CEDERBERG LOCAL MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2024

CEDERBERG LOCAL MUNICIPALITY

INDEX

CEDERBERG LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Cederberg Local Municipality performs the functions as set out in the Constitution (Act no 105 of 1996).

LEGAL FORM

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

JURISDICTION

The Cederberg Local Municipality includes the following areas:

Algeria	Graafwater
Clanwilliam	Leipoltville
Lamberts Bay	Elands Bay
Citrusdal	

MEMBERS OF THE COUNCIL

Ward 1	Cllr AM Scheepers	
Ward 2	Cllr F Kamfer	(resigned 4 June 2024)
Ward 3	Cllr M Heins	
Ward 4	Cllr PJ Strauss	
Ward 5	Cllr JP Hayes	
Ward 6	Cllr AG Mouton	
Proportional	Cllr RR Richards	
Proportional	Cllr WJ Farmer	
Proportional	Cllr L Venter	
Proportional	Cllr JH van Heerden	
Proportional	Cllr MG Bergh	

MEMBERS OF THE MAYORAL COMMITTEE

Cllr RR Richards (Executive Mayor)
Cllr AG Mouton (Deputy Executive Mayor)
Cllr JP Hayes (Speaker)
Cllr L Venter
Cllr JH van Heerden

MUNICIPAL MANAGER

Mr GF Matthyse

CHIEF FINANCIAL OFFICER

Mr MAN Smit (permanently appointed from 1 July 2023 to 31 May 2024 and acted from 1 June 2024 to 30 June 2024)

AUDIT COMMITTEE

Omar Valley (Chairperson)
Charles Beukes
Omphile Sehunelo

REGISTERED OFFICE

2A Voortrekker Road
Clanwilliam
8135

POSTAL ADDRESS

Private Bag x2
Clanwilliam
8135

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

Standard Bank of South Africa Ltd

ATTORNEYS

Sithole Mokomane Attorneys
Bright Rikhotso
Lizel Venter
Turner Ntshingana Kirsten Ravens
Enderstein Malumbete
Cheadle Thompson and Haysom
Wesley Pretorius and Associates

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 Cost Containment Regulations 2019
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 a Standard Chart of Accounts, 2014
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
National Environmental Management Act
Occupational Health and Safety Act
Preferential Procurement Policy Framework Act, 2000
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

CEDERBERG LOCAL MUNICIPALITY

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements year ended 30 June 2024, which are set out on pages 1 to 96 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 GRAP, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

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

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

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

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

Mr GF Matthyse
Municipal Manager

31 AUGUST 2024
Date

CEDERBERG LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
ASSETS			
Current Assets		**121 913 762**	**76 984 721**
Cash and Cash Equivalents	**2**	61 258 215	28 777 549
Receivables from Exchange Transactions	**3**	32 408 431	26 213 542
Receivables from Non-Exchange Transactions	**4**	16 011 936	12 039 029
Taxes	**5**	9 765 945	8 544 429
Operating Lease Assets	**6**	-	112
Current Portion of Long-term Receivables	**7**	1 296 291	363 463
Inventory	**8**	1 172 943	1 046 596
Non-Current Assets		**682 711 291**	**680 545 939**
Long-term Receivables	**7**	1 599 532	71 945
Investment Property	**10**	74 264 903	74 324 391
Property, Plant and Equipment	**11**	606 140 429	605 305 897
Intangible Assets	**12**	706 426	843 706
Total Assets		**804 625 053**	**757 530 660**
LIABILITIES			
Current Liabilities		**102 891 059**	**116 545 248**
Current Portion of Long-term Liabilities	**13**	13 264 684	27 328 579
Consumer Deposits	**14**	2 997 700	2 794 971
Payables from Exchange Transactions	**15**	53 858 510	61 546 705
Unspent Conditional Government Grants	**16**	14 101 408	8 414 527
Operating Lease Liabilities	**6**	-	774
Current Employee Benefits	**17**	14 612 178	13 233 983
Current Provisions	**18**	4 056 578	3 225 709
Non-Current Liabilities		**123 165 588**	**102 848 707**
Long-term Liabilities	**13**	26 623 639	16 528 526
Employee Benefits	**19**	35 509 000	33 639 001
Non-Current Provisions	**20**	61 032 949	52 681 181
Total Liabilities		**226 056 647**	**219 393 955**
NET ASSETS		**578 568 406**	**538 136 705**
COMMUNITY WEALTH			
Accumulated Surplus		578 568 406	538 136 705
		578 568 406	**538 136 705**

CEDERBERG LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**233 312 586**	**191 652 283**
Taxation Revenue		**73 692 932**	**70 382 140**
Property Rates	**21**	73 692 932	70 382 140
Transfer Revenue		**107 814 206**	**99 354 422**
Government Grants and Subsidies - Operating	**22**	81 534 606	74 011 713
Government Grants and Subsidies - Capital	**22**	26 279 599	25 342 709
Other Revenue		**51 805 449**	**21 915 721**
Availability Charges	**23**	3 629 486	3 256 432
Insurance Refund	**24**	112 012	20 948
Fines, Penalties and Forfeits	**25**	32 934 099	10 569 862
Fair Value Adjustment Gains	**26**	9 579 622	8 068 480
Debt Forgiveness	**27**	5 550 229	-
REVENUE FROM EXCHANGE TRANSACTIONS		**218 728 906**	**188 513 594**
Operating Activities		**218 728 906**	**188 513 594**
Service Charges	**28**	190 638 712	166 783 827
Rental of Facilities and Equipment	**29**	969 797	747 106
Interest Earned - External Investments	**30**	5 190 675	2 020 003
Interest Earned - Outstanding Debtors	**31**	12 325 085	9 776 434
Agency Services	**32**	4 299 701	3 782 284
Other Income	**33**	5 304 935	5 403 939
CONSTRUCTION CONTRACTS	**34**	**33 759 391**	**34 741 544**
TOTAL REVENUE		**485 800 883**	**414 907 421**
EXPENDITURE			
Employee Related Costs	**35**	131 576 928	125 094 311
Remuneration of Councillors	**36**	6 081 304	5 697 499
Debt Impairment	**37**	50 383 603	34 315 238
Depreciation and Amortisation	**38**	26 567 369	25 155 199
Impairment	**39**	15 639 907	25 182 218
Finance Charges	**40**	14 961 296	13 041 609
Bulk Purchases	**41**	106 125 126	93 448 281
Contracted Services	**42**	56 826 535	53 319 387
Transfers and Grants	**43**	198 026	727 711
Other Expenditure	**44**	36 343 258	33 300 492
Loss on disposal of Non-Monetary Assets	**45**	665 827	135 125
TOTAL EXPENDITURE		**445 369 180**	**409 417 069**
NET SURPLUS FOR THE YEAR		**40 431 702**	**5 490 352**

CEDERBERG LOCAL MUNICIPALITY

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

	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2022	**568 694 322**	**568 694 322**
Correction of error restatement - note 46.7	(36 047 967)	(36 047 967)
Balance on 30 June 2022 - Restated	**532 646 355**	**532 646 355**
Net Surplus for the year	5 490 350	5 490 350
Balance on 30 June 2023 - Restated	**538 136 705**	**538 136 705**
Net Surplus for the year	40 431 701	40 431 701
Balance on 30 June 2024	**578 568 406**	**578 568 406**

CEDERBERG LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		66 481 290	63 297 610
Service Charges		177 380 685	161 342 718
Other Revenue and Receipts		52 180 406	48 668 046
Government Grants		113 633 510	102 088 379
Interest		8 494 207	5 318 583
Payments			
Suppliers and employees		(336 780 564)	(324 633 892)
Finance charges		(497 399)	(3 906 932)
Transfers and Grants		(198 026)	(727 711)
NET CASH FROM OPERATING ACTIVITIES	**48**	**80 694 110**	**51 446 801**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		697 217	69 989
Payments			
Purchase of Property, Plant and Equipment		(46 970 037)	(30 828 782)
NET CASH USED INVESTING ACTIVITIES		**(46 272 819)**	**(30 758 793)**
CASH FLOW FROM FINANCING ACTIVITIES			
Payments			
Loans repaid		(1 940 625)	(3 725 600)
NET CASH USED FINANCING ACTIVITIES		**(1 940 625)**	**(3 725 600)**
NET INCREASE IN CASH HELD		**32 480 666**	**16 962 409**
Cash and Cash Equivalents at the beginning of the year		28 777 549	11 815 140
Cash and Cash Equivalents at the end of the year		61 258 215	28 777 549

CEDERBERG LOCAL MUNICIPALITY

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

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Current Assets					
Cash and Cash Equivalents	1 232 820	213 721	1 446 541	61 258 215	59 811 675
Trade and Other Receivables from Exchange Transactions	21 813 062	(1 187 021)	20 626 042	32 408 431	11 782 390
Receivables from Non-Exchange Transactions	11 013 601	(3 593 814)	7 419 787	16 011 936	8 592 149
Current Portion of Non-Current Receivables	-	1 976 609	1 976 609	1 296 291	(680 318)
Inventory	1 454 401	(407 805)	1 046 596	1 172 943	126 347
VAT	8 289 923	141 742	8 431 665	9 765 945	1 334 280
Other Current Assets	222	(110)	112	-	(112)
Total Current Assets	**43 804 029**	**(2 856 678)**	**40 947 352**	**121 913 762**	**80 966 411**
Non Current Assets					
Investment Property	74 291 570.69	(31 180)	74 260 390.94	74 264 903	4 512
Property, Plant and Equipment	751 485 011	(58 858 834)	692 626 177	606 140 429	(86 485 748)
Intangible Assets	686 991	(44 284)	642 707	706 426	63 719
Trade and Other Receivables from Exchange Transactions	-	5 140 079	5 140 079	1 599 532	(3 540 547)
Total Non Current Assets	**826 463 574**	**(53 794 219)**	**772 669 355**	**682 711 291**	**(89 958 064)**
TOTAL ASSETS	**870 267 603**	**(56 650 897)**	**813 616 706**	**804 625 053**	**(8 991 653)**
LIABILITIES					
Current Liabilities					
Financial Liabilities	1 984 078	10 400 484	12 384 562	13 264 684	880 122
Consumer Deposits	2 970 482	45 861	3 016 343	2 997 700	(18 643)
Trade and Other Payables from Exchange Transactions	103 203 215	(80 698 049)	22 505 165	53 858 510	31 353 345
Trade and Other Payables from Non-Exchange Transaction	509 637	(509 637)	-	14 101 408	14 101 408
Provisions	15 340 494	(1 944 511)	13 395 983	18 668 756	5 272 773
Other Current Liabilities	-	-	-	-	-
Total Current Liabilities	**124 007 905**	**(72 705 851)**	**51 302 054**	**102 891 059**	**51 589 005**
Non Current Liabilities					
Financial Liabilities	444 616	29 826	474 442	475 841	1 399
Provision	102 757 780	(6 339 599)	96 418 181	96 541 949	123 768
Long-term Portion of Trade Payables	-	24 113 402	24 113 402	26 147 798	2 034 396
Total Non Current Liabilities	**103 202 396**	**17 803 629**	**121 006 025**	**123 165 588**	**2 159 563**
TOTAL LIABILITIES	**227 210 301**	**(54 902 223)**	**172 308 078**	**226 056 647**	**53 748 568**
NET ASSETS	**643 057 302**	**(1 748 674)**	**641 308 628**	**578 568 406**	**(62 740 222)**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus	643 057 302	(1 748 674)	641 308 628	578 568 406	(62 740 222)
TOTAL COMMUNITY WEALTH/EQUITY	**643 057 302**	**(1 748 674)**	**641 308 628**	**578 568 406**	**(62 740 222)**

Refer to note 50.2 for explanations of material variances.

Material variances are considered to be any variances greater than R 4.0 million.

STATEMENT OF FINANCIAL PERFORMANCE	ORIGINAL APPROVED BUDGET R	ADJUSTMENTS R	FINAL APPROVED BUDGET R	VIREMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
REVENUE							
Exchange Revenue							
Service charges - Electricity	110 745 995	11 835 005	122 581 000	-	122 581 000	127 401 381	4 820 381
Service charges - Water	31 298 000	(325 000)	30 973 000	-	30 973 000	32 780 700	1 807 700
Service charges - Waste Water Management	14 660 000	(457 000)	14 203 000	-	14 203 000	16 350 614	2 147 614
Service charges - Waste Management	15 272 000	(2 515 000)	12 757 000	-	12 757 000	14 106 018	1 349 018
Sale of Goods and Rendering of Services	4 240 314	984 609	5 224 923	-	5 224 923	4 559 879	(665 044)
Agency services	3 841 325	529 095	4 370 420	-	4 370 420	4 299 701	(70 719)
Interest Earned from Receivables (Exchange)	10 875 582	(4 328 582)	6 547 000	-	6 547 000	8 117 192	1 570 192
Interest Earned from Current and Non Current Assets	1 269 358	3 522 683	4 792 041	-	4 792 041	5 190 675	398 634
Rental from Fixed Assets	941 152	(117 225)	823 927	-	823 927	969 797	145 870
Licences and Permits	-	12 000	12 000	-	12 000	11 059	(941)
Operational Revenue (Exchange)	703 993	86 388	790 381	-	790 381	846 009	55 628
Non-Exchange Revenue							
Property Rates	73 339 000	537 000	73 876 000	-	73 876 000	73 692 932	(183 068)
Surcharges and Taxes	1 000	-	1 000	-	1 000	-	(1 000)
Fines, Penalties and Forfeits	11 554 990	22 718 445	34 273 435	-	34 273 435	32 934 099	(1 339 336)
Transfers and Subsidies - Operational	89 549 377	36 092 099	125 641 476	-	125 641 476	115 293 997	(10 347 479)
Interest Earned from Receivables (Non-Exchange)	-	4 212 000	4 212 000	-	4 212 000	4 207 894	(4 106)
Operational Revenue (Non-Exchange)	-	3 644 000	3 644 000	-	3 644 000	3 629 486	(14 514)
Gains on Disposal of Assets	2 500 000	(500 000)	2 000 000	-	2 000 000	-	(2 000 000)
Other Gains	910 000	13 693 000	14 603 000	-	14 603 000	9 579 622	(5 023 378)
Total Revenue (excluding capital transfers)	**371 702 086**	**89 623 517**	**461 325 603**	**-**	**461 325 603**	**453 971 055**	**(7 354 548)**
EXPENDITURE							
Employee Related Costs	144 683 374	(8 553 055)	136 130 319	-	136 130 319	130 819 444	(5 310 875)
Remuneration of Councillors	6 138 858	53 142	6 192 000	-	6 192 000	6 081 304	(110 696)
Bulk Purchases - Electricity	95 123 000	7 542 000	102 665 000	-	102 665 000	105 502 654	2 837 654
Inventory Consumed	12 291 467	2 288 284	14 579 751	137 003	14 716 754	10 927 259	(3 789 495)
Debt Impairment	30 239 000	25 973 000	56 212 000	-	56 212 000	50 383 603	(5 828 397)
Depreciation and Amortisation	29 617 000	13 989 000	43 606 000	-	43 606 000	42 207 276	(1 398 724)
Interest	15 789 000	(783 000)	15 006 000	-	15 006 000	14 961 296	(44 704)
Contracted Services	33 650 973	34 159 755	67 810 728	(299 097)	67 511 631	56 826 535	(10 685 096)
Transfers and Subsidies	30 000	193 278	223 278	-	223 278	198 026	(25 252)
Operational Costs	26 327 564	3 580 591	29 908 155	162 094	30 070 249	26 795 954	(3 274 295)
Losses on Disposal of Assets	-	-	-	-	-	665 827	665 827
Other Losses	910 000	6 450 000	7 360 000	-	7 360 000	-	(7 360 000)
Total Expenditure	**394 800 236**	**84 892 995**	**479 693 231**	**-**	**479 693 231**	**445 369 180**	**(34 324 051)**
Surplus/(Deficit)	**(23 098 150)**	**4 730 522**	**(18 367 628)**	**-**	**(18 367 628)**	**8 601 874**	**26 969 502**
Transfers and Subsidies - Capital (monetary allocations)	71 079 623	(33 660 521)	37 419 102	-	37 419 102	26 279 599	(11 139 503)
Transfers and Subsidies - Capital (in-kind)	-	5 550 239	5 550 239	-	5 550 239	5 550 229	(10)
Surplus/(Deficit) for the year	**47 981 473**	**(23 379 760)**	**24 601 713**	**-**	**24 601 713**	**40 431 702**	**15 829 989**

Refer to note 50.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 50.3 for explanations of material variances.

Material variances are considered to be any variances greater than R 4.0 million.

CEDERBERG LOCAL MUNICIPALITY

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

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
CASH FLOW STATEMENT					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property Rates	70 434 776	(2 937 467)	67 497 309	66 481 290	(1 016 018)
Service Charges	158 524 572	17 692 200	176 216 772	177 380 685	1 163 913
Other Revenue	11 042 774	3 071 312	14 114 086	15 221 286	1 107 200
Transfers and Subsidies	160 629 000	(8 581 547)	152 047 453	150 389 901	(1 657 552)
Interest	8 010 479	509 079	8 519 558	8 494 207	(25 350)
Payments					
Suppliers and Employees	(316 673 236)	(73 770 717)	(390 443 953)	(336 780 564)	53 663 389
Finance Charges	(5 504 000)	3 830 000	(1 674 000)	(497 399)	1 176 601
Transfers and Subsidies	(30 000)	(193 278)	(223 278)	(198 026)	25 252
Net Cash from/(used) Operating Activities	**86 434 364**	**(60 380 418)**	**26 053 947**	**80 491 381**	**54 437 435**
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on Disposal of PPE	2 500 000	(500 000)	2 000 000	697 217	(1 302 783)
Payments					
Capital Assets	(85 994 625)	32 330 322	(53 664 303)	(46 970 037)	6 694 266
Net Cash from/(used) Investing Activities	**(83 494 625)**	**31 830 322**	**(51 664 303)**	**(46 272 819)**	**5 391 484**
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Increase/(Decrease) in Consumer Deposits	221 372	-	221 372	202 729	(18 643)
Payments					
Repayment of Borrowing	(1 956 479)	14 455	(1 942 024)	(1 940 625)	1 399
Net Cash from/(used) Financing Activities	**(1 735 107)**	**14 455**	**(1 720 652)**	**(1 737 896)**	**(17 244)**
NET INCREASE/(DECREASE) IN CASH HELD	**1 204 632**	**(28 535 641)**	**(27 331 009)**	**32 480 666**	**59 811 674**
Cash and Cash Equivalents at the year begin	28 188	28 749 361	28 777 549	28 777 549	-
Cash and Cash Equivalents at the year end	1 232 820	213 720	1 446 541	61 258 215	59 811 675

Refer to note 50.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 50.4 for explanations of material variances.

Material variances are considered to be any variances greater than R 4.0 million.

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

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

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

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

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

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

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

1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

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

1.03 PRESENTATION CURRENCY

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

1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis. Refer to note 65 for the going concern assessment performed by the Municipality.

1.05 COMPARATIVE INFORMATION

1.05.1 Prior year comparatives

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

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

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

1.05.2 Amended Accounting Policies

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

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

1.06 MATERIALITY

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

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

1.07 BUDGET INFORMATION

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

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

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

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

1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

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

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

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

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

(a) Changes in the classification of instruments for subsequent measurement – financial assets are measured at either amortised cost or fair value based on the reason why they are held and their economic characteristics. Specific liabilities are measured at fair value, and all others are measured at amortised cost.

(b) The approach to impairing financial assets changed from an incurred loss to an expected loss model. As indicated in the name, expected losses estimate the expected default of financial assets over a period of time rather than only recognising an impairment loss when an event occurs.

(c) Loan commitments and financial guarantee contracts are recognised and measured differently. They are no longer in the scope of GRAP 19 on Provisions, Contingent Liabilities and Contingent Assets. When entering into these transactions there is an economic consequence that exposes an entity to risk. Accounting for them as financial instruments best captures this risk exposure.

(d) With the changes in the classification of instruments and impairment approach, there is new information that GRAP 104 requires entities to disclose.

1.08.1.2 iGRAP 22 - Foreign Currency Transactions and Advance Consideration (effective 1 April 2025)

This Interpretation addresses how to determine the date of the transaction for the 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.

No significant impact is expected as the Municipality is not exposed to any significant foreign currency transactions.

1.08.2 Effective dates not yet determined

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

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

1.08.2.1 GRAP 103 (Revised 2022) - Heritage Assets

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

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

1.08.2.2 GRAP 105 (Revised 2023) - Transfer of Functions Between Entities Under Common Control

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

1.08.2.3 GRAP 106 (Revised 2023) - Transfer of Functions Between Entities Not Under Common Control

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

1.08.2.4 GRAP 107 (Revised 2023) - Mergers

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any mergers in the near future.

1.08.2.5 Amendments to GRAP 1 on Presentation of Financial Statements (2022)

The amendments to the Standard clarifies how to apply going concern assumption in the public sector and improve disclosure on related judgements and conclusions.

The impact of these amendments to the Standard on the financial statements will not be significant.

1.08.2.6 Improvements to the Standards of GRAP (2023)

The effect of the improvements to the current pronouncements to the Standard of GRAP is considered insignificant. The improvements mainly relates to the clarification of accounting principles.

1.09 INVESTMENT PROPERTY

1.09.1 Initial Recognition

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

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

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

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

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

1.09.2 Subsequent Measurement – Cost Model

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

1.09.3 Depreciation – Cost Model

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

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

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

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

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

	YEARS
Buildings	100

1.09.4 Impairment

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

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

1.09.5 Derecognition

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

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

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

1.10 PROPERTY, PLANT AND EQUIPMENT

1.10.1 Initial Recognition

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

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

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

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

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

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

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

1.10.2 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.

1.10.3 Depreciation

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

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

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

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

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

	YEARS		YEARS
Land and Buildings		**Community**	
Land	N/A	Community Facilities	16 - 101
Buildings	9 - 101	Sport and Recreational Facilities	20 - 101
		Work in progress	N/A
Infrastructure			
Electrical	5 - 100	**Other**	
Roads	7 - 100	Computer Equipment	5 - 17
Sanitation	10 - 100	Furniture and Office Equipment	5 - 31
Storm Water	20 - 100	Machinery and Equipment	5 - 36
Water Supply	10 - 100	Transport Assets	8 - 26
Work in progress	N/A		
Finance lease assets			
Office equipment	3 - 11		
Transport Assets	10		

1.10.4 Impairment

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

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

1.10.5 Derecognition

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

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

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

1.11 INTANGIBLE ASSETS

1.11.1 Initial Recognition

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

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

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset is the purchase price and other costs attributable to bring the asset to the location and condition necessary for 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 intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

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

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

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

1.11.2 Subsequent Measurement - Cost Model

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

1.11.3 Amortisation

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

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

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

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

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

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

	Years
Computer Software	6-16

1.11.4 Impairment

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

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

1.11.5 Derecognition

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

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

1.12 IMPAIRMENT OF NON-MONETARY ASSETS

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

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

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

1.12.1 Recoverable amount of Cash-generating assets

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

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

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

1.12.2 Recoverable amount of Non-cash-generating assets

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

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

1.12.3 Impairment loss

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

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

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

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

1.12.4 Reversal of an impairment loss

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

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

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

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

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

1.13 INVENTORIES

1.13.1 Initial Recognition

Inventories are assets:

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

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

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

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

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

1.13.2 Subsequent Measurement

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

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

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

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

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

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

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

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

1.14 EMPLOYEE BENEFITS

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

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

1.14.1 Post-Retirement Benefits

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

1.14.1.1 Defined Contribution Plans

The Municipality contributes to various defined contribution plans on behalf of its qualifying employees. 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.

1.14.1.2 Post Retirement Medical Benefits

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

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

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

1.14.2 Long-term Benefits

1.14.2.1 Long Service Awards

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

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

1.14.3 Short-term Benefits

1.14.3.1 Staff Leave

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

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

1.14.3.2 Bonuses

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

1.14.3.3 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. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.15 PROVISIONS

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

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

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

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

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

(a) The Municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

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

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

1.16 LEASES

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

1.16.1 Municipality as Lessee

1.16.1.1 Finance Leases

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

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

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

1.16.1.2 Operating leases

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

1.16.2 Municipality as Lessor

1.16.2.1 Finance Leases

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

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

1.16.2.2 Operating Leases

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

1.17 FINANCIAL INSTRUMENTS

1.17.1 Initial Recognition

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

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

1.17.2 Subsequent Measurement

Financial instruments are categorised as follow:

(a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.

(b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.

(c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:

- (i) derivatives;
- (ii) combined instruments that are designated at fair value;
- (iii) instruments held for trading;
- (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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

1.17.3 Impairment and uncollectability of financial assets

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

1.17.3.1 Financial assets measured at amortised cost

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

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

1.17.3.2 Financial assets measured at cost

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

1.17.4 Derecognition of financial instruments

1.17.4.1 Financial assets

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

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

1.17.4.2 Financial liabilities

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

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

1.17.5 Offsetting of financial instruments

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

1.18 STATUTORY RECEIVABLES

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

1.18.1 Initial Recognition

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

1.18.2 Subsequent Measurement

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

1.18.3 Impairment and uncollectability of statutory receivables

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

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

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

1.18.4 Derecognition

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

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

1.19 CASH AND CASH EQUIVALENTS

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

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

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

1.20 RECEIVABLES

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

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

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

1.21 TAXES (VALUE ADDED TAX)

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

1.22 PAYABLES AND ANNUITY LOANS

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

1.23 CONSUMER DEPOSITS

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

1.24 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

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

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

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

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

1.25 REVENUE

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

1.25.1 Revenue from Non-Exchange Transactions

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

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

1.25.1.1 Taxation Revenue

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

1.25.1.2 Transfer Revenue

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

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

1.25.1.3 Availability Charges

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

1.25.1.4 Fines

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue.

1.25.1.5 Insurance Refund

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

1.25.1.6 Unclaimed deposits

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.

1.25.1.7 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

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

1.25.1.8 Services in-kind

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

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

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

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

1.25.1.9 Contributed Assets

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

1.25.1.10 Debt Forgiveness

Debt forgiveness are instances when creditors waive their right to collect a debt owed by the Municipality, effectively cancelling the debt.

The Municipality recognises revenue in respect of debt forgiveness 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.

1.25.1.11 Off-Market Portion of Municipal Debt Relief

The Municipal Debt Relief are loans received by the Municipality at below market terms. The off-market portion of the loans is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

1.25.2 Revenue from Exchange Transactions

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

1.25.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

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

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

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

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

1.25.2.2 Interest earned

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

1.25.2.3 Rental income

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

1.25.2.4 Income from Agency Services

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

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

1.25.2.5 Other Tariffs

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

1.25.2.6 Sale of goods

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

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

1.25.2.7 Deferred payment

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

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

1.25.3 Construction Contracts

Contractor is an entity that performs construction work pursuant to a construction contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The Municipality participates as a non-accredited municipality in the National Housing Programme. The Municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the provincial Department of Infrastructure. The Municipality assesses the terms and conditions of each contract concluded with the provincial Department of Infrastructure to establish whether the contract is a construction contract or not.

The Accounting Standards Board (ASB) issued a *Guideline on accounting for arrangements undertaken in terms of the National Housing Programme.* The guideline makes a distinction between a project manager and a project developer.

Where the Municipality is appointed as the project manager, it will assist with the process of appointing a contractor to construct houses on behalf of the provincial Department of Infrastructure. The responsibility of appointment and payment of the contractors ultimately vest with the provincial Department of Infrastructure.

Where the Municipality is appointed as the project developer, it will take on the responsibility for the construction of the houses. As project developer the Municipality will appoint contractors and will make payments for work completed on meeting milestones agreed between itself and the contractor.

In general, where the Municipality is appointed as the project manager, it will act as an agent for the provincial Department of Infrastructure. Where the Municipality is appointed as the project developer, it is considered that the Municipality has entered into a construction contract with the provincial Department of Infrastructure.

The binding agreements entered into with the provincial Department of Infrastructure are non-commercial fixed price contracts. The objective of the arrangements is to construct low cost houses for the beneficiaries of the National Housing Programme in return for full reimbursement of costs from the Department through a housing grant or subsidy.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for the work performed to date bear to the estimate total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs shall be recognised as an expense in the period in which they are incurred.

1.26 BORROWING COSTS

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

1.27 UNAUTHORISED EXPENDITURE

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

1.28 IRREGULAR EXPENDITURE

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

1.29 FRUITLESS AND WASTEFUL EXPENDITURE

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

1.30 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

1.31 CAPITAL COMMITMENTS

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

1.32 EVENTS AFTER REPORTING DATE

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

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

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

1.33 RELATED PARTIES

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

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

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

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

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

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

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

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

1.34 ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

1.35 LIVING AND NON-LIVING RESOURCES

Living resources are those resources that undergo biological transformation which comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, is not recognised as assets. The Standard only requires disclosure of the relevant resources.

The Municipality has assessed that it does not control any living resources, but is however responsible for non-living resources as set out in notes to the financial statements.

1.36 SEGMENT REPORTING

A segment is an activity of the Municipality:

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

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

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

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

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

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

1.37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

1.37.1 Application of Directive 7

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

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

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

GRAP implementation date for the Municipality is 1 July 2009 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2009 to the current year's reported date. Where the economic useful life of an items of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

1.37.2 Impairment of Receivables

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

1.37.3 Useful lives and residual values

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

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

1.37.4 Impairment of non-monetary assets

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

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

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

1.37.5 Post-Retirement and Long-term Benefits

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

1.37.6 Provisions and Contingent Liabilities

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

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

1.37.7 Financial Instruments and Statutory Receivables

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

1.37.8 Financial assets and liabilities

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

1.37.9 Revenue Recognition

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

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

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

1.37.10 Recognition and Derecognition of Land

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

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

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

1.37.11 Materiality

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

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

(b) How the nature or size or both, of the information could reasonably be expected to influence users’ decisions.

Figures in Rand	2024	2023

2 CASH AND CASH EQUIVALENTS

Bank Accounts	10 017 842	6 316 618
Call Investment Deposits	51 234 148	22 454 705
Cash Floats	6 226	6 226
Total	**61 258 215**	**28 777 549**

Due to the short term nature of cash deposits, all balances included above are in line with their fair values.

Cash and Cash Equivalents are held to support the following:

Department of Infrastructure - note 15	26 530	190 000
Integrated National Electrification Programme (INEP) - note 15	2 997 000	1 334 594
Unspent Conditional Government Grants - note 16	14 101 408	8 414 527
Cash available for working capital requirements	44 133 277	18 838 428
Total	**61 258 215**	**28 777 549**

Overdraft facilities available during the financial year with Standard Bank	9 000 000	9 000 000
Guarantee in favour of Eskom registered with Standard Bank	2 900 000	2 900 000

2.1 Bank Accounts

Standard Bank - Account number 082163324 (Main Current Account)	9 645 704	6 263 437
Standard Bank - Account number 072194480 (Traffic Account)	-	-
Standard Bank - Account number 072194774 (Service Account)	-	-
Standard Bank - Account number 032630263 (Current Account for debit orders)	372 099	53 173
Standard Bank - Account number 032630263 (Credit Card for Petty Cash)	39	9
Total	**10 017 842**	**6 316 618**

Bank accounts consists out of the following accounts:

Standard Bank - Account number 082163324 (Main Current Account)

Cash book balance at beginning of year	6 263 437	2 860 039
Cash book balance at end of year	9 645 704	6 263 437
Bank statement balance at beginning of year	5 742 493	2 423 268
Bank statement balance at end of year	9 448 911	5 742 493

Standard Bank - Account number 072194480 (Traffic Account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Standard Bank - Account number 072194774 (Service Account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Standard Bank - Account number 032630263 (Current Account for debit orders)

Cash book balance at beginning of year	53 173	392 016
Cash book balance at end of year	372 099	53 173
Bank statement balance at beginning of year	53 173	392 016
Bank statement balance at end of year	372 099	53 173

Standard Bank - Account number 032630263 (Credit Card for Petty Cash)

Cash book balance at beginning of year	9	70
Cash book balance at end of year	39	9
Bank statement balance at beginning of year	9	70
Bank statement balance at end of year	39	9

Figures in Rand	2024	2023

2 CASH AND CASH EQUIVALENTS (CONTINUED)

2.2 Call Investment Deposits

Call investment deposits consist out of the following accounts:

	2024	2023
Standard Bank - Acc no 088893065-001	34 626 279	22 454 705
Standard Bank - Acc no 088893065-003	16 607 869	-
Total	**51 234 148**	**22 454 705**

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2024	2023
Service Receivables	**100 303 993**	**95 840 305**
Electricity	22 786 330	19 566 064
Water	26 952 628	31 902 113
Refuse	11 764 049	11 459 303
Sewerage	16 807 599	16 881 608
Interest	21 326 515	15 145 656
Other	666 872	885 561
Other Receivables	**564 681**	**-**
Accrued Interest	564 681	-
Total Gross Balance	**100 868 674**	**95 840 305**
Less: Allowance for Debt Impairment	(68 460 242)	(69 626 763)
Total Net Receivable	**32 408 431**	**26 213 542**
As previously reported		26 166 677
Correction of error restatement - note 46.1		46 865
Restated balance		26 213 542

Other Service Receivables consist out of sundry services and rentals.

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

Reconciliation of Allowance for Debt Impairment

	2024	2023
Balance at the beginning of the year	69 626 763	57 052 827
Movement in the contribution to the provision	15 047 024	14 464 271
Electricity	1 117 687	(319 338)
Water	(209 970)	3 902 541
Refuse	2 703 284	1 827 976
Sewerage	4 016 729	2 784 853
Interest	7 510 515	6 138 690
Other	(91 222)	129 550
Bad Debts Written off	(16 213 545)	(1 890 334)
Electricity	(1 410 284)	(599 735)
Water	(4 990 058)	(524 201)
Refuse	(2 692 683)	(107 694)
Sewerage	(4 811 627)	(224 024)
Interest	(2 177 828)	(434 681)
Other	(131 065)	-
Balance at the end of the year	**68 460 242**	**69 626 763**

The allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

Figures in Rand	2024	2023

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2024			
Service Receivables			
Electricity	22 786 330	(6 510 451)	16 275 879
Water	26 952 628	(19 297 275)	7 655 353
Refuse	11 764 049	(8 999 328)	2 764 720
Sewerage	16 807 599	(13 355 722)	3 451 877
Interest	21 326 515	(19 819 940)	1 506 575
Other	666 872	(477 526)	189 346
Other Receivables			
Accrued Interest	564 681	-	564 681
Total	**100 868 674**	**(68 460 242)**	**32 408 431**
30 June 2023			
Service Receivables			
Electricity	19 566 064	(6 803 047)	12 763 017
Water	31 902 113	(24 497 302)	7 404 811
Refuse	11 459 303	(8 988 728)	2 470 575
Sewerage	16 881 608	(14 150 619)	2 730 989
Interest	15 145 656	(14 487 253)	658 402
Other	885 561	(699 814)	185 748
Total	**95 840 305**	**(69 626 763)**	**26 213 542**

Ageing of Receivables from Exchange Transactions

	2024	2023
Electricity		
0 - 30 Days (Current)	13 493 718	11 458 377
1 to 3 months	3 160 479	1 909 822
4 months to 1 year	2 043 832	1 727 592
Over 1 year	4 088 301	4 470 273
Total	**22 786 330**	**19 566 064**
Water		
0 - 30 Days (Current)	4 047 639	4 548 702
1 to 3 months	3 845 433	3 616 389
4 months to 1 year	5 737 108	5 501 499
Over 1 year	13 322 448	18 235 523
Total	**26 952 628**	**31 902 113**
Refuse		
0 - 30 Days (Current)	1 326 813	1 570 338
1 to 3 months	1 935 403	2 049 083
4 months to 1 year	3 250 392	3 331 542
Over 1 year	5 251 440	4 508 340
Total	**11 764 049**	**11 459 303**
Sewerage		
0 - 30 Days (Current)	1 634 084	2 683 502
1 to 3 months	2 568 083	1 933 284
4 months to 1 year	4 528 165	3 279 704
Over 1 year	8 077 267	8 985 118
Total	**16 807 599**	**16 881 608**

Figures in Rand	2024	2023

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	2024	2023
Interest		
0 - 30 Days (Current)	1 151 171	953 153
1 to 3 months	3 294 721	3 881 179
4 months to 1 year	7 518 292	4 402 954
Over 1 year	9 362 331	5 908 369
Total	**21 326 515**	**15 145 656**
Other		
0 - 30 Days (Current)	97 246	85 467
1 to 3 months	70 945	123 580
4 months to 1 year	92 411	152 864
Over 1 year	406 272	523 650
Total	**666 872**	**885 561**
Summary Ageing of all Receivables from Exchange Transactions		
0 - 30 Days (Current)	21 750 671	21 299 539
1 to 3 months	14 875 064	13 513 336
4 months to 1 year	23 170 200	18 396 156
Over 1 year	40 508 059	42 631 274
Total	**100 303 993**	**95 840 305**

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2024	2023
Service Receivables	54 245 527	46 563 252
Property Rates	44 923 400	38 752 907
Availability Charges	9 322 127	7 810 344
Other Receivables	31 697 057	20 043 538
Unpaid Traffic Fines	28 901 714	16 599 148
Other Receivables	539 633	873 113
Deposits	1 557 263	2 571 277
Unpaid Grants	698 446	-
Total Gross Balance	**85 942 584**	**66 606 789**
Less: Allowance for Debt Impairment	(69 930 648)	(54 567 760)
Total Net Receivable	**16 011 936**	**12 039 029**

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

	2024	2023
Balance at the beginning of the year	54 567 760	40 921 114
Movement in the contribution to the provision	33 913 795	20 362 649
Property Rates	4 649 806	10 093 545
Availability Charges	1 435 230	1 124 631
Traffic Fines	27 486 464	9 104 472
Other Receivables	342 294	40 000
Bad Debts Written off	(18 550 907)	(6 716 003)
Property Rates	(1 041 148)	(3 991 508)
Availability Charges	(49 569)	(138 248)
Traffic Fines	(16 893 298)	(2 586 247)
Other Receivables	(566 892)	-
Balance at the end of the year	**69 930 648**	**54 567 760**

Figures in Rand	2024	2023

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

The allowance for debt impairment of property rates has been made for all balances outstanding based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

The allowance for debt impairment of unpaid traffic fines has been made for all balances outstanding based on the cumulative collection rate. All unpaid traffic fines older than 1 year are impaired in full.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2024			
Service Receivables			
Property Rates	44 923 400	(33 797 946)	11 125 455
Availability Charges	9 322 127	(8 691 177)	630 950
Other Receivables			
Unpaid Traffic Fines	28 901 714	(26 940 014)	1 961 700
Other Receivables	539 633	(501 511)	38 123
Deposits	1 557 263	-	1 557 263
Unpaid Grants	698 446	-	698 446
Total	**85 942 584**	**(69 930 648)**	**16 011 936**
30 June 2023			
Service Receivables			
Property Rates	38 752 907	(30 189 288)	8 563 619
Availability Charges	7 810 344	(7 305 516)	504 828
Other Receivables			
Unpaid Traffic Fines	16 599 148	(16 346 848)	252 300
Other Receivables	873 113	(726 108)	147 005
Deposits	2 571 277	-	2 571 277
Total	**66 606 789**	**(54 567 760)**	**12 039 029**

Ageing of Receivables from Non-Exchange Transactions

	2024	2023
Property Rates		
0 - 30 Days (Current)	5 185 484	4 947 500
1 to 3 months	4 969 764	5 335 391
4 months to 1 year	10 062 142	9 694 154
Over 1 year	24 706 011	18 775 863
Total	**44 923 400**	**38 752 907**
Availability Charges		
0 - 30 Days (Current)	331 860	297 065
1 to 3 months	655 230	601 024
4 months to 1 year	1 418 796	1 177 120
Over 1 year	6 916 242	5 735 135
Total	**9 322 127**	**7 810 344**

Figures in Rand	2024	2023

5 TAXES

VAT Claimable/(Payable)	2 517 829	727 662
VAT Input in Suspense	10 427 987	10 237 315
VAT Output in Suspense - net	(3 179 871)	(2 420 548)
VAT Output in Suspense	(9 878 661)	(10 010 859)
Less: VAT on Allowance for Debt Impairment	6 698 790	7 590 312
Total	**9 765 945**	**8 544 429**
As previously reported		8 431 665
Correction of error restatement - note 46.1		58 311
Correction of error restatement - note 46.3		54 453
Restated balance		8 544 429

Reconciliation of VAT on Allowance for Debt Impairment

Balance at beginning of year	7 590 312	6 950 849
Debt Impairment for current year	(891 522)	639 463
Balance at the end of the year	**6 698 790**	**7 590 312**

6 OPERATING LEASES

6.1 OPERATING LEASE ASSETS

Operating Lease Asset	**-**	**112**

The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.

Reconciliation of Operating Lease Asset

Balance at the beginning of the year	112	222
Movement during the year	(112)	(110)
Balance at the end of the year	**-**	**112**

The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

Within 1 Year	-	2 022
Between 1 and 5 Years	-	-
After 5 Years	-	-
Total operating lease payments	**-**	**2 022**

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 and buildings being leased. Escalation of 6% are applicable on the leases. The renewal option after lapsing of the contracts are available.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.

6.2 OPERATING LEASE LIABILITIES

Operating Lease Liability	**-**	**774**

The operating lease liability is derived from contracts where the Municipality acts as the lessee in the agreement.

Reconciliation of Operating Lease Liability

Balance at the beginning of the year	774	4 758
Movement during the year	(774)	(3 984)
Balance at the end of the year	**-**	**774**

Figures in Rand	2024	2023

6 OPERATING LEASES (CONTINUED)

The Municipality will incur the following lease expenditure from contracts that have defined lease payments and terms.

	2024	2023
Within 1 Year	420 000	428 785
Between 1 and 5 Years	-	420 000
After 5 Years	-	-
Total operating lease payments	**420 000**	**848 785**

The leases are in respect of land and buildings being leased. Escalations between 4% and 10% are applicable on the leases. The renewal option after lapsing of the contracts are available.

The Municipality does not engage in any sub-lease arrangements.

The Municipality did not pay any contingent rent during the year.

7 LONG-TERM RECEIVABLES

	2024	2023
Receivables with repayment arrangements	3 554 867	563 189
Less: Allowance for Debt Impairment	(659 044)	(127 781)
Total Net Receivable	**2 895 823**	**435 408**
Less: Current portion of Long-term Receivables	**1 296 291**	**363 463**
Receivables with repayment arrangements	1 296 291	363 463
Total	**1 599 532**	**71 945**

Debtors amounting to R3 554 867 (2023 - R563 189) have arranged to settle their account over an re-negotiated period. Total payments to the value of R1 972 528 (2023 - R118 094) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

Reconciliation of Allowance for Debt Impairment

	2024	2023
Balance at the beginning of the year	127 781	-
Movement in the contribution to the provision	531 263	127 781
Balance at the end of the year	**659 044**	**127 781**

The allowance for debt impairment of arrangements has been made for all balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

8 INVENTORY

	2024	2023
Maintenance Materials - at cost	1 086 556	955 553
Water – at cost	86 387	91 043
Total	**1 172 943**	**1 046 596**

Inventory are disclosed at the lower of cost or net realisable value.

No inventory were pledged as security for liabilities.

Inventory written down due to losses identified during the annual stores counts	-	-

Figures in Rand	2024	2023

9 INVENTORY (CONTINUED)

Inventory recognised as an expense during the year		
Maintenance Materials	1 883 671	1 597 361
Water - by nature of expense	10 971 150	11 117 071
Bulk Purchases	622 471	758 118
Contracted Services	326 249	324 613
Depreciation and Amortisation	1 340 863	1 495 573
Employee Related Costs	3 816 719	3 799 581
Internal Charges	4 608 496	4 246 752
Other Expenditure	256 352	492 434
Total	**12 854 822**	**12 714 432**

10 INVESTMENT PROPERTY

Investment Property - Carrying Value	**74 264 903**	**74 324 391**
As previously reported		74 313 391
Correction of error restatement - note 46.2		11 000
Restated balance		74 324 391

The carrying value of Investment Property is reconciled as follows:

Opening Carrying Value	**74 324 391**	**74 410 015**
Cost	75 107 877	75 141 252
Accumulated Depreciation	(783 486)	(731 236)
Accumulated Impairment	-	-
Depreciation for the year	(52 393)	(52 250)
Disposals	(7 095)	(33 375)
Closing Carrying Value	**74 264 903**	**74 324 391**
Cost	75 100 782	75 107 877
Accumulated Depreciation	(835 879)	(783 486)
Accumulated Impairment	-	-

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

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

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

Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)	**2 023 600**	**2 023 600**

The Municipality has assessed that it controls the above-mentioned land of which it is not the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly included in the jurisdictional area of the Municipality. The title deeds of the said erven have not been transferred to the Municipality.

Figures in Rand	2024	2023

11 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2024				
Land and Buildings	22 467 609	(1 754 156)	-	20 713 453
Infrastructure	876 402 738	(357 317 430)	(50 825 162)	468 260 146
Leased Assets	943 824	(392 613)	-	551 210
Community Assets	80 051 024	(8 463 950)	-	71 587 073
Other Assets	59 055 342	(21 684 566)	-	37 370 776
Capitalised Restoration Cost	24 699 373	(15 393 921)	(1 647 682)	7 657 770
Total	**1 063 619 910**	**(405 006 636)**	**(52 472 844)**	**606 140 429**
30 June 2023				
Land and Buildings	22 485 648	(1 620 614)	-	20 865 035
Infrastructure	857 974 151	(336 265 215)	(36 106 873)	485 602 063
Leased Assets	943 824	(234 878)	-	708 945
Community Assets	79 520 938	(7 564 553)	-	71 956 385
Other Assets	41 139 616	(22 757 975)	-	18 381 641
Capitalised Restoration Cost	22 153 402	(13 635 510)	(726 064)	7 791 829
Total	**1 024 217 580**	**(382 078 746)**	**(36 832 937)**	**605 305 897**
As previously reported				682 313 875
Correction of error restatement - note 46.2				(24 830 844)
Correction of error restatement - note 46.5				(52 177 134)
Restated balance				605 305 897

	2024	2023
11.1 Repairs and maintenance incurred on Property, Plant and Equipment	**10 393 270**	**7 785 006**
Repairs and maintenance consists out of the following components:		
Contracted Services - Maintenance Services	6 119 598	5 073 188
Other Expenditure - Maintenance Materials and Tools	4 273 672	2 711 817
Total	10 393 270	7 785 006
11.2 Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)	**658 700**	**658 700**

The Municipality has assessed that it controls the above-mentioned land of which it is not the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly included in the jurisdictional area of the Municipality. The title deeds of the said erven have not been transferred to the Municipality.

11.3 Capital Restorations Costs

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

	2024	2023
11.4 Carrying value of Property, Plant and Equipment pledged as security	**551 210**	**708 945**

The leased assets are financed through a finance lease agreement and are secured as set out in note 13.

11.5 Change in estimate useful lives

During the current year the remaining useful lives of Property, Plant and Equipment were reviewed, and accordingly adjusted. The effect on the current and future periods are as follow:

	2024	2025	After 2025
Increase / (Decrease) in Depreciation and Amortisation	(487 370)	389 331	98 038
Increase / (Decrease) in Accumulated Surplus	487 370	(389 331)	(98 038)
Increase / (Decrease) in Property, Plant and Equipment	487 370	(389 331)	(98 038)

Figures in Rand	2024	2023

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

11.6 Work in Progress projects taking a significant longer period to complete

	2024	2023
(a) *Lamberts Bay Desalination Plant*	77 787 911	77 787 911
During January 2024, the Municipality appointed a service provider to perform an assessment of the mechanical and electrical condition of the plant and related infrastructure. Included to the appointment was an assessment of the plant and related land infrastructure's civil and structural components. The final report was received in the month of July 2024 and will be tabled to Council during the month of August 2024, whereby a final decision will be made on the way forward.		
(b) *Clanwilliam Water Treatment Works*	4 021 319	4 021 319
The project is registered with the Regional Bulk Infrastructure Grant (RBIG) of the Department of Water and Sanitation (DWS). The Implementation Readiness Study (IRS) which is a requirement for RBIG projects was approved by the RBIG committee and is awaiting Council approval. However, counter-funding in the region of R 32 million is required from the Municipality as its non-social component contribution towards the project. The Municipality applied for waiver application again in August 2023. National Treasury approved a partial waiver on the co-funding in February 2024. The Municipality however needs to update the technical report for the Clanwilliam water treatment works, as the pumpstation which form part of initial application will be done by DWS as part of the dam project.		
(c) *Upgrade sidewalks and build new sidewalks in Denne Street*	119 281	119 281
This project is about 70% completed and will be completed once internal funding becomes available.		
(d) *Upgrading of sport fields - Lamberts Bay*	95 641	95 641
Project will be completed once internal funds become available.		
(e) *Upgrade roads and stormwater infrastructure - Citrusdal*	-	3 515 305
This project was completed during the current year.		
(f) *Construction Of Multi-Purpose Centre (Phase 1) Graafwater*	1 879 569	-
Contract terminated due to non compliance of contractual requirements. Design and tender documentation to be completed in the 2024/25 financial year.		
Total	**83 903 720**	**85 539 456**

The accumulated impairment recognised on the above-mentioned Work in Progress are as follows:

	2024	2023
(a) *Lamberts Bay Desalination Plant*	50 825 162	36 106 873
Total	**50 825 162**	**36 106 873**

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

11.7 Reconciliation of Carrying Value

30 June 2024	Cost						Accumulated Depreciation and Impairment						Carrying Value
	Opening Balance	Additions	Disposals and Write-offs	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Transfers	Disposals and Write-offs	Closing Balance	
	R	R	R	R	R	R	R	R	R		R	R	R
Land and Buildings	**22 485 648**	**-**	**(18 039)**	**-**	**-**	**22 467 609**	**1 620 614**	**133 542**	**-**	**-**	**-**	**1 754 156**	**20 713 453**
Land	9 436 984	-	(18 039)	-	-	9 418 945	-	-	-	-	-	-	9 418 945
Buildings	13 048 664	-	-	-	-	13 048 664	1 620 614	133 542	-	-	-	1 754 156	11 294 508
Infrastructure	**857 974 151**	**18 428 587**	**-**	**-**	**-**	**876 402 738**	**372 372 088**	**21 052 214**	**14 718 289**	**-**	**-**	**408 142 592**	**468 260 146**
Electrical	169 207 434	-	-	-	-	169 207 434	98 794 909	4 001 850	-	-	-	102 796 759	66 410 675
Roads	172 068 627	-	-	-	10 374 881	182 443 507	86 853 740	5 357 037	-	-	-	92 210 777	90 232 730
Sanitation	215 787 179	624 980	-	-	-	216 412 159	57 060 484	6 444 626	-	-	-	63 505 109	152 907 050
Storm Water	27 747 507	-	-	-	5 090 879	32 838 386	7 802 866	626 451	-	-	-	8 429 316	24 409 070
Water Supply	179 180 201	112 162	-	-	340 681	179 633 044	85 753 216	4 622 251	-	-	-	90 375 467	89 257 576
Work in progress	93 983 203	17 691 446	-	-	(15 806 441)	95 868 208	36 106 873	-	14 718 289	-	-	50 825 162	45 043 046
Leased Assets	**943 824**	**-**	**-**	**-**	**-**	**943 824**	**234 878**	**157 735**	**-**	**-**	**-**	**392 613**	**551 210**
Furniture and Office Equipment	943 824	-	-	-	-	943 824	234 878	157 735	-	-	-	392 613	551 210
Community Assets	**79 520 938**	**530 085**	**-**	**-**	**-**	**80 051 024**	**7 564 553**	**899 397**	**-**	**-**	**-**	**8 463 950**	**71 587 073**
Community Facilities	15 886 163	-	-	-	-	15 886 163	1 392 042	134 275	-	-	-	1 526 318	14 359 845
Sport and Recreational Facilities	62 189 651	-	-	-	-	62 189 651	6 172 511	765 122	-	-	-	6 937 632	55 252 019
Work in progress	1 445 124	530 085	-	-	-	1 975 210	-	-	-	-	-	-	1 975 210
Other Assets	**41 139 616**	**22 639 957**	**(4 724 231)**	**-**	**-**	**59 055 342**	**22 757 975**	**2 313 020**	**-**	**-**	**(3 386 429)**	**21 684 566**	**37 370 776**
Computer Equipment	3 263 264	1 136 266	(495 271)	-	-	3 904 259	2 161 600	208 499	-	-	(455 222)	1 914 877	1 989 382
Furniture and Office Equipment	9 694 206	304 487	(338 672)	-	-	9 660 021	6 040 262	594 147	-	-	(312 902)	6 321 507	3 338 514
Machinery and Equipment	11 304 919	2 454 662	(721 871)	-	-	13 037 710	7 296 477	580 406	-	-	(561 569)	7 315 314	5 722 396
Transport Assets	16 877 227	18 744 543	(3 168 417)	-	-	32 453 353	7 259 637	929 968	-	-	(2 056 737)	6 132 868	26 320 484
Capitalised Restoration Cost	**22 153 402**	**2 615 475**	**(69 504)**	**-**	**-**	**24 699 373**	**14 361 574**	**1 758 411**	**921 618**	**-**	**-**	**17 041 602**	**7 657 770**
Landfill Site Rehabilitation	22 153 402	2 615 475	(69 504)	-	-	24 699 373	14 361 574	1 758 411	921 618	-	-	17 041 602	7 657 770
	1 024 217 580	**44 214 105**	**(4 811 775)**	**-**	**-**	**1 063 619 910**	**418 911 683**	**26 314 319**	**15 639 907**	**-**	**(3 386 429)**	**457 479 480**	**606 140 429**

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

11.7 Reconciliation of Carrying Value

30 June 2023	Cost						Accumulated Depreciation and Impairment						Carrying Value (Restated)
	Opening Balance	Additions	Disposals and Write-offs	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Transfers	Disposals and Write-offs	Closing Balance	
	R	R	R	R	R	R	R	R	R		R	R	R
Land and Buildings	**22 485 648**	**-**	**-**	**-**	**-**	**22 485 648**	**1 487 436**	**133 177**	**-**	**-**	**-**	**1 620 614**	**20 865 035**
Land	9 436 984	-	-	-	-	9 436 984	-	-	-	-	-	-	9 436 984
Buildings	13 048 664	-	-	-	-	13 048 664	1 487 436	133 177	-	-	-	1 620 614	11 428 050
Infrastructure	**830 137 844**	**27 836 307**	**-**	**-**	**-**	**857 974 151**	**326 722 022**	**20 467 848**	**25 182 218**	**-**	**-**	**372 372 088**	**485 602 063**
Electrical	166 216 433	188 681	-	-	2 802 320	169 207 434	94 822 246	3 972 663	-	-	-	98 794 909	70 412 525
Roads	172 068 627	-	-	-	-	172 068 627	81 730 908	5 122 832	-	-	-	86 853 740	85 214 886
Sanitation	198 415 284	220 616	-	-	17 151 279	215 787 179	50 960 334	6 100 150	-	-	-	57 060 484	158 726 696
Storm Water	27 747 507	-	-	-	-	27 747 507	7 253 280	549 585	-	-	-	7 802 866	19 944 641
Water Supply	174 322 414	33 715	-	-	4 824 072	179 180 201	81 030 599	4 722 617	-	-	-	85 753 216	93 426 984
Work in progress	91 367 579	27 393 295	-	-	(24 777 671)	93 983 203	10 924 655	-	25 182 218	-	-	36 106 873	57 876 330
Leased Assets	**7 702 495**	**-**	**(179 491)**	**-**	**(6 579 181)**	**943 824**	**1 912 371**	**187 866**	**-**	**(1 796 852)**	**(68 507)**	**234 878**	**708 945**
Furniture and Office Equipment	3 527 655	-	-	-	(2 583 831)	943 824	805 920	157 304	-	(728 346)	-	234 878	708 945
Transport Assets	4 174 840	-	(179 491)	-	(3 995 350)	-	1 106 451	30 562	-	(1 068 506)	(68 507)	-	-
Community Assets	**78 321 837**	**1 199 101**	**-**	**-**	**-**	**79 520 938**	**6 667 173**	**897 380**	**-**	**-**	**-**	**7 564 553**	**71 956 385**
Community Facilities	15 886 163	-	-	-	-	15 886 163	1 258 134	133 909	-	-	-	1 392 042	14 494 121
Sport and Recreational Facilities	62 189 651	-	-	-	-	62 189 651	5 409 039	763 472	-	-	-	6 172 511	56 017 141
Work in progress	246 023	1 199 101	-	-	-	1 445 124	-	-	-	-	-	-	1 445 124
Other Assets	**33 572 038**	**1 217 342**	**(228 944)**	**-**	**6 579 181**	**41 139 616**	**19 178 045**	**1 951 269**	**-**	**1 796 852**	**(168 191)**	**22 757 975**	**18 381 641**
Computer Equipment	3 115 914	221 329	(73 979)	-	-	3 263 264	2 040 435	171 983	-	-	(50 817)	2 161 600	1 101 664
Furniture and Office Equipment	7 060 775	101 477	(51 877)	-	2 583 831	9 694 206	4 763 768	595 877	-	728 346	(47 729)	6 040 262	3 653 944
Machinery and Equipment	10 548 472	859 535	(103 088)	-	-	11 304 919	6 884 957	481 164	-	-	(69 644)	7 296 477	4 008 442
Transport Assets	12 846 877	35 000	-	-	3 995 350	16 877 227	5 488 885	702 245	-	1 068 506	-	7 259 637	9 617 590
Capitalised Restoration Cost	**19 396 951**	**2 862 895**	**(106 444)**	**-**	**-**	**22 153 402**	**13 096 448**	**1 265 126**	**-**	**-**	**-**	**14 361 574**	**7 791 829**
Landfill Site Rehabilitation	19 396 951	2 862 895	(106 444)	-	-	22 153 402	13 096 448	1 265 126	-	-	-	14 361 574	7 791 829
	991 616 813	**33 115 646**	**(514 878)**	**-**	**-**	**1 024 217 580**	**369 063 496**	**24 902 666**	**25 182 218**	**-**	**(236 698)**	**418 911 683**	**605 305 897**

Figures in Rand	2024	2023

12 INTANGIBLE ASSETS

	2024	2023
Intangible Assets - Carrying Value	**706 426**	**843 706**

The carrying value of intangible Assets is reconciled as follows:

	2024	2023
Opening Carrying Value	**843 706**	**1 043 991**
Cost	2 350 769	2 354 497
Accumulated Amortisation	(1 507 063)	(1 310 505)
Accumulated Impairment	-	-
Additions	63 486	-
Amortisation	(200 657)	(200 283)
Disposal	(108)	(2)
Cost	(13 234)	(3 728)
Accumulated Amortisation	13 126	3 726
Closing Carrying Value	**706 426**	**843 706**
Cost	2 401 020	2 350 769
Accumulated Amortisation	(1 694 594)	(1 507 063)
Accumulated Impairment	-	-

Intangible Assets consist only out of software.

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

During the current year the remaining useful lives of Intangible Assets were reviewed, and accordingly adjusted. The effect on the current and future periods are as follow:

	2024	2025	After 2025
Increase / (Decrease) in Depreciation and Amortisation	(1 556)	778	778
Increase / (Decrease) in Accumulated Surplus	1 556	(778)	(778)
Increase / (Decrease) in Intangible Assets	1 556	(778)	(778)

13 LONG-TERM LIABILITIES

	2024	2023
Annuity Loans	2 263 326	3 871 874
Finance Lease Liabilities	181 223	513 300
Payables with Repayment Arrangements	-	39 471 931
Municipal Debt Relief	37 443 774	-
Sub-Total	**39 888 323**	**43 857 105**
Less: Current portion of Long-term Liabilities	**13 264 684**	**27 328 579**
Annuity Loans	1 787 486	1 609 946
Finance Lease Liabilities	181 222	332 078
Payables with Repayment Arrangements	-	25 386 555
Municipal Debt Relief	11 295 976	-
Total	**26 623 639**	**16 528 526**

Long-term Liabilities were utilised as follow:

	2024	2023
Total Long-term Liabilities taken up	2 444 549	4 385 174
Used to finance Property, Plant and Equipment at cost	(2 444 549)	(4 385 174)
Unspent Borrowings	-	-

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act No. 56 of 2003.

Figures in Rand	2024	2023

13 LONG-TERM LIABILITIES (CONTINUED)

13.1 Annuity Loans

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

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
ABSA (038-723-0992)	9.84%	1 April 2025	448 528	853 792
ABSA (038-723-0993)	10.43%	17 June 2025	764 131	1 451 695
ABSA (038-723-0994)	10.45%	17 Nov 2025	451 984	714 845
ABSA (038-723-0995)	11.33%	30 Jun 2026	598 682	851 543
Total			**2 263 326**	**3 871 874**

All annuity loans are unsecured.

Annuity loans are payable as follows:

	2024	2023
Payable within one year	1 985 577	1 985 577
Payable within two to five years	510 819	2 496 397
Total amount payable	**2 496 397**	**4 481 974**
Less: Outstanding Future Finance Charges	(233 071)	(610 100)
Present value of annuity loans	**2 263 326**	**3 871 874**

13.2 Finance Lease Liabilities

Finance Lease Liabilities, disclosed at amortised cost, consist out of the following agreements:

Description	Rate	Maturity Date	Carrying Value of Liability	
Printers and Copiers	11.8%	31 Dec 2024	181 223	513 300
Total			**181 223**	**513 300**

Finance Leases Liabilities are secured by Property, Plant and Equipment - refer to note 11.

Leased assets remain the property of the lessor after maturity and new lease contracts are negotiated to replace lapsed contracts.

Finance Lease Liabilities are payable as follows:

	2024	2023
Payable within one year	187 500	375 000
Payable within two to five years	-	187 500
Total amount payable	**187 500**	**562 500**
Less: Outstanding Future Finance Charges	(6 277)	(49 200)
Present value of finance lease liabilities	**181 223**	**513 300**

13.3 Payables with Repayment Arrangements

Payables with Repayment Arrangements, disclosed at amortised cost, consist out of the following agreements:

Supplier	Rate	Maturity Date	Carrying Value of Liability	
Eskom Holdings SOC Ltd (Clanwilliam Account)	Prime + 2.5%	31 Dec 2024	-	19 722 325
Eskom Holdings SOC Ltd (Citrusdal Account)	Prime + 2.5%	31 Dec 2024	-	19 273 627
Eskom Holdings SOC Ltd (Lamberts Bay Account)	Prime + 2.5%	31 Jul 2023	-	475 979
Total			**-**	**39 471 931**

All payables with repayment arrangements are unsecured.

Payables with Repayment Arrangements are payable as follows:

	2024	2023
Payable within one year	-	25 386 555
Payable within two to five years	-	14 085 376
Total amount payable	**-**	**39 471 931**
Less: Outstanding Future Finance Charges	-	-
Present value of payables with repayment arrangements	**-**	**39 471 931**

Figures in Rand	2024	2023

13 LONG-TERM LIABILITIES (CONTINUED)

13.4 Municipal Debt Relief

Municipal Debt Relief, disclosed at amortised cost, consist out of the following agreements:

Supplier	Discount Rate	Maturity Date	Carrying Value of Liability	
Eskom Holdings SOC Ltd	10.16%	31 Aug 2026	37 443 774	-
Total			**37 443 774**	**-**

The Municipal Debt Relief liability is unsecured.

National Treasury approved the Municipality's application for Municipal Debt Relief. In terms of the arrangement, Eskom Holdings SOC Ltd will write-off outstanding debt amounting to R41 772 257 over a period of 3 years, given that the Municipality adheres to certain conditions. As at year-end, the Municipality has complied with all the conditions, and it is therefore anticipated that debt will be written off as follows:

	2024	2023
Within one year	13 924 085	-
Within two to five years	27 848 171	-
Total amount payable	**41 772 256**	**-**
Less: Outstanding Future Finance Charges	(4 328 482)	-
Present value of payables with repayment arrangements	**37 443 774**	**-**

14 CONSUMER DEPOSITS

	2024	2023
Water and Electricity Deposits	**2 997 700**	**2 794 971**

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

15 PAYABLES FROM EXCHANGE TRANSACTIONS

	2024	2023
Trade Payables	41 663 613	52 763 929
Retentions	1 300 427	1 033 225
Payments received in advance	3 087 700	3 055 582
Unused Pre-paid Electricity	845 443	729 183
Sundry Creditors	829 866	698 101
Sundry Deposits	178 863	125 334
Accrued Interest	17 649	35 461
Unknown Receipts	711 443	70 320
Land Sales Deposits	2 199 975	1 510 975
Department of Infrastructure	26 530	190 000
Integrated National Electrification Programme (INEP)	2 997 000	1 334 594
Total	**53 858 510**	**61 546 705**
As previously reported		60 630 956
Correction of error restatement - note 46.3		(418 845)
Correction of error restatement - note 46.5		1 334 594
Restated balance		61 546 705

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

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

Sundry deposits include hall, builders, housing deposits and a performance guarantees paid by contractors.

Figures in Rand	2024	2023

15 PAYABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Department of Infrastructure balance consist of the following:

- Advances received for the construction of housing top structures	-	-
- Advances received in terms of principle-agent arrangements	26 530	190 000
Total	26 530	190 000

The Integrated National Electrification Programme (INEP) relates to advances received for the construction of bulk electrification infrastructure for Eskom.

The following serves as security for payables:

- Bank guarantee as per note 2	2 900 000	2 900 000
- Cash deposits as per note 4	1 557 263	2 571 277
Total	4 457 263	5 471 277

16 UNSPENT CONDITIONAL GOVERNMENT GRANTS

National Government	7 525 057	2 911 226
Provincial Government	6 576 351	5 503 301
Total	**14 101 408**	**8 414 527**
As previously reported		10 823 121
Correction of error restatement - note 46.4		(1 074 000)
Correction of error restatement - note 46.5		(1 334 594)
Restated balance		8 414 527

Detail reconciliations of all grants received and grant conditions met are included in note 22. Unspent grant balances are recognised to the extent that conditions are not yet met.

No grants were withheld in the current year.

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

17 CURRENT EMPLOYEE BENEFITS

Bonuses	3 432 600	3 307 247
Staff Leave	7 731 806	6 991 780
Performance Bonuses	709 814	202 645
Standby and Overtime	713 958	619 311
Current portion of Non-Current Employee Benefits - note 19	2 024 000	2 113 000
Post Retirement Medical Benefits	1 686 000	1 455 000
Long Service Awards	338 000	658 000
Total	**14 612 178**	**13 233 983**

The movement in current employee benefits are reconciled as follows:

17.1 Bonuses

Opening Balance	3 307 247	3 461 973
Contribution during the year	6 364 674	6 240 554
Payments made	(6 239 322)	(6 395 280)
Balance at the end of the year	**3 432 600**	**3 307 247**

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.

Figures in Rand	2024	2023

17 CURRENT EMPLOYEE BENEFITS (CONTINUED)

17.2 Staff Leave

	2024	2023
Opening Balance	6 991 780	7 650 260
Contribution during the year	1 704 136	571 246
Payments made	(964 110)	(1 229 725)
Balance at the end of the year	**7 731 806**	**6 991 780**

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

17.3 Performance Bonuses

	2024	2023
Opening Balance	202 645	528 261
Contribution during the year	507 169	(131 558)
Payments made	-	(194 058)
Balance at the end of the year	**709 814**	**202 645**

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.

17.4 Standby and Overtime

	2024	2023
Opening Balance	619 311	460 657
Contribution during the year	713 958	619 311
Payments made	(619 311)	(460 657)
Balance at the end of the year	**713 958**	**619 311**

Standby and overtime worked by staff in current financial year, but paid in following financial year.

18 CURRENT PROVISIONS

	2024	2023
Awaiting SARS Ruling - Output VAT Payable on Library Grants	4 056 578	3 225 709
Total	**4 056 578**	**3 225 709**
As previously reported		-
Correction of error restatement - note 46.6		3 225 709
Restated balance		3 225 709

The movement in the provision is reconciled as follows:

	2024	2023
Opening balance	3 225 709	2 520 317
Increase based on Output VAT portion of grant funding received	830 870	705 391
Total balance at year-end	4 056 578	3 225 709

Refer to note 46.6 for a brief description of the nature of the obligation.

It is estimated that the formal SARS ruling will be issued within the next 12 months, and accordingly the provision is considered to be a current liability.

The main uncertainty is what periods SARS will include when making its ruling and assessment. The Municipality took a conservative approach and calculated the provision based on a period of 6 years, i.e. from 2018/19 to 2023/24.

Another uncertainty is whether any penalties or interest will be levied by SARS. As the Municipality disclosed the potential obligation to SARS via the voluntary disclosure programme (VDP), it is assumed that no penalties and interest will be levied by SARS, and accordingly no penalties or interest were included in the provision.

Should the outcome of the formal ruling be unfavourable towards the Municipality, the Municipality will approach the Department of Cultural Affairs and Sport (DCAS) for possible reimbursement.

Figures in Rand		2024	2023
19	**EMPLOYEE BENEFITS**		
	Post Retirement Medical Benefits	31 791 000	30 069 000
	Long Service Awards	5 742 000	5 683 000
	Sub-Total	**37 533 000**	**35 752 001**
	Less: Current portion of Employee Benefits	**2 024 000**	**2 113 000**
	Post Retirement Medical Benefits	1 686 000	1 455 000
	Long Service Awards	338 000	658 000
	Total	**35 509 000**	**33 639 001**

19.1 Post Retirement Medical Benefits

The Post Retirement Medical Benefit Plan is a defined benefit plan. The movement in the defined benefit obligation is reconciled as follows:

	2024	2023
Opening Balance	30 069 000	32 232 000
Contribution during the year	4 991 000	5 890 000
Current Service Cost	1 300 000	2 154 000
Interest Expense	3 691 000	3 736 000
Payments made	(1 598 039)	(1 332 780)
Actuarial Loss/(Gain)	(1 670 961)	(6 720 220)
Change in Financial Assumptions	(836 000)	(3 926 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(834 961)	(2 794 220)
Total balance at year-end	31 791 000	30 069 000
Less: Current portion	(1 686 000)	(1 455 000)
Total	**30 105 000**	**28 614 000**

Based on the number of individuals entitled to a post-employment medical aid subsidy at year-end, the defined benefit obligation was estimated to be as follows:

	Number of individuals			
Category	**2024**	**2023**		
In-service members	125	125	10 475 000	9 999 000
In-service non-members	173	184	2 287 000	2 286 000
Continuation members	31	29	19 029 000	17 784 000
Total	**329**	**338**	**31 791 000**	**30 069 000**

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

Actuarial Method

The Projected Unit Credit Method has been used to value the liabilities. The last valuation was performed on 16 July 2024.

Characteristics of defined benefit plans and risks associated with them

The Municipality provides post employment medical benefits as follows:

- Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement.
- Continuation members and their eligible dependants receive a 70% subsidy.
- The post-employment subsidies are not limited to a maximum Rand value/subsidy.
- Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

19 EMPLOYEE BENEFITS (CONTINUED)

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- **Inflation**: The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- **Longevity**: The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.
- **Volatility of open-ended, long-term defined benefit obligation:** The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.
- **Enforcement of eligibility criteria and rules**: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the defined benefit obligation for the Municipality.

Significant Actuarial Assumptions

	2024	2023
i) Financial Assumptions		
- Medical Aid Contribution Inflation Rate	7.69%	8.25%
- Discount Rate	12.20%	12.57%
- Net Discount Rate	4.19%	3.99%
ii) Demographic Assumptions		
- Post-Employment Mortality	PA(90)	PA(90)
The PA(90) ultimate table, adjusted down by 1 year of age, and a 1% annual compound mortality improvement from 2010.		
- Average Retirement Age	62 years	62 years
- Membership continuation	75%	75%

Sensitivity Analysis - Defined Benefit Obligation at year-end

The defined benefit obligation is based on a number of assumptions as indicated above. The extent to which the actual defined benefit obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The assumption which tends to have the greatest impact on the results is the medical aid contribution inflation rate relative to the discount rate. The impact of the aforementioned and the other significant assumptions are disclosed below:

Assumption	Eligible Employees (R)	Continuation members (R)	Total Obligation (R)	% Change
Current defined benefit obligation	12 762 000	19 029 000	31 791 000	
Medical Aid Contribution Inflation Rate (+ 1%)	15 363 000	20 858 000	36 221 000	14%
Medical Aid Contribution Inflation Rate (- 1%)	10 687 000	17 440 000	28 127 000	-12%
Discount Rate (+ 1%)	10 778 000	17 513 000	28 291 000	-11%
Discount Rate (- 1%)	15 271 000	20 797 000	36 068 000	13%
Post-Employment Mortality (+ 1 year)	12 453 000	18 480 000	30 933 000	-3%
Post-Employment Mortality (- 1 year)	13 064 000	19 575 000	32 639 000	3%
Average Retirement Age (- 1 year)	14 151 000	19 029 000	33 180 000	4%
Membership Continuation (- 10%)	11 162 000	19 029 000	30 191 000	-5%

There were no changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analyses.

Expected contributions and maturity analysis

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation. There are no specific funding arrangements and funding policy that affect future contributions, other than the funding and reserve policy of the Municipality which aims to ensure that the cash position of the Municipality remains sufficient to cover all working capital requirements (which includes contributions to the relevant medical schemes).

19 EMPLOYEE BENEFITS (CONTINUED)

Maturity analysis of the future undiscounted expected benefits to be paid in respect of the current eligible employees and continuation members can be illustrated as follows:

Future Year	**Expected Benefit Payments R**	**% Contribution of Bracket**
Future year 1 - 10	28 000 000	3%
Future year 11 - 20	76 997 000	7%
Future year 21 - 30	158 712 000	15%
Future year 31 - 40	233 066 000	23%
Future year 41 - 50	243 588 000	24%
Future year 51 - 60	182 041 000	18%
Future year 61 - 70	87 823 000	9%
Future year 71 - 80	22 468 000	2%
Future year 80 + (considered insignificant to include in analysis)	-	0%
Total future expected benefits to be paid	**1 032 695 000**	**100%**

19.2 Long Service Awards

The Long Service Awards plans are defined benefit plans. The movement in the defined benefit obligation is reconciled as follows:

	2024	2023
Opening Balance	5 683 000	5 976 000
Contribution during the year	1 123 000	1 155 000
Current Service Cost	493 000	532 000
Interest Expense	630 000	623 000
Payments made	(689 132)	(822 116)
Actuarial Loss/(Gain)	(374 869)	(625 884)
Change in Financial Assumptions	(58 000)	(347 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(316 869)	(278 884)
Total balance at year-end	**5 742 000**	**5 683 000**
Less: Current portion	(338 000)	(658 000)
Total	**5 404 000**	**5 025 000**
As at year end, the following number of employees were eligible for Long Service Awards	298	309

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

Actuarial Method

The Projected Unit Credit Method has been used to value the liabilities. The last valuation was performed on 16 July 2024.

Characteristics of defined benefit plans and risks associated with them

The Municipality provides a Long Service Award benefits as follows:

- The Municipality offers employees Long Service Awards for every 5 years of service completed, from 10 years of service to 45 years of service, inclusive.
- In the month that each "completed service" milestone is reached, the employee is granted a Long Service Award.
- The Long Service Award is calculated as a percentage of basic salary which is then multiplied by the number of years in service, divided by 250. The percentage calculated on the basic salary is determined by the milestone reached which ranges from 4% (10 years) to 26.3% (45 years).
- The Municipality does not pay any pro-rata Long Service Awards.

Figures in Rand	2024	2023

19 EMPLOYEE BENEFITS (CONTINUED)

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- **Inflation**: The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- **Termination of service:** The risk that fewer eligible employees terminate their service at the Municipality i.e. more Long Service Awards vest than expected.
- **Volatility of open-ended, long-term Defined-Benefit Obligation:** The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.
- **Enforcement of eligibility criteria and rules**: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the Defined-Benefit Obligation for the Municipality.

Significant Actuarial Assumptions

	2024	2023
i) Financial Assumptions		
- General Earnings Inflation Rate	6.53%	7.01%
- Discount Rate	11.43%	11.74%
- Net Discount Rate	4.60%	4.42%
ii) Demographic Assumptions		
- Average Retirement Age	62 years	62 years
- Termination of Services		

If an eligible employee leaves due to resignation or retrenchment, the Municipality's defined benefit obligation in respect of that employee ceases. The termination rates per annum is assumed as follows:

	2024	2023
Age: 20 - 24	9.00%	9.00%
Age: 25 - 29	8.00%	8.00%
Age: 30 - 34	6.00%	6.00%
Age: 35 - 44	5.00%	5.00%
Age: 45 - 49	4.00%	4.00%
Age: 50 - 54	3.00%	3.00%
Age: 55 +	0.00%	0.00%

Sensitivity Analysis - Defined Benefit Obligation at year-end

The defined benefit obligation is based on a number of assumptions as indicated above. The extent to which the actual defined benefit obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The impact of the significant assumptions are disclosed below:

Assumption	**Impact on Defined Benefit Obligation (R)**	**% Change**
Current Defined Benefit Obligation	5 742 000	
General Earnings Inflation Rate (+ 1%)	6 122 000	7%
General Earnings Inflation Rate (- 1%)	5 397 000	-6%
Discount Rate (+ 1%)	5 393 000	-6%
Discount Rate (- 1%)	6 133 000	7%
Average Retirement Age (+ 2 years)	6 466 000	13%
Average Retirement Age (- 2 years)	5 100 000	-11%
Rates of Termination of Services (x 2)	4 612 000	-20%
Rates of Termination of Services (x 0.5)	6 504 000	13%

There were no changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analyses.

19 EMPLOYEE BENEFITS (CONTINUED)

Expected contributions and maturity analysis

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation. There are no specific funding arrangements and funding policy that affect future contributions, other than the funding and reserve policy of the Municipality which aims to ensure that the cash position of the Municipality remains sufficient to cover all working capital requirements (which includes Long Service Awards when it becomes due).

Maturity analysis of the future undiscounted expected benefits to be paid in respect of the current eligible employees can be illustrated as follows:

Future Year	Expected Benefit Payments R	% Contribution of Bracket
Future year 1 - 10	10 863 000	29%
Future year 11 - 20	14 739 000	39%
Future year 21 - 30	10 641 000	28%
Future year 31 - 40	1 340 000	4%
Future year 40 + (considered insignificant to include in analysis)	-	0%
Total future expected benefits to be paid	**37 583 000**	**100%**

19.3 Defined Contribution Plans

Council contributes to the following defined contribution plans:

	2024	2023
Consolidated Retirement Fund	10 847 082	11 008 553
LA Retirement Fund	59 068	107 820
National Funds for Municipal Workers	1 019 806	803 880
Municipal Workers Retirement Fund	1 171 707	1 253 566
Total	**13 097 663**	**13 173 819**

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

The Municipality previously assessed the Consolidated Retirement Fund and LA Retirement Fund to be multi-employer defined benefit plans. This assessment was however incorrect as the Municipality's obligation is only limited to the contributions made to the said funds. This is in contrast to the former funds (Cape Joint Retirement Fund and Cape Joint Pension Fund) which were deemed to be defined benefit plans. Accordingly, any contributions previously disclosed as defined benefit plans are now included as part of the defined contributions plans, which resulted in the comparative amount being restated from R2 057 446 to R13 173 819.

20 NON-CURRENT PROVISIONS

	2024	2023
Provision for Rehabilitation of Landfill-sites	**61 032 949**	**52 681 181**

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

	2024	2023
Opening Balance	52 681 181	45 813 780
Contribution during the year	8 351 768	6 867 401
Increase/(decrease) in estimate added to /(deducted from) cost of related asset	2 545 970	2 756 451
Decrease in estimate recognised in surplus	(291 370)	(722 376)
Interest Cost	6 097 168	4 833 326
Total	**61 032 949**	**52 681 181**

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

The future obligations for rehabilitating the landfill sites has been calculated using a discount rate (SA Government Bond yield) of between 8.94% and 11.70% depending on the estimated decommission date.

Figures in Rand	2024	2023

20 NON-CURRENT PROVISIONS (CONTINUED)

The total obligation at year-end can be attributed to the following sites:

Location	Discount Rate	Site Dimensions m²	Rehabilitation cost per m² (Rand)	Cost of Rehabilitation	Cost of Rehabilitation
Clanwilliam	8.94%	23 616	958	19 859 669	16 258 029
Lambert's Bay	11.70%	17 580	1 118	14 694 993	13 194 367
Citrusdal	11.70%	26 505	1 040	15 118 309	13 486 495
Graafwater	8.94%	3 000	1 688	4 756 816	3 427 344
Elands Bay	8.94%	5 060	1 389	6 603 163	6 314 947
Total				**61 032 949**	**52 681 181**

The estimate cost, based on an average inflation rate of 5.59% (2023 - 5.59%), and date of decommission of the sites are as follows:

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Clanwilliam	2028	28 384 196	29 074 980
Lambert's Bay	2029	26 037 800	26 404 030
Citrusdal	2035	50 411 123	51 303 508
Graafwater	2026	5 645 560	6 728 809
Elands Bay	2026	7 836 871	6 992 081
Total		**118 315 549**	**120 503 408**

21 PROPERTY RATES

	2024	2023
Rateable Land and Buildings	82 214 731	78 506 157
Less: Rebates	(8 521 799)	(8 124 017)
Total	**73 692 932**	**70 382 140**

Property rate levied are based on the following rateable valuations:

	2024	2023
Residential	3 319 781 000	3 338 255 000
Business and Industrial	952 608 000	964 879 000
State-owned	243 255 000	242 000 000
Agricultural, Public Service Infrastructure and Public Benefit Organisations	4 388 821 000	4 368 854 000
Impermissible	574 080 000	552 874 000
Total Valuation	9 478 545 000	9 466 862 000

Rate that is applicable to the valuations above:

	2024	2023
Residential	1.410c/R	1.339c/R
Business and Industrial	1.824c/R	1.732c/R
State-owned	1.824c/R	1.732c/R
Agricultural, Public Service Infrastructure and Public Benefit Organisations	0.353c/R	0.334c/R
Impermissible	0.000c/R	0.000c/R

Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2022. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

Properties used only for residential purposes are exempted from property rates in terms of the Municipality's policy as follow:

	2024	2023
- Properties with a value of less than R100 000	85 000	85 000
- Properties with a value of more than R100 000	85 000	85 000

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

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

Figures in Rand	2024	2023
22 GOVERNMENT GRANTS AND SUBSIDIES		
Unconditional Grants - National Government	**67 058 000**	**61 451 000**
Equitable Share	67 058 000	61 451 000
Conditional Grants - National Government	**24 893 388**	**18 157 893**
Municipal Infrastructure Grant (MIG)	16 323 446	13 055 540
Financial Management Grant (FMG)	2 132 000	2 082 589
Expanded Public Works Program (EPWP)	1 658 000	1 359 000
Water Service Infrastructure Grant (WSIG)	4 463 698	820 450
Regional Bulk Infrastructure Grant (RBIG)	-	840 313
Municipal Disaster Response Grant	316 245	-
Conditional Grants - Provincial Government	**15 862 818**	**19 745 529**
Library Services MRF	4 912 914	4 702 609
CDW Support	9 929	115 205
Municipal Capacity Building Grant	-	250 000
Thusong Service Centre Grant	1 068	148 932
Public Employment Support Grant	-	89 939
Municipal Library Support Grant	-	13 782
Financial Management Capability Grant	499 476	1 053 257
Municipal Interventions Grant	991 967	158 033
Municipal Water Resilience Grant	4 068 302	-
Loadshedding Relief Grant	1 516 425	-
Informal Settlements Upgrading Partnership Grant (ISUPG)	3 062 833	13 213 773
Municipal Energy Resilience Grant	499 905	-
Municipal Service Delivery and Capacity Building Grant	300 000	-
Municipal Financial Recovery Services	-	-
Total	**107 814 206**	**99 354 422**
As previously reported		119 651 219
Correction of error restatement - note 46.4		1 074 000
Correction of error restatement - note 46.5		(2 869 565)
Correction of error restatement - note 46.5		(17 795 840)
Correction of error restatement - note 46.6		(705 391)
Restated balance		99 354 422

Disclosed as:

	2024	2023
Government Grants and Subsidies - Operating	81 534 606	74 011 713
Government Grants and Subsidies - Capital	26 279 599	25 342 709
Total	**107 814 206**	**99 354 422**

Grants per Vote (MFMA Sec 123 (c)):

	2024	2023
Equitable share	67 058 000	61 451 000
Vote 1 - Executive and Council	-	-
Vote 2 - Office of Municipal Manager	300 000	-
Vote 3 - Financial Administrative Services	2 631 476	3 036 147
Vote 4 - Community Development Services	7 136 208	7 603 289
Vote 5 - Corporate and Strategic Services	409 929	464 904
Vote 6 - Planning and Development Services	1 036 767	1 023 482
Vote 7 - Public Safety	-	-
Vote 8 - Electricity	2 016 330	-
Vote 9 - Waste Management	8 745 756	89 939
Vote 10 - Waste Water Management	8 348 932	-
Vote 11 - Water	4 068 302	1 660 763
Vote 12 - Housing	3 062 833	13 350 336
Vote 13 - Road Transport	2 999 674	10 674 560
Vote 14 - Sports and Recreation	-	-
Total	**107 814 206**	**99 354 422**

Figures in Rand	2024	2023

22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

22.01 Equitable Share

	2024	2023
Opening Unspent Balance	-	-
Grants Received / (Repaid)	67 058 000	61 451 000
Transferred to Revenue - Operating	(67 058 000)	(61 451 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

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

22.02 Municipal Infrastructure Grant (MIG)

	2024	2023
Opening Unspent Balance	1 665 284	3 685 824
Grants Received / (Repaid)	13 959 715	11 035 000
Transferred to Revenue - Operating	(2 910 926)	(2 367 147)
Transferred to Revenue - Capital	(13 412 519)	(10 688 393)
Transferred to / (from) Receivables	698 447	-
Closing Unspent Balance	-	1 665 284

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

22.03 Financial Management Grant (FMG)

	2024	2023
Opening Unspent Balance	49 411	-
Grants Received / (Repaid)	2 082 589	2 132 000
Transferred to Revenue - Operating	(2 132 000)	(2 082 589)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	49 411

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management

22.04 Expanded Public Works Program (EPWP)

	2024	2023
Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 658 000	1 359 000
Transferred to Revenue - Operating	(1 658 000)	(1 359 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.

22.05 Water Service Infrastructure Grant (WSIG)

	2024	2023
Opening Unspent Balance	686 894	1 507 344
Grants Received / (Repaid)	3 813 106	-
Transferred to Revenue - Operating	(550 654)	(116 003)
Transferred to Revenue - Capital	(3 913 043)	(704 447)
Closing Unspent Balance	36 302	686 894

This grant is utilised for an array of water infrastructure which includes but is not limited to reservoirs, boreholes and oxidation ponds.

Figures in Rand	2024	2023

22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

22.06 Regional Bulk Infrastructure Grant (RBIG)

	2024	2023
Opening Unspent Balance	509 637	509 637
Grants Received / (Repaid)	(509 637)	840 313
Transferred to Revenue - Operating	-	(109 606)
Transferred to Revenue - Capital	-	(730 707)
Closing Unspent Balance	-	509 637

This grant is used to develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries.

22.07 Municipal Disaster Response Grant

	2024	2023
Opening Unspent Balance	-	-
Grants Received / (Repaid)	7 805 000	-
Transferred to Revenue - Operating	(41 249)	-
Transferred to Revenue - Capital	(274 995)	-
Closing Unspent Balance	7 488 755	-

This grant is utilised to respond to damages to infrastructure caused by flooding.

22.08 Library Services MRF

	2024	2023
Opening Unspent Balance	-	-
Grants Received / (Repaid)	5 539 131	4 702 609
Transferred to Revenue - Operating	(4 902 893)	(4 702 609)
Transferred to Revenue - Capital	(10 021)	-
Closing Unspent Balance	626 216	-

The Library Services (Municipal Replacement Fund) Grant is used to pay the salaries of library staff.

22.09 CDW Support

	2024	2023
Opening Unspent Balance	115 912	79 117
Grants Received / (Repaid)	150 999	152 000
Transferred to Revenue - Operating	(9 929)	(115 205)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	256 982	115 912

This grant is used to provide financial assistance to municipalities to cover the operational and capital costs pertaining to the line functions of the community development workers including the supervisors and regional coordinators.

22.10 Municipal Capacity Building Grant

	2024	2023
Opening Unspent Balance	-	299 178
Grants Received / (Repaid)	-	(49 177)
Transferred to Revenue - Operating	-	(250 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

This grant is utilised as a capacity initiative for graduates to enter the workforce in local government.

Figures in Rand	2024	2023

22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

22.11 Thusong Service Centre Grant

	2024	2023
Opening Unspent Balance	1 068	11 856
Grants Received / (Repaid)	118 932	138 144
Transferred to Revenue - Operating	(1 068)	(148 932)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	118 932	1 068

This grant is used to provide financial assistance to municipalities, ensuring the financial sustainability of the Thusong Service Centres.

22.12 Public Employment Support Grant

	2024	2023
Opening Unspent Balance	-	89 939
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	(89 939)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

This grant is used to coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress.

22.13 Municipal Library Support Grant

	2024	2023
Opening Unspent Balance	189 284	203 066
Grants Received / (Repaid)	(189 284)	-
Transferred to Revenue - Operating	-	(8 394)
Transferred to Revenue - Capital	-	(5 388)
Closing Unspent Balance	-	189 284

This grant funding is utilized for personnel, operational and/or capital costs of libraries in the municipal area.

22.14 Financial Management Capability Grant

	2024	2023
Opening Unspent Balance	5 070	-
Grants Received / (Repaid)	1 053 257	1 058 327
Transferred to Revenue - Operating	(499 476)	(1 053 257)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	558 851	5 070

This grant is utilized for revenue enhancement and bursary programmes for external students.

22.15 Municipal Interventions Grant

	2024	2023
Opening Unspent Balance	591 967	-
Grants Received / (Repaid)	400 000	750 000
Transferred to Revenue - Operating	(252 837)	(158 033)
Transferred to Revenue - Capital	(739 130)	-
Closing Unspent Balance	-	591 967

This grant is utilized to improve infrastructure, systems, structures, corporate governance, service delivery and compliance with executive obligations.

22.16 Municipal Water Resilience Grant

	2024	2023
Opening Unspent Balance	3 000 000	-
Grants Received / (Repaid)	5 000 000	3 000 000
Transferred to Revenue - Operating	(519 875)	-
Transferred to Revenue - Capital	(3 548 427)	-
Closing Unspent Balance	3 931 698	3 000 000

This grant is used to enhance water resilience through water supply augmentation, infrastructure capacity upgrades, water source management and water demand management.

Figures in Rand	2024	2023

22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

22.17 Loadshedding Relief Grant

	2024	2023
Opening Unspent Balance	1 600 000	-
Grants Received / (Repaid)	-	1 600 000
Transferred to Revenue - Operating	(197 795)	-
Transferred to Revenue - Capital	(1 318 630)	-
Closing Unspent Balance	83 576	1 600 000

This grant is used for the installation of back-up energy supply for water and wastewater infrastructure.

22.18 Informal Settlements Upgrading Partnership Grant (ISUPG)

	2024	2023
Opening Unspent Balance	-	-
Grants Received / (Repaid)	3 062 833	13 213 773
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(3 062 833)	(13 213 773)
Closing Unspent Balance	-	-

This grant is used for the installation of water and sanitation infrastructure at the Khayelitsha informal settlement in Clanwilliam.

22.19 Municipal Energy Resilience Grant

	2024	2023
Opening Unspent Balance	-	-
Grants Received / (Repaid)	500 000	-
Transferred to Revenue - Operating	(499 905)	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	95	-

This grant is used for the updating of the master plan and GIS database for the electricity networks in the municipal area.

22.20 Municipal Service Delivery and Capacity Building Grant

	2024	2023
Opening Unspent Balance	-	-
Grants Received / (Repaid)	300 000	-
Transferred to Revenue - Operating	(300 000)	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

This grant is used to provide financial assistance to the Municipality to improve infrastructure, systems, structures, corporate governance and service delivery.

22.21 Municipal Financial Recovery Services

	2024	2023
Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 000 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	1 000 000	-

This grant is used for the purchase of smart prepaid meters in order to address illegal electricity connections.

22.22 Total Grants

	2024	2023
Opening Unspent Balance	8 414 527	6 385 961
Grants Received / (Repaid)	112 802 640	101 382 988
Transferred to Revenue - Operating	(81 534 606)	(74 011 713)
Transferred to Revenue - Capital	(26 279 599)	(25 342 709)
Transferred to / (from) Receivables	698 447	-
Closing Unspent Balance	14 101 408	8 414 527

Figures in Rand		2024	2023
23	**AVAILABILITY CHARGES**		
	Electricity	2 180 330	1 976 530
	Water	854 912	813 017
	Sewerage and Sanitation	594 244	466 885
	Total	**3 629 486**	**3 256 432**

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

		2024	2023
24	**INSURANCE REFUND**		
	Insurance Refund	112 012	20 948
	Total	**112 012**	**20 948**

		2024	2023
25	**FINES, PENALTIES AND FORFEITS**		
	Traffic	32 523 994	10 006 065
	Overdue Book Fines	2 311	2 435
	Illegal Connections	156 819	123 020
	Retentions	-	425 465
	Unclaimed Money	250 975	12 876
	Total	**32 934 099**	**10 569 862**

In terms of the requirements of GRAP 23 and IGRAP 1, all fines issued during the year less any cancellations or reductions identified are recognised as revenue.

		2024	2023
26	**FAIR VALUE ADJUSTMENT GAINS**		
	Actuarial Gains	2 045 830	7 346 104
	Post Retirement Medical Benefits	1 670 961	6 720 220
	Long Service Awards	374 869	625 884
	Landfill Sites - iGRAP 2 Adjustments	291 370	722 376
	Off-Market Portion of Municipal Debt Relief	7 242 423	-
	Total	**9 579 622**	**8 068 480**
	As previously reported		-
	Reclassification - note 47		8 068 480
	Restated balance		8 068 480

The actuarial gains mainly originated as a result of an increase in the net discount rate being used by the actuaries to calculate the employee benefits.

Landfill Sites - iGRAP2 adjustments relate to a decrease in the landfill site's rehabilitation provision of which the decrease is in excess of the carrying value of the related asset.

The off-market portion of Municipal Debt Relief relates to the interest benefit received by the Municipality on the loan as disclosed in note 13.4. The Municipal Debt Relief is interest free for a period of three years. The interest benefit is calculated by using a market related discount rate of 10.16%.

Figures in Rand	2024	2023

27 DEBT FORGIVENESS

	2024	2023
West Coast District Municipality	2 244 240	-
Eskom Holdings SOC Ltd	3 305 989	-
Total	**5 550 229**	**-**

The Council of West Coast District Municipality (WCDM) resolved to write off 50% of debt owed by the Municipality. The afore-mentioned debt emanated from a contract whereby WCDM supplied fire services in the jurisdictional area of the Municipality.

Eskom permanently suppressed interest on the Municipal Debt Relief from 1 April 2023 up to the effective date, being 31 August 2023. Interest charged by Eskom during the afore-mentioned period was subsequently written off.

28 SERVICE CHARGES

	2024	2023
Electricity	128 725 805	110 704 290
Water	34 644 920	32 208 520
Sewerage and Sanitation	19 359 696	17 597 384
Refuse	16 038 831	14 963 203
Total Revenue	**198 769 253**	**175 473 398**
Less: Rebates	(8 130 541)	(8 689 571)
Electricity	(1 324 425)	(2 076 061)
Water	(1 864 220)	(2 388 558)
Sewerage and Sanitation	(3 009 083)	(3 646 974)
Refuse	(1 932 814)	(577 977)
Total	**190 638 712**	**166 783 827**
As previously reported		166 865 433
Correction of error restatement - note 46.1		(81 606)
Restated balance		166 783 827

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

The comparative figures for electricity sales and electricity rebates have been both by increased by an amount R2 014 640 in order to quantify the free basic electricity units which are being issued free of charge. In addition, the equitable share was also reallocated between the respective services to compensate for the rebates granted of the prior year. The said adjustments affected no financial statement line item.

29 RENTAL OF FACILITIES AND EQUIPMENT

	2024	2023
Halls and Sportfields	237 276	180 153
Commonage	615 978	465 479
Hawker Stands	116 543	101 474
Total	**969 797**	**747 106**
As previously reported		3 639 691
Reclassification - note 47		(2 892 584)
Restated balance		747 106

30 INTEREST EARNED - EXTERNAL INVESTMENTS

	2024	2023
Bank Accounts	468 880	366 792
Call Investment Deposits	4 623 611	1 525 985
Other Deposits	98 185	127 226
Total	**5 190 675**	**2 020 003**

Figures in Rand	2024	2023

31 INTEREST EARNED - OUTSTANDING DEBTORS

	2024	2023
Outstanding Debtors	12 325 085	9 776 434
Total	**12 325 085**	**9 776 434**

Interest is levied at the prime rate plus 1% on late payments.

32 AGENCY SERVICES

	2024	2023
Drivers Licence Applications	222 954	155 941
Drivers Licences Issued	418 045	347 636
Duplicate Registration Certificates	49 798	43 256
Keeping of Registration Number	10 872	9 643
Learner Licence Applications	106 716	86 839
Learner Licences Issued	31 090	28 216
Professional Drivers Permit Applications	110 624	79 880
Professional Drivers Permits Issued	68 644	56 050
Roadworthy Certificate Applications	244 571	226 306
Roadworthy Certificates Issued	66 153	57 733
Temporary and special permits	30 335	34 391
Vehicle Registration	2 939 898	2 656 392
Total	**4 299 701**	**3 782 284**

The Municipality acts as an agent for the Western Cape Mobility Department and manages the issuing of vehicle licences for a commission. Refer to note 58.1 for additional disclosure in this regard.

The Municipality earns revenue from applications for driver's and learner's licences, issuing of public driver permits, driver's and learner's licences and the issue of roadworthy certificates.

33 OTHER INCOME

	2024	2023
Sale of Goods and Rendering of Services	4 559 879	4 443 358
Application Fees for Land Usage	108 014	188 463
Building Plan Approval	978 633	889 585
Camping and Entrance Fees	2 958 991	2 892 584
Cemetery and Burial	139 786	124 715
Clearance and Valuation Certificates	146 101	149 151
Photocopies and Faxes	11 660	10 039
Sub-division and Consolidation Fees	47 372	33 426
Tender Documents	133 731	122 344
Sundry Income	35 591	33 050
Licences and Permits	11 059	2 472
Operational Revenue	733 997	958 109
Commission	92 434	265 400
Development Charges	382 255	393 700
Skills Development Levy Refund	219 192	216 211
Sundry Income	40 116	82 799
Total	**5 304 935**	**5 403 939**
As previously reported		3 233 731
Reclassification - note 47		2 170 208
Restated balance		**5 403 939**

Sundry income represents sundry income such as sale of sundry items (wood, sand and stones) and fees for items not included under service charges

Figures in Rand	2024	2023

34 CONSTRUCTION CONTRACTS

	2024	2023
Department of Infrastructure	1 756 391	14 076 138
Integrated National Electrification Programme (INEP)	32 003 000	20 665 406
Total	**33 759 391**	**34 741 544**
As previously reported		14 076 138
Correction of error restatement - note 46.5		20 665 406
Restated balance		34 741 544

The Municipality assessed that it acts as the developer for the Department of Infrastructure to undertake the construction of top structures. The revenue recognised is based on the amount of expenditure incurred by the Municipality for the construction of the top structures, which is in terms of the stage of completion determined by the progress payments claimed by the respective sub-contractors.

In terms of the Integrated National Electrification Programme (INEP), the Municipality assessed that it acts as a contractor to undertake the construction of bulk electrification infrastructure for Eskom. The revenue recognised is based on the amount of expenditure incurred by the Municipality for the construction of the bulk electricity infrastructure, which is in terms of the stage of completion determined by the progress payments claimed by the respective sub-contractors.

35 EMPLOYEE RELATED COSTS

	2024	2023
Basic Salaries and Wages	83 623 250	80 709 107
Pension and UIF Contributions	13 702 609	13 491 302
Medical Aid Contributions	4 296 871	4 453 687
Overtime	4 840 889	4 024 171
Motor Vehicle Allowances	7 268 518	6 525 528
Cell Phone Allowances	505 290	513 444
Housing Allowances	339 657	358 896
Other benefits and allowances	5 873 380	5 045 344
Bargaining Council	43 506	42 346
Group Life Insurance	1 781 550	1 734 806
Scarcity Allowances	453 543	388 788
Standby Allowances	3 594 782	2 879 403
Contributions to Employee Benefits	10 368 980	9 366 242
Bonuses	6 364 674	6 240 554
Staff Leave	1 704 136	571 246
Performance Bonus	507 169	(131 558)
Long Service Awards	493 000	532 000
Post Retirement Medical Benefits	1 300 000	2 154 000
Workmens Compensation Fund	757 484	606 591
Total	**131 576 928**	**125 094 311**
As previously reported		125 463 823
Reclassification - note 47		(369 512)
Restated balance		125 094 311

35.01 Remuneration of Management Personnel

Municipal Manager - GF Matthyse (appointed June 2023)

	2024	2023
Annual Remuneration	1 206 698	91 552
Car Allowance	55 000	5 000
Cellphone Allowance	49 500	4 500
Rural Allowance	85 137	6 759
Contributions to UIF, Medical, Pension Funds and Bargaining Council	2 085	188
Total	**1 398 420**	**107 998**

Figures in Rand	2024	2023

35 EMPLOYEE RELATED COSTS (CONTINUED)

Municipal Manager - DJ Adonis (March 2022 - August 2022)

Annual Remuneration	-	155 999
Car Allowance	-	26 000
Cellphone Allowance	-	9 000
Rural Allowance	-	15 374
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	38 002
Leave Payout	-	47 315
Settlement Agreement	-	369 512
Total	**-**	**661 201**

Director: Support Services - HCA Witbooi (Appointed 1 August 2023)

Annual Remuneration	812 590	-
Car Allowance	55 000	-
Cellphone Allowance	49 500	-
Rural Allowance	69 881	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	185 215	-
Total	**1 172 186**	**-**

Director: Support Services - HG Slimmert (April 2021 - February 2023)

Annual Remuneration	-	537 531
Performance Bonus / 13th Cheque	-	122 783
Car Allowance	-	37 321
Cellphone Allowance	-	37 321
Rural Allowance	-	50 487
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	149 490
Leave Payout	-	159 421
Total	**-**	**1 094 354**

Director: Finance - MAN Smit (July 2023 - May 2024)

Annual Remuneration	984 952	-
Car Allowance	66 000	-
Cellphone Allowance	49 500	-
Rural Allowance	69 660	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	2 251	-
Leave Payout	68 145	-
Total	**1 240 508**	**-**

Director: Finance - M Memani (May 2021 - March 2022)

Performance Bonus / 13th Cheque	-	71 275
Total	**-**	**71 275**

Director: Technical Services - R De Ridder (Appointed 15 November 2023)

Annual Remuneration	606 232	-
Car Allowance	94 318	-
Cellphone Allowance	33 955	-
Rural Allowance	46 216	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	1 497	-
Total	**782 217**	**-**

Figures in Rand	2024	2023

35 EMPLOYEE RELATED COSTS (CONTINUED)

Director: Technical Services - AB Allison (September 2021 - July 2022)

	2024	2023
Annual Remuneration	-	78 694
Car Allowance	-	8 000
Cellphone Allowance	-	10 000
Rural Allowance	-	6 069
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	365
Leave Payout	-	55 723
Total	**-**	**158 850**

35.02 Employees acting in management positions

The following employees acted in management positions for a significant time during the course of the year. The amounts as indicated below are remuneration received for the period in which they acted in the respective positions.

Acting Municipal Manager - MAN Smit for 59 days

	2024	2023
Acting Allowance	40 999	-
Total	**40 999**	**-**

Acting Municipal Manager - Mr CP Sheldon for 72 days

	2024	2023
Annual Remuneration	-	178 072
Cellphone Allowance	-	2 601
Car Allowance	-	39 551
Acting Allowance	-	15 735
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	46 351
Total	**-**	**282 310**

Acting Municipal Manager - BW Kannemeyer for 93 days

	2024	2023
Annual Remuneration	-	258 053
Car Allowance	-	60 000
Cellphone Allowance	-	13 500
Rural Allowance	-	22 174
Leave Payout	-	9 322
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	657
Total	**-**	**363 706**

Acting Municipal Manager - Mr A Titus for 78 days

	2024	2023
Annual Remuneration	-	158 573
Housing Allowance	-	2 529
Car Allowance	-	33 681
Cellphone Allowance	-	10 300
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	44 724
Acting Allowance	-	4 370
Total	**-**	**254 178**

Acting Municipal Manager - GF Matthyse for 43 days

	2024	2023
Annual Remuneration	-	136 042
Car Allowance	-	14 000
Cellphone Allowance	-	4 900
Rural Allowance	-	10 503
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	376
Total	**-**	**165 821**

Figures in Rand		2024	2023
35	**EMPLOYEE RELATED COSTS (CONTINUED)**		

Acting Director: Support Services - Mr A Titus for 18 days (2023 - 287 days)

	2024	2023
Annual Remuneration	65 628	529 260
Acting Allowance	2 608	26 768
Annual Bonus	-	62 266
Cellphone Allowance	4 400	16 600
Housing Allowance	1 066	8 647
Car Allowance	13 473	114 992
Contributions to UIF, Medical, Pension Funds and Bargaining Council	18 795	166 884
Total	**105 971**	**925 418**

Acting Director: Finance - MAN Smit for 30 days

	2024	2023
Annual Remuneration	84 468	-
Cellphone Allowance	4 500	-
Car Allowance	6 000	-
Rural Allowance	6 333	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	189	-
Total	**101 489**	**-**

Acting Director: Finance - CA Appel for 299 days

	2024	2023
Annual Remuneration	-	901 121
Cellphone Allowance	-	43 714
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	2 156
Leave Payout	-	29 596
Total	**-**	**976 588**

Acting Director: Finance - Mev EH Visser for 30 days

	2024	2023
Annual Remuneration	-	62 266
Car Allowance	-	13 915
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	14 890
Total	**-**	**91 070**

Acting Director: Technical Services - MB Machaba for 58 days

	2024	2023
Annual Remuneration	-	165 507
Cellphone Allowance	-	8 591
Rural Allowance	-	11 585
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	511
Leave Payout	-	15 658
Total	**-**	**201 851**

36 REMUNERATION OF COUNCILLORS

	2024	2023
Executive Mayor	985 737	882 792
Deputy Executive Mayor	764 953	728 313
Speaker	794 984	761 470
Mayoral Committee Members	1 513 588	1 365 212
All Other Councillors	2 022 042	1 959 713
Total	**6 081 304**	**5 697 499**

36 REMUNERATION OF COUNCILLORS (CONTINUED)

	Basic Salary	Cell Phone Allowances	Total
2024			
Executive Mayor	940 137	45 600	985 737
Deputy Executive Mayor	746 017	18 936	764 953
Speaker	749 384	45 600	794 984
Mayoral Committee Members	1 422 388	91 200	1 513 588
All Other Councillors	1 837 797	184 245	2 022 042
Total	**5 695 723**	**385 581**	**6 081 304**
2023			
Executive Mayor	843 526	39 266	882 792
Deputy Executive Mayor	689 048	39 265	728 313
Speaker	720 670	40 800	761 470
Mayoral Committee Members	1 287 231	77 981	1 365 212
All Other Councillors	1 736 384	223 329	1 959 713
Total	**5 276 859**	**420 640**	**5 697 499**

The positions of Executive Mayor, Deputy Mayor and Speaker were filled as follow:

Executive Mayor	-	RR Richards (1 March 2023 to date)
		WJ Farmer (15 August 2022 - 28 February 2023)
		F Kamfer (27 July 2022 - 14 August 2022)
		WJ Farmer (13 July 2022 - 26 July 2022)
		RR Richards (16 November 2021 to 12 July 2022)
Deputy Mayor	-	AG Mouton (1 March 2023 to date)
		F Kamfer (1 August 2022 - 28 February 2023)
		WC Van Neel (14 July 2022 - 31 July 2022)
		JH Van Heerden (16 November 2021 - 12 July 2022)
Speaker	-	J Hayes (1 March 2023 to date)
		M Heins (13 Jul 2022 - 28 February 2023)
		WJ Farmer (16 November 2021 to 12 July 2022)

In-kind Benefits

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

Councillors may utilize municipal transportation when engaged in official duties.

37 DEBT IMPAIRMENT

	2024	2023
Receivables from Exchange Transactions	15 047 024	14 464 271
Receivables from Non-Exchange Transactions	33 913 795	20 362 649
Long-term Receivables	531 263	127 781
Total Debt Impairment	**49 492 081**	**34 954 701**
Movement in VAT included in debt impairment	891 522	(639 463)
Total	**50 383 603**	**34 315 238**
As previously reported		34 448 789
Correction of error restatement - note 46.1		(133 551)
Restated balance		34 315 238

Figures in Rand		2024	2023
38	**DEPRECIATION AND AMORTISATION**		
	Investment Property	52 393	52 250
	Property, Plant and Equipment	26 314 319	24 902 666
	Intangible Assets	200 657	200 283
	Total	**26 567 369**	**25 155 199**
	As previously reported		25 436 917
	Correction of error restatement - note 46.2		(281 718)
	Restated balance		25 155 199

		2024	2023
39	**IMPAIRMENT**		
	Water Infrastructure	14 718 289	25 182 218
	Capitalised Restoration Cost	921 618	-
	Total	**15 639 907**	**25 182 218**
	As previously reported		-
	Correction of error restatement - note 46.2		25 182 218
	Restated balance		25 182 218

The current year's impairment on water infrastructure relates to the Lamberts Bay desalination plant which is not yet in operation. The plant is subject to major refurbishment in order to become operational. The impairment is calculated as difference between the recoverable service amount and carrying value of the asset. The recoverable service amount was determined as the value in use, using the restoration cost approach.

The prior year's impairment related to the marine outflow which was impaired in full as disclosed in note 46.2.

Impairment on Capitalised Restoration Cost relates to an increase in the landfill site rehabilitation provision of which the corresponding asset is no longer in use. In terms of iGRAP 2, the increase in the provision will result in an increase in the corresponding asset, but as the asset is no longer in use, the said increase in the asset is impaired in full.

		2024	2023
40	**FINANCE CHARGES**		
	Cash	1 629 188	3 849 283
	Long-term Liabilities	400 742	701 328
	Bank Overdraft	64 263	46 795
	Overdue Accounts	1 164 184	3 101 160
	Non-cash	13 332 108	9 192 326
	Post Retirement Medical Benefits	3 691 000	3 736 000
	Long Service Awards	630 000	623 000
	Rehabilitation of Landfill Sites	6 097 168	4 833 326
	Municipal Debt Relief	2 913 941	-
	Total	**14 961 296**	**13 041 609**

Finance charges on overdue accounts mainly relate to interest which was charged by Eskom on overdue accounts. Eskom interest amounting to R3 305 989 was written-off in the 2023/24 financial year upon the approval of the Municipal Debt Relief application.

Finance charges on the Municipal Debt Relief relate to the unwinding of the interest free loan at a rate of 10.16%

Figures in Rand	2024	2023

41 BULK PURCHASES

	2024	2023
Electricity	105 502 654	92 503 879
Water	622 471	944 402
Total	**106 125 126**	**93 448 281**
As previously reported		93 261 997
Correction of error restatement - note 46.5		186 284
Restated balance		93 448 281

Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including the Department of Water and Sanitation and a number of private suppliers.

42 CONTRACTED SERVICES

	2024	2023
Accounting and Auditing	2 577 762	1 663 698
Construction of Housing Top Structures	1 756 391	14 026 138
Construction of Bulk Electricity Infrastructure	27 828 696	17 795 840
Engineering Services	1 227 256	30 417
Fire Services - West Coast District Municipality	829 627	438 895
Human Resources	29 632	410 013
Laboratory Services	273 962	324 613
Legal Cost	3 114 053	3 157 970
Maintenance Services	6 119 598	5 073 188
Research and Advisory	2 808 638	1 629 836
Safeguard and Security	7 687 078	7 389 235
Traffic Fines Management	1 445 558	-
Valuers and Assessors	206 346	396 631
Other Contracted Services	921 938	982 913
Total	**56 826 535**	**53 319 387**
As previously reported		35 523 546
Correction of error restatement - note 46.5		17 795 840
Restated balance		53 319 387

43 TRANSFERS AND GRANTS

	2024	2023
Bursaries	-	349 699
Severance Package	187 764	369 512
Sport Councils	2 500	8 500
Social Relief	7 761	-
Total	**198 026**	**727 711**
As previously reported		358 199
Reclassification - note 47		369 512
Restated balance		727 711

Figures in Rand	2024	2023

44 OTHER EXPENDITURE

	2024	2023
Advertising, Publicity and Marketing	217 561	160 428
Bank Charges	901 888	883 247
Chemicals	211 347	429 420
Cleaning Materials	209 792	206 013
Commission - Prepaid Electricity	1 174 136	854 326
Computer Services	3 121 003	1 830 653
Drivers Licences and Permits	263 214	241 176
External Audit Fees	5 725 894	4 809 649
Fuel and Oil	5 464 113	6 338 206
Hire Charges	1 243 558	2 264 014
Insurance	2 056 348	1 590 395
Maintenance Materials and Tools	4 273 672	2 711 817
Motor Vehicle Licence and Registrations	235 379	232 038
Electricity - Internal usage	5 589 766	4 287 124
Printing and Stationery	921 283	914 530
Professional Bodies, Membership and Subscription	1 353 799	1 472 219
Remuneration of Ward Committees	38 500	11 500
Skills Development Fund Levy	1 121 519	1 053 599
Telephone	292 017	755 222
Training	412 533	988 437
Travel and Subsistence	389 247	318 838
Uniform and Protective Clothing	631 481	477 205
Other Expenditure	495 209	470 434
Total	**36 343 258**	**33 300 492**

45 LOSS ON DISPOSAL OF NON-MONETARY ASSETS

	2024	2023
Proceeds	697 217	69 989
Less: Carrying value of Investment Property disposed	(7 095)	(33 375)
Less: Carrying value of Property, Plant and Equipment disposed	(1 355 842)	(171 737)
Less: Carrying value of Intangible Assets disposed	(108)	(2)
Total	**(665 827)**	**(135 125)**
As previously reported		(135 355)
Correction of error restatement - note 46.2		231
Restated balance		(135 125)

46 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

46.1 Receivables from Exchange Transactions

Corrections made to Receivables include the following:

- Prepaid electricity sales amounting to R225 717 (including VAT of R25 865 and auxillary deductions of R27 414) for the 2022/23 financial year was only received in the beginning of 2023/24. No debtor was raised as on 30 June 2023 for the afore-mentioned transactions.
- Notable billing errors on debtors accounts amounting to R897 861 (VAT inclusive) were corrected as prior year errors. An allowance for debt impairment was also raised on the afore-mentioned debtors which amounted to R746 423, resulting that the total misstatement on the Receivables from Exchange Transaction is calculated at R151 438.

The net effect of the above-mentioned were as follows:

- Receivables from Exchange Transactions - note 3	Understated	46 865
- Taxes - note 5	Understated	58 311
- Service Charges - note 28	Overstated	(81 606)
- Interest Earned - Outstanding Debtors - note 31	Overstated	(60 406)
- Debt Impairment - note 37	Overstated	(133 551)
- Accumulated Surplus - note 46.7	Understated	113 636

46 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

46.2 Property, Plant and Equipment

Corrections made to Property, Plant and Equipment include the following:

- During the construction of the marine outflow, the Municipality was informed of major geotechnical difficulties encountered by the contractor, i.e. the collapse of the drilling sleeve to the extent that the project cannot continue. Subsequently, the project was suspended in August 2022, which resulted in an impairment indicator as per GRAP 21. However, the Municipality failed to recognised impairment amounting to R25 182 218, as the marine outflow should have been impaired in full.
- Land amounting to R50 900 of which the Municipality exercise control, were not recorded in the asset register. Of the R50 900, R11 000 relate to Investment Property and R39 900 to Property, Plant and Equipment.
- Movable assets with a carrying value of R231 were incorrectly disposed in the prior year.
- Movable assets previously not included in the asset register were identified during the current year's asset verification with a carrying value of R1 256.
- Completed projects amounting to R3 420 416 were incorrectly included as work in progress which resulted that depreciation amounting to R100 879 was not recognised on the said completed projects.
- A calculation error resulted that depreciation was incorrectly calculated, resulting in Property, Plant and Equipment being understated by R410 892.

The net effect of the above-mentioned were as follows:

- Investment Property - note 10	Understated	11 000
- Property, Plant and Equipment - note 11	Overstated	(24 830 844)
- Depreciation and Amortisation - note 38	Overstated	(281 718)
- Impairment - note 39	Understated	25 182 218
- Loss on disposal of Non-Monetary Assets - note 45	Overstated	(231)
- Accumulated Surplus - note 46.7	Understated	80 425

46.3 Payables from Exchange Transactions

Corrections made to Payables from Exchange Transactions include the following:

- Construction Revenue amounting to R836 322 pertaining to a Lamberts Bay housing project was not recognised as revenue.
- Trade Payables amounting to R417 477 (VAT Inclusive) was not raised as on 30 June 2023.

The net effect of the above-mentioned were as follow:

- Taxes - note 5	Understated	54 453
- Payables from Exchange Transactions - note 15	Overstated	(418 845)
- Bulk Purchases - note 41	Understated	186 284
- Accumulated Surplus - note 46.7	Understated	659 582

46.4 Unspent Conditional Government Grants

A 2021/22 roll-over application regarding the Municipal Infrastructure Grant (MIG) amounting to R1 074 000 was not approved by National Treasury, and accordingly deducted from the 2022/23 Equitable Share allocation. The said deduction was incorrectly recorded as a reduction in Government Grants and Subsidies, rather than being off-set against Unspent Conditional Government Grants.

The net effect of the above-mentioned errors as follows:

- Unspent Conditional Government Grants - note 16	Overstated	(1 074 000)
- Government Grants and Subsidies - Operating - note 22	Understated	1 074 000

Figures in Rand		2024	2023

46 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

46.5 Accounting treatment of the Integrated National Electrification Programme (INEP)

In the prior year, funding received in terms of the Integrated National Electrification Programme (INEP) was accounted as Government Grants and Subsidies and the related expenditure incurred was capitalised.

Based on a guide on GRAP issued by National Treasury, Management assessed that the Municipality acts as a contractor to undertake the construction of the bulk electrification infrastructure for Eskom. Accordingly, GRAP 11 (Construction Contracts) should be applied to account for the construction of said infrastructure, whereby both the revenue and expenditure should be recognised in the Statement of Financial Performance.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 11	Overstated	(52 177 134)
- Payables from Exchange Transactions - note 15	Understated	1 334 594
- Unspent Conditional Government Grants - note 16	Overstated	(1 334 594)
- Government Grants and Subsidies - Operating - note 22	Overstated	(2 869 565)
- Government Grants and Subsidies - Capital - note 22	Overstated	(17 795 840)
- Construction Contracts - note 34	Understated	20 665 406
- Contracted Services - note 42	Understated	17 795 840
- Accumulated Surplus - note 46.7	Overstated	(34 381 293)

46.6 Output VAT on Library Grants

In prior years, all funds received from the Department of Cultural Affairs and Sport (DCAS) relating to the library services were treated as zero rated grants and accordingly no Output VAT was declared on the said funds.

During the 2022/23 statutory audit, the Auditor-General issued a finding that the funds being received from the DCAS are in deed for services being rendered to the Department, as the library function has not been assigned to municipalities. Given the afore-mentioned, it was concluded that the standard VAT rate of 15% be applied, resulting in Output VAT being payable to SARS.

During the current year, the Municipality requested a Section 41B VAT class ruling from the South African Revenue Service (SARS). As at reporting date, no formal ruling has been issued by SARS. Preliminary discussions with SARS indicated that the ruling may not be favourable towards to Municipality. Given this, the Municipality took a conservation approach to recognised a provision in this regard, whereby Output VAT was calculated on funds received for the financial periods from 2018/19 to 2023/24. The afore-mentioned will result in the comparative figures being restated.

The net effect of the above-mentioned were as follows:

- Current Provisions - note 18	Understated	3 225 709
- Government Grants and Subsidies - Operating - note 22	Overstated	(705 391)
- Accumulated Surplus - note 46.7	Overstated	(2 520 317)

46.7 Accumulated Surplus

Receivables from Exchange Transactions - note 46.1	Understated	113 636
Property, Plant and Equipment - note 46.2	Understated	80 425
Payables from Exchange Transactions - note 46.3	Understated	659 582
Accounting treatment of the Integrated National Electrification Programme (INEP) - note 46.5	Overstated	(34 381 293)
Output VAT on Library Grants - note 46.6	Overstated	(2 520 317)
Total		(36 047 967)

47 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATIONS

In line with the requirements of GRAP 1, the Municipality resolved to reclassify the following items to reflect the nature of the item under a more appropriate line item in the Statement of Financial Performance:

Item	Previous Classification	Revised Classification	Amount
Landfill Sites - iGRAP 2 Adjustments	Other Income	Fair Value Adjustment Gains	722 376
Post Retirement Medical Benefits	Actuarial Gains (removed)	Fair Value Adjustment Gains	6 720 220
Long Service Awards	Actuarial Gains (removed)	Fair Value Adjustment Gains	625 884
Camping and Entrance Fees	Rental of Facilities and Equipment	Other Income	2 892 584
Severance Package	Employee Related Costs	Transfers and Grants	369 512

Figures in Rand	2024	2023
48 NET CASH FROM OPERATING ACTIVITIES		
Net Surplus for the year	40 431 702	5 490 352
Adjusted for:		
Non-cash revenue included in Net Surplus	(15 129 738)	(8 068 370)
Fair Value Adjustment Gains	(9 579 622)	(8 068 480)
Actuarial Gains	(2 045 830)	(7 346 104)
Landfill Sites - iGRAP 2 Adjustments	(291 370)	(722 376)
Off-Market Portion of Municipal Debt Relief	(7 242 423)	-
Debt Forgiveness	(5 550 229)	-
Rental of Facilities and Equipment - decrease in operating lease asset	112	110
Non-cash expenditure included in Net Surplus	117 670 979	103 961 675
Employee Related Costs - Contributions towards	11 082 938	9 985 553
Post Retirement Medical Benefits	1 300 000	2 154 000
Long Service Awards	493 000	532 000
Bonuses	6 364 674	6 240 554
Staff Leave	1 704 136	571 246
Performance Bonuses	507 169	(131 558)
Standby and Overtime	713 958	619 311
Debt Impairment	50 383 603	34 315 238
Depreciation and Amortisation	26 567 369	25 155 199
Impairment	15 639 907	25 182 218
Finance Charges	13 332 108	9 192 326
Post Retirement Medical Benefits	3 691 000	3 736 000
Long Service Awards	630 000	623 000
Rehabilitation of Landfill Sites	6 097 168	4 833 326
Municipal Debt Relief	2 913 941	-
Other Expenditure - decrease in operating lease liability	(774)	(3 984)
Loss on disposal of Non-Monetary Assets	665 827	135 125
Cash expenditure not included in Net Surplus	(10 109 914)	(10 434 617)
Post Retirement Medical Benefits	(1 598 039)	(1 332 780)
Long Service Awards	(689 132)	(822 116)
Bonuses	(6 239 322)	(6 395 280)
Staff Leave	(964 110)	(1 229 725)
Performance Bonus	-	(194 058)
Standby and Overtime	(619 311)	(460 657)
Operating Surplus before changes in working capital	132 863 029	90 949 040
Movement in working capital	(52 168 919)	(39 502 239)
Receivables from Exchange Transactions	(21 241 913)	(13 880 873)
Receivables from Non-Exchange Transactions	(37 886 702)	(17 436 281)
Inventory	(126 347)	407 806
Long-term Receivables	(2 991 678)	(563 189)
Long-term Liabilities (Repayment Arrangements)	(39 471 931)	39 471 931
Long-term Liabilities (Eskom Debt Relief)	41 772 256	-
Consumer Deposits	202 729	255 636
Payables from exchange transactions - Operating	3 169 954	(51 096 875)
Total	(2 137 966)	(51 672 906)
Add back: Capital included in Trade Payables	5 575 123	(1 217 776)
Add back: Retentions	(267 202)	1 793 807
Unspent Conditional Government Grants	5 686 881	2 028 566
Current Provisions	830 870	705 391
Taxes	(2 113 038)	605 649
Cash Flow from Operating Activities	**80 694 110**	**51 446 801**

Figures in Rand	2024	2023

49 CASH AND CASH EQUIVALENTS (FOR CASH FLOW STATEMENT PURPOSES)

Cash and Cash Equivalents comprise out of the following:

	2024	2023
Primary Bank Account	10 017 842	6 316 618
Call and Notice Deposits	51 234 148	22 454 705
Cash Floats	6 226	6 226
Total	**61 258 215**	**28 777 549**

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

50 BUDGET COMPARISONS

50.1 Comparable Basis

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

The following items are affected by these classification differences:

Statement of Financial Position

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

Statement of Financial Performance

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

Item	**GRAP Classification**	**Budget Classification**	**Amount**
Revenue			
Outstanding Debtors	Interest Earned - Outstanding Debtors	Interest Earned from Receivables (Non-Exchange)	4 207 894
Insurance Refund	Insurance Refund	Operational Revenue (Exchange)	112 012
West Coast District Municipality	Debt Forgiveness	Transfers and subsidies - capital (in-kind)	2 244 240
Eskom Holdings SOC Ltd	Debt Forgiveness	Transfers and subsidies - capital (in-kind)	3 305 989
Department of Infrastructure	Construction Contracts	Transfers and Subsidies - Operational	1 756 391
Integrated National Electrification Programme (INEP)	Construction Contracts	Transfers and Subsidies - Operational	32 003 000
Expenditure			
Workmens Compensation Fund	Employee Related Cost	Operational Costs	757 484
Water	Bulk Purchases	Inventory Consumed	622 471
Chemicals	Other Expenditure	Inventory Consumed	211 347
Cleaning Materials	Other Expenditure	Inventory Consumed	209 792
Fuel and Oil	Other Expenditure	Inventory Consumed	5 464 113
Maintenance Materials and Tools	Other Expenditure	Inventory Consumed	3 805 352
Other Expenditure	Other Expenditure	Inventory Consumed	233 747
Printing and Stationery	Other Expenditure	Inventory Consumed	380 438

50 BUDGET COMPARISONS (CONTINUED)

Summary of Reclassification to Actuals	Notes	Actuals per Statement of Financial Performance R	Reclassification due to mSCOA versus GRAP classification R	Actuals per Budget Comparison R
REVENUE				
Exchange Revenue		**218 728 906**	**(4 095 882)**	**214 633 024**
Service Charges - Electricity	**28**	127 401 381	-	127 401 381
Service Charges - Water	**28**	32 780 700	-	32 780 700
Service Charges - Waste Water Management	**28**	16 350 614	-	16 350 614
Service Charges - Waste Management	**28**	14 106 018	-	14 106 018
Sale of Goods and Rendering of Services	**33**	4 559 879	-	4 559 879
Agency services	**32**	4 299 701	-	4 299 701
Interest Earned from Receivables (Exchange)	**31**	12 325 085	(4 207 894)	8 117 192
Interest Earned from Current and Non Current Assets	**30**	5 190 675	-	5 190 675
Rental from Fixed Assets	**29**	969 797	-	969 797
Licences and Permits	**33**	11 059	-	11 059
Operational Revenue (Exchange)	**33**	733 997	112 012	846 009
Non-Exchange Revenue		**207 032 986**	**32 305 044**	**239 338 031**
Property Rates	**21**	73 692 932	-	73 692 932
Fines, Penalties and Forfeits	**25**	32 934 099	-	32 934 099
Transfers and Subsidies - Operational	**22**	81 534 606	33 759 391	115 293 997
Interest Earned from Receivables (Non-Exchange)		-	4 207 894	4 207 894
Operational Revenue (Non-Exchange)	**23 & 24**	3 741 498	(112 012)	3 629 486
Other Gains	**26 & 27**	15 129 851	(5 550 229)	9 579 622
Construction Contracts		**33 759 391**	**(33 759 391)**	-
Total Revenue (excluding capital transfers)		**459 521 283**	**(5 550 229)**	**453 971 055**
EXPENDITURE				
Employee Related Costs	**35**	131 576 928	(757 484)	130 819 444
Remuneration of Councillors	**36**	6 081 304	-	6 081 304
Bulk Purchases - Electricity	**41**	106 125 126	(622 471)	105 502 654
Inventory Consumed		-	10 927 259	10 927 259
Debt Impairment	**37**	50 383 603	-	50 383 603
Depreciation and Amortisation	**38 & 39**	42 207 276	-	42 207 276
Interest	**40**	14 961 296	-	14 961 296
Contracted Services	**42**	56 826 535	-	56 826 535
Transfers and Subsidies	**43**	198 026	-	198 026
Operational Costs	**44**	36 343 258	(9 547 304)	26 795 954
Losses on Disposal of Assets	**45**	665 827	-	665 827
Total Expenditure		**445 369 180**	**-**	**445 369 180**
Surplus/(Deficit)		**14 152 103**	**(5 550 229)**	**8 601 874**
Transfers and Subsidies - Capital (monetary allocations)	**22**	26 279 599	-	26 279 599
Transfers and subsidies - capital (in-kind)		-	5 550 229	5 550 229
Surplus/(Deficit) for the year		**40 431 702**	**-**	**40 431 702**

50 BUDGET COMPARISONS (CONTINUED)

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis in all material aspects, except for following:

- Consumer Deposits are budgeted under "Increase/(Decrease) in Consumer Deposits", but for GRAP purposes are disclosed as "Other Revenue".
- Funding received from the Department of Infrastructure and Integrated National Electrification Programme (INEP) are budgeted as part of "Government Grants", but for GRAP purposes are disclosed as "Other Revenue and Receipts".

The actuals of the cash flow statement were adjusted as follow in order to be on a comparable basis:

Item as per Cash Flow Statement (GRAP / Budget)	As per GRAP Cash Flow Statement	Adjustment	As per Budget Cash Flow Statement
Other Revenue and Receipts / Other Revenue	52 180 406	(36 959 120)	15 221 286
Government Grants / Transfers and Subsidies	113 633 510	36 756 391	150 389 901
Increase (decrease) in consumer deposits	-	202 729	202 729

50.2 Statement of Financial Position

Adjustments to Original Budget

Items in the State of Financial Position were adjusted to take into account adjustments made to the operating and capital budget and also to align balances with the actual audit outcomes of 2022/23.

Actual Amounts vs Final Budget

Cash and Cash Equivalents	More cash was available at year-end due to general savings on operating expenditure and an underspending on capital expenditure. Also more unpaid creditors at year-end than anticipated and not all grants were spent in full.
Trade and Other Receivables from Exchange Transactions	Actuals are more than budget due to a lower allowance for debt impairment than initially budgeted. Management took a conservative approach when budgeting for the allowance for debt impairment.
Receivables from Non-Exchange Transactions	Actuals are more than budget due to a lower allowance for debt impairment than initially budgeted. Management took a conservative approach when budgeting for the allowance for debt impairment.
Property, Plant and Equipment	Actuals were less than budget due to impairment of the marine outflow and Integrated National Electrification Programme (INEP) funding which was assessed is not being of a capital nature. Both the afore-mentioned were disclosed as prior year errors.
Trade and Other Payables from Exchange Transactions	Actuals were more than budget due to more unpaid creditors at year-end.
Trade and Other Payables from Non-Exchange Transactions	Actuals were more than budget due to grant funded projects not spent in full at year-end
Provisions (Current Liabilities)	Actuals more than budget due to the provision created for potential Output VAT on library grants as disclosed in note 46.6.
Accumulated Surplus	Actuals are less than budget as a result of the items listed under the Statement of Financial Performance section and also the prior year errors as identified in note 46.7.

50 BUDGET COMPARISONS (CONTINUED)

50.3 Statement of Financial Performance

Adjustments to Original Budget

Service charges - Electricity	Increased due to lower levels of load-shedding experienced than initially anticipated.
Interest Earned from Receivables (Exchange)	With the original budget, both interest from exchange and non-exchange transactions were incorrectly included under the line item "Interest Earned from Receivables (Non-Exchange)". The interest split was corrected with the final budget.
Fines, Penalties and Forfeits	Increased due to the appointment of traffic fines management service provider.
Transfers and Subsidies - Operational	Increased due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant.
Interest Earned from Receivables (Non-Exchange)	With the original budget, both interest from exchange and non-exchange transactions were incorrectly included under the line item "Interest Earned from Receivables (Non-Exchange)". The interest split was corrected with the final budget.
Other Gains	Increased due to the off-market portion of the Municipal Debt Relief which relate to the interest benefit received by the Municipality on the interest free loan.
Employee Related Costs	Decreased due to savings as a result of employees who resigned, of which their positions were not filled during the financial year.
Bulk Purchases - Electricity	Increased due to lower levels of load-shedding experienced than initially anticipated.
Debt Impairment	Increased to make provision for the increase in traffic fines revenue, as traffic fines have a relatively low collection rate.
Depreciation and Amortisation	Increased to make provision for the impairment on the Lamberts Bay desalination plant.
Contracted Services	Increased due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant.
Other Losses	Increased to make provision for potential actuarial losses emanating from the annual actuarial calculation on Employee Benefits.
Transfers and Subsidies - Capital (monetary allocations)	Decreased due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant.
Transfers and Subsidies - Capital (in-kind)	Increased to make provision for debt forgiveness (write-offs) pertaining to Eskom and West Coast District Municipality.

Virements

All virements were done in line with the approved virement policy of the Municipality where funds are transferred from one line item. No material virements were done since the final approved budget.

50 BUDGET COMPARISONS (CONTINUED)

Actual Amounts vs Final Budget

Transfers and Subsidies - Operational	Actuals are less than budget due to the INEP and Department of Infrastructure bridge funding arrangement not concluded at year-end. The matter is currently residing at DoHS.
Other Gains	Gains were less than budget due to the actuarial gains being less than anticipated. The budget was based on the prior year's actuarial results.
Employee Related Costs	Actuals less than budget as not all budgeted positions were filled year-end.
Debt Impairment	Actuals are less than budget due to a lower allowance for debt impairment than initially budgeted. Management took a conservative approach when budgeting for the allowance for debt impairment.
Contracted Services	Actuals are less than budget due to the INEP and Department of Infrastructure bridge funding arrangement not concluded at year-end. The matter is currently residing at DoHS.
Other Losses	Losses were less than budget due to no actuarial losses being recognised based on the actuarial reports. The budget was based on the prior year's actuarial results.
Transfers and Subsidies - Capital (monetary allocations)	Actuals are less than budget as not all grant funded capital projects were concluded prior to year-end, mainly due to the Municipal Disaster Response Grant of which the funds were only received during March 2024 and incorporated into the April 2024 adjustment budget.

50.4 Cash Flow Statement

Adjustments to Original Budget

Net Cash from/(used) Operating Activities	Service Charges (Electricity) were increased mainly due to less load-shedding than initially anticipated. Transfers and Subsidies were decreased mainly due to the repayment of National Government grants. Suppliers and Employees were increased mainly due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant. In addition, the budget also made provision for an additional payment of outstanding creditors amounting to R33 million.
Net Cash from/(used) Investing Activities	Capital Assets decreased mainly due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant.

Actual Amounts vs Final Budget

Net Cash from/(used) Operating Activities	Suppliers and Employees were less than budget mainly due on to the underspending of the operating expenditure budget as a result of the items listed under the "Statement of Financial Performance" section and more unpaid creditors at year-end than anticipated.
Net Cash from/(used) Investing Activities	Actuals are less than budget due to 78% of capital budget spent during the year.

Figures in Rand	2024	2023

51 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

51.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

	2024	2023
Opening balance	2 369 206	-
Unauthorised expenditure current year - operating	974 750	48 658
Unauthorised expenditure current year - capital	-	2 320 548
Approved by Council	(2 369 206)	-
Unauthorised expenditure awaiting further action	**974 750**	**2 369 206**

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

	2024 (Actual) R	2024 (Final Budget) R	2024 (Unauthorised) R	2023 (Unauthorised) R
Expenditure - Operating				
Vote 1 - Executive and Council	8 750 476	9 240 472	-	-
Vote 2 - Office of Municipal Manager	16 226 265	17 348 885	-	-
Vote 3 - Financial Administrative Services	72 238 253	82 829 313	-	-
Vote 4 - Community Development Services	10 582 946	11 608 658	-	-
Vote 5 - Corporate and Strategic Services	21 687 533	21 942 476	-	-
Vote 6 - Planning and Development Services	11 089 691	11 387 140	-	-
Vote 7 - Public Safety	43 398 173	50 309 362	-	-
Vote 8 - Electricity	152 780 328	151 805 578	974 750	-
Vote 9 - Waste Management	17 840 938	18 012 056	-	-
Vote 10 - Waste Water Management	19 597 893	20 197 782	-	48 658
Vote 11 - Water	39 390 392	46 133 010	-	-
Vote 12 - Housing	4 173 923	9 311 095	-	-
Vote 13 - Road Transport	14 917 218	15 859 430	-	-
Vote 14 - Sports and Recreation	12 695 151	13 707 974	-	-
Total	**445 369 180**	**479 693 231**	**974 750**	**48 658**

The overspending incurred is attributable to Bulk Electricity Purchases due to load-shedding being suspended (2023: Depreciation and Amortisation)

	2024 (Actual) R	2024 (Final Budget) R	2024 (Unauthorised) R	2023 (Unauthorised) R
Expenditure - Capital				
Vote 1 - Executive and Council	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-
Vote 3 - Financial Administrative Services	115 410	125 000	-	-
Vote 4 - Community Development Services	540 107	543 173	-	-
Vote 5 - Corporate and Strategic Services	1 261 140	1 512 826	-	-
Vote 6 - Planning and Development Services	3 411 692	3 748 746	-	2 320 548
Vote 7 - Public Safety	-	40 000	-	-
Vote 8 - Electricity	4 362 570	7 890 739	-	-
Vote 9 - Waste Management	12 996 681	12 997 330	-	-
Vote 10 - Waste Water Management	7 848 245	9 997 231	-	-
Vote 11 - Water	6 387 607	10 267 290	-	-
Vote 12 - Housing	3 062 833	3 876 000	-	-
Vote 13 - Road Transport	1 604 228	2 566 368	-	-
Vote 14 - Sports and Recreation	71 604	99 600	-	-
Total	**41 662 116**	**53 664 303**	**-**	**2 320 548**

The 2022/23 overspending relate to MIG funded projects. A Detail Project Implementation Plan (DPIP) was approved by Council on 31 May 2023, which was after the final adjustment budget was approved. Accordingly, the adjustment budget was not aligned to the expenditure requirements of the DPIP. The approval of the DPIP itself does not meet the conditions to table an adjustment budget as set out in the MFMA and Budget Regulations.

Figures in Rand	2024	2023

51 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

51.2 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

	2024	2023
Opening balance	71 436 932	35 203 795
Irregular expenditure identified in current year, which was incurred as follows:	16 603 924	36 233 137
Current year	16 214 412	33 958 467
Prior years	389 512	2 274 669
Approved by Council	(71 436 932)	-
Amounts to be recovered	-	-
Irregular expenditure awaiting further action	**16 603 924**	**71 436 932**

Details of irregular expenditure identified in the current year

	2024	2023
(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	4 819 224	29 267 845
(b) Non-compliance of SCM Regulation 17(1) - reasons for less than 3 quotes not approved	1 656 818	-
(c) Goods delivered and services rendered without an order	-	-
(d) Services rendered after contract expired	91 735	163 214
(e) Goods and services above R200 000 not procured through a competitive bidding process	868 691	459 531
(f) SCM Policy exclusions not in accordance with MFMA Section 112	588 147	1 272 080
(g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	2 381 913	1 093 294
(h) Written price quotations were not obtained from at least three different prospective suppliers	4 449 963	239 762
(i) Supplier declaration of interest not provided	-	303 600
(j) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3)	1 069 232	3 433 812
(k) Deviations not considered to be impractical or exceptional circumstances	678 201	-
Total	**16 603 924**	**36 233 137**

Details of irregular expenditure awaiting further action:

	2024	2023
(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	4 819 224	55 834 765
(b) Non-compliance of SCM Regulation 17(1) - reasons for less than 3 quotes not approved	1 656 818	10 893 556
(c) Goods delivered and services rendered without an order	-	328 456
(d) Services rendered after contract expired	91 735	163 214
(e) Goods and services above R200 000 not procured through a competitive bidding process	868 691	459 531
(f) SCM Policy exclusions not in accordance with MFMA Section 112	588 147	1 272 080
(g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	2 381 913	1 093 294
(h) Written price quotations were not obtained from at least three different prospective suppliers	4 449 963	239 762
(i) Supplier declaration of interest not provided	-	303 600
(j) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3)	1 069 232	848 674
(k) Deviations not considered to be impractical or exceptional circumstances	678 201	-
Total	**16 603 924**	**71 436 932**

Incidents/cases identified in the current year include:

	2024	2023
(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	-	-
(b) Non-compliance of SCM Regulation 17(1) - reasons for less than 3 quotes not approved	48	-
(c) Goods delivered and services rendered without an order	-	-
(d) Services rendered after contract expired	-	1
(e) Goods and services above R200 000 not procured through a competitive bidding process	3	-
(f) SCM Policy exclusions not in accordance with MFMA Section 112	-	4
(g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	185	75
(h) Written price quotations were not obtained from at least three different prospective suppliers	747	3
(i) Supplier declaration of interest not provided	-	1
(j) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3)	-	1
(k) Deviations not considered to be impractical or exceptional circumstances	1	-

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

Figures in Rand	2024	2023

51 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

51.3 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

	2024	2023
Opening balance	12 110 781	8 199 226
Fruitless and wasteful expenditure incurred - current year	1 164 184	3 101 160
Fruitless and wasteful expenditure incurred - prior year	-	810 394
Fruitless and wasteful expenditure recovered / debt waived by supplier	(1 149 601)	-
Approved by Council	(12 110 781)	-
Fruitless and wasteful expenditure awaiting further action	**14 582**	**12 110 781**

Details of fruitless and wasteful expenditure incurred

	2024	2023
(a) Interest levied on overdue accounts	14 582	70
(b) Interest levied by Eskom on overdue accounts	1 149 601	3 911 485
Total	**1 164 184**	**3 911 555**

Details of fruitless and wasteful expenditure awaiting further action:

	2024	2023
(a) Interest levied on overdue accounts	14 582	2 324
(b) Interest levied by Eskom on overdue accounts	-	11 936 345
(c) Payment to supplier for goods and services not yet rendered	-	172 112
Total	**14 582**	**12 110 781**

Disciplinary steps or criminal proceedings undertaken on above-mentioned fruitless and wasteful expenditure incurred:

(a) The matter will be tabled to MPAC for resolution.

52 MATERIAL LOSSES

52.1 Water distribution losses

	2024	2023
Kilo litres disinfected/purified/purchased	2 667 450	2 407 326
Kilo litres sold and free basic services	(1 842 954)	(1 744 751)
Kilo litres lost during distribution	824 496	662 575
Percentage lost during distribution	30.91%	27.52%

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

52.2 Electricity distribution losses

	2024	2023
Units purchased (Kwh)	50 258 820	51 403 622
Units sold, free basic services and standard friction losses	(45 893 289)	(48 244 167)
Units lost during distribution (Kwh)	4 365 531	3 159 455
Percentage lost during distribution	8.69%	6.15%

Electricity losses are due to electricity theft on pre-paid meters. Fines were issued for first time offenders.

53 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

53.1 SALGA Contributions [MFMA 125 (1)(b)]

	2024	2023
Opening balance	-	-
Expenditure incurred	1 344 107	1 378 291
Payments	(1 344 107)	(1 378 291)
Outstanding balance	-	-

Figures in Rand	2024	2023

53 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

53.2 Audit Fees [MFMA 125 (1)(c)]

	2024	2023
Opening balance	-	686 012
Expenditure incurred	6 585 295	5 531 096
Audit Fees	5 725 894	4 809 649
Interest on late payments	517	-
VAT	858 884	721 447
Payments	(6 585 295)	(6 217 108)
Outstanding Balance	-	-

53.3 VAT [MFMA 125 (1)(c)]

	2024	2023
Opening balance	742 795	(646 605)
Net amount claimed/(declared) during the year	5 071 161	1 443 186
Net amount paid/(received) during the year	(3 253 042)	(53 787)
Outstanding Balance Receivable/(Payable)	**2 560 914**	**742 795**

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.

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

	2024	2023
Opening balance	1 546 093	1 532 341
Payroll deductions and Council Contributions during the year	21 359 860	19 585 024
Payments	(22 905 953)	(19 571 272)
Outstanding Balance	-	**1 546 093**

53.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]

	2024	2023
Opening balance	2 324 476	-
Payroll deductions and Council Contributions during the year	29 418 804	29 469 257
Payments made to pension and medical fund	(31 743 280)	(27 144 781)
Outstanding Balance	-	**2 324 476**

53.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

No Councillors had arrear accounts outstanding of more than 90 days as on 30 June.

53.7 Deviations from Supply Chain Management Regulations

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

	2024	2023
Section 36(1)(a)(i) - Emergencies	978 435	1 601 883
Section 36(1)(a)(ii) - Single provider	454 768	278 767
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical so follow official procurement process	5 630 463	339 653
Total	**7 063 666**	**2 220 303**

Deviations from Supply Chain Management Regulations can be allocated as follow:

	2024	2023
Office of the Municipal Manager	11 788	5 233
Support Services (Corporate and Community)	835 486	349 445
Finance Services	4 241 076	-
Technical Services	1 975 316	1 865 626
Total	**7 063 666**	**2 220 303**

All the deviations were ratified by the Municipal Manager and reported to Council.

53 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

53.8 Other Non-Compliance [MFMA 125(2)(e)]

(a) Payments not made within 30 days

Money owed by the Municipality was not always paid within 30 days, as required by section 65(2)(e) of the Municipal Finance Management Act.

54 CAPITAL COMMITMENTS

Approved and contracted for

	2024	2023
Infrastructure	13 963 934	896 265
Community Assets	-	10 232 369
Total	**13 963 934**	**11 128 634**

This expenditure will be financed from:

	2024	2023
Government Grants	13 963 934	11 128 634
Own funding	-	-
Total	**13 963 934**	**11 128 634**

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).

The comparative figures have been restated from R55 554 780 to R11 128 634 due to invalid capital commitments included in the register of which the Integrated National Electrification Programme (INEP), as discussed in note 46.5, was the most significant.

55 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

55.1 Credit Risk

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

The following financial assets are exposed to credit risk:

	2024	2023
Cash and Cash Equivalents	61 251 990	28 771 324
Receivables from exchange transactions	32 408 431	26 213 542
Receivables from non-exchange transactions	630 950	504 828
Long-term Receivables	2 895 823	435 408
Total	**97 187 194**	**55 925 101**

<u>Cash and Cash Equivalents</u>

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

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

<u>Receivables from Exchange Transactions</u>

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

Figures in Rand	2024	2023

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

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

Also refer to note 7 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

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

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

	2024	2023
Electricity	3 218 892	2 535 811
Water	4 297 005	4 414 259
Refuse	1 845 155	1 578 513
Sewerage	2 382 652	1 919 828
Interest	1 759 080	998 934
Other	118 685	125 005
Availability Charges	480 009	376 276
Total	**14 101 477**	**11 948 626**

Past due receivables are aged as follow:

	2024	2023
1 to 3 months overdue	5 978 339	4 538 903
4 months to 1 year overdue	4 044 174	3 651 790
1 year overdue	4 078 964	3 757 932
Total	**14 101 477**	**11 948 626**

55.2 Currency risk (Market Risk)

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

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

55.3 Interest rate risk (Market Risk)

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

The following balances are exposed to interest rate fluctuations:

	2024	2023
Cash and Cash Equivalents (excluding cash on hand)	61 251 990	28 771 324
Long-term Liabilities (including current portion)	-	-
Net balance exposed	**61 251 990**	**28 771 324**

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

	2024	2023
0.5% (2023 - 0.5%) increase in interest rates	306 260	143 857
0.5% (2023 - 0.5%) decrease in interest rates	(306 260)	(143 857)

55.4 Liquidity risk

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

Liquidity risk can be mitigated by approving cash funded budgets to ensure commitments can be settled once due over the long term. The Municipality has been experiencing cash flow constraints as disclosed in note 65, but managed to submit a cash funded budget for the current financial year.

The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2024				
Annuity Loans	1 985 577	510 819	-	2 496 397
Finance Lease Liabilities	187 500	-	-	187 500
Municipal Debt Relief	13 924 085	27 848 171	-	41 772 256
Payables from Exchange Transactions	47 725 392	-	-	47 725 392
Total	**63 822 555**	**28 358 990**	**-**	**92 181 545**
30 JUNE 2023				
Annuity Loans	1 985 577	2 496 397	-	4 481 974
Finance Lease Liabilities	375 000	187 500	-	562 500
Payables with Repayment Arrangements	25 386 555	14 085 376	-	39 471 931
Payables from Exchange Transactions	56 250 965	-	-	56 250 965
Total	**83 998 097**	**16 769 273**	**-**	**100 767 370**

55.5 Other price risk (Market Risk)

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

The Municipality is not exposed to any other price risk.

56 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

	2024	2023
Cash and Cash Equivalents	61 251 990	28 771 324
Bank Accounts	10 017 842	6 316 618
Call Investment Deposits	51 234 148	22 454 705
Receivables from Exchange Transactions	32 408 431	26 213 542
Electricity	16 275 879	12 763 017
Water	7 655 353	7 404 811
Refuse	2 764 720	2 470 575
Sewerage	3 451 877	2 730 989
Interest	1 506 575	658 402
Other	189 346	185 748
Accrued Interest	564 681	-
Receivables from Non-Exchange Transactions	630 950	504 828
Availability Charges	630 950	504 828
Long-term Receivables	2 895 823	435 408
Receivables with repayment arrangements	2 895 823	435 408
Total	**97 187 194**	**55 925 101**

Figures in Rand	2024	2023

56 FINANCIAL INSTRUMENTS (CONTINUED)

Financial Liabilities

	2024	2023
Payables from Exchange Transactions	47 725 392	56 250 965
Trade Payables	41 663 613	52 763 929
Retentions	1 300 427	1 033 225
Sundry Creditors	829 866	698 101
Sundry Deposits	178 863	125 334
Accrued Interest	17 649	35 461
Unknown Receipts	711 443	70 320
Department of Infrastructure	26 530	190 000
Integrated National Electrification Programme (INEP)	2 997 000	1 334 594
Long-term Liabilities	39 888 323	43 857 105
Annuity Loans	2 263 326	3 871 874
Finance Lease Liabilities	181 223	513 300
Payables with Repayment Arrangements	-	39 471 931
Municipal Debt Relief	37 443 774	-
Total	**87 613 715**	**100 108 070**

57 STATUTORY RECEIVABLES

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

	2024	2023
Receivables from Non-Exchange Transactions	13 087 155	8 815 919
Rates	11 125 455	8 563 619
Fines	1 961 700	252 300
Taxes - VAT Claimable from SARS	2 517 829	727 662
Total	**15 604 984**	**9 543 582**

The amounts above are disclosed after any provision for impairment has been taken into account. Refer to note 4 for determining the recoverability of property rates and traffic fines.

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 21 for property rates levied for the year and basis for interest and rate used on outstanding balances.

Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 25 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.

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

Property Rates

	2024	2023
- Past due at the reporting date, and which have been impaired	32 829 822	29 165 106
- Past due that have not been impaired	6 908 095	4 640 302

Figures in Rand	2024	2023

58 PRINCIPAL-AGENT ARRANGEMENTS

The Municipality has assessed that the following significant principal-agent arrangements exists:

58.1 Western Cape Mobility Department

The Municipality acts as an agent for the Western Cape Mobility Department and manages the issuing of vehicle licences for a commission.

The following transactions were undertaken as part of principal-agent arrangement:

	2024	2023
Collections payable to the Department at beginning of year	908 449	591 875
Revenue collected from third parties	21 004 453	19 342 159
Commission earned on collections included in note 32	(3 029 790)	(2 744 482)
VAT on commission earned payable to the South African Revenue Services	(454 469)	(411 672)
Collections paid over to the Department	(18 103 853)	(15 869 430)
Collections payable to the Department at year-end	**324 791**	**908 449**

58.2 Department of Infrastructure

The Municipality acts as an agent for the Department of Infrastructure to facilitate the deed transfers to qualifying beneficiaries.

The following transactions were undertaken as part of principal-agent arrangement:

	2024	2023
Balance at beginning of year	190 000	-
Payments received from / (payments made to) the Department	45 525	240 000
Expenditure incurred on behalf of the Department	(208 995)	(50 000)
Balance at year-end	**26 530**	**190 000**

The comparative amounts have been restated by R367 000 due to the opening balance being incorrectly disclosed in the prior year.

58.3 Prepaid Electricity Vendor

The Municipality is the principal in an arrangement with a service providers who sells prepaid electricity on its behalf. The prepaid electricity vendor (the agent) earns commission on the value of each transaction.

Reconciliation of transactions undertaken as part of principal-agent arrangement:

	2024	2023
Collections receivable from prepaid electricity vendor at the beginning of the year	225 718	467 070
Transactions undertaken by the prepaid electricity vendor for the year	60 737 804	49 238 409
Prepaid electricity sales	47 314 053	40 110 470
VAT on prepaid electricity sales	7 097 108	6 016 541
Collections of arrear accounts	6 326 643	3 111 398
Collections received from prepaid electricity vendor	(60 532 857)	(49 479 761)
Collections receivable from prepaid electricity vendor at year-end	**430 664**	**225 718**

Compensation paid for agency activities

	2024	2023
Commission - Prepaid Electricity - note 44	1 174 136	854 326

59 EVENTS AFTER REPORTING DATE

The following events after reporting date are noted:

- Determination of upper limits of salaries, allowances and benefits of different members of municipal councils (Gazette no. No. 51407) were gazetted on 17 October 2024 for implementation effective from 1 July 2023. The financial impact is estimated at R183 568.

60 IN-KIND DONATIONS AND ASSISTANCE

No in-kind donations were received in the current or previous financial year.

61 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The Municipality did not enter into any PPP's in the current and prior year.

Figures in Rand		2024	2023
62	**CONTINGENT LIABILITIES**		
	The Municipality were exposed to the following contingent liabilities at year end:		
62.01	**Matter against the Municipality by Jimmy Barnard**	50 000	50 000
	This matter has been finalised but legal costs still have to be taxed or agreed. The legal costs for which the Municipality may be liable are estimated at R50 000.		
62.02	**Matter against the Municipality by MJ Coetzee**	250 000	250 000
	This matter involves an application by the owners of Erf 234 Graafwater against the Municipality for declaratory relief, alternatively a review regarding the decision taken in respect of an application for consent use. The matter in ongoing , pleadings have closed and the Applicants have to set it down for hearing. The legal costs and disbursements that the Municipality may be liable for in the event that the application is successful, is estimated at R 250 000.		
62.03	**Matter against the Municipality – ISW van Zyl Cancelation of Water Agreement**	-	901 855
	The Municipality has received a court ruling by settlement to have its infrastructure removed from ISW van Zyl Trust by 31 May 2022. This was extended to until 30 June 2022. The property owner may enforce the court ruling at any time at which point the Municipality will have no legitimate water source for Lamberts Bay. Legal costs still to be taxed are estimated at approximately R 341 886. In addition a contempt of Court Order ruling has been received in relation to this matter of which the claim is R 500 000 and the legal cost is estimated at R 59 969. This matter was concluded during the current year and the Municipality was only liable for legal fees.		
62.04	**Matter against the Municipality by Alister Ruiters (on behalf of his minor son, Alito Ruiters)**	2 412 089	2 412 089
	The applicant is claiming for damages related to an injury his son obtained on the property of the Municipality when an entrance gate became dislodged and fell on his son. This matter has been referred to the Municipality's insurer, of which it is expected that a settlement will be reached between the plaintiff and the Municipality's insurer. Merits of the matter have been conceded. The plaintiff is claiming R 3 126 000, however the claim is quantified in the region of R 2 412 089.		
62.05	**Matter against the Municipality by Michael Damon (on behalf of his minor son, Marshall Damon)**	1 557 590	1 557 590
	The applicant is claiming for damages related to an injury his son obtained on the property of the Municipality when an entrance gate became dislodged and fell on his son. This matter has been referred to the Municipality's insurer, of which it is expected that a settlement will be reached between the plaintiff and the Municipality's insurer. Merits of the matter have been conceded. The plaintiff is claiming R 3 126 000, however the claim is quantified in the region of R 1 557 590.		
62.06	**Matter against the Municipality by Clackson Power Company (Pty) Ltd**	-	3 793 785
	The applicant claimed for outstanding payments amounting to R 3 508 017 in total. The claim related to electricity supplied to the Municipality. During the current year, an out of court settlement was reached and signed.		
62.07	**Matter against the Municipality by Francina Johanna de Klerk**	1 000 000	1 000 000
	The applicant is claiming for damages amounting to R 1 000 000. The damages relates to injuries obtained by the plaintiff where there was a hole underneath the protective cushions surrounding the trampoline. The incident took place at Lamberts Bay caravan park. The matter has been referred to the Municipality's insurer.		
62.08	**Matter against the Municipality by Nicolaas Jacobus Klaassen**	620 000	620 000
	This matter involves a labour court review application against the Municipality. The legal costs are estimated at R 120 000 and the cost of reinstatement of the applicant (with backpay) is estimated at R 500 000.		
62.09	**Matter against the Municipality by CH Bester**	-	120 000
	This matter involves an application by CH Bester against the Municipality for declaratory relief. This matter was finalised during the current financial year.		
62.10	**Total**	**5 889 679**	**10 705 319**

Figures in Rand	2024	2023

63 RELATED PARTIES

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

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

63.1 Related Party Loans

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

63.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 35 and 36.

63.3 Current Employee Benefits

The Municipality has the following accrued leave obligation towards management personnel at year-end:

			2024	2023
GF Matthyse	-	Municipal Manager	25 205	10 511
HCA Witbooi	-	Director: Support Services	51 500	-
R De Ridder	-	Director: Technical Services	77 291	-
Total			**153 995**	**10 511**

63.4 Other related party transactions

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

64 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS

Section 45 of the Municipal Supply Chain Management regulations requires the disclosure of particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. The following transactions are disclosed in this regard:

Company Name	**Service of the state related party relationship**	**Amount**	**Amount**
P J Sobekwa	Brother of J Sobekwa (Cederberg Municipality)	7 200	36 245
HM Henderson	Sister of C Ockhuis (Cederberg Municipality)	1 800	1 800
Nelodia Transport	Spouse of WK Nel (SAPS)	-	2 800
NSRI		-	469 047
- C Robertson	Spouse of S Robertson (Department of Health)		
Akhile Management & Consulting		312 370	762 785
- B Hadebe	Spouse of M Hadebe (Ekurhuleni Municipality)		
Ekuseni Enterprises		97 902	617 680
- S Jacobs	Son of W Jacobs (Department of Health)		
- A Daniels	Daughter of M Human (Department of Water & Sanitation)		
- A van Wyk	Spouse of L van Wyk (Department of Health)		
- A van Wyk	Son of R van Wyk (Department of Health)		
JPCE (Pty) Ltd		86 129	-
- J Minnie	Spouse of JA Minnie (City of Cape Town)		
Neil Lyners & Associates (Rf) (Pty) Ltd		5 317 378	-
- O Potgieter	Daughter of A du Toit (Department of Water & Sanitation)		
Total		**5 822 778**	**1 890 356**

65 FINANCIAL SUSTAINABILITY

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

65.1 Financial Indicators

The following financial indicators were assessed:

	2024	2023
Cash available for working capital requirements (positive balance)	44 133 277	18 838 428
Current Ratio (norm - at least 2:1)	1.18 : 1	0.66 : 1
Cash coverage ratio (norm - 3 months or more)	1.5 months	0.7 months
Creditors days (norm - 30 days or less)	113 days	151 days
Debtors collection rate (95% or more)	88.2%	91.0%
Operating surplus / (deficit)	14 152 103	(19 852 357)

When analysing the results of the ratio's it can be concluded that the Municipality managed to improve its financial position from the prior year, and it able to service its short-term obligations.

The Municipal Debt Relief arrangement as disclosed in note 13.4 is the main contributor to the improved financial position.

Council has approved a Budget Funding Plan to specific focus on the revenue collection and curbing expenditure.

Taking the above in mind the Municipality will therefore balance service delivery and operations based on revenue collections and ensure that grant funding is spent within the prescribed timeframes as agreed with National Treasury.

65.2 Other Indicators

Contingent Liabilities are disclosed in note 62. The total exposure amounts to R 5 889 679, and therefore contingent liabilities in its totality does not pose any threat to the going concern assumption.

The Municipality is not aware of any events after reporting date which may pose a threat to the going concern assumption.

65.3 Future Budget

When analysing the 2024/25 MTREF (Medium Term Revenue and Expenditure Framework) budget which was approved by Council in 2023/24, the projected financial indicators are as follow:

	2024/25	2025/26	2026/27
Cash available for working capital requirements (positive balance)	18 071 637	35 493 169	67 605 264
Current Ratio (norm - at least 2:1)	1.34:1	1.74:1	2.47:1
Cash coverage ratio (norm - 3 months or more)	0.61 months	1.08 months	1.91 months
Creditors days (norm - 30 days or less)	27 days	24 days	23 days
Debtors collection rate (95% or more)	92.0%	92.0%	92.0%
Operating surplus / (deficit)	329 504	(1 096 995)	(5 466 792)

Although the above-mentioned ratio's are still below the required norms, there is a projected improvement.

65.4 Going concern assessment

The definition of a going concern is that there is no reason to believe that an institution will have to close down or be liquidated within 12 months after the reporting date.

Except for the current financial indicator which could potentially be seen as a threat to the going concern assumption, the other assessments does not pose any threat to the going concern assumption. Given the afore-mentioned, Management is of the opinion that the Municipality can continue in operational existence for the foreseeable future.

66 B-BBEE PERFORMANCE

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

67 NON-LIVING RESOURCES

Other than land, the Municipality identified aquifers in the Cederberg municipal area as the only non-living resources of which the water is being extracted with the use of boreholes in the following towns:

- Algeria
- Clanwilliam
- Graafwater
- Leipoldtville
- Wuppertal

68 SEGMENT REPORTING

68.1 General Information

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

The Municipality has 40 departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

No	Reportable Segment	Goods and/or services delivered
1	Governance and administration	Supply of overall governance and administrative services to the segments below
2	Community Services	Sportfields, halls, parks, housing, informal settlements and library services
3	Holiday Resorts	Holiday Resorts
4	Public Safety	Traffic control and fire fighting
5	Planning and development	Town planning and building control
6	Roads and Stormwater	Construction and maintenance of roads and storm water
7	Electricity Services	Supply of electricity services
8	Water Services	Supply of water services
9	Sewerage Services	Supply of sewerage services
10	Refuse Services	Refuse removal

68.2 Reporting on segment assets and liabilities

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

68.3 Geographic Segment Reporting

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

68.4 Measurement of specific segment information

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

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

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

68 SEGMENT REPORTING (CONTINUED)

68.5 Specific Segment Reporting

2024	Governance and administration R	Community Services R	Holiday Resorts R	Public Safety R	Planning and development R	Roads and Stormwater R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
REVENUE											
External Revenue from Non-Exchange Transactions	**145 182 558**	**8 543 352**	**-**	**34 768 234**	**894 800**	**2 999 674**	**6 667 871**	**8 054 400**	**13 922 911**	**12 278 786**	**233 312 586**
Property Rates	73 692 932	-	-	-	-	-	-	-	-	-	73 692 932
Government Grants and Subsidies - Operating	58 184 572	4 976 614	-	-	894 175	423 488	3 016 200	3 646 953	6 010 193	4 382 412	81 534 606
Government Grants and Subsidies - Capital	347 826	3 564 427	-	-	625	2 576 186	1 318 630	3 548 427	7 318 474	7 605 005	26 279 599
Availability Charges	-	-	-	-	-	-	2 180 330	854 912	594 244	-	3 629 486
Insurance Refund	112 012	-	-	-	-	-	-	-	-	-	112 012
Fines, penalties and forfeits	250 975	2 311	-	32 523 994	-	-	152 710	4 109	-	-	32 934 099
Fair Value Adjustment Gains	9 288 252	-	-	-	-	-	-	-	-	291 370	9 579 622
Debt Forgiveness	3 305 989	-	-	2 244 240	-	-	-	-	-	-	5 550 229
External Revenue from Exchange Transactions	**18 923 947**	**211 906**	**2 958 991**	**4 368 069**	**1 618 683**	**-**	**127 401 381**	**32 780 700**	**16 350 614**	**14 114 617**	**218 728 906**
Service Charges	-	-	-	-	-	-	127 401 381	32 780 700	16 350 614	14 106 018	190 638 712
Rental of Facilities and Equipment	758 344	211 453	-	-	-	-	-	-	-	-	969 797
Interest Earned - external investments	5 190 675	-	-	-	-	-	-	-	-	-	5 190 675
Interest Earned - outstanding debtors	12 325 085	-	-	-	-	-	-	-	-	-	12 325 085
Agency Services	-	-	-	4 299 701	-	-	-	-	-	-	4 299 701
Other Income	649 842	453	2 958 991	68 368	1 618 683	-	-	-	-	8 599	5 304 935
Construction Contracts	**-**	**1 756 391**	**-**	**-**	**-**	**-**	**32 003 000**	**-**	**-**	**-**	**33 759 391**
TOTAL REVENUE	**164 106 504**	**10 511 650**	**2 958 991**	**39 136 302**	**2 513 483**	**2 999 674**	**166 072 251**	**40 835 100**	**30 273 525**	**26 393 403**	**485 800 883**
EXPENDITURE											
Employee Related Costs	48 412 958	15 369 653	3 830 732	11 856 854	9 042 007	6 149 598	9 340 077	12 535 390	5 482 616	9 557 044	131 576 928
Remuneration of Councillors	6 081 304	-	-	-	-	-	-	-	-	-	6 081 304
Debt Impairment	18 089 811	-	-	27 486 464	-	-	942 447	(299 507)	2 571 493	1 592 895	50 383 603
Depreciation and Amortisation	1 592 220	785 795	164 295	99 474	21 815	6 045 564	4 188 250	5 010 651	6 487 892	2 171 413	26 567 369
Impairment	-	-	-	-	-	-	-	14 718 289	-	921 618	15 639 907
Finance Charges	14 961 296	-	-	-	-	-	-	-	-	-	14 961 296
Bulk Purchases	-	-	-	-	-	-	105 502 654	622 471	-	-	106 125 126
Contracted Services	15 527 628	2 373 963	38 662	2 557 085	467 365	887 037	30 624 766	1 089 258	1 584 483	1 676 287	56 826 535
Transfers and Grants	10 261	-	-	187 764	-	-	-	-	-	-	198 026
Other Expenditure	18 408 472	986 070	259 665	1 210 532	354 438	1 835 019	2 182 134	5 713 840	3 471 408	1 921 680	36 343 258
Loss on disposal of Non-Monetary Assets	665 827	-	-	-	-	-	-	-	-	-	665 827
Total Expenditure	**123 749 779**	**19 515 481**	**4 293 354**	**43 398 173**	**9 885 625**	**14 917 218**	**152 780 328**	**39 390 392**	**19 597 893**	**17 840 938**	**445 369 180**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**40 356 726**	**(9 003 832)**	**(1 334 363)**	**(4 261 870)**	**(7 372 142)**	**(11 917 544)**	**13 291 923**	**1 444 708**	**10 675 632**	**8 552 465**	**40 431 702**
Less: Government Grants and Subsidies - Capital	(347 826)	(3 564 427)	-	-	(625)	(2 576 186)	(1 318 630)	(3 548 427)	(7 318 474)	(7 605 005)	(26 279 599)
NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**40 008 900**	**(12 568 259)**	**(1 334 363)**	**(4 261 870)**	**(7 372 767)**	**(14 493 730)**	**11 973 293**	**(2 103 719)**	**3 357 159**	**947 460**	**14 152 103**
CAPITAL EXPENDITURE FOR THE YEAR	**1 376 550**	**3 602 940**	**71 604**	**-**	**3 411 692**	**1 604 228**	**4 362 570**	**6 387 607**	**7 848 245**	**12 996 681**	**41 662 116**

68 SEGMENT REPORTING (CONTINUED)

68.5 Specific Segment Reporting

2023	**Governance and administration R**	**Community Services R**	**Holiday Resorts R**	**Public Safety R**	**Planning and development R**	**Roads and Stormwater R**	**Electricity Services R**	**Water Services R**	**Sewerage Services R**	**Refuse Services R**	**Total R**
REVENUE											
External Revenue from Non-Exchange Transactions	**135 541 581**	**19 597 060**	**-**	**10 006 065**	**865 450**	**10 674 560**	**4 165 954**	**4 871 996**	**4 539 324**	**1 390 292**	**191 652 283**
Property Rates	70 382 140	-	-	-	-	-	-	-	-	-	70 382 140
Government Grants and Subsidies - Operating	57 779 513	5 058 963	-	-	849 237	1 318 881	2 076 061	2 614 167	3 646 974	667 916	74 011 713
Government Grants and Subsidies - Capital	-	14 535 663	-	-	16 213	9 355 679	-	1 435 155	-	-	25 342 709
Availability Charges	-	-	-	-	-	-	1 976 530	813 017	466 885	-	3 256 432
Insurance Refund	20 948	-	-	-	-	-	-	-	-	-	20 948
Fines, penalties and forfeits	12 876	2 435	-	10 006 065	-	-	113 363	9 657	425 465	-	10 569 862
Fair Value Adjustment Gains	7 346 104	-	-	-	-	-	-	-	-	722 376	8 068 480
External Revenue from Exchange Transactions	**13 236 767**	**170 471**	**2 892 663**	**3 798 361**	**1 608 295**	**-**	**108 628 229**	**29 819 962**	**13 950 410**	**14 408 436**	**188 513 594**
Service Charges	-	-	-	-	-	-	108 628 229	29 819 962	13 950 410	14 385 226	166 783 827
Rental of Facilities and Equipment	578 524	168 582	-	-	-	-	-	-	-	-	747 106
Interest Earned - external investments	2 020 003	-	-	-	-	-	-	-	-	-	2 020 003
Interest Earned - outstanding debtors	9 776 434	-	-	-	-	-	-	-	-	-	9 776 434
Agency Services	-	-	-	3 782 284	-	-	-	-	-	-	3 782 284
Other Income	861 806	1 888	2 892 663	16 077	1 608 295	-	-	-	-	23 210	5 403 939
Construction Contracts	**-**	**14 076 138**	**-**	**-**	**-**	**-**	**20 665 406**	**-**	**-**	**-**	**34 741 544**
TOTAL REVENUE	**148 778 348**	**33 843 669**	**2 892 663**	**13 804 426**	**2 473 745**	**10 674 560**	**133 459 589**	**34 691 958**	**18 489 734**	**15 798 729**	**414 907 421**
EXPENDITURE											
Employee Related Costs	46 467 281	15 090 937	4 001 794	11 516 659	8 291 764	6 239 511	7 458 668	11 682 672	4 981 603	9 363 422	125 094 311
Remuneration of Councillors	5 697 499	-	-	-	-	-	-	-	-	-	5 697 499
Debt Impairment	16 420 666	-	-	9 104 472	-	-	254 832	3 912 758	2 985 880	1 636 631	34 315 238
Depreciation and Amortisation	1 566 063	800 918	161 902	99 120	28 500	5 711 701	4 066 571	5 092 851	6 140 954	1 486 619	25 155 199
Impairment	-	-	-	-	-	-	-	25 182 218	-	-	25 182 218
Finance Charges	13 041 609	-	-	-	-	-	-	-	-	-	13 041 609
Bulk Purchases	-	-	-	-	-	-	92 503 879	944 402	-	-	93 448 281
Contracted Services	14 622 039	14 433 277	10 801	823 063	182 452	606 608	19 115 301	1 040 086	1 338 918	1 146 842	53 319 387
Transfers and Grants	727 711	-	-	-	-	-	-	-	-	-	727 711
Other Expenditure	16 612 403	843 233	285 550	1 019 056	185 854	997 795	2 588 303	5 233 435	3 195 305	2 339 558	33 300 492
Loss on disposal of Non-Monetary Assets	135 125	-	-	-	-	-	-	-	-	-	135 125
Total Expenditure	**115 290 395**	**31 168 365**	**4 460 047**	**22 562 370**	**8 688 570**	**13 555 615**	**125 987 554**	**53 088 422**	**18 642 659**	**15 973 072**	**409 417 069**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**33 487 953**	**2 675 304**	**(1 567 384)**	**(8 757 944)**	**(6 214 825)**	**(2 881 055)**	**7 472 035**	**(18 396 464)**	**(152 925)**	**(174 343)**	**5 490 352**
Less: Government Grants and Subsidies - Capital	-	(14 535 663)	-	-	(16 213)	(9 355 679)	-	(1 435 155)	-	-	(25 342 709)
NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**33 487 953**	**(11 860 358)**	**(1 567 384)**	**(8 757 944)**	**(6 231 038)**	**(12 236 734)**	**7 472 035**	**(19 831 619)**	**(152 925)**	**(174 343)**	**(19 852 357)**
CAPITAL EXPENDITURE FOR THE YEAR	**464 751**	**14 535 663**	**-**	**-**	**9 371 892**	**43 130**	**3 600 179**	**1 972 108**	**261 830**	**3 198**	**30 252 751**

CEDERBERG LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2024

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2023	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2024
ANNUITY LOANS							
ABSA	038-723-0992	9.84%	1 April 2025	853 792	-	(405 264)	448 528
ABSA	038-723-0993	10.43%	17 June 2025	1 451 695	-	(687 563)	764 131
ABSA	038-723-0994	10.45%	17 Nov 2025	714 845	-	(262 860)	451 984
ABSA	038-723-0995	11.33%	30 Jun 2026	851 543	-	(252 861)	598 682
Total Annuity Loans				**3 871 874**	**-**	**(1 608 548)**	**2 263 326**
FINANCE LEASE LIABILITIES - PRINTERS							
Printers and Copiers			31 Dec 2024	513 300	-	(332 077)	181 223
Total Finance Lease Liabilities - Printers				**513 300**	**-**	**(332 077)**	**181 223**
Total Long-Term Liabilities				**4 385 174**	**-**	**(1 940 625)**	**2 444 549**

CEDERBERG LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2024

NATIONAL GOVERNMENT	OPENING BALANCE R	GRANTS RECEIVED R	GRANTS REPAID R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	TRANSFERRED TO/(FROM) RECEIVABLES R	CLOSING BALANCE R
Equitable Share	-	67 058 000	-	(67 058 000)	-	-	-
Municipal Infrastructure Grant (MIG)	1 665 284	16 698 999	(2 739 284)	(2 910 926)	(13 412 519)	698 447	-
Financial Management Grant (FMG)	49 411	2 132 000	(49 411)	(2 132 000)	-	-	-
Expanded Public Works Program (EPWP)	-	1 658 000	-	(1 658 000)	-	-	-
Water Service Infrastructure Grant (WSIG)	686 894	4 500 000	(686 894)	(550 654)	(3 913 043)	-	36 302
Regional Bulk Infrastructure Grant (RBIG)	509 637	-	(509 637)	-	-	-	-
Municipal Disaster Response Grant	-	7 805 000	-	(41 249)	(274 995)	-	7 488 755
Total	**2 911 226**	**99 851 999**	**(3 985 226)**	**(74 350 830)**	**(17 600 558)**	**698 447**	**7 525 057**
PROVINCIAL GOVERNMENT							
Library Services MRF	-	5 539 131	-	(4 902 893)	(10 021)	-	626 217
CDW Support	115 912	150 999	-	(9 929)	-	-	256 982
Thusong Service Centre Grant	1 068	120 000	(1 068)	(1 068)	-	-	118 932
Municipal Library Support Grant	189 284	-	(189 284)	-	-	-	-
Financial Management Capability Grant	5 070	1 058 327	(5 070)	(499 476)	-	-	558 851
Municipal Interventions Grant	591 967	400 000	-	(252 837)	(739 130)	-	-
Municipal Water Resilience Grant	3 000 000	5 000 000	-	(519 875)	(3 548 427)	-	3 931 698
Loadshedding Relief Grant	1 600 000	-	-	(197 795)	(1 318 630)	-	83 576
Informal Settlements Upgrading Partnership Grant (ISUPG)	-	3 062 833	-	-	(3 062 833)	-	-
Municipal Energy Resilience Grant	-	500 000	-	(499 905)	-	-	95
Municipal Service Delivery and Capacity Building Grant	-	300 000	-	(300 000)	-	-	-
Municipal Financial Recovery Services	-	1 000 000	-	-	-	-	1 000 000
Total	**5 503 301**	**17 131 289**	**(195 422)**	**(7 183 776)**	**(8 679 041)**	**-**	**6 576 351**
ALL SPHERES OF GOVERNMENT	**8 414 527**	**116 983 288**	**(4 180 648)**	**(81 534 606)**	**(26 279 599)**	**698 447**	**14 101 408**

CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
FINANCIAL PERFORMANCE						
Property rates	73 339 000	537 000	73 876 000	73 692 932	(183 068)	70 382 140
Service charges	171 975 995	8 538 005	180 514 000	190 638 712	10 124 712	169 227 242
Investment revenue	1 269 358	3 522 683	4 792 041	5 190 675	398 634	2 020 003
Transfers and subsidies - operational	89 549 377	36 092 099	125 641 476	115 293 997	(10 347 479)	108 753 257
Other own revenue	35 568 356	40 933 730	76 502 086	69 154 739	(7 347 347)	39 182 070
Total Operating Revenue (excluding capital transfers)	**371 702 086**	**89 623 517**	**461 325 603**	**453 971 055**	**(7 354 548)**	**389 564 712**
Employee costs	144 683 374	(8 553 055)	136 130 319	130 819 444	(5 310 875)	124 487 720
Remuneration of councillors	6 138 858	53 142	6 192 000	6 081 304	(110 696)	5 697 499
Depreciation & asset impairment	59 856 000	39 962 000	99 818 000	92 590 880	(7 227 120)	84 652 656
Interest	15 789 000	(783 000)	15 006 000	14 961 296	(44 704)	13 041 609
Inventory consumed and bulk purchases	107 414 467	9 967 287	117 381 754	116 429 914	(951 840)	103 231 879
Transfers and subsidies	30 000	193 278	223 278	198 026	(25 252)	727 711
Other expenditure	60 888 537	44 053 343	104 941 880	84 288 317	(20 653 563)	77 577 995
Total Expenditure	**394 800 236**	**84 892 995**	**479 693 231**	**445 369 180**	**(34 324 051)**	**409 417 069**
Surplus/(Deficit)	**(23 098 150)**	**4 730 522**	**(18 367 628)**	**8 601 874**	**26 969 502**	**(19 852 357)**
Transfers and subsidies - capital (monetary allocations)	71 079 623	(33 660 521)	37 419 102	26 279 599	(11 139 503)	25 342 709
Transfers and subsidies - capital (in-kind - all)	-	5 550 239	5 550 239	5 550 229	(10)	-
Surplus/(Deficit) for the year	**47 981 473**	**(23 379 760)**	**24 601 713**	**40 431 702**	**15 829 989**	**5 490 352**
CAPITAL EXPENDITURE & FUNDS SOURCES						
Capital expenditure	**85 994 625**	**(32 330 322)**	**53 664 303**	**41 662 116**	**(12 002 187)**	**30 252 751**
Transfers recognised - capital	71 079 625	(33 660 522)	37 419 103	26 279 599	(11 139 504)	25 342 709
Borrowing	-	-	-	-	-	-
Internally generated funds	14 915 000	1 330 200	16 245 200	15 382 517	(862 683)	4 910 042
Total sources of capital funds	**85 994 625**	**(32 330 322)**	**53 664 303**	**41 662 116**	**(12 002 187)**	**30 252 751**
CASH FLOWS						
Net cash from (used) operating	86 434 364	(60 380 418)	26 053 947	80 491 381	54 437 435	51 191 165
Net cash from (used) investing	(83 494 625)	31 830 322	(51 664 303)	(46 272 819)	5 391 484	(30 758 793)
Net cash from (used) financing	(1 735 107)	14 455	(1 720 652)	(1 737 896)	(17 244)	(3 469 964)
Net Cash Movement for the year	1 204 632	(28 535 641)	(27 331 009)	32 480 666	59 811 675	16 962 409
Cash/cash equivalents at beginning of year	28 188	28 749 361	28 777 549	28 777 549	-	11 815 140
Cash/cash equivalents at the year end	**1 232 820**	**213 720**	**1 446 541**	**61 258 215**	**59 811 675**	**28 777 549**

CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	53 413 000	325 000	53 738 000	53 691 026	(46 974)	52 761 429
Finance and administration	95 129 759	22 295 437	117 425 196	110 415 478	(7 009 718)	96 016 919
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	9 536 084	(33 223)	9 502 861	7 919 819	(1 583 042)	6 361 946
Sport and recreation	2 838 963	992 027	3 830 990	3 030 880	(800 110)	2 960 102
Public safety	11 486 897	22 678 460	34 165 357	32 537 319	(1 628 038)	10 009 952
Housing	6 224 000	4 775 000	10 999 000	4 819 224	(6 179 776)	27 426 475
Economic and environmental services						
Planning and development	2 418 551	(155 021)	2 263 530	2 513 483	249 953	2 473 745
Road transport	9 519 788	(706 978)	8 812 810	7 299 375	(1 513 435)	14 456 845
Trading services						
Energy sources	148 914 995	16 458 005	165 373 000	166 072 251	699 251	133 459 589
Water management	53 300 000	(9 875 300)	43 424 700	40 835 100	(2 589 600)	34 691 958
Waste water management	33 807 672	(3 788 674)	30 018 998	30 273 525	254 527	18 489 734
Waste management	16 192 000	8 548 502	24 740 502	26 393 403	1 652 901	15 798 729
Total Revenue - Standard	**442 781 709**	**61 513 235**	**504 294 944**	**485 800 883**	**(18 494 061)**	**414 907 421**
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	14 473 878	(18 944)	14 454 934	13 539 201	(915 733)	11 790 483
Finance and administration	104 465 757	14 093 857	118 559 614	107 178 091	(11 381 523)	100 985 191
Internal audit	1 206 734	(13 907)	1 192 827	1 114 692	(78 135)	1 043 531
Community and public safety						
Community and social services	13 365 692	(894 786)	12 470 906	9 409 465	(3 061 441)	8 850 086
Sport and recreation	13 740 834	(32 860)	13 707 974	12 695 151	(1 012 823)	12 033 963
Public safety	22 079 705	22 043 412	44 123 117	39 157 762	(4 965 355)	18 803 564
Housing	3 631 275	5 679 820	9 311 095	4 173 923	(5 137 172)	16 617 092
Economic and environmental services						
Planning and development	12 464 619	(383 936)	12 080 683	11 803 419	(277 264)	10 159 760
Road transport	16 276 945	(71 711)	16 205 234	15 356 001	(849 233)	13 997 444
Trading services						
Energy sources	121 432 264	30 373 314	151 805 578	152 780 328	974 750	125 987 554
Water management	33 566 147	12 566 863	46 133 010	39 390 392	(6 742 618)	53 088 422
Waste water management	21 187 827	448 376	21 636 203	20 929 816	(706 387)	20 086 908
Waste management	16 908 559	1 103 497	18 012 056	17 840 938	(171 118)	15 973 072
Total Expenditure - Standard	**394 800 236**	**84 892 995**	**479 693 231**	**445 369 180**	**(34 324 051)**	**409 417 069**
Surplus/(Deficit) for the year	**47 981 473**	**(23 379 760)**	**24 601 713**	**40 431 702**	**15 829 989**	**5 490 352**

CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Executive and Council	53 413 000	25 000	53 438 000	53 391 026	(46 974)	52 761 429
Vote 2 - Office of Municipal Manager	-	300 000	300 000	300 000	-	-
Vote 3 - Financial Administrative Services	92 287 295	20 092 230	112 379 525	107 076 151	(5 303 374)	93 105 493
Vote 4 - Community Development Services	11 910 504	(2 451 948)	9 458 556	8 034 301	(1 424 255)	8 298 950
Vote 5 - Corporate and Strategic Services	459 620	2 176 287	2 635 907	783 596	(1 852 311)	804 199
Vote 6 - Planning and Development Services	2 418 551	(13 054)	2 405 497	2 655 450	249 953	2 631 778
Vote 7 - Public Safety	15 336 646	25 511 233	40 847 879	39 136 302	(1 711 577)	13 804 426
Vote 8 - Electricity	148 914 995	16 458 005	165 373 000	166 072 251	699 251	133 459 589
Vote 9 - Waste Management	16 192 000	8 548 502	24 740 502	26 393 403	1 652 901	15 798 729
Vote 10 - Waste Water Management	33 807 672	(3 788 674)	30 018 998	30 273 525	254 527	18 489 734
Vote 11 - Water	53 300 000	(9 875 300)	43 424 700	40 835 100	(2 589 600)	34 691 958
Vote 12 - Housing	6 224 000	4 775 000	10 999 000	4 819 224	(6 179 776)	27 426 475
Vote 13 - Road Transport	5 678 463	(1 236 073)	4 442 390	2 999 674	(1 442 716)	10 674 560
Vote 14 - Sports and Recreation	2 838 963	992 027	3 830 990	3 030 880	(800 110)	2 960 102
Total Revenue by Vote	**442 781 709**	**61 513 235**	**504 294 944**	**485 800 883**	**(18 494 061)**	**414 907 421**
EXPENDITURE						
Vote 1 - Executive and Council	9 114 332	126 140	9 240 472	8 750 476	(489 996)	8 170 929
Vote 2 - Office of Municipal Manager	18 409 690	(1 060 805)	17 348 885	16 226 265	(1 122 620)	13 730 062
Vote 3 - Financial Administrative Services	65 640 668	17 188 645	82 829 313	72 238 253	(10 591 060)	66 719 802
Vote 4 - Community Development Services	11 383 744	224 914	11 608 658	10 582 946	(1 025 712)	10 431 260
Vote 5 - Corporate and Strategic Services	25 111 369	(3 168 893)	21 942 476	21 687 533	(254 943)	23 332 371
Vote 6 - Planning and Development Services	11 223 863	163 277	11 387 140	11 089 691	(297 449)	8 571 898
Vote 7 - Public Safety	29 184 979	21 124 383	50 309 362	43 398 173	(6 911 189)	22 562 370
Vote 8 - Electricity	121 432 264	30 373 314	151 805 578	152 780 328	974 750	125 987 554
Vote 9 - Waste Management	16 908 559	1 103 497	18 012 056	17 840 938	(171 118)	15 973 072
Vote 10 - Waste Water Management	19 538 714	659 068	20 197 782	19 597 893	(599 889)	18 642 659
Vote 11 - Water	33 566 147	12 566 863	46 133 010	39 390 392	(6 742 618)	53 088 422
Vote 12 - Housing	3 631 275	5 679 820	9 311 095	4 173 923	(5 137 172)	16 617 092
Vote 13 - Road Transport	15 913 798	(54 368)	15 859 430	14 917 218	(942 212)	13 555 615
Vote 14 - Sports and Recreation	13 740 834	(32 860)	13 707 974	12 695 151	(1 012 823)	12 033 963
Total Expenditure by Vote	**394 800 236**	**84 892 995**	**479 693 231**	**445 369 180**	**(34 324 051)**	**409 417 069**
Surplus/(Deficit) for the year	**47 981 473**	**(23 379 760)**	**24 601 713**	**40 431 702**	**15 829 989**	**5 490 352**

CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Exchange Revenue						
Service charges - Electricity	110 745 995	11 835 005	122 581 000	127 401 381	4 820 381	110 604 759
Service charges - Water	31 298 000	(325 000)	30 973 000	32 780 700	1 807 700	29 819 962
Service charges - Waste Water Management	14 660 000	(457 000)	14 203 000	16 350 614	2 147 614	14 417 295
Service charges - Waste Management	15 272 000	(2 515 000)	12 757 000	14 106 018	1 349 018	14 385 226
Sale of Goods and Rendering of Services	4 240 314	984 609	5 224 923	4 559 879	(665 044)	4 443 358
Agency services	3 841 325	529 095	4 370 420	4 299 701	(70 719)	3 782 284
Interest Earned from Receivables (Exchange)	10 875 582	(4 328 582)	6 547 000	8 117 192	1 570 192	9 776 434
Interest Earned from Current and Non Current Assets	1 269 358	3 522 683	4 792 041	5 190 675	398 634	2 020 003
Rental from Fixed Assets	941 152	(117 225)	823 927	969 797	145 870	747 106
Licences and Permits	-	12 000	12 000	11 059	(941)	2 472
Operational Revenue (Exchange)	703 993	86 388	790 381	846 009	55 628	945 971
Non-Exchange Revenue						
Property Rates	73 339 000	537 000	73 876 000	73 692 932	(183 068)	70 382 140
Surcharges and Taxes	1 000	-	1 000	-	(1 000)	33 087
Fines, Penalties and Forfeits	11 554 990	22 718 445	34 273 435	32 934 099	(1 339 336)	10 569 862
Transfers and Subsidies - Operational	89 549 377	36 092 099	125 641 476	115 293 997	(10 347 479)	108 753 257
Interest Earned from Receivables (Non-Exchange)	-	4 212 000	4 212 000	4 207 894	(4 106)	-
Operational Revenue (Non-Exchange)	-	3 644 000	3 644 000	3 629 486	(14 514)	813 017
Gains on Disposal of Assets	2 500 000	(500 000)	2 000 000	-	(2 000 000)	-
Other Gains	910 000	13 693 000	14 603 000	9 579 622	(5 023 378)	8 068 480
Total Revenue (excl capital transfers)	**371 702 086**	**89 623 517**	**461 325 603**	**453 971 055**	**(7 354 548)**	**389 564 712**
EXPENDITURE BY TYPE						
Employee Related Costs	144 683 374	(8 553 055)	136 130 319	130 819 444	(5 310 875)	124 487 720
Remuneration of Councillors	6 138 858	53 142	6 192 000	6 081 304	(110 696)	5 697 499
Bulk Purchases - Electricity	95 123 000	7 542 000	102 665 000	105 502 654	2 837 654	92 503 879
Inventory Consumed	12 291 467	2 425 287	14 716 754	10 927 259	(3 789 495)	10 728 000
Debt Impairment	30 239 000	25 973 000	56 212 000	50 383 603	(5 828 397)	34 315 238
Depreciation and Amortisation	29 617 000	13 989 000	43 606 000	42 207 276	(1 398 724)	50 337 417
Interest	15 789 000	(783 000)	15 006 000	14 961 296	(44 704)	13 041 609
Contracted Services	33 650 973	33 860 658	67 511 631	56 826 535	(10 685 096)	53 319 387
Transfers and Subsidies	30 000	193 278	223 278	198 026	(25 252)	727 711
Operational Costs	26 327 564	3 742 685	30 070 249	26 795 954	(3 274 295)	24 123 484
Losses on Disposal of Assets	-	-	-	665 827	665 827	135 125
Other Losses	910 000	6 450 000	7 360 000	-	(7 360 000)	-
Total Expenditure	**394 800 236**	**84 892 995**	**479 693 231**	**445 369 180**	**(34 324 051)**	**409 417 069**
Surplus/(Deficit)	**(23 098 150)**	**4 730 522**	**(18 367 628)**	**8 601 874**	**26 969 502**	**(19 852 357)**
Transfers and Subsidies - Capital (monetary allocations)	71 079 623	(33 660 521)	37 419 102	26 279 599	(11 139 503)	25 342 709
Transfers and Subsidies - Capital (in-kind)	-	5 550 239	5 550 239	5 550 229	(10)	-
Surplus/(Deficit) for the year	**47 981 473**	**(23 379 760)**	**24 601 713**	**40 431 702**	**15 829 989**	**5 490 352**

CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
CAPITAL EXPENDITURE						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Executive and Council	-	-	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-
Vote 3 - Financial Administrative Services	-	-	-	-	-	-
Vote 4 - Community Development Services	-	-	-	-	-	-
Vote 5 - Corporate and Strategic Services	-	-	-	-	-	-
Vote 6 - Planning and Development Services	4 937 547	(2 422 426)	2 515 121	2 184 882	(330 239)	9 355 679
Vote 7 - Public Safety	-	-	-	-	-	-
Vote 8 - Electricity	1 800 000	(1 800 000)	-	-	-	-
Vote 9 - Waste Management	-	-	-	-	-	-
Vote 10 - Waste Water Management	-	-	-	-	-	-
Vote 11 - Water	13 176 522	(13 176 522)	-	-	-	730 707
Vote 12 - Housing	5 731 000	(3 918 000)	1 813 000	999 833	(813 167)	13 213 773
Vote 13 - Road Transport	-	-	-	-	-	-
Vote 14 - Sports and Recreation	-	-	-	-	-	-
Total Multi-year expenditure	**25 645 069**	**(21 316 948)**	**4 328 121**	**3 184 715**	**(1 143 406)**	**23 300 159**
Single-year expenditure						
Vote 1 - Executive and Council	-	-	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-
Vote 3 - Financial Administrative Services	-	125 000	125 000	115 410	(9 590)	225 466
Vote 4 - Community Development Services	2 575 709	(2 032 536)	543 173	540 107	(3 066)	1 204 489
Vote 5 - Corporate and Strategic Services	1 165 000	347 826	1 512 826	1 261 140	(251 686)	239 285
Vote 6 - Planning and Development Services	-	1 233 625	1 233 625	1 226 810	(6 815)	16 213
Vote 7 - Public Safety	-	40 000	40 000	-	(40 000)	-
Vote 8 - Electricity	37 690 870	(29 800 131)	7 890 739	4 362 570	(3 528 169)	3 600 179
Vote 9 - Waste Management	5 000 000	7 997 330	12 997 330	12 996 681	(649)	3 198
Vote 10 - Waste Water Management	12 617 977	(2 620 746)	9 997 231	7 848 245	(2 148 986)	261 830
Vote 11 - Water	700 000	9 567 290	10 267 290	6 387 607	(3 879 683)	1 241 401
Vote 12 - Housing	-	2 063 000	2 063 000	2 063 000	-	117 400
Vote 13 - Road Transport	600 000	1 966 368	2 566 368	1 604 228	(962 140)	43 130
Vote 14 - Sports and Recreation	-	99 600	99 600	71 604	(27 996)	-
Total Single-year expenditure	**60 349 556**	**(11 013 374)**	**49 336 182**	**38 477 401**	**(10 858 781)**	**6 952 592**
Total Capital Expenditure by Vote	**85 994 625**	**(32 330 322)**	**53 664 303**	**41 662 116**	**(12 002 187)**	**30 252 751**

CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
CAPITAL EXPENDITURE (CONTINUED)						
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	-	-	-	-	-
Finance and administration	1 165 000	472 826	1 637 826	1 376 550	(261 276)	464 751
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	2 575 709	(2 032 536)	543 173	540 107	(3 066)	1 204 489
Sport and recreation	-	99 600	99 600	71 604	(27 996)	-
Public safety	-	40 000	40 000	-	(40 000)	-
Housing	5 731 000	(1 855 000)	3 876 000	3 062 833	(813 167)	13 331 173
Economic and environmental services						
Planning and development	4 937 547	(1 188 801)	3 748 746	3 411 692	(337 054)	9 371 892
Road transport	600 000	1 966 368	2 566 368	1 604 228	(962 140)	43 130
Trading services						
Energy sources	39 490 870	(31 600 131)	7 890 739	4 362 570	(3 528 169)	3 600 179
Water management	13 876 522	(3 609 232)	10 267 290	6 387 607	(3 879 683)	1 972 108
Waste water management	12 617 977	(2 620 746)	9 997 231	7 848 245	(2 148 986)	261 830
Waste management	5 000 000	7 997 330	12 997 330	12 996 681	(649)	3 198
Total Capital Expenditure - Standard	**85 994 625**	**(32 330 322)**	**53 664 303**	**41 662 116**	**(12 002 187)**	**30 252 751**
FUNDING SOURCES						
National Government	65 348 625	(40 905 478)	24 443 147	17 600 558	(6 842 589)	12 123 548
Provincial Government	5 731 000	7 244 956	12 975 956	8 679 041	(4 296 915)	13 219 161
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
Transfers recognised - capital	71 079 625	(33 660 522)	37 419 103	26 279 599	(11 139 504)	25 342 709
Borrowing	-	-	-	-	-	-
Internally generated funds	14 915 000	1 330 200	16 245 200	15 382 517	(862 683)	4 910 042
Total Capital Funding	**85 994 625**	**(32 330 322)**	**53 664 303**	**41 662 116**	**(12 002 187)**	**30 252 751**

CEDERBERG LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	70 434 776	(2 937 467)	67 497 309	66 481 290	(1 016 018)	63 297 610
Service charges	158 524 572	17 692 200	176 216 772	177 380 685	1 163 913	161 342 718
Other revenue	11 042 774	3 071 312	14 114 086	15 221 286	1 107 200	12 386 272
Transfers and Subsidies - Operational	89 549 377	34 053 243	123 602 620	124 110 302	507 681	112 771 808
Transfers and Subsidies - Capital	71 079 623	(42 634 790)	28 444 833	26 279 599	(2 165 233)	25 342 709
Interest	8 010 479	509 079	8 519 558	8 494 207	(25 350)	5 318 583
Payments						
Suppliers and employees	(316 673 236)	(73 770 717)	(390 443 953)	(336 780 564)	53 663 389	(324 633 892)
Finance charges	(5 504 000)	3 830 000	(1 674 000)	(497 399)	1 176 601	(3 906 932)
Transfers and Subsidies	(30 000)	(193 278)	(223 278)	(198 026)	25 252	(727 711)
NET CASH FROM OPERATING ACTIVITIES	**86 434 364**	**(60 380 418)**	**26 053 947**	**80 491 381**	**54 437 435**	**51 191 165**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	2 500 000	(500 000)	2 000 000	697 217	(1 302 783)	69 989
Payments		-				
Capital assets	(85 994 625)	32 330 322	(53 664 303)	(46 970 037)	6 694 266	(30 828 782)
NET CASH USED IN INVESTING ACTIVITIES	**(83 494 625)**	**31 830 322**	**(51 664 303)**	**(46 272 819)**	**5 391 484**	**(30 758 793)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Increase (decrease) in consumer deposits	221 372	-	221 372	202 729	(18 643)	255 636
Payments						
Repayment of borrowing	(1 956 479)	14 455	(1 942 024)	(1 940 625)	1 399	(3 725 600)
NET CASH FROM FINANCING ACTIVITIES	**(1 735 107)**	**14 455**	**(1 720 652)**	**(1 737 896)**	**(17 244)**	**(3 469 964)**
NET INCREASE/ (DECREASE) IN CASH HELD	**1 204 632**	**(28 535 641)**	**(27 331 009)**	**32 480 666**	**59 811 675**	**16 962 409**
Cash/cash equivalents at the year begin:	28 188	28 749 361	28 777 549	28 777 549	-	11 815 140
Cash/cash equivalents at the year end:	1 232 820	213 720	1 446 541	61 258 215	59 811 675	28 777 549