Siyancuma
LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

SIYANCUMA LOCAL MUNICIPALITY

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

NATURE OF BUSINESS

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

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Siyancuma Municipality includes the following areas:

Douglas
Griekwastad
Campbell
Schmidsdrift

EXECUTIVE MAYOR

PJ Mc Klein

SPEAKER

JH George

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor	*PJ Mc Klein*
Executive Councillor	*DRN Ellison*
Executive Councillor	*LC Van Niekerk*

MUNICIPAL MANAGER

PM Vilakazi

CHIEF FINANCIAL OFFICER

CC Zealand

REGISTERED OFFICE

7 Charl Cilliers Street	*P.O. Box 27*
Douglas	*Douglas*
8730	*8730*

GRADING

Grade 2
Medium Capacity

AUDITORS

Auditor-General of South Africa (NC)
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

ABSA Bank, Douglas *Standard Bank, Douglas* First National Bank, Douglas

ATTORNEYS

None

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)

SIYANCUMA LOCAL MUNICIPALITY

MEMBERS OF THE SIYANCUMA LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	*JH George*
2	*MJ Katz*
3	*VB Makabe*
4	*WJ van Bergen*
5	*DRN Ellison*
6	*MG Tau*
7	*HT Kolberg*
Proportional	*LC Van Niekerk*
Proportional	*PJ Mc Klein*
Proportional	*CZ Nyangintaka*
Proportional	*EK Louw*
Proportional	*DV Smous*
Proportional	*SA Buitendag*

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2024, which are set out on pages 1 to 115 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

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

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

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public 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.

PM Vilakazi
Municipal Manager

31 August 2024
Date

SIYANCUMA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
ASSETS			
Non-Current Assets		**489 962 922**	**455 465 248**
Property, Plant and Equipment	**2**	489 547 701	455 157 876
Intangible Assets	**3**	28 972	48 159
Biological Assets	**4**	253 045	219 728
Operating Lease Asset	**9**	133 205	39 485
Current Assets		**71 983 784**	**74 717 620**
Inventory	**5**	4 028	4 130
Trade Receivables from exchange transactions	**6**	13 838 800	15 179 236
Other Receivables from non-exchange transactions	**7**	14 446 141	12 824 799
Taxes	**10**	32 764 722	26 987 041
Cash and Cash Equivalents	**11**	10 930 093	19 722 414
Total Assets		**561 946 706**	**530 182 868**
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		**201 287 509**	**52 069 366**
Long-term Liabilities	**12**	13 782	87 573
Employee benefits	**13**	20 161 000	19 168 000
Non-Current Provisions	**14**	38 554 018	32 813 793
Non-Current Payables From Exchange Transactions	**17**	142 558 709	-
Current Liabilities		**159 586 957**	**307 670 098**
Current Employee benefits	**15**	7 284 217	6 895 624
Payables From Exchange Transactions	**17**	151 660 873	296 120 072
Unspent Conditional Government Grants and Receipts	**18**	620 153	4 387 495
Current Portion of Long-term Liabilities	**12**	21 713	266 907
Total Liabilities		**360 874 466**	**359 739 464**
Net Assets		**201 072 240**	**170 443 404**
Accumulated Surplus		201 072 240	170 443 404
Total Net Assets and Liabilities		**561 946 706**	**530 182 868**

SIYANCUMA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 (Actual) R	2023 (Restated) R	Correction of error R	2023 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		**189 837 015**	**98 885 538**	**(565 887)**	**99 451 425**
Taxation Revenue		**20 038 382**	**18 617 508**	2 602	**18 614 906**
Property taxes	19	20 038 382	18 617 508	2 602	18 614 906
Transfer Revenue		**116 644 970**	**76 250 707**	186 600	**76 064 107**
Government Grants and Subsidies - Capital	20	46 921 390	8 688 024	-	8 688 024
Government Grants and Subsidies - Operating	20	67 954 975	65 128 492	186 600	64 941 892
Public Contributions and Donations	21	1 768 604	2 434 191	-	2 434 191
Other Revenue		**53 153 664**	**4 017 323**	**-755 090**	**4 772 413**
Fines		687 298	475 350	-	475 350
Interest Earned - outstanding debtors		2 202 538	2 901 642	-	2 901 642
Licences and Permits		46 133	5 652	-	5 652
Availability Charges	24	711 415	631 780	-	631 780
Debt Waived		49 506 279	-	-	-
Contributed PPE	22	-	2 899	(755 090)	757 989
Revenue from Exchange Transactions		**105 566 281**	**88 524 560**	(760 862)	**89 285 422**
Service Charges	23	95 068 654	76 887 395	(760 862)	77 648 256
Rental of Facilities and Equipment		1 130 777	551 819	-	551 819
Interest Earned - external investments		1 584 940	1 444 575	-	1 444 575
Interest Earned - outstanding debtors		6 944 567	8 756 238	-	8 756 238
Agency Services		406 989	243 601	-	243 601
Other Income	25	430 355	640 932	-	640 932
Total Revenue		**295 403 297**	**187 410 098**	**(1 326 749)**	**188 736 847**
EXPENDITURE					
Employee related costs	26	71 609 656	69 982 242	412 623	69 569 619
Remuneration of Councillors	27	5 375 661	5 302 968	-	5 302 968
Bad Debt Written off	28	8 433 872	101 096 992	14 348	101 082 644
Depreciation and Amortisation	33	12 597 742	11 546 576	1 459 149	10 087 427
Repairs and Maintenance		1 313 421	1 527 597	-	1 527 597
Finance Charges	31	31 943 349	16 699 254	10 075	16 689 179
Bulk Purchases	32	67 495 785	59 491 225	(928 096)	60 419 321
Stock Adjustments	32	-	-	(121 781)	121 781
Inventory Consumed	5	1 395 362	1 232 403	1 232 403	-
General Expenses	34	25 985 287	21 728 061	649 749	21 078 312
Total Expenditure		**226 150 133**	**288 607 318**	2 728 470	**285 878 848**
Operating Surplus/(Deficit) for the Year		**69 253 164**	**(101 197 219)**	**-4 055 219**	**(97 142 000)**
(Debt Impairment) / Reversal of Debt Impairment on Receivables	29	(39 431 599)	79 744 392	-	79 744 392
Gains/(Loss) on Sale of Property, Plant and Equipment	2	(15 600)	(549 023)	(1)	(549 022)
Gains/(Loss) on disposal of Biological assets	4	46 016	(19 098)	-	-19 098
Reversal of Impairment Loss/(Impairment Loss) on Property, Plant and Equipment	30	(1 839)	(20 920)	-	(20 920)
Actuarial Gains	13	791 392	2 249 736	-	2 249 736
Change in fair value of biological assets	4	(12 700)	27 744	-	27 744
NET SURPLUS/(DEFICIT) FOR THE YEAR		**30 628 834**	**(19 764 388)**	**(4 055 220)**	**(15 709 168)**

SIYANCUMA LOCAL MUNICIPALITY

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

	Notes	Accumulated Surplus/ (Deficit)	Total
		R	R
Balance at 1 July 2022		**194 569 568**	**194 569 568**
Correction of error	35.10	-4 361 770	-4 361 770
Restated Balance at 1 July 2022		**190 207 798**	**190 207 798**
Net (Deficit) / Surplus for the year		-15 709 168	-15 709 168
Correction of error	35.11	-4 055 220	-4 055 220
Restated Balance at 1 July 2023		**170 443 404**	**170 443 404**
Net Surplus / (Deficit) for the year		30 628 834	30 628 834
Balance at 30 June 2024		**201 072 240**	**201 072 240**

SIYANCUMA LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R	2023 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates, penalties & collection charges		13 643 208	22 579 800
Service charges		56 487 899	50 498 852
Other revenue		1 520 774	9 950 948
Government - operating		67 999 610	64 890 819
Government - capital		43 109 414	5 940 060
Interest		2 869 768	1 269 644
Payments			
Suppliers and employees		(149 807 277)	(134 890 536)
Finance charges		(136 072)	(1 757 166)
Transfers and Grants		-	-
Net Cash from Operating Activities	**36**	**35 687 325**	**18 482 421**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	**2**	(44 184 062)	(9 572 308)
Proceeds on Disposal of Fixed Assets		23 400	-
Purchase of Intangible Assets	**3**	-	(19 800)
Proceeds on Disposal of Biolocial Assets	**4**	-	38 196
Net Cash from Investing Activities		**(44 160 662)**	**(9 553 913)**
CASH FLOW FROM FINANCING ACTIVITIES			
Loans raised		-	62 537
Loans (repaid)		(318 984)	(2 376 905)
Increase/(Decrease) in Consumer Deposits		-	(180 499)
Net Cash from Financing Activities		**(318 983)**	**(2 494 871)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(8 792 321)**	**6 433 637**
Cash and Cash Equivalents at the beginning of the year		19 722 414	13 288 777
Cash and Cash Equivalents at the end of the year	**37**	10 930 093	19 722 414
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(8 792 321)**	**6 433 637**

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

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2024 R (Actual)	2024 R (Final Buget)	2024 R (Variance)	Explanations for material variances
ASSETS				
Current assets				
Cash and cash equivalents	10 930 093	3 589 692	7 340 401	Cash and cash equivalents higher than budgeted as payment of outstanding invoices only took place in the first week of July thus funds utilised after year end.
Trade and other receivables from exchange transactions	13 838 800	2 480 883	11 357 917	No payment culture on consumers/debtors - the municipality is improving controls on debt collection as it needs to align with the debt relief programme
Receivables from non-exchange transactions	14 446 141	3 524 198	10 921 943	No payment culture on consumers/debtors - the municipality is improving controls on debt collection as it needs to align with the debt relief programme
VAT	32 764 722	28 345 282	4 419 440	Comprises mainly of VAT accrual from outstanding creditors
Other current assets	4 028	5 673 519	(5 669 491)	Budget for other receivables however classified as service receivables during the AFS preparation.
Total current assets	71 983 784	43 613 574	28 370 210	
Non current assets				
Property, plant and equipment	489 547 701	510 496 439	(20 948 738)	Variance due to lower grant spending in the prior year which was incorporated on the opening balance of PPE.
Biological Assets	253 045	228 306	24 739	Increased numbers of springbuck as they multiplied naturally
Intangible Assets	28 972	4 390	24 582	Remaining useful lives re-evaluated during the year.
Other non-current assets	133 205	32 417	100 788	New operating lease which was not budget for.
Total non current assets	489 962 922	510 761 552	(20 798 630)	
TOTAL ASSETS	561 946 706	554 375 126	7 571 580	
LIABILITIES				
Current liabilities				
Borrowing	21 713	-	21 713	The difference relates to a deemed finance lease on the vodacom rental which was not budgeted for as a finance lease.
Trade and other payables from exchange transactions	152 281 026	218 112 274	(65 831 248)	Eskom comprises 95% of the outstanding debt and the debt relief programme write off will only be the following year if all requirements are met.
Provision	7 284 217	12 875 899	(5 591 682)	Due to change in remaining useful live of the landfil sites provision - all landfil provisions are non-current only
VAT		6 676 699		mSCOA classification splits VAT payable and receivalble.
Total current liabilities	159 586 957	237 664 872	(78 077 915)	
Non current liabilities				
Borrowing	13 782	1 802 645	(1 788 863)	Lease contract settled during the year.
Provision	58 715 017	54 281 955	4 433 062	Landfil provision which the remaining useful lives have changed
Total non current liabilities	58 728 799	56 084 600	2 644 199	
TOTAL LIABILITIES	218 315 756	293 749 472	(75 433 716)	
NET ASSETS	343 630 950	260 625 654	83 005 296	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	201 072 240	260 627 622	(59 555 382)	
TOTAL COMMUNITY WEALTH/EQUITY	201 072 240	260 627 622	(59 555 382)	

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

ADJUSTMENTS TO APPROVED BUDGET

	2024 R (Approved Budget)	2024 R (Adjustments)	2024 R (Final Buget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash and cash equivalents	197 024	3 392 668	3 589 692	Adjustment in the overall spending from original budget to adjustment budget
Trade and other receivables from exchange transactions	2 480 883	-	2 480 883	
Receivables from non-exchange transactions	3 524 198	-	3 524 198	
VAT	28 345 282	-	28 345 282	
Other current assets	5 673 519	-	5 673 519	
Total current assets	40 220 906	3 392 668	43 613 574	
Non current assets				
Property, plant and equipment	495 265 439	15 231 000	510 496 439	DORA budget changes during the year.
Biological Assets	228 306	-	228 306	
Intangible Assets	4 390	-	4 390	
Other non-current assets	32 417	-	32 417	
Total non current assets	495 530 552	15 231 000	510 761 552	
TOTAL ASSETS	535 751 458	18 623 668	554 375 126	
LIABILITIES				
Current liabilities				
Trade and other payables from exchange transactions	218 112 274	-	218 112 274	
Provision	12 875 899	-	12 875 899	
VAT	6 676 699		6 676 699	
Total current liabilities	237 664 872	-	237 664 872	
Non current liabilities				
Borrowing	1 802 645	-	1 802 645	
Provision	54 281 955	-	54 281 955	
Total non current liabilities	56 084 600	-	56 084 600	
TOTAL LIABILITIES	293 749 472	-	293 749 472	
NET ASSETS	242 001 986	18 623 668	260 625 654	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	242 003 954	18 623 668	260 627 622	
TOTAL COMMUNITY WEALTH/EQUITY	242 003 954	18 623 668	260 627 622	

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

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2024 R (Actual)	2024 R (Final Buget)	2024 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Exchange Revenue				
Service charges - Electricity	49 714 957	58 638 464	(8 923 507)	Due to loadshedding, faulty and broken meters and distribution losses. Hence the decrease in the overall sales.
Service charges - Water	23 842 402	28 130 894	(4 288 492)	Due to faulty and broken meters and distribution losses. Hence the decrease in the overall sales.
Service charges - Waste Water Management	12 712 177	9 509 614	3 202 563	New connections not originally budgeted for
Service charges - Waste Management	9 510 532	8 700 898	809 634	New connections not originally budgeted for
Sale of Goods and Rendering of Services		314 765	(314 765)	mSCOA classification
Agency services	406 989	286 021	120 968	
Interest earned from Receivables	6 944 567	8 332 687	(1 388 120)	Due to the write off of debtors.
Interest earned from Current and Non Current Assets	1 584 940	1 590 000	(5 060)	
Rent on Land	1 130 777	442 137	688 640	mSCOA classification - all actual captured on Rent on Land
Rental from Fixed Assets	-	405 288	(405 288)	mSCOA classification - all actual captured on Rent on Land
Licence and permits	46 133	232 000	(185 867)	Certain services were moved from the municipality to the post office as per the department.
Operational Revenue	430 355	2 508 643	(2 078 288)	mSCOA classification
Non-Exchange Revenue				
Property rates	20 038 382	18 668 530	1 369 852	Updates on the valuation roll and supplymentary roll classification
Fines, penalties and forfeits	687 298	554 380	132 918	Due to illegal connections and fines imposed on defaulters
Transfer and subsidies - Operational	69 723 579	68 227 000	1 496 579	Normal operating grants - Difference due to budgeted LG Seta grant income which did not materialise
Interest	2 202 538	2 237 313	(34 775)	
Gains on disposal of Assets	46 016	(111)	46 127	Did not originally budget for asset disposals
Other Gains	791 392	409 151	382 241	Difference due to changes in Landfill site provision
Total Operating Revenue	199 813 034	209 187 674	(9 374 640)	
EXPENDITURE BY TYPE				
Employee related costs	71 609 656	75 499 521	(3 889 865)	Staff vacancies not filled during the year.
Remuneration of councillors	5 375 661	5 395 006	(19 345)	
Bulk purchases - electricity	67 495 785	74 461 683	(6 965 898)	Due to loadsheding a decrease in bulk purchases.
Inventory consumed	2 708 783	7 741 345	(5 032 562)	The actual under operational cost, Mscoa allignment
Debt impairment	39 431 599	11 332 933	28 098 666	Due to the poor payment culture of debtors the debt collection is lower than budgeted for
Depreciation and amortisation	12 597 742	10 891 277	1 706 465	Certain assets remaining useful lives were changed which was not budgeted for.
Interest	31 943 349	6 817 332	25 126 017	
Contracted services	8 223 674	12 255 548	(4 031 874)	The actual under operational cost
Irrecoverable debts written off	8 433 872	5 525 453	2 908 419	Due to indigent write offs
Operational costs	17 761 613	13 075 785	4 685 828	
Losses on disposal of Assets	15 600	222	15 378	
Other Losses	14 539	-	14 539	
Total Operating Expenditure	265 611 871	222 996 105	42 615 766	
Operating Deficit for the year	(65 798 836)	(13 808 431)	(51 990 405)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	46 921 390	40 502 000	6 419 390	
Net Surplus/(Deficit) for the year	(18 877 446)	26 693 569	(45 571 015)	

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

ADJUSTMENTS TO APPROVED BUDGET

	2024 R (Approved Budget)	2024 R (Adjustments)	2024 R (Final Buget)	Reasons for material adjustments
REVENUE BY SOURCE				
Exchange Revenue				
Service charges - Electricity	58 638 464	-	58 638 464	
Service charges - Water	28 130 894	-	28 130 894	
Service charges - Waste Water Management	9 509 614	-	9 509 614	
Service charges - Waste Management	8 700 898	-	8 700 898	
Sale of Goods and Rendering of Services	241 025	73 740	314 765	Adjustments made on actual results from the first 6 months
Agency services	286 021	-	286 021	
Interest earned from Receivables	8 332 687	-	8 332 687	
Interest earned from Current and Non Current Assets	1 590 000	-	1 590 000	
Rent on Land	447 137	(5 000)	442 137	Adjustments made on actual results from the first 6 months
Rental from Fixed Assets	400 288	5 000	405 288	Adjustments made on actual results from the first 6 months
Licence and permits	107 431	124 569	232 000	Adjustments made on actual results from the first 6 months
Operational Revenue	2 554 643	(46 000)	2 508 643	Adjustments made on actual results from the first 6 months
Non-Exchange Revenue				
Property rates	18 668 530	-	18 668 530	
Fines, penalties and forfeits	554 380	-	554 380	
Transfer and subsidies - Operational	68 227 000	-	68 227 000	
Interest	2 237 313	-	2 237 313	
Gains on disposal of Assets	(111)	-	(111)	
Other Gains	409 151	-	409 151	
Total Operating Revenue	209 035 365	152 309	209 187 674	
EXPENDITURE BY TYPE				
Employee related costs	75 499 521	-	75 499 521	
Remuneration of councillors	5 395 006	-	5 395 006	
Bulk purchases - electricity	74 461 683	-	74 461 683	
Inventory consumed	10 550 292	(2 808 947)	7 741 345	Decrease budget due to actual results for the first 6 months spending.
Debt impairment	11 332 933	-	11 332 933	
Depreciation and amortisation	10 891 277	-	10 891 277	
Interest	7 010 833	(193 501)	6 817 332	Decrease budget due to actual results for the first 6 months spending.
Contracted services	13 518 403	(1 262 855)	12 255 548	Decrease budget due to actual results for the first 6 months spending.
Irrecoverable debts written off	5 525 453	-	5 525 453	
Operational costs	12 068 625	1 007 160	13 075 785	Increase budget due to actual results for the first 6 months spending.
Losses on disposal of Assets	222		222	
Total Operating Expenditure	226 254 248	-3 258 143	222 996 105	
Surplus/(Deficit)	(17 218 883)	3 410 452	(13 808 431)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	25 271 000	15 231 000	40 502 000	
Net Surplus/(Deficit) for the year	8 052 117	18 641 452	26 693 569	

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

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2024 R (Actual)	**2024 R (Final Buget)**	**2024 R (Variance)**	**Explanations for material variances**
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	13 643 208	15 868 251	(2 225 043)	Difference due to higher collectability vs budget % collectability
Service charges	56 487 899	78 734 902	(22 247 003)	Economic decline, consumers has a culture of non payment
Other revenue	1 520 774	4 725 450	(3 204 676)	Difference due to higher collectability vs budget % collectability
Transfers and Subsidies - Operational	67 999 610	68 227 000	(227 390)	Full spending of the operating grant income
Transfers and Subsidies - Capital	43 109 414	40 502 000	2 607 414	Rollover approval added additional spending
Interest	2 869 768	10 570 000	(7 700 232)	Increased spending resulted in less funds in short term investments.
Dividends	-	-	-	
Payments				
Suppliers and Employees	(149 807 277)	(191 498 620)	41 691 343	Grant / Capital payments were higher that anticipated
Finance charges	(136 072)	(6 817 332)	6 681 260	May not budget for finance charges on payables from exchange transactions
Transfers and Grants	-	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	35 687 325	20 311 651	15 375 674	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	23 400	-	23 400	
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(44 184 062)	(43 602 000)	(582 062)	Full capital grant spending during the year
NET CASH FROM/(USED) INVESTING ACTIVITIES	(44 160 662)	(43 602 000)	-558 662	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	-	-	-	
Payments				
Repayment of borrowing	(318 984)	(425 100)	106 116	Did not accurately budget for repayment of long term liabilities
NET CASH FROM/(USED) FINANCING ACTIVITIES	(318 984)	(425 100)	106 116	
NET INCREASE/(DECREASE) IN CASH HELD	-8 792 321	(23 715 449)	14 923 128	
Cash and Cash Equivalents at the beginning of the year	19 722 414	27 305 143	(7 582 729)	
Cash and Cash Equivalents at the end of the year	10 930 093	3 589 694	7 340 399	

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

ADJUSTMENTS TO APPROVED BUDGET

	2024 R (Approved Budget)	2024 R (Adjustments)	2024 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	15 868 251	-	15 868 251	
Service charges	78 734 902	-	78 734 902	
Other revenue	4 590 925	134 525	4 725 450	Adjustment on actual transaction from the first 6 months
Transfers and Subsidies - Operational	68 227 000	-	68 227 000	
Transfers and Subsidies - Capital	25 271 000	15 231 000	40 502 000	Additional funding received for capital projects
Interest	10 570 000	-	10 570 000	
Payments				
Suppliers and Employees	(191 055 120)	(443 500)	(191 498 620)	Adjustment on actual transaction from the first 6 months
Finance charges	(7 010 833)	193 501	(6 817 332)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 196 125	15 115 526	20 311 651	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(28 371 000)	(15 231 000)	(43 602 000)	Additional funding received for capital projects
NET CASH FROM/(USED) INVESTING ACTIVITIES	(28 371 000)	(15 231 000)	(43 602 000)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	-	-	-	
Payments				
Repayment of borrowing	(425 100)	-	(425 100)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(425 100)	-	(425 100)	
NET INCREASE/(DECREASE) IN CASH HELD	(23 599 975)	(115 474)	(23 715 449)	
Cash and Cash Equivalents at the beginning of the year	23 797 000	3 508 143	27 305 143	
Cash and Cash Equivalents at the end of the year	197 025	3 392 669	3 589 694	

REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2024

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Executive & Council	1.1 - GOVERNANCE - COUNCIL	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
Vote 2 - Office of the Municipal Manager	2.1 - MUNICIPAL MANAGER	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
Vote 3 - Department of Finance	3.1 - FINANCE	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
	3.2 - ASSESMENT RATES	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
	3.3 - INTERNS	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
Vote 4 - Department of Administration & Community Services	4.1 - CORPORATE AND HUMAN RESOURCES	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
Vote 5 - Department of Infrastructure Development & Technical Services	5.1 - CLEANSING	Aggregated to Trading services	Trading Services	Water management, Electricity services and waste water management
	5.2 - ELECTRICITY	Aggregated to Trading services	Trading Services	
	5.3 - PARKS & RECREATION	Aggregated to Trading services	Trading Services	
	5.4 - PROPERTIES	Aggregated to Trading services	Trading Services	
	5.5 - PUBLIC WORKS: ROADS	Aggregated to Trading services	Trading Services	
	5.6 - STORMWATER DRAINAGE	Aggregated to Trading services	Trading Services	
	5.7 - WATER	Aggregated to Trading services	Trading Services	
	5.8 - SEWERAGE AND SANITATION	Aggregated to Trading services	Trading Services	
	5.9 - SANITATION	Aggregated to Trading services	Trading Services	
Vote 6 - Community & Social Services	6.1 - CEMETARY	Aggregated to Community and Public Safety	Community and Public Safety	Cleansing Services provided as well as Library services, community hall rentals, Recreation centers, Airfield Rental
	6.2 - CIVIC CENTRE	Aggregated to Community and Public Safety	Community and Public Safety	
	6.3 - DOUGLAS HOLIDAY RESORT	Aggregated to Community and Public Safety	Community and Public Safety	
	6.4 - FIRE BRIGADE	Aggregated to Community and Public Safety	Community and Public Safety	
	6.5 - HEALTH SERVICES	Aggregated to Community and Public Safety	Community and Public Safety	
	6.6 - LIBRARY'S	Aggregated to Community and Public Safety	Community and Public Safety	
	6.7 - LICENSES	Aggregated to Community and Public Safety	Community and Public Safety	
	6.8 - TRAFFIC	Aggregated to Community and Public Safety	Community and Public Safety	
	6.9 - VEHICLE LICENSES	Aggregated to Community and Public Safety	Community and Public Safety	
	6.10 - MEENT	Aggregated to Community and Public Safety	Community and Public Safety	

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).

Siyancuma Municipality has the following wards situated in different geographical areas:
Ward 1
Ward 2
Ward 3
Ward 4
Ward 5
Ward 6
Ward 7

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

SIYANCUMA LOCAL MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Municipal Governance and Administration	Community and Public Safety	Trading Services	Economic and environmental services	Unallocated	Total		
	R	R	R	R	R	R		
SEGMENT REVENUE								
External revenue from exchange transactions	3 433 016	436 345	101 696 920	-	-	105 566 281		
Service Charges - Electricity Revenue	-	-	49 404 033	-	-	49 404 033	310923.03	49 714 956
Service Charges - Water Revenue	-	-	23 671 994	-	-	23 671 994	170409.36	
Service Charges - Sanitation Revenue	-	-	12 482 094	-	-	12 482 094		
Service Charges - Refuse Revenue	-	-	9 510 533	-	-	9 510 533		
Rental of Facilities and Equipment	1 130 777	-	-	-	-	1 130 777		
Interest Earned - External Investments	1 584 940	-	-	-	-	1 584 940		
Interest Earned - Outstanding Debtors	328 291	-	6 616 275	-	-	6 944 567		
Agency Services	-	406 989	-	-	-	406 989		
Other Revenue	389 007	29 357	11 991	-	-	430 355		
External revenue from non-exchange transactions	91 388 040	1 997 446	861 268	-	-	94 246 754		
Fines, Penalties and Forfeits	-	537 446	149 852	-	-	687 298		
Property rates	20 038 382	-	-	-	-	20 038 382		
Availability charges			711 415			711 415		
Interest Earned - Outstanding Debtors	2 202 538	-	-	-	-	2 202 538		
Licences and Permits	46 133	-	-	-	-	46 133		
Transfers Recognised - Operational	66 494 975	1 460 000	-	-	-	67 954 975		
Public Contributions and Donations	1 768 604	-	-	-	-	1 768 604		
Actuarial gains	791 392	-	-	-	-	791 392		
Gains on disposal of Biological assets	46 016	-	-	-	-	46 016		
Other Revenue	-	-	-	-	-	-		
Revenue from transactions with other segments	-	-	-	-	-	-		
Internal Revenue	-	-	-	-	-	-		
Total Segment Revenue (excluding capital transfers and contributions)	94 821 056	2 433 791	102 558 188	-	-	199 813 035		
SEGMENT EXPENDITURE								
Employee Related Costs	32 874 113	5 921 167	32 814 376	-	-	71 609 656		
Remuneration of Councillors	5 375 661	-	-	-	-	5 375 661		
Bad Debt Written off	58 926	-	8 374 945	-	-	8 433 872		
Debt Impairment	8 191 955	-	31 239 644	-	-	39 431 599		
Depreciation and Asset Impairment	58 475	809	12 540 296	-	-	12 599 580		
Finance Charges	28 997 950	-	2 945 399	-	-	31 943 349		
Bulk Purchases	-	-	67 495 785	-	-	67 495 785		
Inventory Consumed	-	-	1 395 362	-	-	1 395 362		
Other Materials	100 455	32 561	1 180 404	-	-	1 313 421		
Other Expenditure	19 261 519	67 470	6 656 298	-	-	25 985 287		
Loss on Disposal of PPE	15 600	-	-	-	-	15 600		
Change in Fair Value	12 700	-	-	-	-	12 700		
Total Segment Expenditure	94 947 355	6 022 007	164 642 508	-	-	265 611 871		
Surplus/(Deficit)	-126 299	-3 588 216	-62 084 321	-	-	-65 798 835		
Transfers Recognised - Capital	-	-	46 921 390	-	-	46 921 390		
Surplus/(Deficit) after Capital Transfers & Contributions	-126 299	-3 588 216	-15 162 931	-	-	-18 877 445		
Taxation	-	-	-	-	-	-		
Surplus/(Deficit) after Taxation	-126 299	-3 588 216	-15 162 931	-	-	-18 877 445		
Surplus/(Deficit) Attributable to Municipality	-126 299	-3 588 216	-15 162 931	-	-	-18 877 445		
Surplus/(Deficit) for the year	-126 299	-3 588 216	-15 162 931	-	-	-18 877 445		

	Municipal Governance and Administration	Community and Public Safety	Trading Services	Economic and environmental services	Unallocated	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	561 946 706	561 946 706
Segment liabilities	-	-	-	-	360 874 466	360 874 466

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)	246 734 425
Total Revenue as per Statement of Financial Performance	296 240 705
Difference	-49 506 279
Reconciling items	
Debt Waived	49 506 279

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

Total Segment Expenditure	265 611 871
Total Expenditure as per Statement of Financial Performance	265 611 871
Difference	-

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	-18 877 445
Surplus/(Deficit) for the year as per Statement of Financial Performance	30 628 834
Difference - as explained above	-49 506 279.18

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	561 946 706
Total Assets as per Statement of Financial Position	561 946 706
Difference	-

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

Total Segment Liabilities	360 874 466
Total Liabilities as per Statement of Financial Position	360 874 466
Difference	-

REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2023

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.

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	3.3 - INTERNS	Aggregated to Municipal Governance and Ad	Municipal Governance and Administration	Supporting service departments
Vote 4 - Department of Administration & Community Services	4.1 - CORPORATE AND HUMAN RESOURCES	Aggregated to Municipal Governance and Ad	Municipal Governance and Administration	Supporting service departments
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	5.3 - PARKS & RECREATION	Aggregated to Trading services	Trading Services	
	5.4 - PROPERTIES	Aggregated to Trading services	Trading Services	
	5.5 - PUBLIC WORKS: ROADS	Aggregated to Trading services	Trading Services	
	5.6 - STORMWATER DRAINAGE	Aggregated to Trading services	Trading Services	
	5.7 - WATER	Aggregated to Trading services	Trading Services	
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	6.6 - LIBRARY'S	Aggregated to Community and Public Safety	Community and Public Safety	
	6.7 - LICENSES	Aggregated to Community and Public Safety	Community and Public Safety	
	6.8 - TRAFFIC	Aggregated to Community and Public Safety	Community and Public Safety	
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	6.10 - MEENT	Aggregated to Community and Public Safety	Community and Public Safety	

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PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Municipal Governance and Administration	Community and Public Safety	Trading Services	Economic and environmental services	Unallocated	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	5 107 899	-	86 071 202	-	-	91 179 101
Service Charges - Electricity Revenue	-	-	42 327 865	-	-	42 327 865
Service Charges - Water Revenue	-	-	20 434 885	-	-	20 434 885
Service Charges - Sanitation Revenue	-	-	8 363 434	-	-	8 363 434
Service Charges - Refuse Revenue	-	-	6 392 991	-	-	6 392 991
Rental of Facilities and Equipment	551 819	-	-	-	-	551 819
Interest Earned - External Investments	1 444 575	-	-	-	-	1 444 575
Interest Earned - Outstanding Debtors	3 105 853	-	8 552 027	-	-	11 657 880
Licences and Permits	5 652	-	-	-	-	5 652
Other Revenue	-	-	-	-	-	-
External revenue from non-exchange transactions	63 062 191	2 134 992	1 291 191	-	-	66 488 375
Fines, Penalties and Forfeits	-	428 768	46 582	-	-	475 350
Licences and Permits	-	-	-	-	-	-
Agency Services	-	243 601	-	-	-	243 601
Transfers Recognised - Operational	62 655 492	1 400 000	1 073 000	-	-	65 128 492
Other Revenue	406 699	62 623	171 610	-	-	640 932
	-	-	-	-	-	-
Revenue from transactions with other segments	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	68 170 091	2 134 992	87 362 393	-	-	157 667 476
SEGMENT EXPENDITURE						
Employee Related Costs	32 130 895	5 764 495	32 086 852	-	-	69 982 242
Remuneration of Councillors	5 302 968	-	-	-	-	5 302 968
Debt Impairment	-4 894 107	-	26 246 707	-	-	21 352 600
Depreciation and Asset Impairment	255 063	4 166	11 308 267	-	-	11 567 496
Finance Charges	13 365 714	-	3 333 540	-	-	16 699 254
Bulk Purchases	-	-	59 491 225	-	-	59 491 225
Inventory Consumed	-	-	1 232 403	-	-	1 232 403
Other Materials	327 871	21 954	1 177 771	-	-	1 527 597
Contracted Services	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-
Other Expenditure	17 351 695	28 021	4 348 345	-	-	21 728 061
Internal charges	-	-	-	-	-	-
Total Segment Expenditure	63 840 099	5 818 636	139 225 110	-	-	208 883 846
Surplus/(Deficit)	4 329 991	-3 683 643	-51 862 717	-	-	-51 216 369
Transfers Recognised - Capital	-	-	8 688 024	-	-	8 688 024
Contributions Recognised - Capital	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	4 329 991	-3 683 643	-43 174 694	-	-	-42 528 346
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	4 329 991	-3 683 643	-43 174 694	-	-	-42 528 346
Surplus/(Deficit) Attributable to Municipality	4 329 991	-3 683 643	-43 174 694	-	-	-42 528 346
Surplus/(Deficit) for the year	4 329 991	-3 683 643	-43 174 694	-	-	-42 528 346

	Municipal Governance and Administration	Community and Public Safety	Trading Services	Economic and environmental services	Unallocated	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	530 182 868	530 182 868
Segment liabilities	-	-	-	-	359 739 464	359 739 464

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

Total Segment Revenue (including capital transfers and contributions)	166 355 500
Total Revenue as per Statement of Financial Performance	189 687 577
Difference	-23 332 078
Reconciling items	
Property rates	18 617 508
Public Contributions and Donations	2 437 089
Actuarial Gains	2 249 736
Change in Fair Value	27 744

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

Total Segment Expenditure	208 883 846
Total Expenditure as per Statement of Financial Performance	209 451 965
Difference	-568 120
Reconciling items	
Loss on Disposal of PPE	-549 022
Loss on Disposal of Biological Assets	-19 098

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

Surplus/(Deficit) for the year as per Segments	-19 764 388
Surplus/(Deficit) for the year as per Statement of Financial Performance	-19 764 388
Difference - as explained above	-0.00

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 2023

Total Segment Assets	530 182 868
Total Assets as per Statement of Financial Position	530 182 868
Difference	-

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

Total Segment Liabilities	359 739 464
Total Liabilities as per Statement of Financial Position	359 739 464
Difference	-

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

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

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

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

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, except where an exemption or transitional provision has been granted. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

1.2. PRESENTATION CURRENCY

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

1.3. GOING CONCERN ASSUMPTION

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

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5 CONSISTENT AND NEW ACCOUNTING POLICIES

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

1.6. MATERIALITY

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

1.7. PRESENTATION OF BUDGET INFORMATION

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

The information is presented for budgets that are made publicly available.

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

The comparable information includes the following:

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

Explanations for differences between the approved and final budget are included in the Statement of Budget Comparison.

Explanations for material differences between the final budget amounts and actual amounts are included the Notes to the Financial Statements.

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

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

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
GRAP 104	**Financial Instruments** The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	**1 April 2025**
GRAP 1: Going concern	**Presentation of Financial statements: Going concern** The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. The update is to implement minor changes, to implement changes resulting from the Guideline on the application of Materiality. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
Improvement to GRAP standards (2023)	**Improvement to GRAP standards (2023)** The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The Improvements may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the Improvements once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment	Unknown
GRAP 105, GRAP 106 and GRAP 107 (amendments)	**Transfer of Functions and Mergers** The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.	Unknown
Guideline	**Application of Materiality of Financial Statements** The guideline is not authoritative but only encourage.	No effective date as only encouraged

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

1.9. LEASES

1.9.1 Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments (including any indirect costs). The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the accounting policies on assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to disclosure of finance liability and de-recognition of financial instruments are applied to lease payables. Contingent rents shall be charged as expenses in the periods in which they are incurred.

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

1.9.2 Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to disclosure of financial assets, de-recognition and impairment of financial instruments are applied to lease receivables.

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

1.10. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

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

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public. The revenue received is driven from the agreed terms of the contract rather than from legislation.

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

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

1.11. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of grant receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.12. UNSPENT PUBLIC CONTRIBUTIONS

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

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

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

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

1.13. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a government bond rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

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

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

When expenditure incurred on the provision will be reimbursed, the reimbursement is recognised as a separate asset, when it is virtually certain the reimbursement will be received when the obligation is settled. The reimbursement will not exceed the provision. The expenditure is recognised in the Statement of Financial Performance, net of the reimbursement.

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

(a) The Municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The restructuring provision only include direct expenditure arising from the restructuring.

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

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

1.14. EMPLOYEE BENEFITS

1.14.1 *Post Retirement Medical Obligations*

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the net defined benefit liability is actuarially determined in accordance with GRAP 25 – "Employee Benefits" (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The net interest of the defined benefit obligation is recognised as finance cost in the Statement of Financial Performance, as it meets the definition of Interest Cost in GRAP 25. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

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

1.14.2 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically, and the corresponding liability is raised. Payments are set-off against the net defined benefit liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of net interest in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

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

1.14.3 Provision for Staff Leave

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

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

Accumulated leave is vesting.

1.14.4 Staff Bonuses Accrued

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

1.14.5 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.14.6 Pension and retirement fund obligations

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

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

The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are recognised in the Statement of Financial Performance in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

The Municipality operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.14.7 Other Short-term Employee Benefits

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

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

- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.15. PROPERTY, PLANT AND EQUIPMENT

1.15.1 Initial Recognition

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

The following items will be regarded as Property, plant and equipment rather than investment property:

- Owner-occupied property (including held for future use);
- Owner-occupied property held for development;
- Property occupied by employees for housing;
- Owner-occupied property held for disposal;
- Property held by the municipality to fulfil their mandated function rather than rental or capital appreciation and;
- Property held by the municipality for strategic purpose

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition (including dismantling and restoration cost) necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

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

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

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

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

1.15.2 Subsequent Measurement – Cost Model

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

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

1.15.3 Depreciation and Impairment

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

	Years		***Years***
Infrastructure		**Other**	
Road network	1-76	Air Conditioners	2-12
Stormwater network	11-76	Chairs	2-12
Electricity network	1-50	Electronic equipment	1-7
Water network	1-97	Motor Vehicles	5
Sanitation network	1-97	Furniture and fittings	2-24
		Office Equipment	1-5
Buildings		Trailers	2-4
Buildings	43-94	Tables and Desks	2-15
		Tractors	3-5
Community		Trucks	2-8
Recreational Facilities	88	Works Equipment	2-12
Halls	43-89	Computer Hardware	2-5
Libraries	21-88		
Leased Assets		**Capitalised Restoration Costs**	
Office equipment	2 – 8	Land-fill sites	3 – 13
Water network	7-10		
Electricity network	7-10		

The depreciation charge is recognised in the Statement of Financial Performance.

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

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

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

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

1.15.4 De-recognition

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

1.15.5 Decommisioning and restoration asset

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, shall be accounted for as follows:

The related asset (under cost model) is measured as follows:

- Changes in the liability, shall be added or deducted from the asset cost;
- The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with its impairment policy. Refer to paragraph 1.26 of the policy.

1.16. INTANGIBLE ASSETS

1.16.1 Initial Recognition

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

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

- is separable, i.e. is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Municipality intends to do so; or

- arises from binding arrangements from contracts, regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

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

The cost of the intangible asset includes the purchase price and any cost incurred to prepare the asset for its intended use.

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

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

Intangible assets are initially recognised at cost.

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

1.16.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.16.3 Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over its estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

Intangible Assets	**Years**
Computer Software	1-3

The amortisation charge is recognised in the Statement of Financial Performance.

Changes to the useful life and residual values of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in accounting estimate.

1.16.4 De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.17. INVESTMENT PROPERTY

1.17.1 Initial Recognition

Investment property is recognised as an asset when, and only when:

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

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

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or held for sale, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases;
- A property owned by the municipality and leased out at a below market rental; and
- Property that is being constructed or developed for future use as investment property.

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

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

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

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

For a transfer from owner occupied property becomes an investment property measured at fair value, the difference between the carrying value and fair value at the reporting date, shall be recognised in surplus and deficit.

For a transfer from inventory to investment property (operating lease), the difference between the carrying value and the fair value at the reporting date, shall be recognised in surplus and deficit.

1.17.2 Subsequent Measurement – Fair Value Model

Subsequent to initial recognition, items of investment property are measured at fair value. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in Statement of Financial Performance for the period in which it arises.

1.17.3 De-recognition

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

1.18 HERITAGE ASSETS

1.18.1 Initial Recognition

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

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

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

1.18.2 Subsequent Measurement – Cost Model

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

1.18.3 Depreciation and Impairment

Heritage assets are not depreciated

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

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

1.18.4 De-recognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.19 BIOLOGICAL ASSETS

1.19.1 Initial Recognition

A biological asset or agricultural produce is recognised when, and only when:

- the Municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality;
- and the fair value or cost of the asset can be measured reliably.

Biological assets are initially measured at their fair value less cost to sell.

1.19.2 Subsequent Measurement

Biological assets are measured at their fair value less cost to sell.

The fair value of game is determined based on market prices of livestock of similar age, breed, and genetic merit in the local industry at hunting prices. Game is considered to be consumable/bearer biological assets.

A gain or loss arising on initial recognition of biological assets at fair value less cost to sell is recognised in the Statement of Financial Performance for the period in which it arises.

1.20. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.20.1 Cash-generating assets

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

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

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

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

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

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

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

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

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

1.20.2 Non-cash-generating assets

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

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

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

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

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

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

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

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

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

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

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

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

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.21. INVENTORIES

1.21.1 Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

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

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

1.21.2 Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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

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

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

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

1.22. FINANCIAL INSTRUMENTS

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

1.22.1 Initial Recognition

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

1.22.2 Subsequent Measurement

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

1.22.2.1 *<u>Receivables</u>*

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

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

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

1.22.2.2 *Payables and Annuity Loans*

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, and are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.22.2.3 *Cash and Cash Equivalents*

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

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

1.22.2.4 *Non-Current Investments*

Investments which include fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.22.3 De-recognition of Financial Instruments

1.22.3.1 *Financial Assets*

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

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

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

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

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

1.22.3.2 *Financial Liabilities*

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

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

1.22.4 Offsetting of Financial Instruments

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

1.23 STATUTORY RECEIVABLES

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

1.23.1. Initial Recognition and Measurement

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

The municipality initially measures the statutory receivables at their transaction amount.

1.23.2. Subsequent Measurement

The Municipality initially measures the statutory receivables at their transaction amount. The Municipality measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement is adjusted with:

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

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

The municipality considers the following as indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied)
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns

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

1.23.3. Derecognition

The Municipality derecognises a statutory receivable when:

(a) the rights to the cash flows from the receivable are settled, expire or are waived;
(b) the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
(c) the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Municipality:

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

Any difference between consideration received and amounts derecognised/recognised is recognised in surplus and deficit.

1.23.4. Transitional Provisions

Every effort is made to ensure compliance with the standard, but due to the risk of omission of some items due to a lack of experience with implementing this standard, the municipality is utilising the transitional provisions contained within Directive 4 that grant the municipality a period of three years in order to finalise the classification and measurement for Statutory Receivables.

The transitional period commences from 1 June 2019 and will utilised until the period ending 30 June 2022.

1.24. REVENUE

1.24.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Government grants and subsidies received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

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

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

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

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

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

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

Interest revenue is recognised using the effective interest rate method.

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

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

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

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

Services in-kind that are significant to the Municipality's operations are recognised as assets and the related revenue when:

- it is probable that the future economic benefits or service potential will flow to the Municipality; and
- the fair value of the assets can be measured reliably.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition is satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset, because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality therefore recognises an expense and related revenue for the consumption of services in-kind.

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

1.24.2 Revenue from Exchange Transactions

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

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

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

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

At the time of initial recognition the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created. . The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

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

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

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

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

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

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

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

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

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

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

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

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

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

1.25. ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

Identification

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

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

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

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement. In the assessment reference is made to substance over form. Therefore the exact wording of the contract is not the only indicator (for example if reference is made to “agent”). If rights and obligations are substantially transferred this could indicate a principal/agent arrangement. If not the arrangement is accounted for as a normal supplier/customer relationship.

1.26. RELATED PARTIES

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

A related party is a person or an entity:

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

The following are regarded as related parties of the Municipality:

(a) A person or a close member of that person’s family is related to the Municipality if that person:
  - has control or joint control over the Municipality.
  - has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
  - is a member of the management of the Municipality or its controlling entity.

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

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

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

Management (formerly known as "Key Management") includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

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

Management personnel include:

(a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.

(b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer an all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

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

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

1.26. UNAUTHORISED EXPENDITURE

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

1.27. IRREGULAR EXPENDITURE

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

1.28. FRUITLESS AND WASTEFUL EXPENDITURE

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

1.29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

Management judgement is required when recognising and measuring contingent liabilities.

1.30. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

1.30.1 Post-retirement medical obligations and Long service awards

The cost of post-retirement medical obligations and long service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 3 of the financial statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.30.2 Impairment of Receivables

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

1.30.3 Property, Plant and Equipment

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

Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment.

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

1.30.4 Intangible Assets

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

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

1.30.5 Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

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

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

1.30.6 Water Inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, where the level indicates the depth of the water in the reservoir, which is then converted into volumes based on the total capacity of the relevant reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

1.30.7 Provisions and Contingent Liabilities

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

1.30.8 Revenue Recognition

Accounting Policy 1.23.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.23.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

The IGRAP 1 amendments did not have any impact on Traffic Fines revenue issued in terms of the current Criminal Proceedings Act system, but will only have an effect on fines issued in terms of the Amended Act (AARTO) that is expected to become effective on 1 July 2022. As the legislation is new, the possible impact cannot at this stage be determined. The legislation itself will significantly increase Traffic Fines revenue based on higher fine amounts being pronounced in Schedule 3 of the Amendment Act.

The iGRAP 20 interpretation is not regarded as having an effect, as the principals of revising revenue (for e.g., incorrect tariff or appeal) is already applied by the municipality.

1.30.9 Provision for Landfill Sites

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

Management referred to the following when making assumptions regarding provisions:

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

1.30.10 Provision for Staff leave

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

1.30.11 Provision for Performance bonuses

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

1.30.12 Pre-paid electricity estimation

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

1.30.13 Componentisation of Infrastructure assets

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

1.31. VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.32. CAPITAL COMMITMENTS

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

Commitments are disclosed in the notes inclusive of VAT.

1.33. SEGMENT REPORTING

A segment is an activity of an entity:

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

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

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

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

On the first-time adoption of GRAP 18, comparative segment information is not required in terms of the transitional provisions.

1.34. EVENTS AFTER REPORTING DATE

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

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

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

2 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value	Cost						Accumulated Depreciation						Carrying Value
	Opening Balance R	Additions R	Work-in-progress	Disposals R	Transfers	Closing Balance R	Opening Balance R	Depreciation Charge R	Impairment Charge R	Disposals R	Transfers	Closing Balance R	R
30 June 2024													
Land and Buildings	26 068 671	-	-	-39 000	-	26 029 671	592 397	47 268	-	-	-	639 665	25 390 006
Land	21 476 596	-	-	-39 000	-	21 437 596	-	-	-	-	-	-	21 437 596
Buildings	4 592 075	-	-	-	-	4 592 075	592 397	47 268	-	-	-	639 665	3 952 410
Infrastructure	548 072 600	45 436 958	-	-	-	593 509 558	159 903 660	10 694 293	1 839	-	-	170 599 791	422 909 768
Road Network	112 418 490	-		-	-	112 418 490	43 977 914	1 408 062	-	-	-	45 385 976	67 032 514
Sanatation Network	117 538 914	-	-	-	-	117 538 914	30 364 103	1 807 389	-	-	-	32 171 492	85 367 422
Electricity Network	115 309 850	681 700	-	-	-	115 991 550	26 313 185	3 054 015	-	-	-	29 367 200	86 624 350
Water Network	152 624 192	80 917	-	-	-	152 705 109	40 202 944	2 847 524	-	-	-	43 050 467	109 654 642
Stormwater Network	6 978 874	-	-	-	-	6 978 874	984 582	88 567	-	-	-	1 073 149	5 905 725
Capitalised Restoration Costs	21 539 133	2 825 155	-	-	-	24 364 288	18 060 932	1 488 736	1 839	-	-	19 551 507	4 812 781
Work-in-Progress	21 663 147	41 849 186	-	-	-	63 512 333	-	-	-	-	-	-	63 512 333
Community Assets	33 419 297	-	-	-	-	33 419 297	617 815	33 053	-	-	-	650 868	32 768 429
Library	468 554	-	-	-	-	468 554	73 174	5 112	-	-	-	78 286	390 268
Cemetary	241 340	-	-	-	-	241 340	-	-	-	-	-	-	241 340
Commonage	21 101 000	-	-	-	-	21 101 000	-	-	-	-	-	-	21 101 000
Community Halls	1 281 403	-	-	-	-	1 281 403	195 591	12 673	-	-	-	208 264	1 073 139
Game Farm	8 171 000	-	-	-	-	8 171 000	-	-	-	-	-	-	8 171 000
Holiday Resort	845 000	-	-	-	-	845 000	159 818	8 061	-	-	-	167 879	677 121
Sport Facilities	1 311 000	-	-	-	-	1 311 000	189 232	7 207	-	-	-	196 439	1 114 561
Lease Assets	2 602 183	-	-	-	-	2 602 183	1 642 701	185 643	-	-	-	1 828 343	773 840
Office Equipment	875 000	-	-	-	-	875 000	849 247	12 876	-	-	-	862 124	12 876
Electricity Network	1 522 194	-	-	-	-	1 522 194	703 756	152 268	-	-	-	856 023	666 171
Water Network	204 989	-	-	-	-	204 989	89 698	20 499	-	-	-	110 197	94 793
Other Assets	22 602 342	1 572 259	-	-	-	24 174 601	14 850 644	1 618 298	-	-	-	16 468 943	7 705 659
Air Conditioner	427 486	-	-	-	-	427 486	391 813	10 368	-	-	-	402 181	25 305
Chairs	419 741	-	-	-	-	419 741	247 576	38 406	-	-	-	285 982	133 759
Electronic Equipment	796 091	12 939	-	-	-	809 030	707 261	36 152	-	-	-	743 413	65 617
Furniture & Fittings	1 021 840	-	-	-	-	1 021 840	598 972	107 087	-	-	-	706 059	315 781
Office Equipment	6 156 243	-	-	-	-	6 156 243	5 785 457	152 357	-	-	-	5 937 814	218 428
Trailers	89 746	-	-	-	-	89 746	81 014	-4 490	-	-	-	76 524	13 222
Tables and desks	191 093	-	-	-	-	191 093	144 814	5 420	-	-	-	150 235	40 858
Tractors	1 057 323	-	-	-	-	1 057 323	428 391	153 053	-	-	-	581 444	475 879
Trucks & LDV's	9 749 273	1 516 522	-	-	-	11 265 795	4 574 797	923 641	-	-	-	5 498 438	5 767 357
Works Equipment	909 044	21 800	-	-	-	930 844	553 359	78 022	-	-	-	631 380	299 464
Computer hardware	1 784 462	20 999	-	-	-	1 805 461	1 337 191	118 281	-	-	-	1 455 473	349 988
	632 765 093	47 009 218	-	-39 000	-	679 735 310	177 607 216	12 578 555	1 839	-	-	190 187 610	489 547 701

2 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value		Cost						Accumulated Depreciation						Carrying Value
		Opening Balance R	Additions R	Work-in-progress	Disposals R	Transfers	Closing Balance R	Opening Balance R	Depreciation Charge R	Impairment Charge R	Disposals R	Transfers	Closing Balance R	R
30 June 2023													6 156 406	
Land and Buildings		26 054 117	14 555	-	1		26 068 671	520 726	47 531	24 140	-		592 397	25 476 274
Land		21 476 597	-	-	1	-	21 476 596	-	-	-	-		-	21 476 596
Balance previously reported		18 186 948	-	-	-	-	18 186 948	-	-	-	-		-	18 186 948
Correction of error - Note	35.07	3 289 649	-		1		3 289 648	-	-	-	-		-	3 289 648
Buildings		4 577 520	14 555	-	-	-	4 592 075	520 726	47 531	24 140	-	-	592 397	3 999 678
Infrastructure		534 112 740	9 088 871	-	-1 725 609	6 596 597	548 072 600	147 174 591	9 358 165	-3 207	-183 354	3 557 465	159 903 660	388 168 940
Road Network		106 146 965	-	6 271 525	-	-	112 418 490	42 570 314	1 407 600	-	-	-	43 977 914	68 440 576
Balance previously reported		96 624 114	-	-	-	-	96 624 114	41 332 737	994 377	-	-	-	42 327 114	54 297 000
Correction of error - Note	35.07	9 522 851	-	6 271 525	-		15 794 376	1 237 577	413 223	-	-		1 650 800	14 143 576
Sanitation Network		117 555 669	33 260	-	-50 015	-	117 538 914	28 577 268	1 807 388	-	-20 554	-	30 364 103	87 174 811
Balance previously reported		95 186 892	33 260	-	-50 015	-	95 170 137	28 101 051	1 465 722	-	-20 554	-	29 546 220	65 623 918
Correction of error - Note	35.07	22 368 777	-	-	-		22 368 777	476 217	341 666	-	-		817 883	21 550 894
Electricity Network		114 146 418	1 299 238	-	-322 091	186 286	115 309 850	23 369 004	2 990 476	-130	-150 039	103 874	26 313 185	88 996 665
Balance previously reported		82 613 614	1 299 238	-	-322 091	186 286	83 777 047	22 113 155	2 148 006	-130	-150 039	103 874	24 214 866	59 562 181
Correction of error - Note	35.07	31 532 803	-	-	-		31 532 803	1 255 849	842 470	-	-		2 098 319	29 434 485
Water Network		146 200 480	37 451	-	-24 051	6 410 311	152 624 192	34 564 678	2 197 436	-	-12 761	3 453 591	40 202 944	112 421 248
Balance previously reported		146 482 646	37 451	-	-24 051	6 410 311	152 906 358	34 564 678	2 197 436	-	-12 761	3 453 591	40 202 944	112 703 414
Correction of error - Note	35.07	-282 166	-	-	-		-282 166	-	-	-	-		-	-282 166
Stormwater Network		5 199 226	-	1 779 648	-	-	6 978 874	896 015	88 567	-	-	-	984 582	5 994 292
Balance previously reported		2 571 535	-	-	-	-	2 571 535	759 681	42 995	-	-	-	802 676	1 768 859
Correction of error - Note	35.07	2 627 691	-	1 779 648	-		4 407 339	136 334	45 572	-	-		181 906	4 225 433
Capitalised Restoration Costs		22 868 584	-	-	-1 329 451	-	21 539 133	17 197 311	866 698	-3 076	-	-	18 060 932	3 478 201
Work-in-Progress		21 995 399	7 718 922	-8 051 173	-	-	21 663 147	-	-	-	-		-	21 663 147
Balance previously reported		87 765 355	7 718 922	-	-	-	95 484 277	-	-	-	-		-	95 484 277
Correction of error - Note	35.07	-65 769 956	-	-8 051 173	-		-73 821 130	-	-	-	-		-	-73 821 130
Community Assets		33 419 297	-	-	-		33 419 297	586 042	31 772	-	-		617 815	32 801 482
Libraries		468 554	-	-	-	-	468 554	68 063	5 112	-	-	-	73 174	395 380
Balance previously reported		466 394	-	-	-		466 394	62 749	5 097	-	-	-	67 847	398 547
Correction of error - Note	35.07	2 160	-	-	-		2 160	5 313	14	-	-		5 328	-3 168
Cemetery		241 340	-	-	-		241 340	-	-	-	-		-	241 340
Balance previously reported		176 000	-		-		176 000	-	-	-	-		-	176 000
Correction of error - Note	35.07	65 340	-	-	-		65 340	-	-	-	-		-	65 340
Commonage		21 101 000	-	-	-		21 101 000	-	-	-	-		-	21 101 000
Community Halls		1 281 403	-	-	-		1 281 403	182 918	12 673	-	-	-	195 591	1 085 812
Balance previously reported		1 264 123	-	-	-		1 264 123	168 126	12 524	-	-	-	180 650	1 083 473
Correction of error - Note	35.07	17 280	-	-	-		17 280	14 792	149	-	-		14 941	2 339
Game Farm		8 171 000	-	-	-		8 171 000	-	-	-	-		-	8 171 000
Holiday Resort		845 000	-	-	-		845 000	151 757	8 061	-	-	-	159 818	685 182
Balance previously reported		1 195 000	-	-	-		1 195 000	143 696	8 061	-	-	-	151 757	1 043 243
Correction of error - Note	35.07	-350 000	-	-	-		-350 000	8 061	-	-	-		8 061	-358 061
Sport Facilities		1 311 000	-	-	-		1 311 000	183 305	5 927	-	-	-	189 232	1 121 768

2 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value		Cost						Accumulated Depreciation						Carrying Value
		Opening Balance R	Additions R	Work-in-progress	Disposals R	Transfers	Closing Balance R	Opening Balance R	Depreciation Charge R	Impairment Charge R	Disposals R	Transfers	Closing Balance R	R
30 June 2023														
Lease Assets		9 453 100	-	-	-		2 602 183	4 201 892	1 150 542	-	-		1 642 701	959 482
Office Equipment		1 129 320	-	-	-	-254 320	875 000	683 575	317 940	-	-	-152 268	849 247	25 753
Electricity Network		1 708 480	-	-	-	-186 286	1 522 194	636 726	170 904	-	-	-103 874	703 756	818 438
Water Network		6 615 301	-	-	-	-6 410 311	204 989	2 881 590	661 698	-	-	-3 453 591	89 698	115 291
Other Assets		22 720 875	471 782	-	-844 635		22 602 342	14 283 275	923 529	-13	-508 416		14 850 644	7 751 697
Air Conditioner		441 259	-	-	-13 773	-	427 486	393 391	11 054	-	-12 632	-	391 813	35 673
Chairs		289 051	151 674	-	-20 984	-	419 741	259 093	9 008	-4	-20 522	-	247 576	172 165
Electronic Equipment		916 809	2 899	-	-123 616	-	796 091	758 685	49 465	-	-100 889	-	707 261	88 831
Furniture & Fittings		1 059 120	1 450	-	-38 729	-	1 021 840	527 580	107 911	-	-36 519	-	598 972	422 868
Office Equipment		5 885 078	20 903	-	-4 059	254 320	6 156 243	5 613 861	23 084	-	-3 756	152 268	5 785 457	370 786
Balance previously reported		5 885 078	775 993	-	-4 059	254 320	6 911 332	5 613 861	211 210	-	-3 756	152 268	5 973 583	937 749
Correction of error - Note	35.07	-	-755 089	-	-		-755 089	-	-188 126	-	-		-188 126	-566 963
Trailers		89 746	-	-	-	-	89 746	80 813	201	-	-	-	81 014	8 732
Tables and desks		191 713	16 279	-	-16 900	-	191 093	157 071	4 503	-9	-16 750	-	144 814	46 278
Tractors		1 057 323	-	-	-	-	1 057 323	336 911	91 480	-	-	-	428 391	628 932
Trucks & LDV's		9 750 273	-	-	-1 000	-	9 749 273	4 137 953	437 774	-	-930	-	4 574 797	5 174 476
Works Equipment		1 367 117	48 688	-	-506 761	-	909 044	642 330	110 956	-	-199 927	-	553 359	355 685
Computer hardware		1 673 386	229 887	-	-118 812	-	1 784 462	1 375 586	78 094	-	-116 489	-	1 337 191	447 270
Balance previously reported		1 673 386	167 350	-	-118 812	-	1 721 924	1 375 586	73 913	-	-116 489	-	1 333 011	388 913
Correction of error - Note	35.07	-	62 537		-		62 537	-	4 181	-	-		4 181	58 357
		625 760 129	9 575 208	-	-2 570 242		632 765 093	166 766 527	11 511 540	20 920	-691 770		177 607 216	455 157 876

2	PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2024 R	2023 R

Work-in-progress

Work-in-progress is compiled from the following on-going capital projects:

	2024 R	2023 R
Siyancuma High Mast Lights	9 978 018	10 036 307
Campbell oxidation pond	3 218 110	1 086 275
Bongani 458 Stands - Electrification	12 527 881	7 851 188
Siya 02/2021 - Roads project	1 880 006	1 880 006
Rehabilitation of Douglas Water Treatment Works	19 229 269	809 371
Campbell Bulk water Augmentation	3 038 047	-
Construction of Campbell WWTW and bulk outfall Sewer	13 641 002	-
	63 512 333	**21 663 147**

The movements for the year can be reconciled as follows:

	2024 R	2023 R
Balance at beginning of year	21 663 147	87 765 355
Expenditure during the year	41 794 687	7 718 922
Assets unbundled during the year	-	(73 821 130)
Balance at end of year	**63 457 834**	**21 663 147**

Project: Bongani 458 Stands - Electrification was due for completion on 30 June 2022 however the project is far from completion thus delayed. - Reasons for delay: As the site was an informal setup and after the township is established and survey was done there was a delay of relocation of beneficiaries and realignment of town planning.

Project: Siyancuma High Mast Lights - The project is to install High mast lights in the Siyancuma area which was to be completed in June 2021 - Reasons for delay: Project was delayed to due the municipality not raising the own funding portion and the COVID period which caused further delays.

Project: SIYA01/2021 - Roads project - The project is to upgrade roads within the Siyancuma area and was to be completed in June 2022 - Reasons for delay: Approval for the additional funding from MIG which was rejected - therefore own funding needs to be raised which is causing delays.

All the other projects listed are not considered to be long outstanding or stopped.

Expenditure incurred to repair and maintain Property, Plant and Equipment:

	2024 R	2023 R
Employee related costs	-	-
Other materials	673 859	587 827
Contracted Services	33 756	245 500
Other Expenditure	605 805	694 270
	1 313 421	**1 527 597**

Impairment of property plant and equipment

Impairment charges on Property, plant and equipment recognised in statement of financial performance

	2024 R	2023 R
Infrastructure	1 839	20 933
Community Assets	-	-
Other	-	(13)
	1 839	**20 920**

Land is not controlled, but Example Municipality is the legal owner/custodian

	2024 R	2023 R
No of Low Cost Houses	3 365	1 683
Total	**3 365**	**1 683**

Key judgements and assumptions applied

- No right to direct access to land, and to restrict/deny the access of others
- Title deed holder
- Binding arrangement
- etc

Effect of changes in accounting estimates

The change in accounting estimate originated from the evaluation of the remaining useful lives of the assets at year end as well as the change in conditional assessment and further change to residual values.

	2024 R	2023 R	2022 R
ch	(280 290)	(435 995)	(105 612)

		2024	2023
3	**INTANGIBLE ASSETS**	R	R
	Computer System & Software		
	Net Carrying amount at 1 July	**48 159**	**63 395**
	Cost	1 204 230	1 184 430
	Accumulated Amortisation	(1 156 071)	(1 121 035)
	Acquisitions	-	19 800
	Disposals	-	-
	Impairments	-	-
	Amortisation	(19 187)	(35 036)
	Net Carrying amount at 30 June	**28 972**	**48 159**
	Cost	1 204 230	1 204 230
	Accumulated Amortisation	(1 175 258)	(1 156 071)

Description	Remaining Amortisation Period	Carrying Value 2024 R	Carrying Value 2023 R
SEBATA - Accounting System	1	253	507
Microsoft Office	1 - 5	15 523	21 262
Cemetery Module	1	104	207
Implementation of Sebata	1 - 2	6 586	13 172
MPLS	1	467	934
Business Plan Pro Premier	1	22	43
Developed Website	1	1 064	2 127
Mail exchange Server	1	4 953	9 907

No intangible asset were assed having an indefinite useful life.

No residual values allocated to intangible assets, as there is no active market for these software items after use, due to new versions being issued regularly.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

Effect of changes in accounting estimates

The change in accounting estimate originated from the evaluation of the remaining useful lives of the assets at year end as well as the change in conditional assessment.

2024 R	2023 R	2022 R
(15 849)	(28 625)	19 816

4 BIOLOGICAL ASSETS

	Quantity (Units)	Fair Value R	2024 R	2023 R
Springbuck	231	1 095.43	253 045	219 728
			253 045	219 728

Fair value of biological assets is based on hunting prices an open active market less costs to sell. Hunting prices were obtained from Grensplaas Jag en Wild to determine the fair value of game as at year end 30 June 2024

Reconciliation of fair value:

	2024 R	2023 R
Opening Fair Value	219 728	211 082
Additions through a non-exchange transactions	46 016	-
Disposals	-	(19 098)
Fair Value adjustments	(12 700)	27 744
Closing Fair Value	253 045	219 728

No title or other restrictions are placed on biological assets.

No biological assets were pledged as security for liabilities.

There are no commitments for the development or acquisition of biological assets.

All biological assets are located on a farm near Griekwastad. The primary activities revolving around biological assets are as follows:
- Ensure that game numbers are managed adequately. When the need arises to reduce the game number, prospective hunters are invited to submit tenders for the hunting of game, resulting in an inflow of resources to the municipality.

Fair value of biological assets is based on selling prices less costs to sell in an open market.

5 INVENTORY

		2024 R	2023 R
Water – at Current Replacement Cost		4 028	4 130
Total Inventory		**4 028**	**4 130**
Inventory recognised as an expense during the year		1 395 362	1 232 403
Balance previously reported		-	-
Correction of Inventory Consumed - Water against Bulk Purchases - Water (Correction of classification of Water inventory consumed during 2022/23 financial year)	35.11	-	1 110 622
Correction of Inventory Consumed - Water against Bulk Purchases - Water - Stock adjustments (Correction of classification of Water inventory consumed during 2022/23 financial year)	35.11		121 781

No inventory assets were pledged as security for liabilities.

			2024	2023
6	**TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS**		**R**	**R**
	Service Receivables			
	Water		35 701 656	23 632 500
	Balance previously reported		-	23 675 584
	Correction of Statement of Financial Performance - Bad Debts Written off against Trade and other receivables from Exchange transactions - Water (Correction of Debt write off during 2022/23)	35.03	-	-14 348
	Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Debt write off during 2022/23)	35.03		-2 152
	Correction of Accumulated Depreciation against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2021/22)	35.03		-12 474
	Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2021/22)	35.03		-1 871
	Correction of Statement of Financial Performance - Service Charges - Water against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2022/23)	35.03		-10 643
	Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2022/23)	35.03		-1 596
	Electricity		11 738 181	8 523 135
	Refuse		18 421 748	9 794 452
	Sewerage		21 309 741	10 957 603
	Balance previously reported		-	12 489 206
	Correction of Accumulated Surplus against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2022)	35.03	-	-604 660
	Correction of VAT payable from exchange transactions - VAT output in suspense against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2022)	35.03	-	-78 869
	Correction of Statement of Financial Performance - Service charges - Sewerage and Sanitation charges against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2023)	35.03	-	-750 219
	Correction of VAT payable from exchange transactions - VAT output in suspense against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2023)	35.03	-	-97 855
	Total Service Receivables		**87 171 325**	**52 907 690**
	Less: Allowance for Doubtful Debts		-75 857 104	-39 931 515
	Net Service Receivables		**11 314 221**	**12 976 175**
	Other Receivables			
	Other Debtors		3 463 700	2 686 391
	Balance previously reported		-	2 686 392
	Correction of Trade and Other Receivables from exchange transactions - Other Debtors (Correction of Land sales Erf 2128 Payment allocation from Unallocated deposits during 2021/22)	35.03	-	-8 000
	Correction of Trade and Other Receivables from exchange transactions - Other Debtors (Correction of Land sales Erf 2128 Payment allocation from Unallocated deposits during 2021/22)	35.03	-	8 000
	Other Arrears		4 068 159	3 145 065
	Property Rentals		3 894 247	3 044 530
	Sundry Accounts		173 912	100 536
	Total Other Receivables		**7 531 859**	**5 831 456**
	Less: Allowance for Doubtful Debts		-5 007 280	-3 628 395
	Net Other Receivables		**2 524 579**	**2 203 061**
	Total Net Receivables from Exchange Transactions		**13 838 800**	**15 179 236**

6 **TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUE)**

Ageing of Receivables from Exchange Transactions

	2024 R	2023 R
(Electricity): Ageing		
Current (0 - 30 days)	2 322 751	2 024 496
31 - 60 Days	274 008	346 330
61 - 90 Days	471 704	329 441
+ 90 Days	8 669 717	5 822 868
Total	**11 738 181**	**8 523 135**
(Water): Ageing		
Current (0 - 30 days)	2 994 047	4 538 983
31 - 60 Days	1 485 970	1 886 415
61 - 90 Days	1 543 287	1 748 743
+ 90 Days	29 678 351	15 458 359
Total	**35 701 656**	**23 632 500**
(Refuse): Ageing		
Current (0 - 30 days)	1 028 693	1 273 337
31 - 60 Days	851 388	620 986
61 - 90 Days	832 697	602 024
+ 90 Days	15 708 969	7 298 106
Total	**18 421 748**	**9 794 452**
(Sewerage): Ageing		
Current (0 - 30 days)	1 321 210	1 994 662
31 - 60 Days	986 539	723 849
61 - 90 Days	952 586	709 062
+ 90 Days	18 049 405	7 530 029
Total	**21 309 741**	**10 957 603**
(Other Receivables): Ageing		
Current (0 - 30 days)	116 500	112 958
31 - 60 Days	97 124	47 537
61 - 90 Days	112 340	47 892
+ 90 Days	3 742 195	2 936 679
Total	**4 068 159**	**3 145 065**

7 **TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

	Note	2024 R	2023 R
Service Receivables			
Taxes - Rates		45 419 491	37 227 135
Balance previously reported		-	37 224 532
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Statement of Financial Performance - Less Income Foregone - Rates (Correction of rebate as per account 13398 in 2023)	35.04	-	2 602
Fines		13 190 260	12 768 348
Total Service Receivables		**58 609 751**	**49 995 483**
Less: Allowance for Doubtful Debts		-44 163 610	-37 170 684
Net Service Receivables		**14 446 141**	**12 824 799**
Total Net Receivables from Non-Exchange Transactions		**14 446 141**	**12 824 799**

Ageing of Receivables from Non-Exchange Transactions

	2024	2023
(Rates): Ageing		
Current (0 - 30 days)	586 338	1 330 497
31 - 60 Days	555 039	607 763
61 - 90 Days	534 766	577 187
+ 90 Days	43 743 348	34 711 687
Total	**45 419 491**	**37 227 135**

8 TRADE AND OTHER RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Summary of Receivables by Customer Classification	Residential, Industrial & Commercial	Other Debtors	National and Provincial Government	Total
	R's	R's	R's	R's
2024				
Total Receivables	117 545 519	17 258 419	18 508 997	153 312 935
Less: Provision for doubtful debts	-107 663 472	-17 364 522	-	-125 027 994
Total Recoverable debtors by customer classification	**9 882 047**	**-106 103**	**18 508 997**	**28 284 941**

Summary of Receivables by Customer Classification	Residential, Industrial & Commercial	Other Debtors	National and Provincial Government	Total
	R's	R's	R's	R's
2023				
Total Receivables	84 339 821	15 913 413	8 481 394	108 734 629
Less: Provision for doubtful debts	-65 280 416	-15 450 178	-	-80 730 594
Total Recoverable debtors by customer classification	**19 059 405**	**463 236**	**8 481 394**	**28 004 035**

Trade and other receivables impairment

2024	Exchange Transactions	Non-Exchange Transactions	Total
	R's	R's	R's
Total	**(80 864 384)**	**(44 163 610)**	**(125 027 994)**

2023	Exchange Transactions	Non-Exchange Transactions	Total
	R's	R's	R's
Total	**(43 559 910)**	**(37 170 684)**	**(80 730 594)**

Debts are required to be settled after 30 days, interest is charged after this date at prime +1%.
The fair value of trade and other receivables approximates their carrying amounts.

Reconciliation of the Total doubtful debt provision	2024 R	2023 R
Balance at beginning of the year	80 730 594	170 484 818
Contributions to provision	48 586 733	20 915 006
VAT Impairment	4 865 801	1 109 902
Doubtful debts written off against provision	(9 690 594)	(112 202 378)
Fines	535 460	423 247
Balance at end of year	**125 027 994**	**80 730 594**

			2024	2023
9	**OPERATING LEASE ARRANGEMENTS**		**R**	**R**

9.1 The Municipality as Lessor

	2024	2023
Balance on 1 July	39 485	42 696
Restated Balance on 1 July	39 485	42 696
Movement during the year	93 720	(3 211)
Balance on 30 June	133 205	39 485

Siyancuma Municipality is leasing commonage land to MTN for periods of 119 months with escalations of 6% per year.

Siyancuma Municipality is leasing commonage land to various lessees with escalations of 12% per year till 30 April 2023.

Siyancuma Municipality is leasing commonage land in Campbell to TWK Communications for a period of 23 months.

Siyancuma Municipality is leasing commonage land in Griekwastad to Amaruri Security & Construction (Pty) Ltd for a period of 9 years and 11 months with escalations of 6% per annum.

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:	2024 R	2023 R
Up to 1 Year	2 010 772	76 835
2 to 5 Years	9 073 645	152 967
More than 5 Years	13 785 359	-
Total Operating Lease Arrangements	**24 869 777**	**229 802**

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

The leases are in respect of land being leased out for a period until March 2034.

			2024	2023
10	**VAT (RECEIVABLE) / PAYABLE FROM EXCHANGE-TRANSACTIONS**		**R**	**R**

		2024	2023
VAT Payable		120 013	36 938
VAT Output in Suspense		8 806 364	5 150 910
Total VAT Payable		**8 926 377**	**5 187 848**
Balance previously reported		-	5 370 190
Correction of VAT payable from exchange transactions - VAT output in suspense against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2022)	35.01	-	(78 869)
Correction of VAT payable from exchange transactions - VAT output in suspense against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2023)	35.01	-	(97 855)
Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Debt write off during 2022/23)	35.01	-	(2 152)
Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2021/22)	35.01	-	(1 871)
Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2022/23)	35.01	-	(1 596)
VAT Receivable		(757 385)	(274 923)
VAT Input in Suspense		(30 386 186)	(26 218 239)
		(31 143 571)	**(26 493 162)**
Balance previously reported		-	(26 487 970)
Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange transactions - VAT receivable (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.01	-	(27 379)
Correction of VAT Payable from exchange transactions - VAT receivable against Accumulated Surplus (Correction of VAT input as per assessment VAT 201 202111)	35.01	-	24 469
Correction of Payables from exchange transactions - Sundry Payables against VAT Payable from exchange transactions - VAT receivable (Correction of Retention Breipaal 100 stands project)	35.01	-	(2 282)
VAT Impairment contribution		**(10 547 528)**	**(5 681 727)**
		(32 764 722)	**(26 987 041)**

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

		2024	2023
		R	R
11	**CASH AND CASH EQUIVALENTS**		
	Assets		
	Call Investments Deposits	4 663 715	12 637 399
	Primary Bank Account	6 265 828	7 084 465
	Cash Floats	550	550
	Total Cash and Cash Equivalents - Assets	10 930 093	19 722 414

The municipality has the following bank accounts:

Current Accounts

	2024	2023
Douglas - Std Bank Account number: 041667336000 (Third Primary Bank Account):	3 596 191	5 488 753
Douglas - FNB Account Number: 52090016612 (Second Primary Bank Account)	17 654	8 374
Douglas - ABSA Account number: 4087368160 (Primary Bank Account):	2 651 984	1 587 337
	6 265 829	7 084 464

Douglas - Std Bank Account number: 041667336000 (Third Primary Bank Account):

	2024	2023
Cash book balance at beginning of year	5 488 753	7 487 641
Cash book balance at end of year	3 596 191	5 488 753
Bank statement balance at beginning of year	5 488 753	7 487 641
Bank statement balance at end of year	3 596 191	5 488 753

Douglas - FNB Account Number: 52090016612 (Second Primary Bank Account)

	2024	2023
Cash book balance at beginning of year	8 374	10 354
Cash book balance at end of year	17 654	8 374
Bank statement balance at beginning of year	8 374	10 354
Bank statement balance at end of year	17 654	8 374

Douglas - ABSA Account number: 4087368160 (Primary Bank Account):

	2024	2023
Cash book balance at beginning of year	1 587 337	4 223 988
Cash book balance at end of year	2 651 984	1 587 337
Bank statement balance at beginning of year	1 587 337	4 206 550
Bank statement balance at end of year	2 651 999	1 587 337

Call Investment Deposits

Call investment deposits consist out of the following accounts:

Bank	Account Number	2024	2023
Standard Bank	048857432	4 499 243	12 481 444
Standard Bank	048857521	87 096	82 586
Standard Bank	048860077	77 376	73 369
		4 663 715	12 637 399

12 LONG TERM LIABILITIES

		2024 R	2023 R
Capitalised Lease Liability - At amortised cost		35 495	354 479
Balance as previously reported			299 474
Correction of Long term liabilities against Property, plant and Equipment - Other Assets - Computer Hardware (Correction of finance lease recognised - Vodacom - Laptops during 2022/23)	35.02	-	62 537
Correction of Long term liabilities against Statement of Financial Performance - General Expenses - Telephone Expenses (Correction of payment allocation for capital portion for 2022/23)	35.02	-	-10 200
Correction of Long term liabilities against Statement of Financial Performance - Finance Charges - Long-term Liabilities (Correction of recognition of Interest portion for 2022/23)	35.02	-	2 667
		35 495	**354 479**
Less: Current Portion transferred to Current Liabilities		**21 713**	**266 907**
Annuity Loans - At amortised cost		-	-
Capitalised Lease Liability - At amortised cost		21 713	266 907
Total Long-term Liabilities - At amortised cost using the effective interest rate method		**13 782**	**87 573**

The obligations under finance leases are scheduled below:

	2024 R	2023 R
	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	24 480	307 597
Payable within two to five years	14 280	108 188
Payable after five years	-	-
	38 760	415 785
Less: Future finance obligations	(3 265)	(61 306)
Present value of lease obligations	**35 495**	**354 479**

Smartmeters finance leases were settled during the year under review.

Refer to note 2 for the finance lease assets capitalised.

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

For each class of finance lease liability, the net carrying amount at the reporting date:

Description of leased item	Effective Interest	Lease Term	Maturity Date	2024 R	2023 R
Smartmeters	19 to 57%	5	30/04/2026	-	270 027
Nashua - PABX and Routers	11 to 16%	3	31/07/2023	-	29 447
Vodacom - Laptops	10.75%	3	31/01/2026	35 495	55 005
				35 495	354 479

The depreciation and the finance charge relating to the leased asset was included as part of the total depreciation and finance charges respectively. Please refer to note 2 and note 31

			2024 R	2023 R
13	**EMPLOYEE BENEFITS**			
	Post Retirement Benefits	13.1	17 647 000	16 484 000
	Long Service Awards	13.2	2 514 000	2 684 000
	Total Non-current Employee Benefit Liabilities		**20 161 000**	**19 168 000**

Post Retirement Benefits

		2024 R	2023 R
Balance 1 July		17 111 000	17 109 000
Contribution for the year		(666 084)	(652 678)
Expenditure for the year		2 789 000	2 695 000
Actuarial Loss/(Gain)		(846 916)	(2 040 322)
Total post retirement benefits 30 June		**18 387 000**	**17 111 000**
Less: Transfer of Current Portion	15	(740 000)	(627 000)
Balance 30 June		17 647 000	16 484 000

Long Service Awards

		2024 R	2023 R
Balance 1 July		3 340 000	3 317 000
Contribution for the year		(838 524)	(355 084)
Expenditure for the year		563 000	592 000
Actuarial Loss		55 524	(213 916)
Total long service 30 June		**3 120 000**	**3 340 000**
Less: Transfer of Current Portion	15	(606 000)	(656 000)
Balance 30 June		**2 514 000**	**2 684 000**

TOTAL NON-CURRENT EMPLOYEE BENEFITS

		2024 R	2023 R
Balance 1 July		20 451 000	20 426 000
Contribution for the year		(1 504 608)	(1 007 761)
Expenditure for the year		3 352 000	3 287 000
Actuarial Loss/(Gain)		(791 392)	(2 254 239)
Total employee benefits 30 June		**21 507 000**	**20 451 000**
Less: Transfer of Current Portion	15	(1 346 000)	(1 283 000)
Balance 30 June		**20 161 000**	**19 168 000**

13.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:	**2024 Number of members**	**2023 Number of members**
In-service (employee) members	74	71
In-service (employee) non-members	87	95
Continuation members (e.g. Retirees, widows, orphans)	11	11
Total Members	**172**	**177**

The liability in respect of past service has been estimated to be as follows:	R	R
In-service (employee) members	11 100 000	10 309 000
In-service (non-employee) members	1 171 000	968 000
Continuation members	6 116 000	5 834 000
Total Liability	**18 387 000**	**17 111 000**

	2022 R	2021 R	2020 R
In-service members	10 877 000	10 273 000	7 849 000
Continuation members	6 232 000	6 221 000	7 294 000
Total Liability	**17 109 000**	**16 494 000**	**15 143 000**

		2024	2023
13	**EMPLOYEE BENEFITS (CONTINUE)**	**R**	**R**

	2024	2023
Experience adjustments were calculated as follows:	**Rm**	**Rm**
Liabilities: (Gain) / loss	(0.534)	(0.130)
Assets: Gain / (loss)	-	-

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

	2022	2021	2020
	Rm	**Rm**	**Rm**
Liabilities: (Gain) / loss	(0.921)	(1.960)	(0.667)
Assets: Gain / (loss)	-	-	-

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

Bonitas	Munimed	Samwumed
LA Health	Hosmed	

The Municipality's Accrued Unfunded Liability at 30 June 2024 is estimated at R18.387 million. The Current-service Cost for the year ending 30 June 2024 is estimated at R690 000. It is estimated to be R748 000 for the ensuing year.

	2024	2023
Key actuarial assumptions used:	**%**	**%**

i) Rate of interest

	2024	2023
Discount rate	12.26%	12.49%
Medical Aid contribution Inflation Rate	7.74%	8.10%
Net Discount Rate	4.20%	4.06%

ii) Mortality rates

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

iii) Normal retirement age

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

iv) Expected rate of salary increases

The next contribution rate increase is assumed to occur at 1 January 2025.

		2024	2023
		R	**R**
Present value of fund obligations		18 387 000	17 111 000
Net liability/(asset)		**18 387 000**	**17 111 000**

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

Reconciliation of present value of fund obligation:

		2024	2023
Present value of fund obligation at the beginning of the year		17 111 000	17 109 000
Total expenses		2 122 916	2 042 322
Current service cost		690 000	707 000
Interest Cost		2 099 000	1 988 000
Benefits Paid		(666 084)	(652 678)
Actuarial (gains)/losses		(846 916)	(2 040 322)
Present value of fund obligation at the end of the year		18 387 000	17 111 000
<u>**Less:**</u> Transfer of Current Portion	15	(740 000)	(627 000)
Balance 30 June		**17 647 000**	**16 484 000**

		2024	2023
13	**EMPLOYEE BENEFITS (CONTINUE)**	**R**	**R**

Sensitivity Analysis on the Accrued Liability

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions		12.271	6.116	18.387	
Medical aid contribution inflation rate	1%	14.559	6.595	21.154	15%
	-1%	10.422	5.690	16.112	-12%
Discount Rate	1%	10.504	5.709	16.213	-12%
	-1%	14.479	6.579	21.058	15%
Post-retirement mortality	+1 year	11.973	5.895	17.868	-3%
	-1 year	12.566	6.338	18.904	3%
Average retirement age	-1 year	13.459	6.116	19.575	6%
Membership continuation	-10%	10.696	6.116	16.812	-9%

Sensitivity Analysis on the Current Service Cost and Interest Costs

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		690 000	2 099 000	2 789 000	
Medical aid contribution inflation rate	1%	838 000	2 421 000	3 259 000	17%
	-1%	572 000	1 835 000	2 407 000	-14%
Discount Rate	1%	583 000	1 995 000	2 578 000	-8%
	-1%	826 000	2 217 000	3 043 000	9%
Post-retirement mortality	+1 year	674 000	2 038 000	2 712 000	-3%
	-1 year	708 000	2 160 000	2 868 000	3%
Average retirement age	-1 year	739 000	2 234 000	2 973 000	7%
Membership continuation	-10%	604 000	1 919 000	2 523 000	-10%

13.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 161 employees were eligible for Long Service Bonuses.

The Current-service Cost for the year ending 30 June 2024 is R233 000. The Current-service Cost for the ensuing year has been estimated to be R221 000.

Key actuarial assumptions used:	2024 %	2023 %
i) Rate of interest		
Discount rate	10.75%	10.92%
General Salary Inflation (long-term)	5.94%	6.39%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	4.54%	4.26%

Experience adjustments were calculated as follows:	2024 R	2023 R
Liabilities: (Gain) / loss	(85 000)	(53 000)
Assets: Gain / (loss)	-	-

			2024	2023
13	**EMPLOYEE BENEFITS (CONTINUE)**		R	R

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

	2022 R	2021 R	2020 R
Liabilities: (Gain) / loss	6 000	82 000	68 424
Assets: Gain / (loss)	-	-	-

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

	2024 R	2023 R
Present value of fund obligations	3 120 000	3 340 000
Net liability/(asset)	**3 120 000**	**3 340 000**

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

	2022 R	2021 R	2020 R
Total Liability	3 317 000	3 216 000	2 906 000

Reconciliation of present value of fund obligation:

		2024 R	2023 R
Present value of fund obligation at the beginning of the year		3 340 000	3 317 000
Total expenses		(275 524)	236 916
Current service cost		233 000	251 000
Interest Cost		330 000	341 000
Benefits Paid		(838 524)	(355 084)
Actuarial (gains)/losses		55 524	(213 916)
Present value of fund obligation at the end of the year		3 120 000	3 340 000
Less: Transfer of Current Portion	15	(606 000)	(656 000)
Balance as at 30 June		**2 514 000**	**2 684 000**

			2024	2023
13	**EMPLOYEE BENEFITS (CONTINUE)**		R	R

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	**Change**	**Liability (Rm)**	**% change**
Central assumptions		3.120	
General earnings inflation	+1%	3.276	5%
	-1%	2.976	-5%
Discount Rate	+1%	2.971	-5%
	-1%	3.285	5%
Average retirement age	+2 yrs.	3.372	8%
	-2 yrs	2.544	-18%
Rates of termination of service	x2	2.685	-14%
	x0.5	3.399	9%

13	EMPLOYEE BENEFITS (CONTINUE)	2024	2023
		R	R

13.3 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.

CAPE JOINT PENSION FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2023 revealed that the fund is in an sound financial position with a funding level of 120,3% (30 June 2022 - 104.5%).

	2024 R	2023 R
Contributions paid recognised in the Statement of Financial Performance	3 564 568	3 419 068

IMATU PENSION FUND

The contribution rate payable is 9% by members and 18% by Council. The contribution rate paid by the members is sufficient to fund the benefits accruing from the fund in the future

	2024 R	2023 R
Contributions paid recognised in the Statement of Financial Performance	370 585	349 961

SALA PENSION FUND

The contribution rate payable is 8.6% by members and 22.78% by Council. The most recent valuation was done on 30 April 2022. The market value of the fund as at 30 April 2022 was R12 810 632 303 (30 April 2021: R13 035 888 096). The contribution rate paid by the members is sufficient to fund the benefits accruing from the fund in the future

	2024 R	2023 R
Contributions paid recognised in the Statement of Financial Performance	3 547 465	2 900 125

SAMWU PROVIDENT FUND

The contribution rate payable is 7.5% by members and 18% by Council. The contribution rate paid by the members is sufficient to fund the benefits accruing from the fund in the future

	2024 R	2023 R
Contributions paid recognised in the Statement of Financial Performance	777 796	743 630

			2024	2023
14	**NON-CURRENT PROVISIONS**		**R**	**R**
	Provision for Rehabilitation of Landfill-sites		38 554 018	32 813 793
	Total Non-current Provisions		**38 554 018**	**32 813 793**

Landfill Sites

		2024	2023
Balance 1 July		32 813 793	31 131 596
(Decrease) / Increase in Estimate		2 825 155	(1 329 451)
Unwinding of discounted interest		2 915 069	3 011 648
Total provision 30 June		**38 554 018**	**32 813 793**
Less: Transfer of Current Portion to Current Provisions	16	-	-
Balance 30 June		**38 554 018**	**32 813 793**

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

	Douglas	Campbell	Griekwastad
Area (m²)	20 544	5 792	15 108
Preliminary and general (Rand)	2 531 141	570 723	1 700 233
Site Clearance (Rand)	30 611	8 630	22 511
Storm water control measures (Rand)	1 664 551	773 840	1 544 682
Capping (Rand)	11 841 945	2 420 159	6 781 210
Gas Management (Rand)	-	-	-
Leachate Management (Rand)	543 460	295 737	553 711
Fencing (Rand)	1 495 687	13 777	1 560 860
Other costs	5 133 305	2 178 793	3 983 482

The municipality has an obligation to rehabilitate landfill sites at the end of the expected usefull life of the asset. Total cost and estimated date of decommission of the sites are as follows:

Location	Estimated decommission date	Cost of rehabilitation 2024 R	2023 R
Douglas	2031	17 505 051	14 508 211
Griekwastad	2026	15 167 164	13 006 838
Campbell	2026	5 881 802	5 298 744
		38 554 018	32 813 793

Material Assumtions used

	2022	2023	2024
Discount Rate used			
Douglas	10.24%	10.25%	9.44%
Griekwastad	8.25%	9.17%	8.44%
Campbell	7.61%	9.17%	8.44%

In terms of the licencing of the landfill-sites, the municipality will incur licensing and rehabilitation costs of R38554018 (2023: R32813793) 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 a calculated risk free rate as determined by themunicipality, the government bond rate is used.

15 CURRENT EMPLOYEE BENEFITS

		2024 R	2023 R
Current Portion of Post Retirement Benefits	13	740 000	627 000
Current Portion of Long-Service Awards	13	606 000	656 000
Bonuses		1 362 231	1 401 828
Staff Leave		4 575 986	4 210 796
Balance previously reported		-	4 043 299
Correction of Current Employee Benefits - Staff Leave against Accumulated Surplus (Correction of Staff Leave Accrual 2022 as per recalculated leave register for the 2021/22 financial year)	35.08	-	-39 922
Correction of Current Employee Benefits - Staff Leave against Statement of Financial Performance - Employee Benefits - Provision for staff leave (Correction of Staff Leave Accrual 2023 as per the recalculated leave register during the 2022/23 financial year)	35.08	-	207 419
Total Current Employee Benefits		**7 284 217**	**6 895 624**

The movement in current employee benefits are reconciled as follows:

Bonuses

	2024	2023
Balance at beginning of year	1 401 828	1 294 490
Contribution to current portion	3 382 413	3 301 519
Expenditure incurred	-3 422 009	-3 194 180
Balance at end of year	**1 362 231**	**1 401 828**

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle, that will only be paid out in the following year, on the employee's birth month. There is no possibility of reimbursement.

Staff Leave

	2024	2023
Balance at beginning of year	4 210 796	3 226 165
Contribution to current portion	678 592	1 192 157
Expenditure incurred	-313 401	-207 526
Balance at end of year	**4 575 986**	**4 210 796**

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.

16 PROVISIONS

		2024 R	2023 R
Current Portion of Rehabilitation of Landfill-sites	14	-	-
Total Provisions		**-**	**-**

17	PAYABLES FROM EXCHANGE TRANSACTIONS		2024 R	2023 R
	Trade Payables		222 002 142	277 030 324
	Balance previously reported			273 078 468
	Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - General Expenses - Vehicle licences (Capturing invoice relating to payment 15_4193 for expenditure relating to 2022/23)	35.09	-	225 238
	Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - Bulk Purchases - Electricity (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.09	-	182 526
	Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange transactions - VAT receivable (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.09	-	27 379
	Correction of Payables from exchange transactions - Trade Payables against Finance charges - Payables & Creditors (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.09	-	7 408
	Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Capturing worksmens compensation relating to the 2022 and prior years)	35.09	-	3 074 594
	Correction of Payables from exchange transactions - Trade Payables against Statement of Financial Performance - General Expenses - Worksmens Compensation (Capturing worksmens compensation relating to the 2022/23 financial year)	35.09		434 711
	Receivables with credit balances		6 428 429	7 141 151
	Unspent grants		-	8 832 000
	Balance previously reported			8 155 252
	Correction of Accumulated Surplus against Trade and Other Payables - Unspent Grants (Correction of Unspent grant rollover correction of 2021 not allowed by NT during 2020/21)	35.09	-	676 748
	Municipal Debt Relief		61 586 199	
	Sundry Payables		4 202 812	3 116 597
	Balance previously reported			2 984 397
	Correction of Accumulated Surplus against Trade and Other Payables - Sundry Payables (Correction of Salary control - COVID 19 - SDL reduction during 2020/21)	35.09	-	-90 502
	Correction of Employee Related Costs - Salaries and Wages against Payables from exchange transactions - Sundry Payables - Salary control (Capturing backpay and once off allowance for the 2022/23 financial year)	35.09	-	205 204
	Correction of Payables from exchange transactions - Sundry Payables against Accumulated Surplus (Correction of Retention Breipaal 100 stands project)	35.09	-	15 216
	Correction of Payables from exchange transactions - Sundry Payables against VAT Payable from exchange transactions - VAT receivable (Correction of Retention Breipaal 100 stands project)	35.09	-	2 282
	Total Trade Payables		**294 219 582**	**296 120 072**
	Total Non-current Trade Payables from Exchange Transactions		**142 558 709**	**-**
	Trade Payables		142 558 709	-
	Total Current Trade Payables		**151 660 873**	**296 120 072**

No payables are secured.

Payables are being recognised net of any discounts.

Payables are not all being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

Non-Current Trade Payables are recognised as per payment arrangements entered into

18 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

		2024 R	2023 R
Unspent Grants		620 153	4 387 495
National and Provincial Government Grants		620 153	4 387 495
Balance previously reported			4 574 095
Correction of Unspent Conditional Government Grants and Receipts against Statement of Financial Performance - Government Grants and subsidies - LG Seta (Correction of LG Seta grant spending incorrectly reported during 2023)	35.05	-	(186 600)
Other Sources		-	-
Less: Unpaid Grants		-	-
National and Provincial Government Grants		-	-
Other Sources		-	-
Total Conditional Grants and Receipts		**620 153**	**4 387 495**

See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

Library Project

Provincial Department - Library maintenance and Expenses

Financial Management Grant

National Treasury - Financial Management

Energy Efficiency grant

National Treasury - Electrical Maintenance

Municipal Infrastructure Grant

National Treasury - Municipal Infrastructure Improvement

LG Seta

Provincial Department - Personnel Training

Expanded Public Works Programme

National Treasury - Road Maintenance

INEG

National Treasury - Infrastructure development

RBIG

National Treasury - Infrastructure development

WSIG

National Treasury - Infrastructure development

Disaster Management Relief Grant - COVID 19

National Treasury - COVID 19 expenditure

19 PROPERTY RATES

		2024 R	2023 R
Actual			
Rateable Land and Buildings		23 784 678	22 339 898
Residential, Commercial Property, State		23 784 678	22 339 898
Less: Rebates		(3 746 296)	(3 722 389)
Balance previously reported		-	(3 724 992)
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Statement of Financial Performance - Less Income Foregone - Rates (Correction of rebate as per account 13398 in 2023)	35.11	-	2 602
Total Assessment Rates		**20 038 382**	**18 617 509**

	2024 R	2023 R
Valuations - 1 July 2023		
Rateable Land and Buildings	11 448 024 405	11 452 721 405
Residential	798 318 000	800 117 000
Business	410 295 000	412 585 000
Governments	86 654 000	86 654 000
Infrastructure	4 550 000	4 550 000
Public Benefit Organisations	53 855 500	53 855 500
Vacant land	54 853 200	61 665 200
Agriculture	9 863 493 005	9 874 081 505
Exempt Municipal and other	176 005 700	159 213 200
Less: Income Forgone		
Total Assessment Rates	**11 448 024 405**	**11 452 721 405**

Valuations on land and buildings must be performed every five years. The last valuation came into effect on 1 July 2019.

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

			2024	2023
20	**GOVERNMENT GRANTS AND SUBSIDIES**		**R**	**R**
	Unconditional Grants		**62 417 000**	**58 819 292**
	Equitable Share	20.1	62 417 000	58 819 292
	Conditional Grants		**52 459 365**	**14 997 224**
	Library Project		1 460 000	1 400 000
	Local Government Financial Management Grant		3 100 000	3 100 000
	Municipal Infrastructure Grant		17 003 753	3 257 247
	LG Seta		77 975	736 200
	Balance previously reported			549 600
	Correction of Unspent Conditional Government Grants and Receipts against Statement of Financial Performance - Government Grants and subsidies - LG Seta (Correction of LG Seta grant spending incorrectly reported during 2023)	35.06		186 600
	EPWP		900 000	1 073 000
	Integrated National Eletrification Grant		5 241 000	4 500 000
	Water Services Infrastructure Grant		24 676 637	930 777
	Total Government Grants and Subsidies		**114 876 365**	**73 816 516**
	Government Grants and Subsidies - Capital		**46 921 390**	**8 688 024**
	Municipal Infrastructure Grant		17 003 753	3 257 247
	Integrated National Eletrification Grant		5 241 000	4 500 000
	Water Services Infrastructure Grant		24 676 637	930 777
	Government Grants and Subsidies - Operating		**67 954 975**	**65 128 492**
	Equitable Share		62 417 000	58 819 292
	Library Project		1 460 000	1 400 000
	Local Government Financial Management Grant		3 100 000	3 100 000
	LG Seta		77 975	736 200
	EPWP		900 000	1 073 000
			114 876 365	**73 816 516**
	Grant spending per vote:			
	Executive & Council		3 153 000	3 093 000
	Corporate Services		77 975	736 200
	Budget & Treasury		23 119 778	58 826 292
	Community & Social Services		1 460 000	1 400 000
	Road Transport		900 000	4 330 247
	Electricity		14 407 890	4 500 000
	Water		38 107 094	930 777
	Waste Water Management		26 059 421	-
	Waste Management		7 591 207	-
			114 876 365	**73 816 516**

20.1 Equitable share

	2024	2023
Opening balance	-	-
Grants received	53 585 000	39 520 000
Transfer from MIG due to roll over not approved on MIG	-	742 556
Transfer from WSIG due to roll over not approved on WSIG	-	1 881 420
Transfer from INEP due to roll over not approved on INEP	-	3 280 660
Transfer from Sundry Payables due to prior year roll over not approved	8 832 000	13 394 656
Conditions met - Operating	(62 417 000)	(58 819 292)
Conditions still to be met	-	-

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

		2024 R	2023 R
20	**GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)**		

20.2 Local Government Financial Management Grant (FMG)

	2024 R	2023 R
Opening balance	-	-
Grants received	3 100 000	3 100 000
Conditions met - Operating	(3 100 000)	(3 100 000)
Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

20.3 Municipal Infrastructure Grant (MIG)

	2024 R	2023 R
Opening balance	1 742 753	1 856 391
Grants received	15 261 000	5 000 000
Transfer to Equitable Share due to roll over not approved on MIG	-	(742 556)
Transfer to Sundry Payable due to roll over not approved on MIG	-	(1 113 835)
Conditions met - Capital	(17 003 753)	(3 257 247)
Grant expenditure to be recovered	(0)	1 742 753

The grant was used to upgrade infrastructure in previously disadvantaged areas.

20.4 Expanded Public Works Program (EPWP)

	2024 R	2023 R
Opening balance	-	-
Grants received	900 000	1 073 000
Conditions met - Operating	(900 000)	(1 073 000)
Conditions met - Capital	-	-
Grant expenditure to be recovered	-	-

The grant was used for infrastructure development in the Siyancuma area.

20.5 Library Grants

	2024 R	2023 R
Opening balance	-	-
Grants received	1 460 000	1 400 000
Conditions met - Operating	(1 460 000)	(1 400 000)
Conditions met - Capital	-	-
Grant expenditure to be recovered	-	-

Library grants was utilised for the development of libraries in the Siyancuma area.

20.6 Water Services Infrastructure Grant (WSIG)

	2024 R	2023 R
Opening balance	2 069 223	4 703 549
Grants received	22 607 414	3 000 000
Transfer to Equitable Share due to roll over not approved on WSIG	-	(1 881 420)
Transfer to Sundry Payable due to roll over not approved on WSIG	-	(2 822 130)
Conditions met - Operating	-	-
Conditions met - Capital	(24 676 637)	(930 777)
Grant expenditure to be recovered	-	2 069 223

The Water Services Infrastructure Grant was used for the upgrading of the bulk water services within the Siyancuma areas.

			2024 R	2023 R
20	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)			

20.7 Integrated National Electrification Grant (INEG)

	2024 R	2023 R
Opening balance	-	8 201 650
Grants received	5 241 000	4 500 000
Transfer to Equitable Share due to roll over not approved on INEP	-	(3 280 660)
Transfer to Sundry Payable due to roll over not approved on INEP	-	(4 920 990)
Conditions met - Operating	-	-
Conditions met - Capital	(5 241 000)	(4 500 000)
Conditions still to be met	-	-

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

20.8 Other Grants

	2024 R	2023 R
Opening balance	575 518	813 192
Grants received	122 610	498 526
Conditions met - Operating	(77 975)	(736 200)
Conditions met - Capital	-	-
Conditions still to be met	620 153	575 518

Various grants were received from other spheres of government

20.9 Total Grants

	2024 R	2023 R
Opening balance	4 387 494	15 574 782
Grants received	102 277 024	58 091 526
Transfers	8 832 000	4 537 701
Conditions met - Operating	(67 954 975)	(65 128 492)
Conditions met - Capital	(46 921 390)	(8 688 024)
Conditions still to be met/(Grant expenditure to be recovered)	**620 153**	**4 387 494**

<u>Disclosed as follows:</u>

	2024 R	2023 R
Unspent Conditional Government Grants and Receipts	620 153	4 387 495
Unpaid Conditional Government Grants and Receipts	-	-
	620 153	**4 387 495**

21 PUBLIC CONTRIBUTIONS AND DONATIONS

	2024 R	2023 R
Donations	1 768 604	2 434 191
Total Public Contributions and Donations	**1 768 604**	**2 434 191**

Donations received is due to financial assistance received from National Treasury with regards to the Auditor General's prior period audit fees and outstanding interest for R1 768 604.

22 CONTRIBUTED PPE

	Note	2024 R	2023 R
Nashua Kimberley - Various photocopy machines and printers		-	-
Balance previously reported			755 090
Correction of Property Plant and equipment - Other Assets - Office Equipment against Statement of Financial Performance - Contributed PPE (Reversal of Duplication of Nashua printers recognised in 2022/23)	35.11	-	-755 090
Mubesko Africa (Pty) Ltd - 1 cellphone for asset verification		-	2 899
Total changes in fair value		**-**	**2 899**

Contributed PPE represents all assets donated to the muncipality - refer to note 2 for the inclusion of assets.

23 SERVICE CHARGES

		2024 R	2023 R
Electricity		49 404 034	42 049 269
Service Charges		51 293 603	43 310 423
Less: Revenue Forgone		(1 889 569)	(1 261 155)
Water		23 671 993	20 279 178
Service Charges		24 756 631	22 112 106
Balance previously reported			22 122 748
Correction of Statement of Financial Performance - Service Charges - Water against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2022/23)	35.11		-10 643
Less: Revenue Forgone		(1 084 638)	(1 832 928)
Refuse removal		9 510 532	6 392 991
Service Charges		12 689 310	11 919 931
Less: Revenue Forgone		(3 178 778)	(5 526 940)
Sewerage and Sanitation Charges		12 482 094	8 165 955
Service Charges		15 867 529	14 204 625
Balance previously reported		-	14 954 844
Correction of Statement of Financial Performance - Service charges - Sewerage and Sanitation charges against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2023)	35.11	-	-750 219
Less: Revenue Forgone		(3 385 435)	(6 038 669)
Other Service Charges		-	-
Total Service Charges		**95 068 653**	**76 887 393**

Revenue Foregone 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.

24 AVAILABILITY CHARGES

	2024 R	2023 R
Electricity	310 923	278 595
Water	170 409	155 707
Sanitation	230 083	197 479
Total Availability Charges	**711 415**	**631 780**

25 OTHER REVENUE

	2024 R	2023 R
Sundry income	338 176	355 375
Insurance income	-	55 983
Cemetery fees	29 357	62 623
Other income represents administration income	62 823	166 950
Total Other Income	**430 356**	**640 931**

Sundry income represents sundry income such as building plans, sale of sundry items (wood, sand and stones) an fees for items not included under service charges (camping, fire brigade and impounding fees)

			2024	2023
26	**EMPLOYEE RELATED COSTS**		**R**	**R**
	Employee Related Costs - Salaries and Wages		44 859 529	43 180 094
	Balance previously reported			42 974 890
	Correction of Employee Related Costs - Salaries and Wages against Payables from exchange transactions - Sundry Payables - Salary control (Capturing backpay and once off allowance for the 2022/23 financial year)	35.11	-	205 204
	Employee Related Costs - Contributions for UIF, Pensions and Medical Aids		12 164 114	11 740 836
	Travelling Allowances		2 687 890	2 686 407
	Acting Allowance		303 287	117 356
	Cellphone Allowance		321 982	340 300
	Standby Allowance		618 773	869 889
	Housing Benefits and Allowances		575 856	534 468
	Overtime		5 071 846	5 039 473
	Bargaining Council		22 374	21 740
	Bonuses		3 382 412	3 301 518
	Provision for staff leave		678 592	1 192 157
	Balance previously reported		-	984 738
	Correction of Current Employee Benefits - Staff Leave against Statement of Financial Performance - Employee Benefits - Provision for staff leave (Correction of Staff Leave Accrual 2023 as per the recalculated leave register during the 2022/23 financial year)	35.11	-	207 419
	Contribution to provision - Long Service Awards	13	233 000	251 000
	Contribution to provision - Post Retirement Medical	13	690 000	707 002
	Total Employee Related Costs		**71 609 655**	**69 982 240**

KEY MANAGEMENT PERSONNEL

There are no post-employment or termination benefits payable to them at the end of the contract period.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2024	2023
Remuneration of the Municipal Manager (MF Manuel) (1 July 2023 to 31 October 2023)		
Annual Remuneration	508 113	808 911
Travelling Allowance	80 935	176 219
Contributions to UIF, Medical and Pension Funds	708	1 594
Cellphone Allowance	17 200	38 700
Transport Logsheets	40 572	24 424
Total	**647 528**	**1 049 848**
Remuneration of the Chief Financial Officer (CC Zealand)		
Annual Remuneration	738 232	753 235
Travelling Allowance	199 945	193 589
Contributions to UIF, Medical and Pension Funds	252 729	243 325
Cellphone Allowance	44 400	44 400
Transport Logsheets	21 704	41 557
Total	**1 257 010**	**1 276 106**
Remuneration of the Director Corporate and Community Services (J Marwane)		
Annual Remuneration	811 256	824 750
Acting Allowance	-	58 951
Travelling Allowance	173 216	166 677
Contributions to UIF, Medical and Pension Funds	206 434	198 722
Cellphone Allowance	44 400	44 400
Transport Logsheets	11 393	8 850
Total	**1 246 699**	**1 302 349**
Remuneration of the Director Infrastructure Services (XS Geco) (Acting MM as from 1 November 2023 to 30 June 2024)		
Annual Remuneration	798 328	831 186
Acting Allowance	165 657	-
Travelling Allowance	189 634	158 504
Contributions to UIF, Medical and Pension Funds	202 944	200 459
Cellphone Allowance	44 400	44 400
Transport Logsheets	28 370	-
Total	**1 429 333**	**1 234 549**

		2024	2023
26	**EMPLOYEE RELATED COSTS (CONTINUE)**	**R**	**R**

KEY MANAGEMENT PERSONNEL

	2024	2023
Remuneration of Deputy CFO Supply Chain Management (PJE Bloem)		
Annual Remuneration	795 648	737 314
Annual Bonus	66 304	61 432
Housing Allowance	12 797	12 141
Travelling Allowance	177 922	177 015
Contributions to UIF, Medical and Pension Funds	245 706	227 721
Cellphone Allowance	9 600	9 600
Total	**46 418 609**	**1 225 223**

	2024	2023
Remuneration of Manager Corporate Services (CEC Morolong) (1 July 2023 to 30 April 2024)		
Annual Remuneration	617 510	748 173
Annual Bonus	92 627	58 587
Long service awards	88 921	-
Leave Money	126 328	-
Housing Allowance	10 664	12 141
Travelling Allowance	155 704	187 272
Contributions to UIF, Medical and Pension Funds	204 791	193 298
Cellphone Allowance	8 000	9 600
Total	**1 304 544**	**1 209 071**

	2024	2023
Remuneration of Manager Community Services (CJD Groenewaldt)		
Annual Remuneration	741 000	686 556
Annual Bonus	61 750	57 213
Housing Allowance	12 797	12 141
Travelling Allowance	185 183	185 729
Contributions to UIF, Medical and Pension Funds	240 023	224 655
Cellphone Allowance	9 600	9 600
Long service awards	-	27 462
Total	**1 250 353**	**1 203 356**

	2024	2023
Remuneration of Head of Sewerage and Refuse (W Ellison)		
Annual Remuneration	642 732	609 804
Annual Bonus	53 561	50 817
Overtime	-	194 101
Standby Allowance	110 000	48 754
Housing Allowance	14 400	14 400
Travelling Allowance	121 361	121 727
Contributions to UIF, Medical and Pension Funds	152 027	151 654
Cellphone Allowance	6 000	2 500
Transport Logsheets	75 952	66 537
Total	**1 176 033**	**1 260 294**

	2024	2023
Remuneration of Head of Electro-Technical Services (G Beukes)		
Annual Remuneration	1 405 836	1 333 812
Annual Bonus	117 153	111 151
Housing Allowance	18 000	18 000
Travelling Allowance	184 608	183 582
Contributions to UIF, Medical and Pension Funds	431 654	406 627
Cellphone Allowance	9 600	9 600
Total	**2 166 850**	**2 062 773**

	2024	2023
Total Key Management Remuneration		
Annual Remuneration	7 058 655	7 333 740
Annual Bonus	391 395	339 200
Acting Allowance	165 657	58 951
Contributions to UIF, Medical and Pension Funds	1 937 018	1 848 055
Housing Allowances	68 658	68 824
Overtime	-	194 101
Standby Allowance	110 000	48 754
Travelling Allowance	1 468 506	1 550 314
Transport Logsheets	177 990	141 368
Cellphone Allowance	193 200	212 800
Long Service Award	88 921	27 462
Leave Money	126 328	-
Total	**11 786 328**	**11 823 569**

The key management personnel has been extended to include the disclosure of senior management staff as they are considered to have significant influence.

27 REMUNERATION OF COUNCILLORS

			2024 R	2023 R
Executive Mayor:	Allowances	**(WJ van Bergen) (1 July 2022 to 31 May 2023)**	-	554 170
	Cell phone Allowance		-	37 400
	Travelling		-	223 316
Executive Mayor:	Allowances	**(PJ McKlein) (1 June 2023 to 30 June 2024)**	604 550	50 379
	Cell phone Allowance		40 800	3 400
	Travelling		316 078	17 437
Councillors:	Allowances		2 719 999	2 765 603
	Cell phone Allowance		480 430	489 600
	Travelling		1 213 804	1 161 663
Total Councillors' Remuneration			**5 375 661**	**5 302 968**

Year ended 30 JUNE 2024		Allowances	Cell phone Allowance	Backpay	Travelling
Councillors		**2 719 999**	**480 430**	**-**	**1 213 804**
JH George	(1 July 2023 to 30 June 2024)	386 199	40 800	-	178 931
LC van Niekerk	(1 July 2023 to 30 June 2024)	329 844	40 800	-	135 442
DV Smous	(1 July 2023 to 30 June 2024)	191 318	40 800	-	63 773
MJ Katz	(1 July 2023 to 30 June 2024)	191 318	40 800	-	76 143
DRN Ellison	(1 July 2023 to 30 June 2024)	246 917	40 800	-	93 312
IA Baardman	(1 July 2023 to 31 July 2023)	14 053	2 267	-	7 097
HT Kolberg	(1 July 2023 to 30 June 2024)	191 318	40 800	-	252 763
EK Louw	(1 July 2023 to 30 June 2024)	191 318	40 800	-	63 773
CZ Nyangintaka	(1 July 2023 to 30 June 2024)	245 525	40 800	-	87 085
VB Makabe	(1 July 2023 to 30 June 2024)	191 318	40 800	-	63 773
SA Buitendag	(1 July 2023 to 30 June 2024)	191 318	40 800	-	75 194
WJ van Bergen	(1 July 2023 to 30 June 2024)	211 861	40 800	-	70 620
MG Tau	(1 October 2023 to 30 June 2024)	137 691	29 364	-	45 897

Year ended 30 JUNE 2023		Allowances	Cell phone Allowance	Backpay	Travelling
Councillors		**2 765 603**	**489 600**	**-**	**1 161 663**
JH George	(1 July 2022 to 30 June 2023)	191 318	40 800	-	97 314
LC van Niekerk	(1 July 2022 to 30 June 2023)	483 640	40 800	-	239 087
DV Smous	(1 July 2022 to 30 June 2023)	191 318	40 800	-	63 773
PJ McKlein	(1 July 2022 to 31 May 2023)	231 867	37 400	-	100 953
MJ Katz	(1 July 2022 to 30 June 2023)	191 318	40 800	-	63 773
DRN Ellison	(1 July 2022 to 30 June 2023)	191 318	40 800	-	64 365
IA Baardman	(1 July 2022 to 30 June 2023)	252 946	40 800	-	124 297
HT Kolberg	(1 July 2022 to 30 June 2023)	191 318	40 800	-	119 253
EK Louw	(1 July 2022 to 30 June 2023)	191 318	40 800	-	63 773
CZ Nyangintaka	(1 July 2022 to 30 June 2023)	245 525	40 800	-	86 557
VB Makabe	(1 July 2022 to 30 June 2023)	191 318	40 800	-	63 773
SA Buitendag	(1 July 2022 to 30 June 2023)	191 318	40 800	-	67 720
WJ van Bergen	(1 June 2023 to 30 June 2023)	21 079	3 400		7 026

In-kind Benefits

The Mayor is full-time. He is provided with an office and secretarial support at the cost of the Council.

			2024	2023
			R	R
28	**BAD DEBTS WRITTEN OFF**			
	Trade Receivables from non-exchange transactions	7	54 767	7 279 831
	Trade Receivables from exchange transactions	6	9 635 971	104 936 894
	Balance previously reported		-	104 922 547
	Correction of Statement of Financial Performance - Bad Debts Written off against Trade and other receivables from Exchange transactions - Water (Correction of Debt write off during 2022/23)	35.11	-	14 348
	Other Debtors	6	-	-
	Less: VAT	10	(1 256 866)	(11 119 734)
	Total Bad Debts written off		**8 433 872**	**101 096 992**

			2024	2023
			R	R
29	**DEBT IMPAIRMENT / (REVERSAL)**			
	Trade Receivables from exchange transactions	6	37 304 475	(76 742 051)
	Trade Receivables from non-exchange transactions	7	6 992 925	(13 012 174)
	Less: VAT Debt Impairment Provision	10	(4 865 801)	10 009 833
	Total Contribution to Impairment Provision		**39 431 599**	**(79 744 392)**

		2024	2023
		R	R
30	**IMPAIRMENTS / (REVERSAL)**		
	Property, Plant and Equipment	1 839	20 920
	The landfill site restoration - capitalised resoration cost impairment has been reversed and the 700m electrical line which has been previously impaired has been repaired and thus the impairment reversed accordingly.		
	The clinic in Bongani has been destroyed thus the building is fully impaired.		
	Total Impairment Loss/ (Reversal of Impairment Loss)	1 839	20 920

Value in use

Value in use of the movable assets and infrastructure assets were determined as R0 as these items cannot be used in the future as they are broken and and will not provide value in use in the current period or future periods.

			2024	2023
31	**FINANCE CHARGES**		R	R
	Long-term Liabilities		35 156	326 950
	Balance previously reported		-	324 283
	Correction of Long term liabilities against Statement of Financial Performance - Finance Charges - Long-term Liabilities (Correction of recognition of Interest portion for 2022/23)	35.11	-	2 667
	Payables & Creditors		1 565 550	11 031 655
	Balance previously reported		-	11 024 247
	Correction of Payables from exchange transactions - Trade Payables against Finance charges - Payables & Creditors (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.11	-	7 408
	Debt relief interest		24 998 573	-
	Actuarial Interest		2 429 000	2 329 000
	Landfill Sites		2 915 069	3 011 648
	Total finance charges		**31 943 348**	**16 699 253**

			2024	2023
32	**BULK PURCHASES**		R	R
	Electricity		67 495 785	59 491 225
	Balance previously reported			59 308 699
	Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - Bulk Purchases - Electricity (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.11	-	182 526
	Water		-	-
	Balance previously reported			1 110 622
	Correction of Inventory Consumed - Water against Bulk Purchases - Water (Correction of classification of Water inventory consumed during 2022/23 financial year)	35.11		(1 110 622)
	Purchases		-	-
	Less Stock Adjustments		-	-
	Stock adjustments		-	-
	Balance previously reported			121 781
	Correction of Inventory Consumed - Water against Bulk Purchases - Water - Stock adjustments (Correction of classification of Water inventory consumed during 2022/23 financial year)	35.11		(121 781)
	Total Bulk Purchases		**67 495 785**	**59 491 225**

			2024	2023
33	**DEPRECIATION AND AMORTISATION**		R	R
	Property, Plant and Equipment		12 578 555	11 511 540
	Balance previously reported			10 052 391
	Correction of Property Plant and equipment - Other Assets - Office Equipment against Statement of Financial Performance - Depreciation (Reversal of Duplication of Nashua printers recognised in 2022/23)	35.11	-	-188 126
	Correction of Property Plant and equipment - Other Assets - Computer Hardware against Statement of Financial Performance - Depreciation and Amortisation (Correction of depreciation charge for laptops purchased during 2022/23)	35.11	-	4 181
	Correction of Property Plant and equipment - Community Assets - Libraries and Community Assets against Statement of Financial Performance - Depreciation and Amortisation (Correction of Properties - addition - depreciation charge as per property verification performed during 2023/24)	35.11	-	164
	Correction of Property Plant and equipment - Infrastructure - Accumulated Depreciation against Statement of Financial Performance - Depreciation and Amortisation (Correction of Unbundling of Projects Depreciation charge during 2022/23)	35.11	-	1 642 931
	Intangible Assets		19 187	35 036
	Total depreciation charges		**12 597 742**	**11 546 576**

			2024	2023
34	**GENERAL EXPENSES**		**R**	**R**
	Advertisements		22 317	14 650
	Audit fees		3 129 610	3 378 848
	Bank charges		222 049	276 832
	Chemicals		670 818	633 211
	Cleaning costs		19 028	48 253
	Contracted Services		11 454	23 543
	Delegation fees		445 894	241 401
	Drop safe rental		-	132 103
	Entertainment: public		70 763	68 904
	Environmental health		146 849	217 618
	Insurance cost		1 846 152	1 719 914
	Legal expenses		76 604	169 473
	Membership fees: municipal		755 852	730 028
	Meter Management Fees		3 208 427	644 146
	Other expenditure		193 129	232 023
	Printing & stationary		1 047 903	971 153
	Professional and consultant		8 212 220	7 164 796
	Telephone expenses		1 123 951	694 431
	Balance previously reported		-	704 631
	Correction of Long term liabilities against Statement of Financial Performance - General Expenses - Telephone Expenses (Correction of payment allocation for capital portion for 2022/23)	35.11	-	-10 200
	Training		77 531	186 600
	Valuation fees		298 707	96 313
	Security		465 252	-
	Skills development Levy		629 754	600 035
	Subsistence and travel		73 425	90 181
	Vehicles: fuel		2 154 374	2 438 328
	Vehicles: licences		132 014	284 410
	Balance previously reported		-	59 172
	Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - General Expenses - Vehicle licences (Capturing invoice relating to payment 15_4193 for expenditure relating to 2022/23)	35.11	-	225 238
	Ward Committee		293 985	236 160
	Workmens Compensation		657 229	434 711
	Balance previously reported		-	-
	Correction of Payables from exchange transactions - Trade Payables against Statement of Financial Performance - General Expenses - Worksmens Compensation (Capturing worksmens compensation relating to the 2022/23 financial year)	35.11	-	434 711
	General Expenses		**25 985 291**	**21 728 065**

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.

			2023 R
35	**CORRECTION OF ERROR IN TERMS OF GRAP 3**		

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

35.01 VAT (Receivable) / Payable from exchange transactions

Disclosure as required by GRAP 1.

		2023 R
Balance previously reported		**(26 799 507)**
Correction of VAT payable from exchange transactions - VAT output in suspense against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2022)	35.03	-78 869
Correction of VAT payable from exchange transactions - VAT output in suspense against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2023)	35.03	-97 855
Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange transactions - VAT receivable (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.09	-27 379
Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Debt write off during 2022/23)	35.03	-2 152
Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2021/22)	35.03	-1 871
Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2022/23)	35.03	-1 596
Correction of VAT Payable from exchange transactions - VAT receivable against Accumulated Surplus (Correction of VAT input as per assessment VAT 201 202111)	35.10	24 469
Correction of Payables from exchange transactions - Sundry Payables against VAT Payable from exchange transactions - VAT receivable (Correction of Retention Breipaal 100 stands project)	35.09	-2 282
Total		**(26 987 043)**

35.02 Long-term liabilities

Disclosure as required by GRAP 1.

		2023 R
Balance previously reported		**299 474**
Correction of Long term liabilities against Property, plant and Equipment - Other Assets - Computer Hardware (Correction of finance lease recognised - Vodacom - Laptops during 2022/23)	35.07	62 537
Correction of Long term liabilities against Statement of Financial Performance - General Expenses - Telephone Expenses (Correction of payment allocation for capital portion for 2022/23)	35.11	-10 200
Correction of Long term liabilities against Statement of Financial Performance - Finance Charges - Long-term Liabilities (Correction of recognition of Interest portion for 2022/23)	35.11	2 667
Total		**354 479**

35 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)

35.03 Trade Receivables from exchange transactions

Disclosure as required by GRAP 1.

		2023 R
Balance previously reported		**16 753 924**
Correction of Accumulated Surplus against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2022)	35.10	-604 660
Correction of VAT payable from exchange transactions - VAT output in suspense against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2022)	35.01	-78 869
Correction of Statement of Financial Performance - Service charges - Sewerage and Sanitation charges against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2023)	35.10	-750 219
Correction of VAT payable from exchange transactions - VAT output in suspense against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2023)	35.10	-97 855
Correction of Statement of Financial Performance - Bad Debts Written off against Trade and other receivables from Exchange transactions - Water (Correction of Debt write off during 2022/23)	35.11	-14 348
Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Debt write off during 2022/23)	35.01	-2 152
Correction of Accumulated Depreciation against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2021/22)	35.10	-12 474
Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2021/22)	35.01	-1 871
Correction of Statement of Financial Performance - Service Charges - Water against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2022/23)	35.11	-10 643
Correction of VAT Payable from exchange transactions - VAT Output in suspense against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2022/23)	35.01	-1 596
Correction of Trade and Other Receivables from exchange transactions - Other Debtors (Correction of Land sales Erf 2128 Payment allocation from Unallocated deposits during 2021/22)	35.03	-8 000
Correction of Trade and Other Receivables from exchange transactions - Other Debtors (Correction of Land sales Erf 2128 Payment allocation from Unallocated deposits during 2021/22)	35.03	8 000
Total		**15 179 237**

35.04 Trade Receivables from Non-exchange transactions

Disclosure as required by GRAP 1.

Balance previously reported		**12 822 196**
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Statement of Financial Performance - Less Income Foregone - Rates (Correction of rebate as per account 13398 in 2023)	35.11	2 602
Total		**12 824 799**

35.05 Unspent Government Grants and Receipts

Disclosure as required by GRAP 1.

Balance previously reported		**4 574 095**
Correction of Unspent Conditional Government Grants and Receipts against Statement of Financial Performance - Government Grants and subsidies - LG Seta (Corrrection of LG Seta grant spending incorrectly reported during 2023)	35.11	-186 600
Total		**4 387 495**

35 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)

35.06 Government Grants and Subsidies

Disclosure as required by GRAP 1.

		2023 R
Balance previously reported		**73 629 916**
Correction of Unspent Conditional Government Grants and Receipts against Statement of Financial Performance - Government Grants and subsidies - LG Seta (Corrrection of LG Seta grant spending incorrectly reported during 2023)	35.11	186 600
Total		**73 816 516**

35.07 Property, Plant & Equipment

Disclosure as required by GRAP 1.

		2023 R
Balance previously reported		**457 393 610**
Correction of Property Plant and equipment - Other Assets - Office Equipment against Statement of Financial Performance - Contributed PPE (Reversal of Duplication of Nashua printers recognised in 2022/23)	35.11	-755 090
Correction of Property Plant and equipment - Other Assets - Office Equipment against Statement of Financial Performance - Depreciation (Reversal of Duplication of Nashua printers recognised in 2022/23)	35.11	188 126
Correction of Property Plant and equipment - Land against Accumulated Surplus (Correction of disposal of Erf 645 - Griekwastad during 2021/22)	35.10	-5 000
Correction of Property Plant and equipment - Land against Statement of Financial Performance - Gains / Losses on Disposal of PPE (Correction of disposal of Erf 1940 - Griekwastad during 2022/23)	35.11	-1
Correction of Long term liabilities against Property, plant and Equipment - Other Assets - Computer Hardware (Correction of finance lease recognised - Vodacom - Laptops during 2022/23)	35.02	62 537
Correction of Property Plant and equipment - Other Assets - Computer Hardware against Statement of Financial Performance - Depreciation and Amortisation (Correction of depreciation charge for laptops purchased during 2022/23)	35.11	-4 181
Correction of Property Plant and equipment - Land & Buildings - Land against Accumulated Surplus (Correction of Properties as per property verification performed during 2023/24)	35.10	-345 601
Correction of Property Plant and equipment - Community Assets - Holiday Resort against Accumulated Surplus (Correction of Properties as per property verification performed during 2023/24)	35.10	-350 000
Correction of Property Plant and equipment - Land & Buildings - Land against Accumulated Surplus (Correction of Properties - addition as per property verification performed during 2023/24)	35.10	3 640 250
Correction of Property Plant and equipment - Community Assets - Cemetary against Accumulated Surplus (Correction of Properties - addition as per property verification performed during 2023/24)	35.10	65 340
Correction of Property Plant and equipment - Community Assets - Libraries against Accumulated Surplus (Correction of Properties - addition as per property verification performed during 2023/24)	35.10	2 160
Correction of Property Plant and equipment - Community Assets - Community Halls against Accumulated Surplus (Correction of Properties - addition as per property verification performed during 2023/24)	35.10	17 280
Correction of Property Plant and equipment - Community Assets - Libraries and Community Assets against Accumulated Surplus (Correction of Properties - addition - opening balance accumulated depreciation as per property verification performed during 2023/24)	35.10	-2 484
Correction of Property Plant and equipment - Community Assets - Libraries and Community Assets against Statement of Financial Performance - Depreciation and Amortisation (Correction of Properties - addition - depreciation charge as per property verification performed during 2023/24)	35.11	-164
Correction of Property Plant and equipment - Infrastructure - Work in Progress (Correction of Unbundling Projects - WIP Unbundled - Cost Transfer from WIP)	35.07	-73 821 130
Correction of Property Plant and equipment - Infrastructure - Work in Progress against Electrical Network (Correction of Unbundling Projects Electricity Network rior to 1 July 2022 - Cost Transfer from WIP)	35.07	31 532 803

35 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)

35.07 Property, Plant & Equipment (continue)

		2023 R
Correction of Property Plant and equipment - Infrastructure - Work in Progress against Road Network (Correction of Unbundling Projects Roads Network rior to 1 July 2022 - Cost Transfer from WIP)	35.07	15 794 376
Correction of Property Plant and equipment - Infrastructure - Work in Progress against Stormwater Network (Correction of Unbundling Projects Stormwater Network rior to 1 July 2022 - Cost Transfer from WIP)	35.07	4 407 339
Correction of Property Plant and equipment - Infrastructure - Work in Progress against Sanitation Network (Correction of Unbundling Projects Sanitation Network rior to 1 July 2022 - Cost Transfer from WIP)	35.07	22 086 611
Correction of Property Plant and equipment - Infrastructure - Accumulated Depreciation against Accumulated Surplus (Correction of Unbundling of Projects Depreciation charge prior to 1 July 2022)	35.10	-3 105 977
Correction of Property Plant and equipment - Infrastructure - Accumulated Depreciation against Statement of Financial Performance - Depreciation and Amortisation (Correction of Unbundling of Projects Depreciation charge during 2022/23)	35.11	-1 642 931
Correction of Property Plant and equipment - Infrastructure - Water network against Sanitation network (Correction of trial balance amounts as per FAR prior 1 July 2022)	35.07	282 166
Correction of Property Plant and equipment - Infrastructure - Water network against Sanitation network (Correction of trial balance amounts as per FAR prior 1 July 2022)	35.07	-282 166
Total		**455 157 876**

35.08 Current Employee Benefits

Disclosure as required by GRAP 1.

Balance previously reported		**6 728 126**
Correction of Current Employee Benefits - Staff Leave against Accumulated Surplus (Correction of Staff Leave Accrual 2022 as per recalculated leave register for the 2021/22 financial year)	35.10	-39 922
Correction of Current Employee Benefits - Staff Leave against Statement of Financial Performance - Employee Benefits - Provision for staff leave (Correction of Staff Leave Accrual 2023 as per the	35.11	207 419
Total		**6 895 624**

35.09 Payables from exchange transactions

Disclosure as required by GRAP 1.

Balance previously reported		**291 359 268**
Correction of Accumulated Surplus against Trade and Other Payables - Sundry Payables (Correction of Salary control - COVID 19 - SDL reduction during 2020/21)	35.10	-90 502
Correction of Accumulated Surplus against Trade and Other Payables - Unspent Grants (Correction of Unspent grant rollover correction of 2021 not allowed by NT during 2020/21)	35.10	676 748
Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - General Expenses - Vehicle licences (Capturing invoice relating to payment 15_4193 for expenditure relating to 2022/23)	35.11	225 238
Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - Bulk Purchases - Electricity (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.11	182 526
Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange transactions - VAT receivable (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.01	27 379
Correction of Payables from exchange transactions - Trade Payables against Finance charges - Payables & Creditors (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.11	7 408
Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Capturing worksmens compensation relating to the 2022 and prior years)	35.10	3 074 594
Correction of Payables from exchange transactions - Trade Payables against Statement of Financial Performance - General Expenses - Worksmens Compensation (Capturing worksmens compensation relating to the 2022/23 financial year)	35.11	434 711
Correction of Employee Related Costs - Salaries and Wages against Payables from exchange transactions - Sundry Payables - Salary control (Capturing backpay and once off allowance for the 2022/23 financial year)	35.11	205 204
Correction of Payables from exchange transactions - Sundry Payables against Accumulated Surplus (Correction of Retention Breipaal 100 stands project)	35.10	15 216
Correction of Payables from exchange transactions - Sundry Payables against VAT Payable from exchange transactions - VAT receivable (Correction of Retention Breipaal 100 stands project)	35.01	2 282
Total		**296 120 072**

35 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)

35.10 Accumulated Surplus/(Deficit)

Disclosure as required by GRAP 1.

		2023 R
Balance previously reported		**194 569 568**
Correction of Property Plant and equipment - Land against Accumulated Surplus (Correction of disposal of Erf 645 - Griekwastad during 2021/22)	35.07	-5 000
Correction of Accumulated Surplus against Trade and Other Payables - Sundry Payables (Correction of Salary control - COVID 19 - SDL reduction during 2020/21)	35.09	90 502
Correction of Accumulated Surplus against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2022)	35.03	-604 660
Correction of Accumulated Surplus against Trade and Other Payables - Unspent Grants (Correction of Unspent grant rollover correction of 2021 not allowed by NT during 2020/21)	35.09	-676 748
Correction of Accumulated Depreciation against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2021/22)	35.03	-12 474
Correction of Current Employee Benefits - Staff Leave against Accumulated Surplus (Correction of Staff Leave Accrual 2022 as per recalculated leave register for the 2021/22 financial year)	35.08	39 922
Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Capturing worksmens compensation relating to the 2022 and prior years)	35.09	-3 074 594
Correction of VAT Payable from exchange transactions - VAT receivable against Accumulated Surplus (Correction of VAT input as per assessment VAT 201 202111)	35.01	-24 469
Correction of Property Plant and equipment - Land & Buildings - Land against Accumulated Surplus (Correction of Properties as per property verification performed during 2023/24)	35.07	-345 601
Correction of Property Plant and equipment - Community Assets - Holiday Resort against Accumulated Surplus (Correction of Properties as per property verification performed during 2023/24)	35.07	-350 000
Correction of Property Plant and equipment - Land & Buildings - Land against Accumulated Surplus (Correction of Properties - addition as per property verification performed during 2023/24)	35.07	3 640 250
Correction of Property Plant and equipment - Community Assets - Cemetary against Accumulated Surplus (Correction of Properties - addition as per property verification performed during 2023/24)	35.07	65 340
Correction of Property Plant and equipment - Community Assets - Libraries against Accumulated Surplus (Correction of Properties - addition as per property verification performed during 2023/24)	35.07	2 160
Correction of Property Plant and equipment - Community Assets - Community Halls against Accumulated Surplus (Correction of Properties - addition as per property verification performed during 2023/24)	35.07	17 280
Correction of Property Plant and equipment - Community Assets - Libraries and Community Assets against Accumulated Surplus (Correction of Properties - addition - opening balance accumulated depreciation as per property verification performed during 2023/24)	35.07	-2 484
Correction of Property Plant and equipment - Infrastructure - Accumulated Depreciation against Accumulated Surplus (Correction of Unbundling of Projects Depreciation charge prior to 1 July 2022)	35.07	-3 105 977
Correction of Payables from exchange transactions - Sundry Payables against Accumulated Surplus (Correction of Retention Breipaal 100 stands project)	35.09	-15 216
Total		**190 207 798**

35 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)

35.11 Changes to Statement of Financial Performance

		2023 R
Balance previously reported		**-15 709 168**
Correction of Property Plant and equipment - Other Assets - Office Equipment against Statement of Financial Performance - Contributed PPE (Reversal of Duplication of Nashua printers recognised in 2022/23)	35.07	-755 090
Correction of Property Plant and equipment - Other Assets - Office Equipment against Statement of Financial Performance - Depreciation (Reversal of Duplication of Nashua printers recognised in 2022/23)	35.07	188 126
Correction of Unspent Conditional Government Grants and Receipts against Statement of Financial Performance - Government Grants and subsidies - LG Seta (Correction of LG Seta grant spending incorrectly reported during 2023)	35.05	186 600
Correction of Property Plant and equipment - Land against Statement of Financial Performance - Gains / Losses on Disposal of PPE (Correction of disposal of Erf 1940 - Griekwastad during 2022/23)	35.07	-1
Correction of Long term liabilities against Statement of Financial Performance - General Expenses - Telephone Expenses (Correction of payment allocation for capital portion for 2022/23)	35.02	10 200
Correction of Long term liabilities against Statement of Financial Performance - Finance Charges - Long-term Liabilities (Correction of recognition of Interest portion for 2022/23)	35.02	-2 667
Correction of Property Plant and equipment - Other Assets - Computer Hardware against Statement of Financial Performance - Depreciation and Amortisation (Correction of depreciation charge for laptops purchased during 2022/23)	35.07	-4 181
Correction of Statement of Financial Performance - Service charges - Sewerage and Sanitation charges against Trade and other receivables from Exchange transactions - Sewerage (Correction of sewerage points on business debtors incorrectly charged for 2023)	35.03	-750 219
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Statement of Financial Performance - Less Income Foregone - Rates (Correction of rebate as per account 13398 in 2023)	35.04	2 602
Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - General Expenses - Vehicle licences (Capturing invoice relating to payment 15_4193 for expenditure relating to 2022/23)	35.09	-225 238
Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - Bulk Purchases - Electricity (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.09	-182 526
Correction of Payables from exchange transactions - Trade Payables against Finance charges - Payables & Creditors (Capturing invoice relating to payment 15_2811 for expenditure relating to 2022/23)	35.09	-7 408
Correction of Statement of Financial Performance - Bad Debts Written off against Trade and other receivables from Exchange transactions - Water (Correction of Debt write off during 2022/23)	35.03	-14 348
Correction of Statement of Financial Performance - Service Charges - Water against Trade and other receivables from Exchange transactions - Water (Correction of Duplication of Water meter during 2022/23)	35.03	-10 643
Correction of Current Employee Benefits - Staff Leave against Statement of Financial Performance - Employee Benefits - Provision for staff leave (Correction of Staff Leave Accrual 2023 as per the recalculated leave register during the 2022/23 financial year)	35.08	-207 419
Correction of Payables from exchange transactions - Trade Payables against Statement of Financial Performance - General Expenses - Worksmens Compensation (Capturing worksmens compensation relating to the 2022/23 financial year)	35.09	-434 711
Correction of Inventory Consumed - Water against Bulk Purchases - Water (Correction of classification of Water inventory consumed during 2022/23 financial year)	35.11	-1 110 622
Correction of Inventory Consumed - Water against Bulk Purchases - Water - Stock adjustments (Correction of classification of Water inventory consumed during 2022/23 financial year)	35.11	-121 781
Correction of Inventory Consumed - Water against Bulk Purchases - Water (Correction of classification of Water inventory consumed during 2022/23 financial year)	35.11	1 110 622
Correction of Inventory Consumed - Water against Bulk Purchases - Water - Stock adjustments (Correction of classification of Water inventory consumed during 2022/23 financial year)	35.11	121 781
Correction of Property Plant and equipment - Community Assets - Libraries and Community Assets against Statement of Financial Performance - Depreciation and Amortisation (Correction of Properties - addition - depreciation charge as per property verification performed during 2023/24)	35.07	-164
Correction of Property Plant and equipment - Infrastructure - Accumulated Depreciation against Statement of Financial Performance - Depreciation and Amortisation (Correction of Unbundling of Projects Depreciation charge during 2022/23)	35.07	-1 642 931
Correction of Employee Related Costs - Salaries and Wages against Payables from exchange transactions - Sundry Payables - Salary control (Capturing backpay and once off allowance for the 2022/23 financial year)	35.09	-205 204
Total		**-19 764 388**

35 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)

35.12 Statutory Receivables

		2023 R
Balance previously reported		**39 834 027**
Correction of Statutory Receivables - Taxes - VAT Receivables (Correction of disclosure of VAT receivable as only the amount declared to SARS and not the inclusion of the VAT accrual portion as the Statutory Receivable is only applicable on the portion due to SARS)	35.12	-26 771 243
Total		13 062 784

35.13 Irregular expenditure

Balance previously reported		**16 483 030**
Correction of prior period Irregular (Correction of Irregular expenditure not captured during 2022/23)	35.13	509 759
Total		16 992 789

35.14 Capital Commitments

Balance previously reported		**7 488 589**
Correction of Capital commitment disclosure (Correction of project costs - Project Roads Siya02/2021 & Siyancuma High Mast Lights)	35.14	3 378 776
Total		10 867 364

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

	2024 R	2023 R
Surplus/(Deficit) for the year	30 628 834	(19 764 388)
Adjustments for:		
Depreciation	12 578 555	11 511 540
Amortisation of Intangible Assets	19 187	35 036
Contributed PPE	-	(2 899)
Impairments	1 839	20 920
(Gain)/ loss on disposal of Property Plant and Equipment	15 600	549 023
Additions of Biological Assets	(46 016)	-
Gain/ (loss) on disposal of Biological Assets	-	(19 098)
Contribution from/to employee benefits - benefits paid	(1 504 608)	(1 007 761)
Contribution from/to employee benefits - non-current - expenditure incurred	3 352 000	3 287 000
Contribution from/to employee benefits - non-current - actuarial gains	(791 392)	(2 254 239)
Contribution to employee benefits – current	4 061 004	4 493 675
Contribution to employee benefits – current - expenditure incurred	(3 735 410)	(3 401 706)
Contribution to provisions – current	2 915 069	3 011 648
Contribution to provisions – Debt Impairment	39 431 599	22 448 154
Bad Debt written off	8 433 872	(112 202 378)
Debt Waived	(49 506 279)	-
Finance charges - Debt Relief	24 998 573	-
Public Contributions and Donations	(1 768 604)	-
Fair Value Adjustments	12 700	(27 744)
Operating lease income accrued	(93 720)	3 211
Operating Surplus/(Deficit) before changes in working capital	69 002 800	(93 320 006)
Changes in working capital	(33 315 476)	111 802 426
Increase/(Decrease) in Payables From Exchange Transactions	25 088 543	54 320 776
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(3 767 341)	(11 187 288)
(Increase)/Decrease in Taxes	(911 880)	(4 562 341)
(Increase)/Decrease in Inventory	102	(902)
(Increase)/Decrease in Trade Receivables from exchange transactions	(45 110 631)	70 556 459
(Increase)/Decrease in Other Receivables from non-exchange transactions	(8 614 268)	2 675 722
Cash generated/(absorbed) by operations	**35 687 325**	**18 482 421**

37 CASH AND CASH EQUIVALENTS

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

		2024 R	2023 R
Call Investments Deposits	11	4 663 715	12 637 399
Cash Floats	11	550	550
Bank	11	6 265 828	7 084 465
Total cash and cash equivalents		**10 930 093**	**19 722 414**

38 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

	Note	2024 R	2023 R
Cash and Cash Equivalents	37	10 930 093	19 722 414
		10 930 093	19 722 414
Less:		9 477 108	13 244 449
Unspent Committed Conditional Grants - Prior year - Still to be withheld	18	8 856 954	8 856 954
Unspent Committed Conditional Grants - Current year		620 153	4 387 495
Resources available for working capital requirements		**1 452 985**	**6 477 965**

39 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

	Note	2024 R	2023 R
Long-term Liabilities	12	35 495	299 474
Used to finance property, plant and equipment - at cost		-35 495	-299 474
		-	-
Cash set aside for the repayment of long-term liabilities		-	-
Cash invested for repayment of long-term liabilities		**-**	**-**

40 BUDGET INFORMATION

2024 R | 2023 R

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts are disclosed as a separate additional financial statement, namely Statement of comparison of budget and actual amounts.

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

The comparable information includes the following:

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

Explanations for differences between the approved and final budget are included in the additional Statement of comparison of budget and actual amounts.

Explanations for material differences between the final budget amounts and actual amounts are included the Statement of comparison of budget and actual amounts.

41 CASH FLOW PRESENTATION

2024 R | 2023 R

The Cash flow statement has been prepared on the direct method as in accordance with GRAP 2. The comparative amounts have been adjusted with any changes made to the comparative amounts as disclosed in Note 35.

		2024	2023
42	**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**	**R**	**R**

42.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

	2024	2023
Opening balance	29 085 137	204 851 251
Unauthorised expenditure current year - capital	-	1 751 401
Unauthorised expenditure current year - operating	59 238 362	27 333 736
Approved by Council or condoned	-	(204 851 251)
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	**88 323 499**	**29 085 137**

Incident	**Disciplinary steps/criminal proceedings**
Over expenditure on votes	*None*

Unauthorised expenditure current year - operating	**2024 R (Actual)**	**2024 R (Budget)**	**2024 R (Variance)**	**2024 R (Unauthorised)**
Executive & Council	6 754 024	10 533 896	(3 779 872)	-
Budget & Treasury	58 993 348	38 301 654	20 691 694	20 691 694
Corporate Services	29 125 673	23 011 414	6 114 259	6 114 259
Community & Social Services	2 485 389	3 012 114	(526 725)	-
Public Safety	3 144 939	3 139 241	5 698	5 698
Sport & Recreation	391 672	386 388	5 284	5 284
Waste Management	16 146 784	8 393 677	7 753 107	7 753 107
Waste Water Management	23 809 411	16 163 836	7 645 575	7 645 575
Road Transport	14 044 684	13 582 478	462 206	462 206
Water	31 528 028	13 935 817	17 592 211	17 592 211
Electricity	79 113 602	91 149 090	(12 035 488)	-
	265 537 554	**221 609 605**	**43 927 949**	**60 270 034**

Unauthorised expenditure current year - operating (per vote)

Municipal Manager	1 418 430	2 219 936	(801 506)	-
Council	6 754 024	8 313 960	(1 559 936)	-
Corporate and Human Resources	27 706 807	23 011 414	4 695 393	4 695 393
Finance	58 321 126	37 361 164	20 959 962	20 959 962
Properties	672 652	940 490	(267 838)	-
Libraries	1 947 380	2 282 928	(335 548)	-
Cemetary	538 008	729 186	(191 178)	-
Parks and Recreation	391 672	386 388	5 284	5 284
Disaster Management	1 346 582	1 221 957	124 625	124 625
Waste Management	16 146 784	8 393 677	7 753 107	7 753 107
Public Works	14 044 684	13 582 478	462 206	462 206
Electricity	79 113 602	91 149 090	(12 035 488)	-
Water	31 528 028	13 935 817	17 592 211	17 592 211
Waste Water Management	23 809 411	16 163 836	7 645 575	7 645 575
Traffic	1 798 364	1 917 284	(118 920)	-
	265 537 554	**221 609 605**	**43 927 949**	**59 238 362**

Unauthorised expenditure current year - capital	**2024 R (Actual)**	**2024 R (Budget)**	**2024 R (Variance)**	**2024 R (Unauthorised)**
	-			
Budget & Treasury	1 572 259	2 100 000	(527 741)	-
Corporate Services	-	-	-	-
Community & Social Services	-	-	-	-
Waste Water Management	15 772 837	16 161 000	(388 163)	-
Road Transport	-	-	-	-
Water	21 538 863	22 100 000	(561 137)	-
Electricity	5 358 393	6 737 000	(1 378 607)	-
	44 242 352	**47 098 000**	**(2 855 648)**	**-**

42 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUE)

Unauthorised expenditure current year - capital (per vote)

	R (Actual)	R (Budget)	2024 R (Variance)	2023 R (Unauthorised)
Corporate and Human Resources	-	-	-	-
Finance	1 572 259	2 100 000	(527 741)	-
Parks and Recreation	-	-	-	-
Public Works	-	-	-	-
Electricity	5 358 393	6 737 000	(1 378 607)	-
Water	21 538 863	22 100 000	(561 137)	-
Waste Water Management	15 772 837	16 161 000	(388 163)	-
	44 242 352	**47 098 000**	**(2 855 648)**	**-**

	2024 R	2023 R
The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:		
Non-cash	27 580 534	15 998 017
Cash	31 657 829	11 335 719
	59 238 362	**27 333 736**

Analysed as follows: Non-cash	2024 R	2023 R
Employee related cost (Actuarial Valuations)	-	2 329 000
Depreciation and Amortisation	-	10 087 427
Finance Charges (Interest portion of Provision for Rehabilitation of Landfill-sites)	-	3 011 648
Finance Charges (Actuarial Interest)	-	-
Loss on disposal of Property, Plant and Equipment	15 489	549 022
Impairment Losses	1 839	20 920
Debt Impairment	27 563 206	-
	27 580 534	**15 998 017**

Analysed as follows: Cash	2024 R	2023 R
Employee related cost	-	
Operational Costs		
Other	31 657 829	11 335 719
	31 657 829	**11 335 719**

42.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

	2024	2023
Opening balance	11 223 575	35 467 559
Fruitless and wasteful expenditure current year	1 565 797	11 141 282
Condoned or written off by Council	-	(35 385 265)
Fruitless and wasteful expenditure awaiting condonement	**12 789 372**	**11 223 575**

Incident	Disciplinary steps/criminal proceedings	2024	2023
2021 - Travel allowance paid in excess to the amount of R82 294 to MF Fillis	*None*	-	82 294
2023 - Interest for the late payment on Eskom's account R10 647 789.05	*None*	-	10 647 789
2023 - Interest for the late payment on Auditor General's account R300 733.42	*None*	-	300 733
2023 - Interest for the late payment on various different vendors' accounts R67 658.55	*None*	-	67 659
2023 - Interest and Penalty's paid to SARS on VAT 201 returns amounting to R125 100.63	*None*	-	125 101
2024 - Interest for the late payment on Eskom's account R10 467 250	*None*	10 467 250	-
2024 - Interest for the late payment on Eskom's account reversal (R9 159 861)		(9 159 861)	
2024 - Interest for the late payment on Auditor General's account R246 176.44	*None*	246 176	-
2024 - Interest for the late payment on various different vendors' accounts R12 231.69	*None*	12 232	-

42 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUE)

42.3 Irregular expenditure

	2024 R	2023 R
Reconciliation of irregular expenditure:		
Opening balance	16 992 789	82 384 181
Irregular expenditure current year	19 227 438	16 212 656
Balance previously reported	-	15 702 897
Correction of prior period Irregular (Correction of Irregular expenditure not captured during 2022/23)	-	509 759
Irregular expenditure prior year	-	35 000
Written off by Council	-	(81 639 048)
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting condonement	**36 220 227**	**16 992 789**

Incident	Disciplinary steps/criminal proceedings	2024 R	2023 R
2018 - Non-compliance with Collective Agreement - Payments made above the upper limits	*None*	-	18 224
2019 - Non-compliance with Collective Agreement - Payments made above the upper limits	*None*	-	209 607
2020 - Non-compliance with Collective Agreement - Payments made above the upper limits	*None*	-	192 150
2021 - Non-compliance with Collective Agreement - Payments made above the upper limits	*None*	-	325 152
2023 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - 3 Quotations not obtained	*None*	-	2 780 090
2023 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Various	*None*	-	3 550 032
2023 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Regulation 32	*None*	-	8 599 475
2023 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Preference point system not applied	*None*	-	1 318 059
2024 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - 3 Quotations not obtained	*None*	2 004 599	-
2024 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Various	*None*	6 402 689	-
2024 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Regulation 32	*None*	6 443 827	-
2024 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Preference point system not applied	*None*	4 333 930	-
2024 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Acting MM allowance which exceeds timeframe	*None*	42 394	-

The list of Irregular expenditure will be investigated and proceedings will be reported on.

The amounts above are disclosed at the VAT exclusive amount.

42.4 Material Losses

Electricity distribution losses		
Units purchased (Kwh)	26 089 293	26 228 177
- Units lost during distribution (Kwh)	4 890 297	5 284 150
- Percentage lost during distribution	**18.74%**	**20.15%**
Water distribution losses		
- Mega litres purified	1 816 020	1 816 020
- Mega litres lost during distribution	496 514	179 452
- Percentage lost during distribution	**27.34%**	**9.88%**

43 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

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

	2024 R	2023 R
Opening balance	43 986	674 346
Council subscriptions	755 852	730 028
Amount paid - current year	(755 852)	(686 042)
Amount paid - previous years	(43 986)	(674 346)
Balance unpaid	**(0)**	**43 986**

43.2 Audit fees - [MFMA 125 (1)(b)]

	2024 R	2023 R
Opening balance	2 133 381	2 574 395
Current year audit fee	3 515 229	3 905 557
Amount paid - current year	(2 133 381)	(1 772 176)
Amount paid - previous year	(2 265 891)	(2 574 395)
Balance unpaid (included in creditors)	**1 249 338**	**2 133 381**

43.3 VAT - [MFMA 125 (1)(b)]

	2024 R	2023 R
VAT	**32 764 722**	**26 987 041**

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

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUE)

43.4 PAYE, SDL and UIF - [MFMA 125 (1)(b)]

	2024 R	2023 R
Opening balance	805 093	837 624
Current year payroll deductions and Council Contributions	11 016 898	10 494 869
Amount paid - current year	-10 924 425	-10 527 400
Balance unpaid (included in creditors)	**897 566**	**805 093**

43.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]

	2024 R	2023 R
Opening balance	2 001 856	910 183
Current year payroll deductions and Council Contributions	16 384 116	16 742 988
Amount paid - current year	-15 065 374	-14 741 132
Amount paid - previous year	-2 001 856	-910 183
Balance unpaid (included in creditors)	**1 318 743**	**2 001 856**

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

The following Councillors had arrear accounts for more than 90 days as at 30 June 2024:

	Acc no	2024 R Outstanding more than 90 days	2023 R Outstanding more than 90 days
CZ Nyangintaka	5698	396	160
WJ van Bergen	831	32 037	13 027
WJ van Bergen	4083	34 490	14 390
WJ van Bergen	4082	32 847	13 675
WJ van Bergen	4081	34 338	14 279
WJ van Bergen	4079	58 678	24 849
Total Councillor Arrear Consumer Accounts		**192 787**	**80 380**

		2024	2023
43	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUE)**	**R**	**R**

43.7 Non-Compliance with MFMA

* *Section 65(2)(e) of the MFMA: Creditors were not paid within the 30 day limit.*

43.8 Deviations - Supply Chain Management

Deviations from the Supply Chain Management Regulations were identified on the following categories:

	2024	2023
Deviations per financial category		
- Between R 0 and R 2 000	-	-
- Between R 2 000 and R 10 000	343 484	196 944
- Between R 10 000 and R 30 000	572 947	246 958
- Between R 30 000 and R 500 000	1 290 926	2 327 600
	2 207 356	**2 771 502**

Deviations between R30 000 and R500 000

	2024	2023
Marvin Marketing - Insufficient quotes - Deviation from SCM	623 530	640 188
NEXO Consulting - Insufficient quotes - Deviation from SCM	38 249	-
University of Free State - Insufficient Quotations (testing of water) - Deviation from SCM	101 992	141 858
AAS Solutions - Chlorine for WTW - Insufficient Quotes - Deviations from SCM	-	41 419
C-Pac Pumps - Insufficient quotes - Deviation from SCM	58 216	172 897
Newgen pumps - Insufficient quotes - Deviation from SCM	54 177	201 566
Herman van Heerden - Insufficient quotes	-	100 000
Waterman - Repair of pumps - Insufficient Quotes - Deviation from SCM	-	35 000
Jicama - WTW disinfect of water - Insufficient Quotes - Deviation from SCM	-	95 713
AG Pumps - Sole supplier of pumps - Insufficient Quotes - Deviation from SCM	-	38 249
Abuti Consulting - Insufficient Quotes - Deviation from SCM	-	198 683
NC Pumps - Repair valve WTW - Insufficient Quotes - Deviation from SCM	-	334 565
Willtech - Transformer - Insufficient Quotes - Deviation from SCM	-	327 462
Zarmeka - Refuse bags - Insufficient Quotes - Deviation from SCM	50 926	-
Jicama 167 AAS - Chlorine - Insufficient Quotes - Deviation from SCM	30 391	
Zarmeka - Cleaning Material - Insufficient Quotes - Deviation from SCM	44 880	
Sol Plaatje University - Training of Councillors - Insufficient Quotes - Deviation from SCM	41 350	
LAG Trading - Printing material - Insufficient Quotes - Deviation from SCM	77 464	
Douglas Bennet Attorney - Legal fees- Insufficient Quotes - Deviation from SCM	51 750	
LAG Trading - Transformer - Insufficient Quotes - Deviation from SCM	118 000	

			2024	2023
44	**CAPITAL COMMITMENTS**		**R**	**R**
	Commitments in respect of capital expenditure:			
	Approved and contracted for:		65 264 116	10 867 364
	Infrastructure		65 264 116	10 867 364
	Balance previously reported			7 488 589
	Correction of Capital commitment disclosure (Correction of project costs - Project Roads Siya02/2021 & Siyancuma High Mast Lights)	35.12	-	3 378 776
	Total		**65 264 116**	**10 867 364**
	This expenditure will be financed from:			
	Government Grants		65 264 116	10 867 364
			65 264 116	**10 867 364**

The amounts disclosed above are VAT inclusive.

	2024	2023
	R	R

45 FINANCIAL RISK MANAGEMENT

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

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

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

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

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

	2024	2023
	R	R
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:		
0.5% (2023 - 0.5%) Increase in interest rates	54 470	96 837
0.5% (2023 - 0.5%) Decrease in interest rates	(54 470)	(96 837)

(d) Credit Risk

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

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

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

All rates and services are payable within 30 days from invoice date. Refer to note 6 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 6 for balances included in receivables that were re-negotiated for the period under review.

	2024	2023
45 FINANCIAL RISK MANAGEMENT (CONTINUE)	**R**	**R**

Balances past due not impaired:

	2024 %	2024 R	2023 %	2023 R
Non-Exchange Receivables				
Rates	100.00%	13 026 786	100.00%	10 547 735
Exchange Receivables				
Electricity	153%	3 957 045	59%	1 913 199
Water	14%	371 143	37%	1 180 121
Refuse	-23%	(598 241)	4%	135 615
Sewerage	-3%	(82 428)	19%	599 292
Other	-41%	(1 055 621)	-18%	(596 288)
	100.00%	2 591 898	100.00%	3 231 939

No trade and other receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 6 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 debtors as follows:

	2024 %	2024 R	2023 %	2023 R
Electricity	4.37%	5 458 384	5.68%	4 585 440
Water	25.86%	32 336 466	22.19%	17 913 396
Refuse	14.39%	17 991 295	10.39%	8 385 501
Sewerage	16.05%	20 070 959	11.21%	9 047 178
Other Consumer Arrears	4.00%	5 007 280	4.49%	3 628 395
Rates	25.44%	31 806 367	31.40%	25 348 902
Fines	9.88%	12 357 242	14.64%	11 821 782
	100.00%	125 027 994	100.00%	80 730 594

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 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:

	2024	2023
Trade receivables and other receivables	28 284 941	28 004 035
Cash and Cash Equivalents	10 930 093	19 722 414
	39 215 034	47 726 449

	2024	2023
	R	R

45 **FINANCIAL RISK MANAGEMENT (CONTINUE)**

(e) Liquidity Risk

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

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

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

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2024				
Long Term liabilities	24 480	14 280	-	-
Capital repayments	21 713	13 782	-	-
Interest	2 767	498	-	-
Payables From Exchange Transactions	145 232 444	142 558 709	-	-
Capital repayments	145 232 444	142 558 709	-	-
Interest	-	-	-	-
Provisions	-	24 752 283	32 920 635	-
Capital repayments	-	21 048 966	17 505 051	-
Interest	-	3 703 317	15 415 584	-
Unspent conditional government grants and receipts	620 153	-	-	-
	145 877 077	167 325 273	32 920 635	-
2023				
Long Term liabilities	307 597	108 188	-	-
Capital repayments	268 612	85 867	-	-
Interest	38 985	22 321	-	-
Payables From Exchange Transactions	288 978 921	-	-	-
Capital repayments	288 978 921	-	-	-
Interest	-	-	-	-
Provisions	-	23 819 419	34 904 341	-
Capital repayments	-	18 305 582	14 508 211	-
Interest	-	5 513 837	20 396 130	-
Unspent conditional government grants and receipts	4 387 495	-	-	-
	293 674 013	23 927 607	34 904 341	-

		2024 R	2023 R

46 FINANCIAL INSTRUMENTS

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

The fair value of financial instruments approximates the amortised costs as reflected bellow.

46.1

Financial Assets	Classification IAS 39	2024 R	2023 R
Long-term Receivables			
Trade and other receivables with arrangements	Financial instruments at amortised cost	-	-
Consumer Debtors			
Trade receivables from exchange transactions	Financial instruments at amortised cost	87 171 325	52 907 690
Other receivables from exchange transactions	Financial instruments at amortised cost	7 531 859	5 831 456
Other receivables from non-exchange transactions	Financial instruments at amortised cost	58 609 751	49 995 483
Other Debtors			
Government Subsidies and Grants	Financial instruments at amortised cost	-	-
Current Portion of Long-term Receivables			
Trade and other receivables with arrangements	Financial instruments at amortised cost	-	-
Short-term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	4 663 715	12 637 399
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	6 265 828	7 084 465
Cash Floats and Advances	Financial instruments at amortised cost	550	550
		164 243 028	**128 457 043**

SUMMARY OF FINANCIAL ASSETS

Financial instruments at amortised cost		**164 243 028**	**128 457 043**

46.2

Financial Liability	Classification IAS 39	2024 R	2023 R
Long-term Liabilities			
Annuity Loans	Financial instruments at amortised cost	-	-
Capitalised Lease Liability	Financial instruments at amortised cost	13 782	87 573
Trade Payables			
Trade creditors	Financial instruments at amortised cost	222 002 142	277 030 324
Sundry creditors	Financial instruments at amortised cost	4 202 812	3 116 597
Deposits	Financial instruments at amortised cost	-	8 832 000
Unspent Conditional Grants and Receipts			
Other Spheres of Government	Financial instruments at amortised cost	620 153	4 387 495
Current Portion of Long-term Liabilities			
Annuity Loans	Financial instruments at amortised cost	-	-
Capitalised Lease Liability	Financial instruments at amortised cost	21 713	266 907
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	-	-
		226 860 603	**293 720 895**

SUMMARY OF FINANCIAL LIABILITY

Financial instruments at amortised cost		**226 860 603**	**293 720 895**

			2024	2023
47	**EVENTS AFTER THE REPORTING DATE**		**R**	**R**

After year end there was a break in at the Breipaal cash office and upon the investigation to determine the financial loss. During this investigation it was determined that further irregularities may have taken place in connection with fictitious prepaid vending.

			2024	2023
48	**STATUTORY RECEIVABLES**		**R**	**R**

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

		2024	2023
Taxes			
VAT Receivable		637 372	237 985
Balance previously reported		-	27 009 228
Correction of Statutory Receivables - Taxes - VAT Receivables (Correction of disclosure of VAT receivable as only the amount declared to SARS and not the inclusion of the VAT accrual portion as the Statutory Receivable is only applicable on the portion due to SARS)	35.12	-	(26 771 243)
Receivables from Non-Exchange Transactions		58 609 751	49 995 483
Rates		45 419 491	37 227 135
Fines		13 190 260	12 768 348
Total Statutory Receivables (before provision)		**59 247 123**	**50 233 468**
Less: Provision for Debt Impairment		(44 163 610)	(37 170 684)
Total Statutory Receivables (after provision)		**15 083 513**	**13 062 784**

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)
Fines	- Criminal Procedurs Act

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

(Rates): Ageing	2024 R	2023 R
Current (0 - 30 days)	586 338	1 330 497
31 - 60 Days	555 039	607 763
61 - 90 Days	534 766	577 187
+ 90 Days	43 743 348	34 711 687
Total	**45 419 491**	**37 227 135**

Reconciliation of Provision for Debt Impairment	2024 R	2023 R
Balance at beginning of year	(25 348 902)	(38 784 322)
Contribution to provision	(6 457 465)	13 435 420
Balance at end of year	**(31 806 367)**	**(25 348 902)**

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

		2024	2023
49	**IN-KIND DONATIONS AND ASSISTANCE**	**R**	**R**

Donations received is due to financial assistance received from National Treasury with regards to the Auditor General's prior period audit fees and outstanding interest for R1 768 604.

		2024	2023
50	**PRIVATE PUBLIC PARTNERSHIPS**	**R**	**R**

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

51 CONTINGENT LIABILITY	2024 R	2023 R
Siyancuma has a possible liability regarding litigation claims with regard to the drowning of a child at sewerage works - amount is unknown	-	-
Siyancuma has a possible liability regarding litigation claims with regard to the child which was run over by the refuse truck - amount is unknown	-	-
Siyancuma Municipality has a possible liability with regards to the landfill site licence for Griekwastad which is outstanding, the amount of the liability is unknown and no estimate can be made as no offical application has been made.	-	-
Siyancuma municipality has a possible liability regarding litigation claims from Brilliant Business Affairs due to outstanding amounts.	-	200 000
Siyancuma municipality has a possible liability regarding litigation claims from BJ Tshaka.	-	100 000
Siyancuma Municipality has a possible liability with regards to the provincial library grant received - the contingent liability is due to the possible incorrect VAT treatment of the grant received as zero rated and not standard rated - this could lead to possible output VAT to be declared and paid over to SARS. - Amount unknown	-	-

52 RELATED PARTIES

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

52.1 Related Party Transactions

Year ended 30 June 2024

Councillors	Term	Account	Rates - Levied 1 July 2023 - 30 June 2024	Service Charges - Levied 1 July 2023 - 30 June 2024	Other - Levied 1 July 2023 - 30 June 2024	Outstanding Balances 30 June 2024
Councillors			**64 258**	**89 722**	**17 225**	**218 910**
L van Niekerk		212	3 525	11 410	125	720
EK Louw		893	-	10 608	-	474
MJ Katz		4615	-	4 032	42	340
DRN Ellison		3285	82	3 348	36	282
IA Baardman Koaho		12615	-	336	6	342
WJ van Bergen		858	-	6 508	-	557
WJ van Bergen		831	14 693	-	2 811	35 576
WJ van Bergen		4083	6 729	8 508	2 868	38 721
WJ van Bergen		4082	6 042	8 508	2 737	36 912
WJ van Bergen		4081	6 729	8 508	2 868	38 568
WJ van Bergen		4079	25 497	-	4 877	64 819
WJ van Bergen		3778	-	14 258	730	246
VB Makabe		5728	330	5 485	-	461
HT Kolberg		9167	449	8 214	91	452
CZ Nyangintaka		5698	183	-	35	440
D Smous		10820	-	2 056	21	154
Municipal Manager and Section 57 Employees			**-**	**4 922**	**44**	**681**
MF Manuel		16356	-	849	-	354
CC Zealand		4056	-	2 100	22	164
XS Geco		4058	-	1 972	22	164

		2024	2023
52	**RELATED PARTIES (CONTINUE)**	R	R

Year ended 30 June 2023		Rates - Levied 1 July 2022 - 30 June 2023	Service Charges - Levied 1 July 2022 - 30 June 2023	Other - Levied 1 July 2022 - 30 June 2023	Outstanding Balances 30 June 2023
Councillors		**60 719**	**221 055**	**33 883**	**127 257**
L van Niekerk	212	3 325	10 791	72	654
EK Louw	893	-	9 151	130	604
MJ Katz	4615	-	3 816	28	318
DRN Ellison	3285	78	3 168	19	264
IA Baardman Koaho	12615	-	3 816	22	318
WJ van Bergen	858	101	5 660	11	526
WJ van Bergen	831	13 862	-	4 210	18 072
WJ van Bergen	4083	6 348	8 052	6 216	20 616
WJ van Bergen	4082	5 700	8 052	5 873	19 626
WJ van Bergen	4081	6 348	8 052	6 064	20 464
WJ van Bergen	4079	24 051	-	10 394	34 445
WJ van Bergen	3778	-	148 177	-	10 344
VB Makabe	5728	311	5 852	730	389
HT Kolberg	9167	423	6 468	65	397
CZ Nyangintaka	5698	173	-	50	222
Municipal Manager and Section 57 Employees		**-**	**5 152**	**29**	**498**
MF Manuel	16356	-	1 196	5	172
CC Zealand	4056	-	2 078	12	172
XS Geco	4058	-	1 878	11	153

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.

52.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note to the Annual Financial Statements.

52.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 26 to the Annual Financial Statements.

52.4 Other related party transactions

The following purchases were made during the year where Councillors or Management have an interest:

	2024	2023
Councillor WJ van Bergen During the year the Municipality transacted with Lezmin 3228 CC - Supply of Accommodation.	-	6 400
Councillor JH George No transactions were entered into during the year under reivew.	-	-
Councillor LC van Niekerk No transactions were entered into during the year under reivew.	-	-
Councillor DV Smous No transactions were entered into during the year under reivew.	-	-
Councillor PJ McKlein No transactions were entered into during the year under reivew.	-	-
Councillor MJ Katz No transactions were entered into during the year under reivew.	-	-
Councillor DRN Ellison No transactions were entered into during the year under reivew.	-	-
Councillor HT Kolberg No transactions were entered into during the year under reivew.	-	-
Councillor EK Louw No transactions were entered into during the year under reivew.	-	-
Councillor CZ Nyangintaka No transactions were entered into during the year under reivew.	-	-
Councillor VB Makabe No transactions were entered into during the year under reivew.	-	-
Councillor SA Buitendag No transactions were entered into during the year under reivew.	-	-
Councillor MG Tau No transactions were entered into during the year under reivew.	-	-

During the year the Municipality utilised Mr K van Nel & Mr J Marwane to perform the services of Removing of carpets, Painting the offices and Tiling the offices. These services were paid out as overtime worked.

	2024	2023
Mr K van Nel	26 099	-
Mr J Marwane	12 355	-

During the year bursaries were provided to certain councillors for further edcuation.

	2024	2023
PJ Mc Klein	41 350	-
MG Tau	24 225	-

53 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.

54 FINANCIAL SUSTAINABILITY

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

Financial Indicators

The current ratio increased to 0.45:1 from 0.241 in the prior year.

The municipality has furthermore budgeting for positive cash flows during 2024/2025 and 2024/2026 amounting to R114 826 000 and R90 707 000 respectively.

The average debtors' payment days decreased to 430 days from 577 days.

Creditors payment period amounts to 575 days

Debt impairment of Trade Receivables from exchange and non-exchange amounted to 83% and 74% in the prior year.

Other Indicators

Possible outflow of recources due the contingent liability disclosed in note 51

The municipality has elected to extensively adhere to Circular 123 and Circular 124 - in order to have the Eskom debt written off over the 3 year period.

The municipality adjusted budget for 2023/24 shows an improved cash flow and resulting in a positve cash balance in the 2 outer financial years.

The municipality is expecting operating government grants amounting to R71 823 000 in the next financial year.

	2024 R	2023 R
Cash available for working capital requirement (Rand)	1 452 985	6 477 965
Current Ratio (norm - 2:1)	0.45 : 1	0.24 : 1
Creditors days (norm - 30 days or less)	475 days	375 days
Average debtors payment days	430 days	577 days
Debt impairment ratio (norm - 95% or more)	82%	74%

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

APPENDIX A - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2024

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2023	Correction of Error	Balance at 30 June 2023 Restated	Received during the period	Redeemed written off during the period	Balance at 30 June 2024
LEASE LIABILITY									
Smartmeters	19 to 57%	Gridcontrol Technologies	30/04/2026	270 027	-	270 027	-	(270 027)	-
Various (Nashua) - R29785	11 to 16%	Nashua	31/07/2023	29 447	-	29 447	-	(29 447)	-
Vodacom - Laptops	10.75%	Laptops	31/01/2026	-	55 005	55 005	-	(19 510)	35 495
							-		
Total Lease Liabilities				**299 474**	**55 005**	**354 479**	**-**	**(318 984)**	**35 495**
TOTAL EXTERNAL LOANS				**299 474**	**55 005**	**354 479**	**-**	**(318 984)**	**35 495**

APPENDIX B - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024
MUNICIPAL VOTES CLASSIFICATION

2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R		2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R
62 623	(651 274)	(588 650)	Cemetary	29 357	(538 008)	(508 651)
8 426 567	(11 714 509)	(3 287 942)	Cleansing	18 444 804	(16 146 784)	2 298 020
3 228 696	(20 085 292)	(16 856 596)	Corporate and Human Resources	1 252 586	(27 706 807)	(26 454 221)
-	-	-	Council General	-	-	-
-	-	-	Depreciation Reserves	-	-	-
-	(3 914)	(3 914)	Douglas Holiday Resort	-	(583)	(583)
47 487 896	(70 435 928)	(22 948 032)	Electricity	64 914 188	(79 113 602)	(14 199 414)
84 628 653	(34 555 162)	50 073 491	Finance	98 572 433	(57 628 295)	40 944 138
-	(1 138 827)	(1 138 827)	Fire Bridge	-	(1 346 575)	(1 346 575)
3 093 000	(6 983 409)	(3 890 409)	Governance - Council	3 153 000	(6 754 024)	(3 601 024)
-	(38)	(38)	Health Services	-	(7)	(7)
-	(317 272)	(317 272)	Interns	-	(692 831)	(692 831)
1 400 000	(2 034 201)	(634 201)	Library	1 460 000	(1 947 380)	(487 380)
94 020	(2 288)	91 731	Meent	504 726	(429)	504 297
-	(1 822 322)	(1 822 322)	Municipal Manager	-	(1 418 430)	(1 418 430)
-	(371 169)	(371 169)	Parks and Recreation	-	(391 089)	(391 089)
457 800	(642 474)	(184 674)	Properties	626 051	(672 223)	(46 172)
4 330 247	(13 520 745)	(9 190 498)	Public Works: Roads	900 000	(14 044 684)	(13 144 684)
-	(12 722)	(12 722)	Sanitation	-	-	-
10 750 576	(19 701 696)	(8 951 120)	Sewerage and Sanitation	40 312 277	(23 809 411)	16 502 866
-	-	-	Stormwater Drainage	-	-	-
672 369	(1 619 213)	(946 844)	Traffic	944 435	(1 798 364)	(853 929)
25 055 131	(23 839 511)	1 215 620	Water	65 052 531	(31 528 028)	33 524 503
189 687 577	(209 451 965)	(19 764 388)	Sub Total	296 166 388	(265 537 554)	30 628 834
-	-	-	Less Inter-Departmental Charges	-	-	-
189 687 577	(209 451 965)	(19 764 388)	**Total**	296 166 388	(265 537 554)	30 628 834

APPENDIX C - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R		2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R
3 093 000	(6 983 409)	(3 890 409)	Executive & Council	3 153 000	(6 754 024)	(3 601 024)
85 086 452	(35 514 908)	49 571 545	Budget & Treasury	99 198 484	(58 993 348)	40 205 136
3 322 716	(21 909 903)	(18 587 187)	Corporate Services	1 757 312	(29 125 666)	(27 368 354)
-	(38)	(38)	Health	-	(7)	(7)
1 462 623	(2 685 475)	(1 222 851)	Community & Social Services	1 489 357	(2 485 389)	(996 032)
672 369	(2 758 040)	(2 085 671)	Public Safety	944 435	(3 144 939)	(2 200 504)
-	(375 083)	(375 083)	Sport & Recreation	-	(391 672)	(391 672)
8 426 567	(11 727 230)	(3 300 664)	Waste Management	18 444 804	(16 146 784)	2 298 020
10 750 576	(19 701 696)	(8 951 120)	Waste Water Management	40 312 277	(23 809 411)	16 502 866
4 330 247	(13 520 745)	(9 190 498)	Road Transport	900 000	(14 044 684)	(13 144 684)
25 055 131	(23 839 511)	1 215 620	Water	65 052 531	(31 528 028)	33 524 503
47 487 896	(70 435 924)	(22 948 028)	Electricity	64 914 188	(79 113 598)	(14 199 410)
						-
189 687 577	(209 451 961)	(19 764 384)	Sub Total	296 166 388	(265 537 550)	30 628 838
-	-	-	Less Inter-Departmental Charges	-	-	-
189 687 577	(209 451 961)	(19 764 384)	**Total**	296 166 388	(265 537 550)	30 628 838

APPENDIX D - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 July 2023	Correction of error	Restated balance 1 July 2023	Contributions during the year	Transfer	Transfer to Sundry Payable	Transfer from Sundry Payable	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2024
UNSPENT/UNPIAD CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS										
	R	**R**	**R**	**R**	**R**	**R**	**R**	**R**	**R**	**R**
Library Project	-	-	-	1 460 000	-	-	-	1 460 000	-	-
FMG	-	-	-	3 100 000	-	-	-	3 100 000	-	-
Equitable Share	-	-	-	53 585 000	-	-	8 832 000	62 417 000	-	-
MIG	1 742 753	-	1 742 753	15 261 000	-	-	-	-	17 003 753	-
LG Seta	762 118	(186 600)	575 518	122 610	-	-	-	77 975	-	620 153
EPWP	-	-	-	900 000	-	-	-	900 000	-	-
INEG	-	-	-	5 241 000	-	-	-	-	5 241 000	-
WSIG	2 069 223	-	2 069 223	22 607 414	-	-	-	-	24 676 637	-
Total	**4 574 095**	**-186 600**	**4 387 495**	**102 277 024**	**-**	**-**	**8 832 000**	**67 954 975**	**46 921 390**	**620 153**

APPENDIX E - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

Description	2023/2024							2022/2023
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Revenue - Standard								
Governance and administration	**53 146**	**34**	**53 180**	**104 109**	**50 929**	**195.8%**	**195.9%**	**91 502**
Executive and council	3 153	–	3 153	3 153	–	100.0%	100.0%	3 093
Finance and administration	49 993	34	50 027	100 956	50 929	201.8%	201.9%	88 409
Internal audit	–	–	–	–	–	-	-	–
Community and public safety	**2 386**	**112**	**2 498**	**2 434**	**(64)**	**97.4%**	**102.0%**	**2 135**
Community and social services	1 534	–	1 534	1 489	(45)	97.1%	97.1%	1 463
Sport and recreation	1	–	1	–	(1)	100.0%	100.0%	–
Public safety	850	112	962	944	–	100.0%	100.0%	672
Housing	–	–	–	–	–	-	-	–
Health	–	–	–	–	–	-	-	–
Economic and environmental services	**914**	**6**	**920**	**900**	**(20)**	**97.9%**	**98.5%**	**4 330**
Planning and development	14	6	20	–	(20)	-	-	–
Road transport	900	–	900	900	–	100.0%	100.0%	4 330
Environmental protection	–	–	–	–	–	-	-	–
Trading services	**177 861**	**15 231**	**193 092**	**188 724**	**(4 369)**	**97.7%**	**106.1%**	**91 720**
Electricity	74 862	(996)	73 866	64 914	(8 952)	87.9%	86.7%	47 488
Water	45 373	20 000	65 373	65 053	(321)	99.5%	143.4%	25 055
Waste water management	39 618	(3 773)	35 845	40 312	4 467	112.5%	101.8%	10 751
Waste management	18 008	–	18 008	18 445	437	102.4%	102.4%	8 427
Other	–	–	–	–	–	-	-	–
Total Revenue - Standard	**234 306**	**15 383**	**249 690**	**296 166**	**46 477**	**118.6%**	**126.4%**	**189 688**
Expenditure - Standard								
Governance and administration	**71 313**	**529**	**71 842**	**94 873**	23 031	**132.1%**	**133.0%**	**64 408**
Executive and council	10 960	(427)	10 534	6 754	(3 780)	64.1%	61.6%	6 983
Finance and administration	60 352	956	61 308	88 119	26 811	143.7%	146.0%	57 425
Internal audit	–	–	–	–	–	-	-	–
Community and public safety	**6 718**	**(180)**	**6 538**	**6 022**	**(516)**	**92.1%**	**89.6%**	**5 819**
Community and social services	3 027	(7)	3 020	2 485	(534)	82.3%	82.1%	2 685
Sport and recreation	377	2	379	392	13	103.4%	103.8%	375
Public safety	3 314	(174)	3 139	3 145	6	100.0%	94.9%	2 758
Housing	–	–	–	–	–	-	-	–
Health	–	–	–	0	0	100.0%	100.0%	0
Economic and environmental services	**14 106**	**(524)**	**13 582**	**14 045**	**462**	**103.4%**	**99.6%**	**13 521**
Planning and development	–	–	–	–	–	-	-	–
Road transport	14 106	(524)	13 582	14 045	462	103.4%	99.6%	13 521
Environmental protection	–	–	–	–	–	-	-	–
Trading services	**134 118**	**(3 084)**	**131 034**	**150 598**	**19 564**	**114.9%**	**112.3%**	**125 704**
Electricity	91 614	(465)	91 149	79 114	(12 035)	86.8%	86.4%	70 436
Water	16 000	(672)	15 328	31 528	16 200	205.7%	197.1%	23 840
Waste water management	17 908	(1 745)	16 164	23 809	7 646	147.3%	133.0%	19 702
Waste management	8 596	(202)	8 394	16 147	7 753	192.4%	187.8%	11 727
Other	–	–	–	–	–	**-**	**-**	–
Total Expenditure - Standard	**226 254**	**(3 258)**	**222 996**	**265 538**	**42 541**	**119.1%**	**117.4%**	**209 452**
Surplus/(Deficit) for the year	**8 052**	**18 641**	**26 694**	**30 629**	**3 935**	**114.7%**	**380.4%**	**(19 764)**

APPENDIX E - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

Description	2023/2024							2022/2023
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Revenue by Vote								
Vote 1 - Executive Council	3 153	–	3 153	3 153	–	100.0%	100.0%	3 093
Vote 2 - Office of the Municipal Manager	39 244	–	39 244	–	(39 244)	-	-	–
Vote 3 - Department of Finance	46 580	380	46 960	99 198	52 239	211.2%	213.0%	85 086
Vote 4 - Department of Administration & Commur	5 812	78	5 890	4 191	(1 699)	71.2%	72.1%	5 458
Vote 5 - Department of Infrastructure Developmer	139 517	14 925	154 442	189 624	35 182	122.8%	135.9%	96 050
Total Revenue by Vote	**234 306**	**15 383**	**249 690**	**296 166**	**46 477**	**118.6%**	**126.4%**	**189 688**
Expenditure by Vote ***to be appropriated***								
Vote 1 - Executive Council	8 853	(539)	8 314	6 754	(1 560)	81.2%	76.3%	6 983
Vote 2 - Office of the Municipal Manager	2 108	112	2 220	1 418	(802)	63.9%	67.3%	1 822
Vote 3 - Department of Finance	39 623	(1 257)	38 366	58 993	20 627	153.8%	148.9%	35 515
Vote 4 - Department of Administration & Commur	25 861	2 212	28 073	33 729	5 657	120.1%	130.4%	25 906
Vote 5 - Department of Infrastructure Developmer	149 810	(3 787)	146 023	164 643	18 619	112.8%	109.9%	139 225
Total Expenditure by Vote	**226 254**	**(3 258)**	**222 996**	**265 538**	**42 541**	**119.1%**	**117.4%**	**209 452**
Surplus/(Deficit) for the year	**8 052**	**18 641**	**26 694**	**30 629**	**3 935**	**114.7%**	**380.4%**	**(19 764)**

APPENDIX E - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
REVENUE AND EXPENDITURE (REVENUE BY SOURCE AND EXPENDITURE BY TYPE)

Description	2023/2024							2022/2023
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Revenue By Source								
Exchange Revenue								
Service charges - Electricity	58 638	–	58 638	49 404	(9 234)	84.3%	84.3%	42 049
Service charges - Water	28 131	–	28 131	23 672	(4 459)	84.1%	84.1%	20 279
Service charges - Waste Water Management	9 510	–	9 510	12 482	2 972	131.3%	131.3%	8 166
Service charges - Waste Management	8 701	–	8 701	9 511	810	109.3%	109.3%	6 393
Sale of Goods and Rendering of Services	241	74	315	–	(315)	-	-	–
Agency services	286	–	286	407	121	142.3%	142.3%	244
Interest	–		–					
Interest earned from Receivables	8 333	–	8 333	9 147	814	109.8%	109.8%	11 658
Interest earned from Current and Non Current A	1 590	–	1 590	1 585	(5)	99.7%	99.7%	1 445
Dividends received	–	–	–	–	–	-	-	–
Rent on Land	447	(5)	442	1 131	689	255.8%	252.9%	552
Rental from Fixed Assets	400	5	405	–	(405)	-	-	–
Licences and permits	107	125	232	46	(186)	19.9%	100.0%	6
Other revenue	2 555	(46)	2 509	1 920	(588)	76.6%	75.2%	3 553
Non-Exchange Revenue								
Property rates	18 669	–	18 669	20 038	1 370	107.3%	107.3%	18 618
Surcharges and Taxes	–		–					
Fines, penalties and forfeits	554	–	554	687	133	124.0%	124.0%	475
Licences and permits	–	–	–	–	–	-	100.0%	–
Transfers and subsidies	68 227	–	68 227	69 724	1 497	102.2%	102.2%	67 563
Interest	2 237	–	2 237	–	(2 237)	-	100.0%	–
Fuel Levy	–	–	–	–	–	-	100.0%	–
Operational Revenue	–	–	–	–	–	-	100.0%	–
Gains on disposal of PPE	(0)	–	(0)	–	0	100.0%	100.0%	–
Other Gains	409	–	409	–	(409)	-	100.0%	–
Total Revenue (excluding capital transfers and contributions)	**209 035**	**152**	**209 188**	**199 754**	**(9 433)**	**95.5%**	**95.6%**	**181 000**
Expenditure By Type								
Employee related costs	75 500	–	75 500	71 610	(3 890)	94.8%	94.8%	69 982
Remuneration of councillors	5 395	–	5 395	5 376	(19)	99.6%	99.6%	5 303
Bulk purchases	74 462	–	74 462	67 496	(6 966)	90.6%	90.6%	59 491
Inventory consumed	10 550	(2 809)	7 741	2 709	(5 033)	100.0%	100.0%	2 760
Debt impairment	11 333	–	11 333	47 865	36 533	422.4%	422.4%	21 353
Depreciation & asset impairment	10 891	–	10 891	12 600	1 708	115.7%	115.7%	11 567
Interest	7 011	(194)	6 817	31 943	25 126	468.6%	455.6%	16 699
Contracted services	13 518	(1 263)	12 256	–	(12 256)	-	-	–
Transfers and subsidies	–	–	–	–	–	100.0%	100.0%	–
Irrecoverable debts written off	5 525		5 525					
Operational costs	12 069	1 007	13 076	25 985	12 910	198.7%	215.3%	21 728
Loss on disposal of PPE	0	–	0	(30)	(31)	100.0%	100.0%	568
Total Expenditure	**226 254**	**(3 258)**	**222 996**	**265 553**	**48 083**	**119.1%**	**117.4%**	**209 452**
					–	**-**	**-**	
Surplus/(Deficit)	**(17 219)**	**3 410**	**(13 808)**	**(65 799)**	**(51 990)**	**476.5%**	**382.1%**	**(28 452)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	25 271	15 231	40 502	46 921	6 419	115.8%	185.7%	8 688
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	100.0%	100.0%	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	100.0%	100.0%	–
Surplus/(Deficit) for the year	**8 052**	**18 641**	**26 694**	**(18 877)**	**(45 571)**	**-70.7%**	**-234.4%**	**(19 764)**

APPENDIX E - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING

Description	2023/2024							2022/2023
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Capital expenditure - Vote								
Multi-year expenditure								
Vote 1 - Executive Council	–	–	–	–	–	-	-	–
Vote 2 - Office of the Municipal Manager	–	–	–	–	–	-	-	–
Vote 3 - Department of Finance	2 100	(2 100)	–	–	–	-	-	–
Vote 4 - Department of Administration & Community Ser	–	–	–	–	–	-	-	–
Vote 5 - Department of Infrastructure Development & Te	1 000	20 000	21 000	–	(21 000)	-	-	–
Vote 6 - COMMUNITY & SOCIAL SERVICES	–	–	–	–	–	-	-	–
Capital multi-year expenditure	**3 100**	**17 900**	**21 000**	**–**	(21 000)	-	-	**–**
Single-year expenditure								
Vote 1 - Executive Council	–	–	–	–	–	-	-	–
Vote 2 - Office of the Municipal Manager	–	–	–	1 572	1 572	#DIV/0!	#DIV/0!	1 150
Vote 3 - Department of Finance	–	2 100	2 100	–	(2 100)	-	-	–
Vote 4 - Department of Administration & Community Ser	–	–	–	–	–	-	-	–
Vote 5 - Department of Infrastructure Development & Te	25 271	(4 769)	20 502	–	(20 502)	-	-	9 138
Vote 6 - COMMUNITY & SOCIAL SERVICES	–	–	–	–	–	-	-	–
Capital single-year expenditure	**25 271**	**(2 669)**	**22 602**	**1 572**	(21 030)	7%	6%	**10 288**
Total Capital Expenditure - Vote	**28 371**	**15 231**	**43 602**	**1 572**	(42 030)	4%	6%	**10 288**
					–	-	-	
Capital Expenditure - Standard					–	-	-	
Governance and administration	**2 100**	**–**	**2 100**	**1 572**	(528)	74.9%	74.9%	**1 150**
Executive and council	–	–	–	–	–	-	-	–
Budget and treasury office	2 100	–	2 100	1 572	(528)	74.9%	74.9%	1 150
Corporate services	–	–	–	–	–	100.0%	100.0%	–
Community and public safety	**–**	**–**	**–**	**–**	–	-	-	**–**
Community and social services	–	–	–	–	–	-	-	–
Sport and recreation	–	–	–	–	–	-	-	–
Public safety	–	–	–	–	–	-	-	–
Housing	–	–	–	–	–	-	-	–
Health	–	–	–	–	–	-	-	–
Economic and environmental services	**–**	**–**	**–**	**–**	–	-	-	**2 832**
Planning and development	–	–	–	–	–	-	-	–
Road transport	–	–	–	–	–	-	-	2 832
Environmental protection	–	–	–	–	–	-	-	–
Trading services	**26 271**	**15 231**	**41 502**	**42 670**	1 168	102.8%	162.4%	**6 305**
Energy sources	6 737	(996)	5 741	5 358	(383)	93.3%	79.5%	5 376
Water management	100	22 000	22 100	21 539	(561)	100.0%	100.0%	847
Waste water management	19 434	(5 773)	13 661	15 773	2 112	100.0%	100.0%	82
Waste management	–	–	–	–	–	-	-	–
Other	**–**	**–**	**–**	**–**	–	-	-	**–**
Total Capital Expenditure - Standard	**28 371**	**15 231**	**43 602**	**44 242**	**640**	**101%**	**156%**	**10 288**
					–	-	-	
Funded by:					–	-	-	
National Government	25 271	15 231	40 502	7 719	(32 783)	19.1%	30.5%	7 719
Provincial Government	–	–	–	–	–	100.0%	100.0%	–
District Municipality		–	–	–	–	-	-	–
Other transfers and grants		–	–	–	–	-	-	–
Transfers recognised - capital	**25 271**	**15 231**	**40 502**	**7 719**	**(32 783)**	**19%**	**31%**	**7 719**
Public contributions & donations	**–**	**–**	**–**	**758**	758	100.0%	100.0%	758
Borrowing	**2 100**	**(2 100)**	**–**	**–**	–	100.0%	100.0%	–
Internally generated funds	**1 000**	**2 100**	**3 100**	**35 765**	32 665	1153.7%	3576.5%	1 811
Total Capital Funding	**28 371**	**15 231**	**43 602**	**44 242**	**640**	**101%**	**156%**	**10 288**

APPENDIX E - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
CASH FLOWS

Description	2023/2024							2022/2023
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	15 868	–	15 868	13 643	(2 225)	86.0%	86.0%	22 580
Service charges	78 735	–	78 735	56 488	(22 247)	71.7%	71.7%	50 499
Other revenue	4 591	135	4 725	1 521	(3 205)	32.2%	33.1%	9 951
Transfers and Subsidies - Operational	68 227	–	68 227	68 000	(227)	99.7%	99.7%	64 891
Transfers and Subsidies - Capital	25 271	15 231	40 502	43 109	2 607	106.4%	170.6%	5 940
Interest	10 570	–	10 570	2 870	(7 700)	27.2%	27.2%	1 270
Dividends	–	–	–	–	–	-	-	–
Payments								
Suppliers and employees	(191 055)	(444)	(191 499)	(149 807)	41 691	78.2%	78.4%	(134 891)
Finance charges	(7 011)	194	(6 817)	(136)	6 681	2.0%	1.9%	(1 757)
Transfers and Grants	–	–	–	–	–	-	-	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**5 196**	**15 116**	**20 312**	**35 687**	**15 376**	**175.7%**	**686.8%**	**18 482**
					–	-	-	
CASH FLOWS FROM INVESTING ACTIVITIES					–	-	-	
Receipts								
Proceeds on disposal of PPE	–	–	–	23	23	100.0%	100.0%	38
Decrease (Increase) in non-current debtors	–	–	–		–	-	-	–
Decrease (increase) other non-current receivables	–	–	–	–	–	-	-	–
Decrease (increase) in non-current investments	–	–	–	–	–	-	-	–
Payments					–	-	-	
Capital assets	(28 371)	(15 231)	(43 602)	(44 184)	(582)	101.3%	155.7%	(9 592)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(28 371)**	**(15 231)**	**(43 602)**	**(44 161)**	**(559)**	**101.3%**	**155.7%**	**(9 554)**
					–	-	-	
CASH FLOWS FROM FINANCING ACTIVITIES					–	-	-	
Receipts					–	-	-	
Short term loans	–	–	–	–	–	-	-	63
Borrowing long term/refinancing	–	–	–	–	–	-	-	–
Increase (decrease) in consumer deposits	–	–	–	–	–	-	-	(180)
Payments								
Repayment of borrowing	(425)	–	(425)	(319)	106	75.0%	75.0%	(2 377)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(425)**	**–**	**(425)**	**(319)**	**106**	**75.0%**	**75.0%**	**(2 495)**
					–	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD	(23 600)	(115)	(23 715)	(8 792)	14 923	37.1%	37.3%	6 434
Cash/cash equivalents at the year begin:	23 797	3 508	27 305	19 722	(7 583)	100.0%	100.0%	13 289
Cash/cash equivalents at the year end:	197	3 393	3 590	10 930	7 447	304.5%	5547.6%	19 722