	132 015	140 918
	Legal Advice and Litigation	132 015	140 918
	Contractors	756 166	731 546
	Catering Services	31 522	48 278
	Maintenance of Buildings and Facilities	99 880	52 086
	Maintenance of Equipment	454 276	463 023
	Balance previously state		463 023
	Correction of Error - Note 39.10		-
	Maintenance of Unspecified Assets	113 924	168 159
	Correction of Error - Note 41.1	-	-
	Safeguard and Security	24 165	-
	Sports and Recreation	32 400	-
	Total Contracted Services	**2 297 214**	**1 833 933**
33.	**DEPRECIATION AND AMORTISATION**		
	Property, Plant and Equipment	5 304 026	5 001 896
	Intangible Assets	12 645	19 955
	Investment Property carried at cost	6 096	6 096
	Total Depreciation and Amortisation	**5 322 766**	**5 027 947**
34.	**FINANCE COSTS**		
	Long-term Borrowings	20 538	3 578
	Non-current Provisions	2 160 647	3 829 336
	Non-current Employee Benefits	935 000	861 000
	Municipal Debt Relief	2 623 692	2 168 755
	Payables	4 893 304	1 334 304
	Total Finance Costs	**10 633 181**	**8 196 973**
35.	**BULK PURCHASES**		
	Electricity	14 177 551	11 762 773
	Total Bulk Purchases	**14 177 551**	**11 762 773**

		2025 R	2024 R
36.	**OPERATIONAL COSTS**		
	Advertising, Publicity and Marketing	111 962	128 018
	Audit Fees	3 870 546	3 333 613
	Bank Charges, Facility and Card Fees	311 363	281 511
	Commission	373 709	654 321
	Communication	94 548	92 368
	Entertainment	43 857	52 129
	Insurance Underwriting	-	334 037
	Licences	20 227	95 789
	Management Fee	780 569	855 551
	Municipal Services	2 756 500	2 290 457
	Printing, Publications and Books	1 680	3 337
	Professional Bodies, Membership and Subscription	529 487	1 039 267
	Remuneration to Ward Committees	375 450	241 500
	Skills Development Fund Levy	298 197	284 344
	Transport	-	8 250
	Travel and Subsistence	2 259 929	1 790 160
	Uniform and Protective Clothing	32 187	147 044
	Workmen's Compensation Fund	-	171 524
	Total Operational Costs	**11 860 211**	**11 803 221**
37.	**REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON RECEIVABLES**		
	Receivables from Exchange Transactions - Note 7	(16 541 839)	(15 015 524)
	Receivables from Non-exchange Revenue - Note 8	(842 782)	(2 039 920)
	Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	**(17 384 621)**	**(17 055 444)**
38.	**GAINS/(LOSS) ON SALE OF FIXED ASSETS**		
	Intangible Assets	-	(4 420)
	Property, Plant and Equipment	-	(48 212)
	Total Gains/ (Loss) on Sale of Fixed Assets	**-**	**(52 631)**

39. **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 correction of prior period errors:

		2025	2024
39.1	**Property, Plant and Equipment**		
	Balance previously reported	-	166 778 244
	Cost	-	-
	Accumulated Depreciation	-	-
	Restated Balance	**-**	**166 778 244**

Assets recognised incorrectly in prior years.

		2025	2024
39.2	**Inventory**		
	Balance previously reported	-	15 761 874
	Restated Balance	**-**	**15 761 874**

Inventory transactions not recorded in prior year.

		2025 R	2024 R
39.3	**Receivables from Exchange Transactions**		
	Balance previously reported	-	6 308 669
	Restated Balance	-	6 308 669

Transactions on receivables recorded incorrectly in prior year.

		2025 R	2024 R
39.4	**Non-Current Provisions**		
	Balance previously reported	-	47 378 351
	Restated Balance	-	47 378 351

Correction of provision for rehabilitation of landfill-sites.

		2025 R	2024 R
39.5	**Current Employee Benefits**		
	Balance previously reported	-	4 130 376
	Restated Balance	-	4 130 376

Correction of Leave Provision transactions.

		2025 R	2024 R
39.6	**Trade and Other Payables from Exchange Transactions**		
	Balance previously reported	-	59 891 453
	Trade Payables recognised incorrectly in 2023/2024 - Note 15	-	3 393 358
	Restated Balance	-	63 284 811

Payables recognised incorrectly in prior year.

		2025 R	2024 R
39.7	**Unspent Transfers and Subsidies**		
	Balance previously reported	-	1 287 840
	Restated Balance	-	1 287 840

Grant expenditure recognised incorrectly in prior year.

		2025 R	2024 R
39.8	**Taxes**		
	Balance previously reported	-	14 090 211
	Restated Balance	-	14 090 211

VAT recorded incorrectly in prior year.

		2025 R	2024 R
39.9	**Accumulated Surplus/(Deficit) - 1 July 2023**		
	Correction of provision for rehabilitation cost in periods before 1 July 2022 - Note 39.3	-	-
	Other Assets recognised incorrectly in periods before 1 July 2022 - Note 39,1	-	-
	Correction of Capital Under Construction in periods before 1 July 2022 - Note 39.1	-	-
	Total	-	-

39.10 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property Rates		9 162 279	-	9 162 279
Surcharges and Taxes		31 494	-	31 494
Government Grants and Subsidies	39.6	47 992 253	-	47 992 253
Availability Charges		66 948	-	66 948
Fines, Penalties and Forfeits		16 900	-	16 900
Interest Earned - Non-exchange Transactions		1 181 636	-	1 181 636
Service Charges	39.3	26 697 554	-	26 697 554
Sales of Goods and Rendering of Services		158 545	-	158 545
Rental from Fixed Assets	39.3	745 791	-	745 791
Interest Earned - External Investments		151 677	-	151 677
Interest Earned - Exchange Transactions		9 021 102	-	9 021 102
Licences and Permits from Exchange Transactions	39.3	74 461	-	74 461
Agency Services	39.6	-	-	-
Operational Revenue	39.3	13 242 926	-	13 242 926
Total		**108 543 567**	**-**	**108 543 567**
Expenditure				
Employee related costs	39.6	(30 923 326)	-	(30 923 326)
Remuneration of Councillors		(4 957 767)	-	(4 957 767)
Contracted Services	39.6	(1 833 933)	-	(1 833 933)
Depreciation and Amortisation	39.1	(5 027 947)	-	(5 027 947)
Actuarial Losses		(158 861)	-	(158 861)
Finance Costs	39.6	(8 196 973)	-	(8 196 973)
Bulk Purchases	39.6	(11 762 773)	-	(11 762 773)
Inventory Consumed	39.2	(2 885 639)	-	(2 885 639)
Operational Costs	39.6	(11 803 221)	-	(11 803 221)
Total		**(77 550 439)**	**-**	**(77 550 439)**
Gains and Losses				
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(17 055 444)	-	(17 055 444)
Gains/(Loss) on Sale of Fixed Assets		(52 631)	-	(52 631)
Water Losses		-	-	-
Total		**(17 116 074)**	**-**	**(17 116 074)**
Net Surplus/(Deficit) for the year		**13 877 053**	**-**	**13 877 053**

40. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS

	2025 R	2024 R
Surplus/(Deficit) for the year	26 579 157	13 877 053
Adjustments for:		
Depreciation and Amortisation	5 322 766	5 027 947
Loss/(Gain) on Sale of Fixed Assets	-	52 631
Debt Relief	(16 617 796)	(9 466 383)
Government Grants and Subsidies received	61 260 946	48 733 944
Government Grants and Subsidies recognised as revenue	(61 182 278)	(50 752 798)
Contribution to provisions – Non-Current Provisions	2 160 647	3 829 336
Contribution from/to provisions - Non-Current Employee Benefits	740 007	789 139
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	457 993	158 861
Contribution from/to - Current Employee Benefits	1 152	(33 324)
Contribution to provisions – Bad Debt	17 384 621	17 055 444
Operating lease income accrued	185	16 612
Operating Surplus/(Deficit) before changes in working capital	36 107 400	29 288 462
Changes in working capital	(20 626 563)	(13 670 214)
Increase/(Decrease) in Trade and Other Payables	27 802 101	13 150 917
Increase/(Decrease) in Taxes	(3 427 632)	(2 746 674)
(Increase)/Decrease in Inventory	(7 051 682)	(6 461 992)
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(37 315 066)	(15 341 672)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(675 026)	(2 303 590)
(Increase)/Decrease in Consumer Deposits	40 745	32 797
Cash generated/(absorbed) by operations	15 480 838	15 618 248

	2025 R	2024 R
41. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 9	3 008 777	347 077
Call Deposits and Investments - Note 9	1 630 801	200 801
Cash Floats - Note 9	100	100
Total cash and cash equivalents	**4 639 678**	**547 978**

	2025 R	2024 R
42. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 41	4 639 678	547 978
Less:	(1 366 508)	(1 287 840)
Unspent Transfers and Subsidies - Note 16	(1 366 508)	(1 287 840)
VAT - Note 17	-	-
Resources available for working capital requirements	**3 273 170**	**(739 862)**

	2025 R	2024 R
43. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 10	87 162	131 294
Used to finance property, plant and equipment - at cost	(87 162)	(131 294)
	-	-
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.

44. BUDGET INFORMATION

The Annual Budget of the Municipality is prepared for a 2024/25 MTREF period and is applicable from 1 July 2024 until 30 June 2025.

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.

44.1 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 continued negative effect of the Covid-19 pandemic on revenue collection, cashflow limitations, reprioritising of operating and capital projects.

Final Budget and Actual Amounts: Explanation for variances greater than 10% and in excess of R668 900 (1% of prior year audited operating expenses).

44.2 Statement of Financial Position

44.2.1 Current Assets

Cash and cash equivalents

Lower cash levels due to cash flow constraints.

Trade and other receivables from exchange transactions

Non payment of services, resulting in an increase in provision for debt impairment.

VAT

VAT Receivable was more than anticipated.

Inventory

Incorrect base-line used for budgeting.

Other current assets

Incorrect base-line used for budgeting.

44.2.2 Non-Current Assets

Property, plant and equipment

Grant funding to acquire capital assets repaid to National Revenue Fund.

44.2.2 Current Liabilities

Trade and other payables from exchange transactions

Municipality experiencing difficulty to pay trade creditors due to cash flow limitations.

Trade and other payables from non-exchange transactions

Municipality experiencing difficulty to pay trade creditors due to cash flow limitations.

Provision

Review of remaining useful life of landfill-sites.

44.2.4 Non-Current Liabilities

Provision

Review of remaining useful life of landfill-sites.

44.2.4 Net Assets

Accumulated Surplus/(Deficit)

Nett effect of reasons documented above.

Reserves

The municipality did not budget for off-set depreciation against the Revaluation Reserve.

Statement of Financial Performance

44.2.5 Revenue

Service charges - Waste Water Management

Due to increase in consumption and tariffs

Service charges - Waste Management

Due to increase in consumption and tariffs.

Rental from Fixed Assets

More municipal properties for rent

Interest earned from Receivables

Increase due to non payment of consumer accounts.

Transfer and subsidies - Operational

Grants repaid to National Revenue Fund.

Operational Revenue

Increase due to debt relief by National Treasury.

44.2.6 Expenditure

Employee related costs

Vacancies not filled.

Remuneration of councillors

Council approve increase in remuneration to Councillors.

Bulk purchases - electricity

Incorrect base-line used for budgeting.

Inventory consumed

Incorrect base-line used for budgeting.

Interest

Due to interest paid to financial instruments - LSB and PEMA. Interest levied by ESKOM for non-payment of account.

Debt impairment

Increase due to non-payment by rate-payers and consumers.

Other Losses

Due to pipe burst on water bulk lines. Infrastructure is odsolete.

Contracted services

Unable to incur expenditure due to cash flow constraints.

Cash Flow Statement

44.2.7 Net Cash from Operating Activities

Data strings populate incorrectly on budget schedule.

44.2.8 Net Cash from Investing Activities

Data strings populate incorrectly on budget schedule.

44.2.9 Net Cash from Financing Activities

Data strings populate incorrectly on budget schedule.

45. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

45.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

	2025 R	2024 R
Opening balance	44 013 711	34 876 496
Correction of prior period error		
Restated opening balance	44 013 711	34 876 496
Unauthorised expenditure current year - operational	5 508 777	6 645 272
Unauthorised expenditure current year - capital	4 094 243	2 491 944
Written off by Council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	**53 616 731**	**44 013 711**

Unauthorised expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings	2025 R	2024 R
Over expenditure of operational budget - 2017		*Under Investigation*	10 140 323	10 140 323
Over expenditure of approved operating budget - 2018		*Under Investigation*	6 556 075	6 556 075
Over expenditure of approved capital budget - 2018		*Under Investigation*	20 254	20 254
Over expenditure of approved operating budget - 2019		*None*	2 806 682	2 806 682
Over expenditure of approved operating budget - 2020		*None*	4 205 467	4 205 467
Over expenditure of approved operating budget - 2021		*None*	2 108 243	2 108 243
Over expenditure of approved capital budget - 2021		*None*	2 647 166	2 647 166
Over expenditure of approved operating budget - 2022		*None*	5 430 197	5 430 197
Over expenditure of approved capital budget - 2022		*None*	962 090	962 090
Over expenditure of approved operating budget - 2023		*None*	6 645 272	6 645 272
Over expenditure of approved capital budget - 2023		*None*	2 491 944	2 491 944
Over expenditure of approved operational budget - 2025		*None*	5 508 777	-
Over expenditure of approved capital budget - 2025		*None*	4 094 243	-
			53 616 731	44 013 711

The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:

	2025 R	2024 R
Non-cash	5 508 777	6 645 272
Cash		
	5 508 777	**6 645 272**

Analysed as follows: Non-cash

	2025 R	2024 R
Impairment Loss on Receivables	5 508 777	6 645 272
	5 508 777	**6 645 272**

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

Unauthorised expenditure current year - operating	2025 Actual R	2025 Final Budget R	2025 Variance R	2025 Unauthorised R
Municipal Manager	13 341 550	14 126 000	(784 450)	-
Finance	11 866 166	17 341 000	(5 474 834)	-
Corporate Services	13 869 340	11 940 000	1 929 340	1 929 340
Infrastructure Development	58 364 437	54 785 000	3 579 437	3 579 437
Economic Development	682 576	1 265 000	(582 424)	-
	98 124 070	99 457 000	(1 332 930)	5 508 777

Unauthorised expenditure current year - capital	2025 Actual R	2025 Final Budget R	2025 Variance R	2025 Unauthorised R
Municipal Manager	199 038	320 000	(120 962)	
Chief Financial Officer	-	-		
Director: Administration	-	-	-	
Director: Community Services	24 551 243	20 457 000	4 094 243	4 094 243
Director: Technical Services	-	-	-	-
	24 750 280	20 777 000	3 973 280	4 094 243

45.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

	2025 R	2024 R
Opening balance	15 430 884	11 525 623
Correction of prior period error	-	-
Restated opening balance	15 430 884	11 525 623
Fruitless and wasteful expenditure current year	1 600 439	3 905 261
Written off by Council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not written off	-	-
Current	-	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting further action	**17 031 323**	**15 430 884**

Fruitless and wasteful expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings	2025	2024
Interest on overdue accounts - 2017		*Under Investigation*	1 348 088	1 348 088
Interest on overdue accounts - 2018		*Under Investigation*	1 657 840	1 657 840
Interest on overdue accounts - 2019		*Under Investigation*	1 482 055	1 482 055
Interest on overdue accounts - 2020		*Under Investigation*	2 373 602	2 373 602
Interest on overdue accounts - 2022		*Under Investigation*	1 537 679	1 537 679
Interest on overdue accounts - 2023		*Under Investigation*	3 126 359	3 126 359
Interest on overdue accounts - 2024		*Under Investigation*	3 905 261	3 905 261
Interest on overdue accounts - 2025		*Under Investigation*	1 600 439	
			17 031 323	15 430 884

45.3 Irregular expenditure

Reconciliation of irregular expenditure:

	2025 R	2024 R
Opening balance	20 647 828	19 817 950
Correction of prior period error	-	-
Restated opening balance	20 647 828	19 817 950
Irregular expenditure current year	400 616	829 878
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current	-	-
Prior Period	-	-
Written off as supported by council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not written off	-	-
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	**21 048 444**	**20 647 828**

Irregular expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings	2025	2024
Non compliance with SCM Policy - Quotations was not for the same type of goods.		*To be investigated*	68 286	68 286
Non compliance with SCM Policy - 3 Quotations was not obtained.		*To be investigated*	853 544	482 298
Non compliance with SCM Policy - No tax Clearance certificate.		*To be investigated*	82 335	80 380
Non compliance with SCM Policy - No Bid Specification Committee.		*To be investigated*	15 068 650	15 068 650
Irregular Expenditure identified by Auditor-General without communicating with the municipality, raising an audit finding or included in audit report.		*To be investigated*	2 436 026	2 436 026
Non compliance with SCM Policy - SCM processes avoided.		*To be investigated*	311 831	284 416
Conditional grants use to fund operating expenditure (Employee related cost)		*To be investigated*	1 025 762	1 025 762
Non compliance with SCM Policy - 3 Quotations was not obtained.		*None*	1 202 011	1 202 011
			21 048 444	20 647 828

46. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

46.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

	2025 R	2024 R
Opening balance	3 316 337	2 785 177
Correction of prior period error	500 000	
Restated opening balance	3 816 337	2 785 177
Council subscriptions	500 000	531 160
Amount paid - current year	-	-
Amount paid i.r.o. previous year expenditure	-	-
Balance unpaid (included in creditors)	**4 316 337**	**3 316 337**

46.2 Audit fees - [MFMA 125 (1)(c)]

	2025 R	2024 R
Opening balance	4 950 553	5 956 485
Correction of prior period error	511 173	-
Restated opening balance	5 461 727	5 956 485
Current year audit fee	3 870 546	3 333 613
External Audit - Auditor-General	3 870 546	3 333 613
Internal Audit	-	-
Audit Committee	-	-
Amount paid - current year	-	(4 339 545)
Amount paid i.r.o. previous year expenditure	(3 079 587)	-
Balance unpaid (included in creditors)	**6 252 685**	**4 950 553**

46.3 VAT - [MFMA 125 (1)(c)]

VAT is payable on the receipt 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.

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

	2025 R	2024 R
Opening balance	895 255	433 282
Correction of prior period error	-	-
Restated opening balance	895 255	433 282
Current year payroll deductions	6 432 208	461 973
Amount paid - current year	(5 926 411)	-
Amount paid i.r.o. previous year expenditure	-	-
Balance unpaid (included in creditors)	**1 401 052**	**895 255**

46.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

	2025 R	2024 R
Opening balance	(370 028)	417 266
Correction of prior period error	-	-
Restated opening balance	(370 028)	417 266
Current year payroll deductions and Council Contributions	5 224 756	3 202 607
Amount paid - current year	(4 106 098)	(3 989 901)
Amount paid i.r.o. previous year expenditure	(429 637)	-
Balance unpaid (included in creditors)	**318 993**	**(370 028)**

46.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2025:

	Outstanding more than 90 days
BJ Bock	31 718
SS Brandt	10 880
OE Adams	5 163
C Waterboer	48 686
E Mowers	3 408

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

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

30 June 2025

	Amount	Single Supplier	Impossible	Type of Deviation Impractical	Emergency
July	46 930	1	-	3	1
August	8 073	-	-	1	-
September	39 957	-	-	5	-
October	61 599	-	-	3	1
November	804 664	-	-	8	2
December	321 850	-	-	2	-
January	12 402	-	-	2	-
February	100 156	-	-	5	-
March	53 485	-	-	4	-
April	115 459	-	-	7	-
May	35 793	-	-	2	1
June	1 500 060	-	-	4	1
	3 100 319	1	-	46	6

30 June 2024

	Amount	Single Supplier	Impossible	Type of Deviation Impractical	Emergency
July	62 400	3	-	6	-
August	176 712	1	-	8	-
September	41 904	-	-	4	1
October	228 895	1	-	9	1
November	262 941	-	-	6	2
December	125 144	-	-	2	1
January	16 431	-	-	2	-
February	49 082	-	-	4	1
March	100 973	2	-	4	-
April	13 930	-	-	3	-
May	12 503	3	-	3	-
June	82 974	-	-	6	1
	1 173 889	10	-	57	7

46.8 Material losses [MFMA 125 (2)(d)]

Electricity distribution losses

Units purchased (Kwh)	6 207 877	6 268 844
Units lost during distribution (Kwh)	1 144 488	1 765 984
Percentage lost during distribution	18.44%	28.17%
Distribution loss (Rand Value)	2 613 782	3 632 027

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

Water distribution losses

Units purchased (kl)	1 532 946	1 532 946
Units lost during distribution (kl)	780 011	780 011
Percentage lost during distribution	50.88%	50.88%
Distribution loss (Rand Value)	5 007 670	5 007 670

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

46.9 Non-compliance with the Municipal Finance Management Act and other Legislation [MFMA 125 (2)(e)]

Non-compliance with MFMA Section 65 (2) (e)

Money owing by the municipality was not paid within 30 days of receiving the relevant invoice or statement from the supplier, due to cashflow challenges caused by low revenue collection rates.

Non-compliance with MFMA Section 75 (2)

The municipality did not update their website with all relevant documentation as required by Section 75(2) of the MFMA.

Non-compliance with the Municipal systems Act, Section 96 (b)

A credit control and debt collection policy was not fully implemented, as required by section 96(b) of the MSA.

47. FINANCIAL RISK MANAGEMENT

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

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

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

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

The municipality did not hedge against any interest rate risks during the current year.
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

1% (2024: 1%) Increase in interest rates	45 524	4 166
1% (2024: 1%) Decrease in interest rates	(45 524)	(4 166)

(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 rates and 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.

	2025 %	2025 R	2024 %	2024 R
Non-exchange Receivables				
Rates	100.00%	-	100.00%	-
Exchange Receivables				
Electricity	3.36%	4 697 514	2.78%	3 341 813
Water	70.73%	98 803 914	72.05%	86 509 809
Property Rentals	1.07%	1 489 851	0.98%	1 171 080
Waste Management	11.71%	16 355 554	11.31%	13 583 182
Waste Water Management	11.87%	16 577 672	11.48%	13 781 944
Other	0.69%	967 636	0.73%	882 443
	100.00%	139 682 755	100.00%	120 060 887

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 prime lending rate plus 1% where applicable.

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

	2025 %	2025 R	2024 %	2024 R
Non-exchange Receivables				
Rates	8.84%	12 880 949	9.57%	12 038 167
Exchange Receivables				
Services	91.16%	132 775 333	90.43%	113 752 218
	91.16%	145 656 282	90.43%	125 790 386

<u>Ageing of amounts past due but not impaired are as follow:</u>

	Exchange Receivables	Non-exchange Receivables
2025		
1 month past due	4 097 190	199 612
2+ months past due	-	701 683
	4 097 190	901 296
2024		
1 month past due	1 691 102	165 474
2+ months past due	-	497 253
	1 691 102	662 726

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

The entity only 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 (Standard Bank Limited). The credit quality of these institutions is 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 is considered to be low.

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

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

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

	2025 R	2024 R
Receivables from exchange transactions	139 682 755	120 060 887
Receivables from non-exchange transactions	14 028 916	13 353 887
Cash and Cash Equivalents	4 639 578	547 878
	158 351 248	133 962 652

(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.

2025	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Liabilities	54 579	50 031	-	-
Long-term Trade and Other Payables	-	13 018 315		
Trade and Other Payables from Exchange Transactions	118 836 829	-	-	-
	118 891 408	13 068 345	-	-

2024	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Liabilities	64 670	104 610	-	-
Trade and Other Payables from Exchange Transactions	63 284 811	-	-	-
	63 349 482	104 610	-	-

48. FINANCIAL INSTRUMENTS

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

48.1 Financial Assets

Financial Assets	Classification	2025 R	2024 R
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	4 697 514	3 341 813
Water	Financial Instruments at amortised cost	98 803 914	86 509 809
Property Rentals	Financial Instruments at amortised cost	1 489 851	1 171 080
Waste Management	Financial Instruments at amortised cost	16 355 554	13 583 182
Waste Water Management	Financial Instruments at amortised cost	16 577 672	13 781 944
Department of Transport	Financial Instruments at amortised cost	790 615	790 615
Other Arrears	Financial Instruments at amortised cost	967 636	882 443
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	3 008 777	347 077
Call Deposits	Financial Instruments at amortised cost	1 630 801	200 801
Total Financial Assets		**144 322 333**	**120 608 765**

Financial instruments at amortised cost:			
Receivables from Exchange Transactions	Electricity	4 697 514	3 341 813
Receivables from Exchange Transactions	Water	98 803 914	86 509 809
Receivables from Exchange Transactions	Property Rentals	1 489 851	1 171 080
Receivables from Exchange Transactions	Waste Management	16 355 554	13 583 182
Receivables from Exchange Transactions	Waste Water Management	16 577 672	13 781 944
Receivables from Exchange Transactions	Department of Transport	790 615	790 615
Receivables from Exchange Transactions	Other Arrears	967 636	882 443
Cash and Cash Equivalents	Bank Balances	3 008 777	347 077
Cash and Cash Equivalents	Call Deposits	1 630 801	200 801
		144 322 333	120 608 765
Total Financial Assets		**144 322 333**	**120 608 765**

48.2 Financial Liabilities

Financial Liabilities	Classification	2025 R	2024 R
Long-term Liabilities			
Capitalised Lease Liability	Financial Instruments at amortised cost	87 162	131 294
Long-term Trade and Other Payables			
Municipal Debt Relief	Financial Instruments at amortised cost	13 018 315	33 811 611
Trade and Other Payables			
Trade Payables	Financial Instruments at amortised cost	85 608 911	44 457 291
Advance Payments	Financial Instruments at amortised cost	721 724	699 930
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	24 372 524	10 712 403
Other Payables	Financial Instruments at amortised cost	1 515 070	1 332 340
Department of Transport	Financial Instruments at amortised cost	6 618 600	6 082 847
Other liabilities			
Consumer deposits	Financial instruments at amortised cost	339 728	298 983
Unspent Grants	Financial instruments at amortised cost	1 366 508	1 287 840
		133 648 541	**101 787 346**

SUMMARY OF FINANCIAL LIABILITIES

Financial instruments at amortised cost:			
Long-term Liabilities	Capitalised Lease Liability	87 162	131 294
Long-term Trade and Other Payables	Municipal Debt Relief	13 018 315	33 811 611
Trade and Other Payables	Trade Payables	85 608 911	44 457 291
Trade and Other Payables	Accrued Interest	-	2 972 807
Trade and Other Payables	Advance Payments	721 724	699 930
Trade and Other Payables	Control, Clearing and Interface Accounts	24 372 524	10 712 403
Trade and Other Payables	Other Payables	1 515 070	1 332 340
Trade and Other Payables	Retentions	6 618 600	6 082 847
Other liabilities	Consumer deposits	339 728	298 983
Other liabilities	Unspent Grants	1 366 508	1 287 840
		133 648 541	**101 787 346**

	2025 R	2024 R

49. STATUTORY RECEIVABLES

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

	2025 R	2024 R
Taxes		
VAT Receivable	17 517 843	(340 422)
Receivables from Non-Exchange Transactions	13 782 244	12 950 536
Rates	13 782 244	12 950 536
Total Statutory Receivables (before provision)	**31 300 088**	**12 610 114**
Less: Provision for Debt Impairment	(14 078 087)	(12 038 167)
Total Statutory Receivables (after provision)	**17 222 001**	**571 947**

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)

Statutory receivables are initially measured at transaction value, and subsequently at cost.

(Rates): Ageing

	2025 R	2024 R
Current (0 - 30 days)	265 742	485 665
31 - 60 Days	199 612	184 945
61 - 90 Days	189 507	177 084
+ 90 Days	13 127 383	12 102 841
Total	**13 782 244**	**12 950 536**

Reconciliation of Provision for Debt Impairment

	2025 R	2024 R
Balance at beginning of year	12 038 167	9 998 247
Contribution to provision	2 039 920	2 039 920
Reversal of provision	-	-
Balance at end of year	**14 078 087**	**12 038 167**

Ageing of amounts past due but not impaired:

	2025 R	2024 R
1 month past due	199 612	165 474
2+ months past due	701 683	497 253
	901 296	**662 726**

Interest Received from Statutory Receivables

	2025 R	2024 R
Taxes	1 049 468	1 181 636
	1 049 468	1 181 636

Interest is levied at a rate determined by the council on outstanding rates amounts.

50. IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

51. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

52. PRINCIPAL - AGENT ARRANGEMENTS

52.1 Principal in other Principal-Agent Arrangements (non-material)

Khai Ma Municipality is the Principal in arrangements with service providers who sell prepaid electricity on their behalf. Prepaid vendors earn commission on the value of each transaction.

The following information is disclosed in aggregate as per GRAP 109 par 61.

Compensation paid for agency activities

	2025 R	2024 R
Commission	373 709	654 321
Total Compensation	**373 709**	**654 321**

There are no resources under the custodianship of the agents, nor have they been recognised as such.

52.2 Agent in arrangement

Khai Ma 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).

	2025 R	2024 R
Compensation received for agency activities		
Agency Fees	-	-
Total Compensation received	-	-

Khai-Ma Municipality was paid 12% commission by the Provincial Departement of Transport for acting as an agent on its behalf during the financial year.

53. RELATED PARTIES

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

53.1 Related Party Transactions

Year ended 30 June 2025	Rates	Service Charges	Other	Interest	Payments made	Outstanding Balance	Travelling
Councillors							
BJ Bock	533	12 596	-	2 704	(36 667)	31 718	122 259
SS Brandt	7 379	12 288	-	793	(21 996)	10 880	8 470
OE Adams	-	7 905	-	797	(3 539)	5 163	20 535
D Jano	-	-	-	-		-	23 564
SM Baker	8 444	10 110	-	98	(18 798)	(146)	65 160
NC Masibeni	-	-	-	-		-	27 450
C Waterboer	259	12 406	-	3 119	(8 232)	48 636	73 935
E Mowers	-	10 250	-	417	(19 388)	3 408	52 626
EP Cloete	-	-	-	-		-	271 615
N Van Rooi	-	-	-	-		-	5 675
H Nel	-	-	-	-		-	42 586
	16 615	**65 554**	**-**	**7 929**	**(108 620)**	**99 659**	**713 874**
Municipal Manager and Senior Management							
S Tatas-Titus	-	-	-	-		-	428 620
CJ Fortuin	-	-	-	-		-	
PJ van der Merwe	-	-	-	-		-	
A Leteane	-	-	-	-		-	135 043
VLB Daka	-	-	-	-		-	-
JJ Liebenberg	760.75	5 699.21		268		6 251	65 976
H Christians	-	-	-	-		-	96 770
	761	**5 699**	**-**	**268**		**6 251**	**726 407**

Year ended 30 June 2024	Rates	Service Charges	Other	Interest	Outstanding Balance	Travelling
Councillors						
BJ Bock	498	13 166	-	4 199	52 553	124 851
SS Brandt	6 897	12 523	-	1 076	12 417	23 170
OE Adams	-	7 387	-	1 658	15 848	31 766
D Jano	-	-	-	-	-	22 335
SM Baker	658	15 091	-	98	-	15 616
NC Masibeni	-	-	-	-	-	26 503
C Waterboer	242	13 860	-	3 008	41 084	51 792
E Mowers	-	7 387	-	1 113	12 129	26 499
EP Cloete	-	-	-	-	-	280 274
H Nel	-	-	-	-		13 536
	8 294	**69 415**	**-**	**11 153**	**134 030**	**616 341**
Municipal Manager and Senior Management						
S Tatas-Titus	-	-	-	-	-	380 851
CJ Fortuin	-	-	-	-	-	217 176
PJ van der Merwe	681	13 276	-	24	1 922	28 505
A Leteane	-	-	-	-	-	32 005
VLB Daka	-	-	-	-	-	53 431
JJ Liebenberg						96 419
H Christians						34 136
	681	**13 276**	**-**	**24**	**1 922**	**842 523**

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.

53.2 Related Party Loans

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

53.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 30 to the Annual Financial Statements.

53.4 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 2025:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
S Tatas-Titus	Municipal Manager	110 863	-	-
A Leteane	Chief Financial Officer (acting)	38 730	-	-
H Christians	Head: Technical Services	168 596	-	-
JJ Liebenberg	Head: Corporate Services	168 596	-	-
		486 784	-	-

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
S Tatas-Titus	Municipal Manager	68 735	-	-
CJ Fortuin	Municipal Manager (previous)	-	-	-
A Leteane	Chief Financial Officer (acting)	-	-	-
PJ van der Merwe	Chief Financial Officer (previous)	-	-	-
VLB Daka	Chief Financial Officer (acting)	-	-	-
H Christians	Head: Technical Services	163 605		
JJ Liebenberg	Head: Corporate Services	163 605		
		395 945	-	-

54. FINANCIAL SUSTAINABILITY

Management is of the opinion that will municipality will continue to operate as a going concern and perform it's 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:

<u>Financial Indicators</u>

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 social-economic profile (high unemployment rate) of Khai-Ma communities resulted in a serous risk for Khai-Ma Municipality's going concern.

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

The municipality is experiencing difficultly to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceed the current assets with R61 363 113 (2024: R41 366 139).

The municipality has budgeted for an operating profit of R3 933 000 for the 2025/2026 financial year and an operating profit of 3 933 000 for 2026/2027.

The National Treasury assisted the municipality with R1 899 448 (2024: R2 493 650) to repay outstanding audit fees.

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

55. 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.

56. ADDITIONAL DISCLOSURES IN TERMS OF BROAD-BASED BALCK 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.

57 REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 - Municipal Manager	1.1 - Council and General	Aggregated	Governance and Administration	Supporting service departments
	1.2 - Municipal Manager	Aggregated	Governance and Administration	Supporting service departments
Vote 2 - Finance	2.1 - Assessment Rates	Aggregated	Governance and Administration	Supporting service departments
	2.2 - Chief Financial Officer	Aggregated	Governance and Administration	Supporting service departments
	2.3 - Internal Auditor	Aggregated	Governance and Administration	Supporting service departments
	2.4 - Other Subsidies	Aggregated	Governance and Administration	Supporting service departments
	2.5 - Propery Services	Aggregated	Governance and Administration	Supporting service departments
	2.6 - Vehicle Licencing and Testing	Aggregated	Governance and Administration	Supporting service departments
Vote 3 - Corporate Services	3.1 - Cemetery	Aggregated	Governance and Administration	Supporting service departments
	3.2 - Corporate Services	Aggregated	Governance and Administration	Supporting service departments
	3.3 - Disaster Management	Aggregated	Governance and Administration	Supporting service departments
	3.4 - Health	Aggregated	Governance and Administration	Supporting service departments
	3.5 - Library	Aggregated	Governance and Administration	Supporting service departments
	3.6 - Municipal and Public Buildings	Aggregated	Governance and Administration	Supporting service departments
	3.7 - Fleet Management	Aggregated	Governance and Administration	Supporting service departments
	3.8 - Traffic	Aggregated	Governance and Administration	Supporting service departments
Vote 4 - Infrastructure Development	4.1 - Electricity	Aggregated	Technical Services	Water management, Electricity services and waste water management. Recreation centers.
	4.2 - Parks and Recreation	Aggregated	Technical Services	
	4.3 - Refuse	Aggregated	Technical Services	
	4.4 - Roads	Aggregated	Technical Services	
	4.5 - Sewerage	Aggregated	Technical Services	
	4.6 - Media	Aggregated	Technical Services	
	4.7 - Water	Aggregated	Technical Services	
Vote 5 - Economic Development	5.1 - Housing	Aggregated	Governance and Administration	Supporting service departments
	5.2 - IDP/LED	Aggregated	Governance and Administration	Supporting service departments
	5.3 - Tourism	Aggregated	Other	Tourism
	5.4 - Town Planning	Individually Reported	Town Planning	Building plans

SECONDARY SEGMENTS

Mscoa Functional Segments Identified	Aggregation	Aggregation	Reportable Segment	Types of Goods/Services delivered
• Governance and Administration	Executive and council	Aggregated	Governance and Administration	Supporting service departments
	Finance and administration	Aggregated	Governance and Administration	Supporting service departments
	Internal audit	Aggregated	Governance and Administration	Supporting service departments
• Community and public safety	Community and social services	Aggregated	Community and public safety	Library services, Community halls rentals and recreation centers
	Sport and recreation	Aggregated	Community and public safety	
	Public safety	Aggregated	Governance and Administration	Supporting service departments
	Health services	Aggregated	Governance and Administration	Supporting service departments
	Housing services	Aggregated	Governance and Administration	Supporting service departments
• Economic and environmental services	Planning and development	Individually Reported	Economic and environmental services	Building plans
	Road transport	Aggregated	Governance and Administration	Supporting service departments
	Environmental protection services	Aggregated	Governance and Administration	Supporting service departments
• Trading services	Energy sources	Individually Reported	Energy sources	Electricity services
	Water management	Individually Reported	Water management	Water management
	Waste water management	Individually Reported	Waste water management	Waste water management
	Waste management service	Individually Reported	Waste management service	Waste management service
• Other	Abattoirs	Aggregated	Governance and Administration	Supporting service departments
	Air Transport	Aggregated	Other	Airfield Rental
	Forestry	Aggregated	Governance and Administration	Supporting service departments
	Licensing and Regulation	Aggregated	Other	Licensing
	Markets	Aggregated	Governance and Administration	Supporting service departments
	Tourism	Aggregated	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).

KHAI MA MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Khai-Ma Municipality has the following wards situated in different geographical areas:

Ward 1 - *Onseepkans, R K Sending, Melkbosrand and Vioolsdrif*
Ward 2 - *Blyvooruitsig*
Ward 3 - *Pella*
Ward 4 - *Pofadder, Aggeneys and Witbank*

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

KHAI-MA MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Other	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	2 238 596	-	77 487	45 282 635	-	47 598 818
Service Charges - Electricity Revenue	-	-	-	13 293 411	-	13 293 411
Service Charges - Water Revenue	-	-	-	8 961 094	-	8 961 094
Service Charges - Sanitation Revenue	-	-	-	2 298 126	-	2 238 126
Service Charges - Refuse Revenue	-	-	-	2 211 870	-	2 211 870
Rental of Facilities and Equipment	745 791	-	-	-	-	745 791
Interest Earned - External Investments	151 677	-	-	-	-	151 677
Interest Earned - Outstanding Debtors	1 181 636	-	-	9 021 102	-	10 202 738
Licences and Permits	-	-	74 461	-	-	74 461
Other Revenue	159 491	-	3 026	9 496 931	-	9 659 448
External revenue from non-exchange transactions	42 700 960	1 209 089	16 900	987 192	-	44 914 141
Property Rates	9 162 279	-	-	-	-	9 162 279
Fines	-	-	16 900	-	-	16 900
Licences and Permits	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-
Transfers Recognised - Operational	33 538 680	1 209 089	-	987 192	-	35 734 962
Gains on Disposal of PPE	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
Revenue from transactions with other segments	1 612 381	(283 382)	(427 678)	(901 321)	-	-
Internal Revenue	1 612 381	(283 382)	(427 678)	(901 321)	-	-
Total Segment Revenue (excluding capital transfers and contributions)	46 551 936	925 706	(333 290)	45 368 406	-	92 512 759
SEGMENT EXPENDITURE						
Employee Related Costs	18 932 739	1 655 022	1 314 022	9 192 068	-	31 094 850
Remuneration of Councillors	4 957 767	-	-	-	-	4 957 767
Debt Impairment	2 039 920	-	-	15 015 524	-	17 055 444
Depreciation and Asset Impairment	658 797	1 369 036	677 144	2 423 971	-	5 027 947
Finance Charges	3 976 840	177	-	4 378 817	-	8 355 834
Bulk Purchases	-	-	-	11 762 773	-	11 762 773
Other Materials	768 981	-	-	2 123 746	-	2 892 727
Contracted Services	1 623 618	3 637	-	206 278	-	1 833 933
Transfers and Grants	-	-	-	-	-	-
Other Expenditure	5 561 488	99 165	738 166	5 133 788	-	11 532 607
Gains/(Loss) on Sale of Fixed Assets	-	-	-	-	-	-
Water Losses	-	-	-	-	-	-
Total Segment Expenditure	38 520 349	3 127 235	2 729 332	50 236 965	-	94 613 882
Surplus/(Deficit)	8 031 587	(2 201 527)	(3 062 623)	(4 868 560)	-	(2 101 123)
Transfers Recognised - Capital	-	-	-	16 030 807	-	16 030 807
Contributions Recognised - Capital	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-

KHAI MA MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Surplus/(Deficit) after Capital Transfers & Contributions	8 031 587	(2 201 527)	(3 062 623)	11 162 248	-	13 929 685
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	8 031 587	(2 201 527)	(3 062 623)	11 162 248	-	13 929 685
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	8 031 587	(2 201 527)	(3 062 623)	11 162 248	-	13 929 685
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	8 031 587	(2 201 527)	(3 062 623)	11 162 248	-	13 929 685

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Other	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	244 023 893	244 023 893
Segment liabilities	-	-	-	-	186 057 543	186 057 543
Additions to non-current assets	148 246	-	-	24 551 243	-	24 699 489
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-
Impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-
Reversal of impairment losses recognised in Surplus/(Deficit)	-	-	-	-	-	-
Segment assets materially impaired	-	-	-	-	-	-
Cash flows from operating activities	-	-	-	-	15 475 700	15 475 700
Cash flows from investing activities	-	-	-	-	(24 358 183)	(24 358 183)
Cash flows from financing activities	-	-	-	-	(44 132)	(44 132)

KHAI-MA MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

			Trading services							
	Community and public safety	Economic and environmental services	Energy Sources	Water Management	Waste water management	Waste management services	Other	Governance and Administration	Unallocated	Total
	R	R	R				R	R	R	R
SEGMENT REVENUE										
External revenue from exchange transactions	-	77 487	23 016 695	15 529 370	3 416 736	3 319 834	-	2 079 105	-	47 439 127
Service Charges - Electricity Revenue	-	-	13 293 411	-	-	-	-	-	-	13 293 411
Service Charges - Water Revenue	-	-	-	8 961 094	-	-	-	-	-	8 961 094
Service Charges - Sanitation Revenue	-	-	-	-	2 298 126	-	-	-	-	2 298 126
Service Charges - Refuse Revenue	-	-	-	-	-	2 211 870	-	-	-	2 211 870
Rental of Facilities and Equipment	-	-	-	-	-	-	-	745 791	-	745 791
Interest Earned - External Investments	-	-	-	-	-	-	-	151 677	-	151 677
Interest Earned - Outstanding Debtors	-	-	226 253	6 568 276	1 118 610	1 107 964	-	1 181 636	-	10 202 738
Licences and Permits	-	74 461	-	-	-	-	-	-	-	74 461
Other Revenue	-	3 026	8 496 931	-	-	-	-	-	-	8 499 957
External revenue from non-exchange transactions	1 209 089	16 900	-	987 192	-	-	-	74 662 117	-	76 875 298
Property Rates	-	-	-	-	-	-	-	9 162 279	-	9 162 279
Fines	-	16 900	-	-	-	-	-	-	-	16 900
Licences and Permits	-	-	-	-	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-	-	-	-	-
Transfers Recognised - Operational	1 209 089	-	-	987 192	-	-	-	65 340 348	-	67 536 628
Other Revenue	-	-	-	-	-	-	-	159 491	-	159 491
Gains on Disposal of PPE	-	-	-	-	-	-	-	-	-	-
Revenue from transactions with other segments	(283 382)	(427 678)	548 119	(39 642)	(1 068 587)	(341 211)	-	1 612 381	-	-
Internal Revenue	(283 382)	(427 678)	548 119	(39 642)	(1 068 587)	(341 211)	-	1 612 381	-	-

Total Segment Revenue (excluding capital transfers and contributions)	975 708	(333 290)	23 564 714	16 476 970	2 348 149	2 978 624	-	78 353 602	-	124 314 425
SEGMENT EXPENDITURE										
Employee Related Costs	1 656 022	1 314 022	1 136 762	4 173 786	1 956 182	1 915 338	-	21 870 392	-	34 032 504
Remuneration of Councillors	-	-	-	-	-	-	-	4 957 767	-	4 957 767
Debt Impairment	-	-	3 943 975	10 193 902	416 198	461 449	-	2 039 920	-	17 055 444
Depreciation and Asset Impairment	1 368 035	677 144	195 147	1 309 990	183 378	735 456	-	558 797	-	5 027 947
Finance Charges	177	-	(131 338)	680 820	-	3 829 336	-	3 976 840	-	8 355 634
Bulk Purchases	-	-	11 762 773	-	-	-	-	-	-	11 762 773
Other Materials	-	-	224 196	1 897 829	1 461	260	-	768 981	-	2 892 727
Contracted Services	3 837	-	-	146 013	1 543	56 722	-	1 623 818	-	1 833 933
Transfers and Grants	-	-	-	-	-	-	-	-	-	-
Other Expenditure	99 165	738 166	2 576 590	1 935 114	213 740	408 338	-	5 601 488	-	11 632 607
Loss on Disposal of PPE	-	-	-	-	-	-	-	52 631	-	52 631
Internal charges	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	3 127 235	2 729 332	19 708 113	20 339 454	2 782 503	7 406 896	-	41 510 634	-	97 604 167
Surplus/(Deficit)	(2 201 527)	(3 062 623)	3 856 601	(3 862 534)	(434 354)	(4 428 273)	-	36 842 968	-	26 710 259
Transfers Recognised - Capital	-	-	-	16 030 807	-	-	-	-	-	16 030 807
Contributions Recognised - Capital	-	-	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	(2 201 527)	(3 062 623)	3 856 601	12 168 273	(434 354)	(4 428 273)	-	36 842 968	-	42 741 066
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(2 201 527)	(3 062 623)	3 856 601	12 168 273	(434 354)	(4 428 273)	-	36 842 968	-	42 741 066
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(2 201 527)	(3 062 623)	3 856 601	12 168 273	(434 354)	(4 428 273)	-	36 842 968	-	42 741 066
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 201 527)	(3 062 623)	3 856 601	12 168 273	(434 354)	(4 428 273)	-	36 842 968	-	42 741 066

	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
OTHER INFORMATION										
Segment Assets	-	-	-	-	-	-	-	-	244 023 993	244 023 993
Segment liabilities	-	-	-	-	-	-	-	-	188 057 543	186 057 543
Additions to non-current assets	-	-	1 698 261	20 380 215	-	-	-	148 246	-	22 226 722
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
Reversal of Impairment losses recognised in Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
Segment assets materially impaired	-	-	-	-	-	-	-	-	-	-
Cash flows from operating activities	-	-	-	-	-	-	-	-	16 475 700	16 475 700
Cash flows from investing activities	-	-	-	-	-	-	-	-	(24 358 183)	(24 358 183)
Cash flows from financing activities	-	-	-	-	-	-	-	-	(44 132)	(44 132)

Reconciliation of Segment Revenue to Total Revenue as per the Annual Financial Statements for the year ended 30 June 2025

Total Segment Revenue (including capital transfers and contributions)	140 345 232,85
Total Revenue as per Statement of Financial Performance	127 326 918,22
Difference	13 018 314,63
Reconciling Items	
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-

Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2025

Total Segment Expenditure	97 604 166,90
Total Expenditure as per Statement of Financial Performance	100 747 761,47
Difference	-3 143 594,57
Reconciling Items	
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-

Reconciliation of the Statement of Financial Performance as at 30 June 2025 as per the Annual Financial Statements vs the Surplus of the Segment report

Surplus/(Deficit) for the year as per Segments	42 741 065,95
Surplus/(Deficit) for the year as per Statement of Financial Performance	26 579 156,75
Difference - as explained above	16 161 909,20

See the explanations for differences above under Revenue and Expenses.

Reconciliation of Segment Assets to Total Assets as per the Annual Financial Statements for the year ended 30 June 2025

Total Segment Assets	244 023 932,61
Total Assets as per Statement of Financial Position	244 023 992,61
Difference	-
Reconciling Items	
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-

Reconciliation of Segment Liabilities to Total Liabilities as per the Annual Financial Statements for the year ended 30 June 2025

Total Segment Liabilities	186 057 543,22
Total Liabilities as per Statement of Financial Position	186 057 543,22
Difference	-
Reconciling Items	
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-

KHAI-MA MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Other	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	2 238 596	-	77 487	45 282 535	-	47 598 618
Service Charges - Electricity Revenue	-	-	-	13 293 411	-	13 293 411
Service Charges - Water Revenue	-	-	-	8 961 094	-	8 961 094
Service Charges - Sanitation Revenue	-	-	-	2 298 128	-	2 298 128
Service Charges - Refuse Revenue	-	-	-	2 211 870	-	2 211 870
Rental of Facilities and Equipment	745 791	-	-	-	-	745 791
Interest Earned - External Investments	151 877	-	-	-	-	151 877
Interest Earned - Outstanding Debtors	1 181 636	-	-	9 021 102	-	10 202 738
Licences and Permits	-	-	74 461	-	-	74 461
Other Revenue	159 491	-	3 026	9 496 931	-	9 659 448
External revenue from non-exchange transactions	42 700 960	1 209 069	16 900	987 192	-	44 914 141
Property Rates	9 162 279	-	-	-	-	9 162 279
Fines	-	-	16 900	-	-	16 900
Licences and Permits	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-
Transfers Recognised - Operational	33 538 680	1 209 089	-	987 192	-	35 734 982
Other Revenue	-	-	-	-	-	-
Gains on Disposal of PPE	-	-	-	-	-	-
Revenue from transactions with other segments	1 612 381	(283 382)	(427 678)	(901 321)	-	-
Internal Revenue	1 612 381	(283 382)	(427 678)	(901 321)	-	-
Total Segment Revenue (excluding capital transfers and contributions)	46 551 936	925 708	(333 290)	45 368 406	-	92 512 759
SEGMENT EXPENDITURE						
Employee Related Costs	18 712 739	1 658 022	1 314 022	9 192 068	-	30 874 850
Remuneration of Councillors	4 957 767	-	-	-	-	4 957 767
Debt Impairment	2 038 920	-	-	15 016 524	-	17 055 444
Depreciation and Asset Impairment	558 797	1 368 035	677 144	2 423 971	-	5 027 947
Finance Charges	2 458 251	177	-	4 378 817	-	6 837 246
Bulk Purchases	-	-	-	11 762 773	-	11 762 773
Other Materials	768 981	-	-	2 123 746	-	2 892 727
Contracted Services	1 623 818	3 837	-	206 278	-	1 833 933
Transfers and Grants	-	-	-	-	-	-
Other Expenditure	5 667 488	93 165	738 166	5 133 788	-	11 632 607
Gains/(Loss) on Sale of Fixed Assets	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-
Total Segment Expenditure	36 781 761	3 127 235	2 729 332	50 236 965	-	92 875 294
Surplus/(Deficit)	9 770 175	(2 201 527)	(3 062 623)	(4 868 560)	-	(362 534)
Transfers Recognised - Capital	-	-	-	16 030 807	-	16 030 807
Contributions Recognised - Capital	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	9 770 175	(2 201 527)	(3 062 623)	11 162 248	-	15 668 273
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	9 770 175	(2 201 527)	(3 062 623)	11 162 248	-	15 668 273
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	9 770 175	(2 201 527)	(3 062 623)	11 162 248	-	15 668 273
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	9 770 175	(2 201 527)	(3 062 623)	11 162 248	-	15 668 273

	Governance and Administration	Community and Public Safety	Technical Services	Town Planning	Unallocated	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	209 030 770	209 030 770
Segment liabilities	-	-	-	-	157 866 267	157 866 267
Additions to non-current assets	346 651	-	16 229 293	-	-	16 575 944
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-
Impairment losses recognised in Suplus/(Deficit)						
Reversal of Impairment losses recognised in Suplus/(Deficit)						
Segment assets materially impaired						
Cash flows from operating activities	-	-	-	-	15 618 248	15 618 248
Cash flows from investing activities	-	-	-	-	(15 911 920)	(15 911 920)
Cash flows from financing activities	-	-	-	-	(14 425)	(14 425)

KHAI-MA MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

			Trading services							
	Community and public safety	Economic and environmental services	Energy Sources	Water Management	Waste water management	Waste management services	Other	Governance and Administration	Unallocated	Total
	R	R	R				R	R	R	R
SEGMENT REVENUE										
External revenue from exchange transactions	-	77 487	23 016 595	15 529 370	3 416 736	3 319 834	-	2 079 105	-	47 439 127
Service Charges - Electricity Revenue	-	-	13 293 411	-	-	-	-	-	-	13 293 411
Service Charges - Water Revenue	-	-	-	8 961 094	-	-	-	-	-	8 961 094
Service Charges - Sanitation Revenue	-	-	-	-	2 298 126	-	-	-	-	2 298 126
Service Charges - Refuse Revenue	-	-	-	-	-	2 211 870	-	-	-	2 211 870
Rental of Facilities and Equipment	-	-	-	-	-	-	-	745 791	-	745 791
Interest Earned - External Investments	-	-	-	-	-	-	-	151 677	-	151 677
Interest Earned - Outstanding Debtors	-	-	220 253	6 568 276	1 118 610	1 107 984	-	1 181 636	-	10 202 738
Licences and Permits	-	74 461	-	-	-	-	-	-	-	74 461
Other Revenue	-	3 026	9 496 931	-	-	-	-	-	-	9 499 957
External revenue from non-exchange transactions	1 209 089	16 900	-	987 192	-	-	-	42 860 451	-	45 073 632
Property Rates	-	-	-	-	-	-	-	9 162 279	-	9 162 279
Fines	-	16 900	-	-	-	-	-	-	-	16 900
Licences and Permits	-	-	-	-	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-	-	-	-	-
Transfers Recognised - Operational	1 200 089	-	-	987 192	-	-	-	33 538 880	-	35 734 962
Other Revenue	-	-	-	-	-	-	-	159 491	-	159 491
Gains on Disposal of PPE	-	-	-	-	-	-	-	-	-	-
Revenue from transactions with other segments	(283 382)	(427 678)	548 119	(39 642)	(1 068 587)	(341 211)	-	1 612 381	-	-
Internal Revenue	(283 382)	(427 678)	548 119	(39 642)	(1 068 587)	(341 211)	-	1 612 381	-	-
Total Segment Revenue (excluding capital transfers and contributions)	925 708	(333 290)	23 564 714	15 476 020	2 348 149	2 978 624	-	46 551 936	-	92 512 759

SEGMENT EXPENDITURE

Employee Related Costs	1 656 022	1 314 022	1 136 762	4 173 786	1 066 162	1 816 338	-	18 932 738	-	31 094 650
Remuneration of Councillors	-	-	-	-	-	-	-	4 957 767	-	4 957 767
Debt Impairment	-	-	3 943 975	10 193 902	416 198	461 449	-	2 039 920	-	17 055 444
Depreciation and Asset Impairment	1 368 035	577 144	195 147	1 309 990	183 378	735 456	-	558 797	-	5 027 947
Finance Charges	177	-	(131 338)	680 870	-	3 829 336	-	3 976 840	-	8 355 834
Bulk Purchases	-	-	11 762 773	-	-	-	-	-	-	11 762 773
Other Materials	-	-	224 196	1 897 829	1 461	260	-	768 981	-	2 892 727
Contracted Services	3 837	-	-	148 013	1 543	56 722	-	1 623 818	-	1 833 933
Transfers and Grants	-	-	-	-	-	-	-	-	-	-
Other Expenditure	99 165	738 166	2 576 598	1 935 114	213 740	408 336	-	5 661 488	-	11 632 607
Gains/(Loss) on Sale of Fixed Assets	-	-	-	-	-	-	-	52 631	-	52 631
Internal charges	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	3 127 235	2 729 332	19 708 113	20 339 454	2 782 503	7 406 666	-	38 572 981	-	94 666 513
Surplus/(Deficit)	(2 201 527)	(3 062 623)	3 856 601	(3 862 534)	(434 354)	(4 428 273)	-	7 978 958	-	(2 153 754)
Transfers Recognised - Capital	-	-	-	1 671 735	-	-	-	-	-	1 671 735
Contributions Recognised - Capital	-	-	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	(2 201 527)	(3 062 623)	3 856 601	(2 190 799)	(434 354)	(4 428 273)	-	7 978 958	-	(482 019)
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(2 201 527)	(3 062 623)	3 856 601	(2 190 799)	(434 354)	(4 428 273)	-	7 978 958	-	(482 019)
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(2 201 527)	(3 062 623)	3 856 601	(2 190 799)	(434 354)	(4 428 273)	-	7 978 958	-	(482 019)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 201 527)	(3 062 623)	3 856 601	(2 190 799)	(434 354)	(4 428 273)	-	7 978 958	-	(482 019)

	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
OTHER INFORMATION										
Segment Assets	-	-	-	-	-	-	-	-	209 030 770	209 030 770
Segment liabilities	-	-	-	-	-	-	-	-	157 866 267	157 866 267
Additions to non-current assets	-	-	-	15 581 470	-	847 824	-	146 651	-	16 575 944
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses recognised in Suplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
Segment assets materially impaired	-	-	-	-	-	-	-	-	-	-
Cash flows from operating activities	-	-	-	-	-	-	-	-	15 618 248	15 618 248
Cash flows from investing activities	-	-	-	-	-	-	-	-	(15 911 920)	(15 911 920)
Cash flows from financing activities	-	-	-	-	-	-	-	-	(14 425)	(14 425)

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)	94 184 494
Total Revenue as per Statement of Financial Performance	108 543 567
Difference	(14 359 073)

<u>**Reconciling Items**</u>

Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-

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

Total Segment Expenditure	94 666 513
Total Expenditure as per Statement of Financial Performance	94 666 513
Difference	-
<u>Reconciling Items</u>	
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-

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	15 668 273
Surplus/(Deficit) for the year as per Statement of Financial Performance	15 668 273
Difference - as explained above	-

See the explanations for differences above under Revenue and Expenses.

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

Total Segment Assets	209 030 770
Total Assets as per Statement of Financial Position	209 030 770
Difference	-
<u>Reconciling Items</u>	
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-

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

Total Segment Liabilities	157 865 267
Total Liabilities as per Statement of Financial Position	157 865 267
Difference	-
<u>Reconciling Items</u>	
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-
Insert reconciling item details	-

APPENDIX A
KHAI-MA MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2025

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2024	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2025
LEASE LIABILITY								
Office Equipment	10.00%	Various	31/03/2025	131 294	-		(44 132)	87 162
Total Lease Liabilities				131 294	-	-	(44 132)	87 162
TOTAL EXTERNAL LOANS				131 294	-	-	(44 132)	87 162

APPENDIX B
KHAI-MA MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
			Governance and Administration			
27 500 000	(11 132 314)	16 367 686	Executive and council	22 780 063	(13 350 948)	9 429 115
19 051 937	(27 440 667)	(8 388 730)	Finance and administration	32 560 747	(22 555 328)	10 005 419
-	-	-	Internal audit	-	-	-
			Community and Public Safety			
1 082 093	(2 802 544)	(1 720 451)	Community and social services	1 118 127	(2 134 263)	(1 016 135)
(156 386)	(324 691)	(481 077)	Sport and recreation	(107 544)	(295 379)	(402 923)
-	-	-	Public safety	-	-	-
-	-	-	Housing	-	-	-
-	-	-	Health	-	-	-
			Economic and Environmental Services			
-	(732 306)	(732 306)	Planning and development	-	(682 576)	(682 576)
(333 290)	(1 997 026)	(2 330 317)	Road transport	(342 135)	(1 734 469)	(2 076 604)
-	-	-	Environmental protection	-	-	-
			Trading Services			
23 564 714	(19 708 113)	3 856 601	Energy sources	17 773 478	(21 296 679)	(3 523 202)
32 507 727	(20 339 454)	12 168 273	Water management	42 878 844	(27 057 472)	15 821 372
2 348 149	(2 782 503)	(434 354)	Waste water management	5 533 400	(3 272 476)	2 260 924
2 978 624	(7 406 896)	(4 428 273)	Waste management	5 131 937	(5 744 480)	(612 543)
-	-	-	**Other**	-	-	-
108 543 567	(94 666 513)	13 877 053	Sub Total	127 326 918	(98 124 070)	29 202 848
-	-	-	Less Inter-Departmental Charges	-	-	-
108 543 567	(94 666 513)	13 877 053	**Total**	127 326 918	(98 124 070)	29 202 848

APPENDIX C
KHAI-MA MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025
MUNICIPAL VOTES CLASSIFICATIONS

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
			Municipal Manager			
-	(7 021 763)	(7 021 763)	Council and General	2 700 000	(8 572 704)	(5 872 704)
27 500 000	(4 110 551)	23 389 449	Municipal Manager	20 080 063	(4 768 846)	15 311 217
			Finance			
6 009 701	(10 108 422)	(4 098 722)	Chief Financial Officer	4 216 186	(9 928 113)	(5 711 927)
10 343 916	(2 060 289)	8 283 627	Assessment Rates	26 561 214	(842 782)	25 718 433
-	-	-	Internal Auditor	-	-	-
-	(844 927)	(844 927)	Other Subsidies	-	(944 482)	(944 482)
749 210	(6 096)	743 114	Propery Services	456 141	(58 719)	397 422
94 387	(310 825)	(216 438)	Vehicle Licencing and Testing	70 739	(92 071)	(21 333)
			Corporate Services			
(113 633)	(6 515)	(120 147)	Cemetery	(85 958)	(22 244)	(108 202)
336 730	(10 513 004)	(10 176 275)	Corporate Services	217 871	(9 746 141)	(9 528 270)
-	-	-	Disaster Management	-	(24 165)	(24 165)
-	-	-	Health	-	-	-
1 209 089	(2 751 897)	(1 542 807)	Library	1 218 707	(2 087 818)	(869 111)
(281 497)	(2 481 212)	(2 762 709)	Municipal and Public Buildings	(323 297)	(360 743)	(684 040)
1 893 878	(2 271 643)	(377 766)	Public Works	1 432 633	(1 628 229)	(195 596)
-	-	-	Fleet Management	-	-	-
-	-	-	Traffic	-	-	-
			Infrastructure Development			
23 564 714	(18 863 186)	4 701 528	Electricity	17 773 478	(20 352 198)	(2 578 720)
(156 386)	(324 691)	(481 077)	Parks and Recreation	(107 544)	(295 379)	(402 923)
2 978 624	(7 406 896)	(4 428 273)	Refuse	5 131 937	(5 744 480)	(612 543)
(427 678)	(1 686 201)	(2 113 879)	Roads	(412 874)	(1 642 397)	(2 055 271)
2 348 149	(2 782 503)	(434 354)	Sewerage	5 533 400	(3 272 476)	2 260 924
(13 363)	(44 132)	(57 496)	Television	(14 622)	(36)	(14 658)
-	-	-	Media	-	-	-
32 507 727	(20 339 454)	12 168 273	Water	42 878 844	(27 057 472)	15 821 372
			Economic Development			
-	-	-	Housing	-	-	-
-	(732 306)	(732 306)	IDP/LED	-	(682 576)	(682 576)
-	-	-	Tourism	-	-	-
-	-	-	Town Planning	-	-	-
108 543 567	(94 666 513)	13 877 053	Sub Total	127 326 918	(98 124 070)	29 202 848
-	-	-	Less Inter-Departmental Charges	-	-	-
108 543 567	(94 666 513)	13 877 053	**Total**	127 326 918	(98 124 070)	29 202 848

APPENDIX D
KHAI-MA MUNICIPALITY

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, INTANGIBLE ASSETS, BIOLOGICAL ASSETS AND HERITAGE ASSETS AS AT 30 JUNE 2025
GENERAL FINANCE STATISTICS CLASSIFICATION

	Cost/Revaluation						Accumulated Depreciation					Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Write-off/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Write-off/ Impairment	Closing Balance	
Community and social services	3 019 784	-	-	-	(13 321)	3 006 463	846 708	-	131 135	(13 321)	964 522	2 041 941
Electricity	13 164 095	-	1 698 261	-	(120)	14 862 236	6 337 133	-	195 138	(120)	6 532 150	8 330 086
Executive and council	9 430 925	-	199 038	-	(486 772)	9 143 191	2 582 362	-	458 406	(486 772)	2 553 996	6 589 195
Finance and administration	79 316 595	-	-	-	(115 649)	79 200 946	16 262 572	-	910 826	(115 649)	17 057 749	62 143 197
Roads	22 454 274	-	-	-	-	22 454 274	14 024 615	-	554 556	-	14 579 171	7 875 103
Solid Waste	17 768 026	-	392 097	-	-	18 160 123	14 662 551	-	535 537	-	15 198 087	2 962 036
Sport and recreation	11 247 388	-	-	-	(10 256)	11 237 132	5 449 583	-	560 711	(10 256)	6 000 038	5 237 093
Waste water management	10 216 416	-	592 500	-	-	10 808 916	6 423 241	-	211 737	-	6 634 978	4 173 938
Water Distribution	88 619 507	-	21 868 385	-	(2 732)	110 485 160	17 780 169	-	1 759 584	(2 732)	19 537 021	90 948 139
	255 237 009	-	24 750 280	-	(628 850)	279 358 440	84 368 933	-	5 317 629	(628 850)	89 067 713	190 300 727

APPENDIX E
KHAI-MA MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2024	Correction of Error	Restated Balance 30 June 2024	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 2025	Unspent 30 June 2025 (Creditor)	Unpaid 30 June 2025 (Debtor)
National Government Grants											
Equitable Share	-	-	-	29 006 816	-	-	(29 006 816)	-	-	-	-
Finance Management Grant	663 816	-	663 816	2 900 000	-	(663 816)	(2 316 737)	-	583 263	583 263	-
Municipal System Improvement Grant	212 118	-	212 118		-	-			212 116	212 118	-
Municipal Infrastructure Grant	-	-	-	15 265 000	-	-	(7 877 874)	(7 387 126)	-	-	-
Expanded Public Works Programme	-	-	-	771 000	-	-	(758 202)	-	12 798	12 798	-
Water Services Infrastructure Grant	-	-	-	10 000 000	-	-		(10 000 000)	-	-	-
Integrated National Electrification Programme	-	-	-	1 053 000	-	-	-	(1 053 000)	-	-	-
Total National Government Grants	**675 934**	**-**	**875 934**	**59 895 816**	**-**	**(663 816)**	**(39 959 628)**	**(19 340 126)**	**808 179**	**608 179**	**-**
Provincial Government Grants											
Library	42 911	-	42 911	1 308 000	-	-	(1 218 707)	-	132 203	132 203	-
Total Provincial Government Grants	**42 911**	**-**	**42 911**	**1 308 000**	**-**	**-**	**(1 218 707)**	**-**	**132 203**	**132 203**	**-**
Other Grant Providers											
LG SETA	368 995	-	368 995	57 130	-	-	-	-	426 125	426 125	-
Total Other Grant Providers	**368 995**	**-**	**368 995**	**57 130**	**-**	**-**	**-**	**-**	**426 125**	**426 125**	**-**
Total Grants	1 287 840	-	1 287 840	61 260 946	-	(663 816)	(41 178 336)	(19 340 126)	1 366 508	1 366 508	-

KHAI-MA MUN - Reconciliation of Table A1 Budget Summary

Description R thousands	2024/2025 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	2023/24 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
Financial Performance												
Property rates	10 811	(1 000)	9 811	8 894		917	-9.3%	-17.7%				9 162
Service charges	30 248	1 000	31 248	28 434		2 814	-9.0%	-6.0%				26 698
Investment revenue	157	–	157	147		10	-6.4%	-6.4%				152
Transfers recognised - operational	35 839	1 200	37 039	41 178		(4 139)	11.2%	14.9%				28 652
Other own revenue	8 567	–	8 567	29 294		(20 727)	241.9%	241.9%				24 391
Total Revenue (excluding capital transfers and contributions)	**85 622**	**1 200**	**86 822**	**107 946**		**(21 126)**	**24.3%**	**26.1%**				**89 045**
Employee costs	39 794	(814)	38 980	32 045	–	6 935	-17.8%	-19.5%	–	–	–	31 082
Remuneration of councillors	3 977	800	4 777	5 371	–	(594)	12.4%	35.0%	–	–	–	4 958
Depreciation & asset impairment	6 145	-	6 145	4 760	–	1 385	-22.5%	-22.5%	–	–	–	5 028
Finance charges	2 352	–	2 352	10 633	–	(8 282)	352.2%	352.2%	–	–	–	8 197
Inventory consumed and bulk purchases	24 090	–	24 090	16 343	-	7 746	-32.2%	-32.2%	–	–	–	14 648
Transfers and grants	-	–	–	-	-	–	-	-	-	-	-	–
Other expenditure	28 835	(4 625)	24 211	31 542	–	(7 332)	30.3%	9.4%	–	–	-	30 753
Total Expenditure	**105 193**	**(4 639)**	**100 554**	**100 695**	–	**(140)**	**0.1%**	**-4.3%**	–	–	–	**94 667**
Surplus/(Deficit)	**(19 571)**	**5 839**	**(13 732)**	**7 253**		**(20 985)**	**-152.8%**	**-137.1%**				**(5 622)**
Transfers and subsidies - capital (monetary allocations)	19 757	2 924	22 681	19 340		3 341	-14.7%	-2.1%				19 340
Transfers and subsidies - capital (in-kind - all)	–	-	–	–		–	#DIV/0!	100.0%				–
Surplus/(Deficit) after capital transfers & contributions	**186**	**8 763**	**8 949**	**26 593**		**(17 644)**	**197.2%**	**14215.9%**				**13 719**
Share of surplus/ (deficit) of associate	-	–	–	-		–	-	-				–
Surplus/(Deficit) for the year	**186**	**8 763**	**8 949**	**26 593**		**(17 644)**	**197.2%**	**14215.9%**				**13 719**
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	13 807	6 650	20 457	19 340		1 117	-	-				16 031
Borrowing	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Internally generated funds	320	1 349	320	5 410		(5 090)	1590.7%	1590.7%				628
Total sources of capital funds	**14 127**	**7 999**	**20 777**	**24 750**	-	**(3 973)**	**19.1%**	**75.2%**				**16 658**
Cash flows												
Net cash from (used) operating	(1 630)	–	(1 630)	15 476		(17 106)	-10.49	-10.49				–
Net cash from (used) investing	(14 127)	–	(14 127)	(24 358)		10 231	0.72	0.72				–
Net cash from (used) financing	11	–	11	(44)		55	-4.94	-4.94				-
Cash/cash equivalents at the year end	**(10 860)**	–	**(10 800)**	**(8 379)**		**(2 421)**	**-0.22**	**-0.22**				**-**

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

Description	2024/25								2023/24			
R thousand	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 - Standard												
Governance and administration	32 145	(1 000)	31 145	55 341		(24 196)	77.7%	72.2%				46 552
Executive and council	16 100	–	16 100	22 780		(6 680)	41.5%	41.5%				27 500
Finance and administration	16 045	(1 000)	15 045	32 561		(17 516)	116.4%	102.9%				19 052
Internal audit	–	–	–	–		–	-	-				–
Community and public safety	1 406	–	1 406	1 011		395	-28.1%	-28.1%				926
Community and social services	1 406	–	1 406	1 118		287	-20.4%	-20.4%				1 082
Sport and recreation	–	–	–	(108)		108	#DIV/0!	#DIV/0!				(156)
Public safety	–	–	–	–		–	-	-				–
Housing	–	–	–	–		–	-	-				–
Health	–	–	–	–		–	-	-				–
Economic and environmental services	172	400	572	(342)		914	-159.8%	-299.1%				(333)
Planning and development	–	–	–	–		–	-	-				–
Road transport	172	400	572	(342)		914	-159.8%	-299.1%				(333)
Environmental protection	–	–	–	–		–	-	-				–
Trading services	71 699	4 724	76 423	71 318		5 105	-6.7%	-0.5%				61 399
Electricity	19 298	2 924	22 222	17 773		4 448	-20.0%	-7.9%				23 565
Water	38 931	400	39 331	42 879		(3 547)	9.0%	10.1%				32 508
Waste water management	6 202	1 400	7 602	5 533		2 069	-27.2%	-10.8%				2 348
Waste management	7 268	–	7 268	5 132		2 136	-29.4%	-29.4%				2 979
Other	–	–	–	–		–	-	-				–
Total Revenue - Standard	105 421	4 124	109 545	127 327		(17 782)	116.2%	120.8%				108 544

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

Description	2024/25								2023/24			
R thousand	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
Expenditure - Standard												
Governance and administration	40 166	913	41 079	35 908	–	–	-12.6%	-10.6%	–	–	–	38 573
Executive and council	13 258	868	14 126	13 351	(775)	775	-5.5%	0.7%	–	–	–	11 132
Finance and administration	28 908	45	28 953	22 655	(4 398)	4 398	-16.3%	-16.2%	–	–	–	27 441
Internal audit	–	–	–	–	–	–	-	-	–	–	–	–
Community and public safety	5 521	(18)	5 503	2 430	–	–	-55.8%	-56.0%	–	–	–	3 127
Community and social services	4 292	(18)	4 274	2 134	(2 140)	2 140	-50.1%	-50.3%	–	–	–	2 803
Sport and recreation	1 229	–	1 229	295	(933)	933	-76.0%	-76.0%	–	–	–	325
Public safety	–	–	–	–	–	–	-	-	–	–	–	–
Housing	–	–	–	–	–	–	-	-	–	–	–	–
Health	–	–	–	–	–	–	-	-	–	–	–	–
Economic and environmental services	4 415	(290)	4 125	2 417	–	–	-41.4%	-45.3%	–	–	–	2 729
Planning and development	1 515	(250)	1 265	683	(583)	583	-46.1%	-55.0%	–	–	–	732
Road transport	2 899	(40)	2 859	1 734	(1 125)	1 125	-39.3%	-40.2%	–	–	–	1 997
Environmental protection	–	–	–	–	–	–	-	-	–	–	–	–
Trading services	52 419	(19 218)	33 201	57 371	–	–	72.8%	9.4%	–	–	–	50 237
Electricity	22 636	56	22 592	21 297	(1 295)	1 295	-5.7%	-5.5%	–	–	–	19 706
Water	18 013	(18 454)	(441)	27 057	27 498	(27 498)	-6235.5%	50.2%	–	–	–	20 339
Waste water management	5 739	(262)	5 477	3 272	(2 204)	2 204	-40.2%	-43.0%	–	–	–	2 783
Waste management	6 131	(558)	5 574	5 744	171	(171)	3.1%	-6.3%	–	–	–	7 407
Other	–	–	–	–	–	–	-	-	–	–	–	–
Total Expenditure - Standard	102 521	(18 613)	83 908	98 124	–	(14 216)	16.9%	-4.3%	–	–	–	94 567
Surplus/(Deficit) for the year	2 900	22 737	25 637	29 203	–	(3 566)	13.9%	906.9%	–	–	–	13 877

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

Vote Description	2024/25								2023/24			
R thousand	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 - Municipal Manager	16 100	–	16 100	22 780		(6 680)	41.5%	41.5%				27 500
Vote 2 - Finance	15 858	(1 000)	14 858	31 304		(16 447)	110.7%	97.4%				17 197
Vote 3 - Corporate Services	187	–	187	2 460		(2 273)	1215.6%	1215.6%				3 045
Vote 4 - Infrastructure Development	73 276	5 124	78 400	70 783		7 618	-9.7%	-3.4%				60 802
Vote 5 - Economic Development	–	–	–	–		–	-	-				–
Total Revenue by Vote	105 421	4 124	109 545	127 327		(17 782)	116.2%	120.8%				108 544
Expenditure by Vote *to be appropriated*												
Vote 1 - Municipal Manager	13 258	868	14 126	13 342	(785)	785	-5.6%	0.6%	–	–	–	11 132
Vote 2 - Finance	17 296	45	17 341	11 866	(5 475)	5 475	-31.6%	-31.4%	–	–	–	13 331
Vote 3 - Corporate Services	11 940	–	11 940	13 869	1 929	(1 929)	16.2%	16.2%	–	–	–	18 024
Vote 4 - Infrastructure Development	58 511	(59 774)	(1 263)	58 364	59 627	(59 627)	-4721.1%	-0.3%	–	–	–	51 447
Vote 5 - Economic Development	1 515	(250)	1 265	683	(583)	583	-46.1%	-55.0%	–	–	–	732
Total Expenditure by Vote	102 521	(59 111)	43 410	98 124	–	(54 714)	226.0%	95.7%	–	–	–	94 667
Surplus/(Deficit) for the year	2 900	63 235	66 136	29 203		36 933	44.2%	1006.9%				13 877

KHAI-MA MUN - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2024/25 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	2023/24 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 Source												
Exchange Revenue												
Service charges - Electricity	16 491	–	16 491	14 949		1 542	-9.3%	-9.3%				13 226
Service charges - Water	9 675	–	9 675	8 439		1 236	-12.8%	-12.8%				8 961
Service charges - Waste Water Management	1 690	1 000	2 690	2 402		488	-16.9%	27.1%				2 212
Service charges - Waste Management	2 193	–	2 193	2 645		(452)	20.6%	20.6%				2 298
Sale of Goods and Rendering of Services	42	–	42	39		3	-7.8%	-7.8%				159
Agency services	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Interest		–	–	–		–	#DIV/0!	#DIV/0!				
Interest earned from Receivables	7 758	–	7 758	9 099		(1 341)	17.3%	17.3%				9 021
Interest earned from Current and Non Current Assets	157	–	157	147		10	-	-				152
Dividends		–	–	–		–	#DIV/0!	#DIV/0!				
Rent on Land		–	–	–		–	#DIV/0!	#DIV/0!				
Rental from Fixed Assets	522	–	522	450		73	-	-				746
Licence and permits	106	–	106	68		38	-35.8%	-35.8%				74
Operational Revenue	120	–	120	2		117	-97.9%	-97.9%				9 469
Non-Exchange Revenue												
Property rates	10 811	(1 000)	9 811	8 894		917	-9.3%	-17.7%				9 162
Surcharges and Taxes	–	–	–	38		(38)	#DIV/0!	#DIV/0!				31
Fines, penalties and forfeits	31	–	31	–		31	-100.0%	-100.0%				17
Licences or permits	31	–	31	–		31	-100.0%	-100.0%				
Transfer and subsidies - Operational	35 839	1 200	37 039	41 178		(4 139)	11.2%	14.9%				28 652
Interest	–	–	–	1 049		(1 049)	#DIV/0!	#DIV/0!				1 182
Fuel Levy	–	–	–	–		–	#DIV/0!	#DIV/0!				
Operational Revenue	–	–	–	18 587		(18 587)	#DIV/0!	#DIV/0!				3 840
Gains on disposal of Assets	–	–	–	–		–	#DIV/0!	#DIV/0!				
Other Gains	–	–	–	–		–	100.0%	100.0%				–
Total Revenue (excluding capital transfers and contributions)	85 665	1 200	86 865	107 987		(21 122)	124.3%	126.1%				89 203

KHAI-MA MUN - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2024/25								2023/24			
R thousand	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
	1	2	3	4	5	6	7	8	9	10	11	12
Expenditure By Type			–									
Employee related costs	39 794	(814)	38 980	32 045	–	6 935	-17.8%	-19.5%	–	–	–	31 082
Remuneration of councillors	3 977	800	4 777	5 371	–	(594)	12.4%	35.0%	–	–	–	4 958
Bulk purchases - electricity	14 248	–	14 248	14 178	–	70	-0.5%	-0.5%	–	–	–	11 763
Inventory consumed	9 842	–	9 842	2 166	–	7 676	-78.0%	-78.0%	–	–	–	2 888
Debt impairment	11 528	–	11 528	17 385	–	(5 857)	50.8%	50.8%	–	–	–	17 055
Depreciation and amortisation	6 145	–	6 145	4 760	–	1 385	-22.5%	-22.5%	–	–	–	5 028
Interest	2 352	–	2 352	10 633	–	(8 282)	352.2%	352.2%	–	–	–	8 197
Contracted services	4 039	(3 899)	140	2 297	–	(2 157)	1540.9%	-43.1%	–	–	–	1 834
Transfers and subsidies	–	–	–	–	–	–	#DIV/0!	#DIV/0!				–
Irrecoverable debts written off		–	–	–	–	–	#DIV/0!	#DIV/0!				–
Operational costs	13 269	(726)	12 543	11 860	–	682	-	-	–	–	–	11 803
Losses on disposal of Assets	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	53
Other Losses	–	–	–	–	–	–	100.0%	100.0%	–	–	–	8
Total Expenditure	105 193	(4 639)	100 554	100 695	–	(140)	100.1%	95.7%	–	–	–	94 687
Surplus/(Deficit)	(19 529)	5 839	(13 690)	7 292		(20 982)	-53.3%	-37.3%				(5 463)
Transfers and subsidies - capital (monetary allocations)	19 757	2 924	22 681	19 340		3 341	-14.7%	-2.1%				19 340
Transfers and subsidies - capital (in-kind - all)	–	–	–	–		–	#DIV/0!	100.0%				–
Surplus/(Deficit) after capital transfers & contributions	228	8 763	8 991	26 632		(17 641)	296.2%	11667.6%				13 877
Taxation	–	–	–	–		–	-	-				–
Surplus/(Deficit) after taxation	228	8 763	8 991	26 632		(17 641)	296.2%	11667.6%				13 877
Attributable to minorities	–	–	–	–		–	-	-				–
Surplus/(Deficit) attributable to municipality	228	8 763	8 991	26 632		(17 641)	296.2%	11667.6%				13 877
Share of surplus/ (deficit) of associate	–	–	–	–		–	-	-				–
Surplus/(Deficit) for the year	228	8 763	8 991	26 632		(17 641)	296.2%	11667.6%				13 877

KHAI-MA MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2024/2025								2023/24			
R thousand	Original Budget	Total 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
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - Municipal Manager	–	–	–	–	–	–	-	-	–	–	–	–
Vote 2 - Finance	–	–	–	–	–	–	-	-	–	–	–	–
Vote 3 - Corporate Services	–	–	–	–	–	–	-	-	–	–	–	–
Vote 4 - Infrastructure Development	–	–	–	–	–	–	-	-	–	–	–	–
Vote 5 - Economic Development	–	–	–	–	–	–	-	-	–	–	–	–
Capital multi-year expenditure	–	–	–	–	–	–	-	-	–	–	–	–
Single-year expenditure												
Vote 1 - Municipal Manager	320	–	320	199	–	121	-37.8%	-37.8%	–	–	–	455
Vote 2 - Finance	–	–	–	–	–	–	-100%	-100%	–	–	–	–
Vote 3 - Corporate Services	–	–	–	–	–	–	-100%	-100%	–	–	–	–
Vote 4 - Infrastructure Development	13 807	6 650	20 457	24 651	4 094	(4 094)	20%	78%	–	–	–	16 229
Vote 5 - Economic Development	–	–	–	–	–	–	-	-	–	–	–	–
Capital single-year expenditure	14 127	6 650	20 777	24 750	4 094	(3 973)	-218%	-160%	–	–	–	16 684
Total Capital Expenditure - Vote	14 127	6 650	20 777	24 750	4 094	(3 973)	-218%	-160%	–	–	–	16 684

KHAI-MA MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2024/2025								2023/24			
	Original Budget	Total 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
	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
Governance and administration	320	–	320	199	–	121	-138%	-138%	–	–	–	455
Executive and council	320	–	320	199	–	121	-38%	-38%	–	–	–	455
Finance and administration	–	–	–	–	–	–	-100%	-100%	–	–	–	–
Internal audit		–	–	–	–	–	-	-	–	–	–	–
Community and public safety	–	–	–	–	–	–	-200%	-200%	–	–	–	–
Community and social services	–	–	–	–	–	–	-100%	-100%	–	–	–	–
Sport and recreation	–	–	–	–	–	–	-100%	-100%	–	–	–	–
Public safety	–	–	–	–	–	–	-	-	–	–	–	–
Housing	–	–	–	–	–	–	-	-	–	–	–	–
Health	–	–	–	–	–	–	-	-	–	–	–	–
Economic and environmental services	–	–	–	–	–	–	-100%	-100%	–	–	–	(26)
Planning and development	–	–	–	–	–	–	-	-	–	–	–	–
Road transport	–	–	–	–	–	–	-100%	-100%	–	–	–	(26)
Environmental protection	–	–	–	–	–	–	-	-	–	–	–	–
Trading services	13 807	6 650	20 457	24 551	–	(4 094)	-68%	#DIV/0!	–	–	–	16 229
Electricity	1 483	–	1 483	1 698	–	(215)	15%	15%	–	–	–	–
Water	12 324	6 050	18 374	21 868	–	(3 494)	19%	77%	–	–	–	15 581
Waste water management	–	600	600	593	–	8	-1%	#DIV/0!	–	–	–	–
Waste management		–	–	392	–	(392)	-100%	-100%	–	–	–	648
Other		–	–	–	–	–	-	-	–	–	–	–
Total Capital Expenditure - Standard	14 127	6 650	20 777	24 750	–	(3 973)	-506%	#DIV/0!	–	–	–	16 658
Funded by:												
National Government	13 807	6 650	20 457	19 340	–	1 117	-5%	40%	–	–	–	16 031
Provincial Government	–	–	–	–	–	–	-	-	–	–	–	–
District Municipality	–	–	–	–	–	–	-	-	–	–	–	–
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	-	-	–	–	–	–
Transfers recognised - capital	13 807	6 650	20 457	19 340	–	1 117	-5%	40%	–	–	–	16 031
Borrowing	–	–	–	–	–	–	-	-	–	–	–	–
Internally generated funds	320	1 349	320	5 410	–	(5 090)	1691%	1691%	–	–	–	628
Total Capital Funding	14 127	6 650	20 777	24 750	–	(3 973)	1685%	1731%	–	–	–	16 658

KHAI-MA MUN - Reconciliation of Table A7 Budgeted Cash Flows

Description R thousand	2024/25 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	2023/24 Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	6 535	–	6 535	9 150	(6 535)	40.0%	40.0%	8 088
Service charges	18 664	–	18 664	20 450	(18 664)	9.6%	9.6%	20 477
Other revenue	5 090	–	5 090	19 234	(5 090)	277.8%	277.8%	14 241
Transfers and Subsidies - Operational	42 308	–	42 308	46 183	(42 308)	9.2%	9.2%	32 915
Transfers and Subsidies - Capital	8 798	–	8 798	17 387	(8 798)	97.6%	97.6%	16 031
Interest	–	–	–	147	–	#DIV/0!	#DIV/0!	152
Dividends	–	–	–	–	–	-	-	–
Payments		–						
Suppliers and employees	(80 674)	–	(80 674)	(92 161)	80 674	14.2%	14.2%	(38 959)
Finance charges	(2 352)	–	(2 352)	(4 914)	2 352	-100.0%	-100.0%	(35 986)
Transfers and Grants	–	–	–	–	–	-	-	(1 338)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(1 630)	–	(1 630)	15 475	1 630	#DIV/0!	#DIV/0!	15 618
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–	-	-	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	-	-	–
Decrease (increase) other non-current receivables	–	–	–	–	–	-	-	–
Decrease (increase) in non-current investments	–	–	–	–	–	-	-	–
Payments								
Capital assets	(14 127)	(6 087)	(14 127)	(24 358)	8 040	72.4%	72.4%	(15 912)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(14 127)	–	(14 127)	(24 358)	8 040	72.4%	72.4%	(15 912)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	-	-	–
Borrowing long term/refinancing	–	–	–	–	–	-	-	–
Increase (decrease) in consumer deposits	11	–	11	–	(11)	-100.0%	-100.0%	–
Payments								
Repayment of borrowing	–	–	–	(44)	–	-	-	(14)
NET CASH FROM/(USED) FINANCING ACTIVITIES	11	–	11	(44)	(11)	-493.8%	-493.8%	(14)
NET INCREASE/ (DECREASE) IN CASH HELD	(15 746)	–	(15 746)	(8 927)				(308)
Cash/cash equivalents at the year begin:	4 946	–	4 946	548				856
Cash/cash equivalents at the year end:	(10 800)	–	(10 800)	(8 379)	10 800	-22.4%	-22.4%	648