

THEEWATERSKLOOF LOCAL MUNICIPALITY



Theewaterskloof
Municipality

AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2024

THEWATERSKLOOF LOCAL MUNICIPALITY

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THEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Theewaterskloof Local Municipality performs the functions as set out in the Constitution of the Republic of South Africa, 1996.

LEGAL FORM

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

JURISDICTION

The Theewaterskloof Local Municipality includes the following areas:

Caledon	Greyton
Grabouw	Genadendal
Villiersdorp	Botrivier
Riviersonderend	Tesselaarsdal

MEMBERS OF THE COUNCIL

Ward 1	PJ Stander	
Ward 2	CT Cloete	
Ward 3	CA Benjamin	
Ward 4	Y van Tonder	
Ward 5	M Botes	
Ward 6	RL Mienies	
Ward 7	M Plato-Mentoor	
Ward 8	M Mpambani	
Ward 9	D Jooste	
Ward 10	C Smith	(until January 2024)
Ward 10	J Smit	(inaugurated February 2024)
Ward 11	DA Jacobs	
Ward 12	MS Shale	
Ward 13	MA Nomkoko	
Ward 14	S Fredericks	
Proportional	KIJ Papier	(until August 2023)
Proportional	M Liebenberg	(inaugurated September 2023)
Proportional	J Michels	
Proportional	DA Appel	
Proportional	B Mkhwibiso	
Proportional	RM Nongxaza	
Proportional	T Lemina	
Proportional	H Syster	
Proportional	M Mathews	
Proportional	J Mckenzie	
Proportional	T Lithakong	
Proportional	M Gana	
Proportional	T Zimmermann	
Proportional	Mabulu	(inaugurated 8 March 2023, resigned July 2023)
Proportional	LM De Bruyn	

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	KIJ Papier	(until August 2023)
Executive Mayor	M Liebenberg	(from September 2023)
Deputy Executive Mayor	J Michels	
Speaker	DA Appel	
Executive Councillor	RL Mienies	
Executive Councillor	RM Nongxaza	
Executive Councillor	T Lemina	
Executive Councillor	H Syster	(until August 2023)
Executive Councillor	J Mckenzie	(from September 2023)
Executive Councillor	M Mathews	(until August 2023)
Executive Councillor	BB Mkhwibiso	(from May 2024)



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THEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

MUNICIPAL MANAGER

Mr R Stevens (Acting) (from 23 June 2024)
Mr WSE Solomons-Johannes (from 1 Augustus 2023 to 22 June 2024)

CHIEF FINANCIAL OFFICER

Mr P Mabhena (Acting) (from 1 August 2023 to 30 April 2024)
Mr A Riddles (Acting) (from 1 July 2023 to 31 July 2023)

AUDIT COMMITTEE

Mr E Lakey - Chairperson
Ms R Gani
Ms V Jobe
Mr B Vind (resigned 24 July 2023)

REGISTERED OFFICE

6 Plein Street
Caledon
7230

POSTAL ADDRESS

PO Box 24
Caledon
7230

AUDITORS

Office of the Auditor General (WC)

PRINCIPAL BANKERS

Standard Bank of South Africa Limited

ATTORNEYS

Brink & Thomas Incorporated
Fairbridges Attorneys
Turner Ntshingana Kirsten Ravens Khan
Brink, de Beer & Potgieter
Kruger & Blignaut
Enderstein Malumbete

RELEVANT LEGISLATION

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



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THE WATERSKLOOF 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 101 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 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.


PP Mr R Stevens (Acting)
Municipal Manager

31/08/24
Date



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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
ASSETS			
Current Assets		121 476 369	176 248 476
Cash and Cash Equivalents	2	16 382 868	85 916 380
Current Investments	13	14 626 575	-
Receivables from Exchange Transactions	3	42 632 453	40 763 571
Receivables from Non-Exchange Transactions	4	23 361 657	22 690 697
Taxes	5	13 106 045	13 106 799
Operating Leases	6	630 774	611 421
Current Portion of Long-term Receivables	7	1 786 841	702 045
Inventory	8	8 949 155	12 457 565
Non-Current Assets		1 256 252 513	1 217 391 774
Long-term Receivables	7	5 131 335	940 461
Investment Property	9	67 392 741	68 483 156
Property, Plant and Equipment	10	1 183 265 462	1 133 865 965
Intangible Assets	11	214 158	273 337
Heritage Assets	12	-	-
Non-current Investments	13	248 817	13 828 856
Total Assets		1 377 728 881	1 393 640 251
LIABILITIES			
Current Liabilities		325 775 862	200 840 533
Current Portion of Long-term Liabilities	14	26 957 321	21 368 213
Consumer Deposits	15	6 144 594	5 485 970
Payables from Exchange Transactions	16	197 214 385	117 482 625
Unspent Conditional Government Grants	17	54 592 306	19 439 700
Unspent Public Contributions	18	124 377	535 677
Current Employee Benefits	19	33 270 460	30 565 237
Current Provisions	20	7 472 418	5 963 112
Non-Current Liabilities		328 921 555	361 204 072
Long-term Liabilities	14	154 400 067	181 287 326
Employee Benefits	21	64 468 000	63 170 000
Non-Current Provisions	22	110 053 489	116 746 746
Total Liabilities		654 697 417	562 044 605
NET ASSETS		723 031 465	831 595 646
COMMUNITY WEALTH			
Accumulated Surplus		723 031 465	781 543 188
Reserves	23	-	50 052 458
		723 031 465	831 595 646



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THEEWATERSKLOOF 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			
Taxation Revenue		419 732 349	386 720 883
Property Rates	24	153 615 706	136 353 678
Transfer Revenue - Operating		142 816 758	132 166 236
Government Grants and Subsidies - Operating	25	142 295 019	131 810 778
Public Contributions and Donations	26	521 740	355 458
Transfer Revenue - Capital		79 803 716	54 790 188
Government Grants and Subsidies - Capital	25	77 999 337	52 495 672
Contributed Assets	27	1 804 379	2 294 517
Other Revenue		43 496 169	63 410 780
Availability Charges	28	5 250 479	4 860 111
Fines, Penalties and Forfeits	29	20 794 954	35 669 802
Fair Value Adjustment Gains	30	16 498 458	22 366 886
Other Income (Non-Exchange)	31	952 280	513 980
REVENUE FROM EXCHANGE TRANSACTIONS		367 954 720	328 706 932
Operating Activities		367 954 720	328 706 932
Service Charges	32	307 235 352	268 925 953
Rental of Facilities and Equipment	33	2 038 661	1 854 597
Interest Earned - External Investments	34	6 150 879	11 469 251
Interest Earned - Outstanding Debtors	35	28 428 544	23 462 549
Agency Services	36	7 938 120	7 635 948
Library Services	37	10 462 937	9 242 147
Other Income (Exchange)	38	5 700 228	5 721 529
Gain on disposal of Non-Monetary Assets	50	-	394 957
CONSTRUCTION CONTRACTS		-	396 719
TOTAL REVENUE		787 687 070	715 824 534
EXPENDITURE			
Employee Related Costs	40	276 503 141	248 234 622
Remuneration of Councillors	41	13 189 413	12 685 581
Debt Impairment	42	88 787 711	99 602 555
Depreciation and Amortisation	43	34 187 895	31 272 981
Impairment	44	-	1 202 995
Finance Charges	45	41 699 341	32 478 549
Bulk Purchases	46	123 274 458	108 504 079
Contracted Services	47	140 805 314	123 788 556
Transfers and Grants	48	8 122 821	8 427 139
Other Expenditure	49	129 209 034	136 608 336
Loss on disposal of Non-Monetary Assets	50	40 340 805	-
Fair Value Adjustment Losses	51	131 312	-
TOTAL EXPENDITURE		896 251 246	802 805 393
NET DEFICIT FOR THE YEAR		(108 564 176)	(86 980 860)



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THE WATERSKLOOF LOCAL MUNICIPALITY

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

	CAPITAL REPLACEMENT RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2022 - Previously Reported	40 252 670	883 439 921	923 692 592
Correction of error restatement - refer to note 53.5	-	(5 116 088)	(5 116 088)
Balance on 30 June 2022 - Restated	40 252 670	878 323 834	918 576 504
Net Deficit for the year	-	(86 980 858)	(86 980 858)
Transfer to Capital Replacement Reserve	31 799 787	(31 799 787)	-
Capital Replacement Reserve utilised for capital purchases	(22 000 000)	22 000 000	-
Balance on 30 June 2023 - Restated	50 052 457	781 543 188	831 595 646
Net Deficit for the year	-	(108 564 181)	(108 564 181)
Transfer to/(from) Capital Replacement Reserve	(50 052 457)	50 052 457	-
Balance on 30 June 2024	-	723 031 465	723 031 465



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THEEWATERSKLOOF 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		149 081 611	130 392 622
Service Charges and Interest on outstanding Debtors		265 234 654	228 345 017
Other Revenue and Receipts		34 287 053	24 570 929
Government Grants		256 956 268	190 772 372
Investment Income		5 088 758	10 653 029
Payments			
Suppliers and Employees		(605 453 772)	(586 986 447)
Finance Charges		(21 622 624)	(14 072 662)
Transfer and Grants		(8 122 821)	(8 427 139)
NET CASH FROM/(USED) OPERATING ACTIVITIES	54	75 449 126	(24 752 278)
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		678 435	1 071 565
Payments			
Purchase of Capital Assets		(124 362 917)	(142 454 358)
NET CASH USED INVESTING ACTIVITIES		(123 684 483)	(141 382 793)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New Loans Raised		-	103 715 446
Payments			
Loans Repaid		(21 298 156)	(17 646 316)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(21 298 156)	86 069 130
NET DECREASE IN CASH HELD		(69 533 512)	(80 065 941)
Cash and Cash Equivalents at the beginning of the year		85 916 380	165 982 321
Cash and Cash Equivalents at the end of the year		16 382 868	85 916 380



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THE WATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 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	164 545 360	(164 545 360)	-	31 009 443	31 009 443
Trade and Other Receivables from Exchange Transactions	60 693 244	(26 425 684)	34 267 561	42 632 453	8 364 892
Receivables from Non-Exchange Transactions	25 406 956	8 613 907	34 020 863	23 361 657	(10 659 206)
Current Portion of Non-Current Receivables	1 560 573	(858 528)	702 045	1 786 841	1 084 796
Inventory	12 641 109	(183 543)	12 457 565	8 949 155	(3 508 410)
VAT	6 827 192	6 279 607	13 106 799	13 106 045	(753)
Other Current Assets	597 267	14 153	611 421	630 774	19 354
Total Current Assets	272 271 701	(177 105 448)	95 166 253	121 476 369	26 310 116
Non Current Assets					
Investments	14 863 912	347 829	15 211 741	248 817	(14 962 924)
Investment Property	69 973 721	(1 409 067)	68 564 654	67 392 741	(1 171 913)
Property, Plant and Equipment	1 263 710 246	49 479 056	1 313 189 302	1 183 265 462	(129 923 840)
Intangible Assets	214 078	(1 254)	212 825	214 158	1 333
Other Non-Current Assets	2 306 099	(1 365 638)	940 461	5 131 335	4 190 874
Total Non Current Assets	1 351 068 056	47 050 926	1 398 118 982	1 256 252 513	(141 866 470)
TOTAL ASSETS	1 623 339 757	(130 054 522)	1 493 285 235	1 377 728 881	(115 556 353)
LIABILITIES					
Current Liabilities					
Bank Overdraft	-	82 098 727	82 098 727	-	(82 098 727)
Financial Liabilities	19 415 000	12 752 450	32 167 450	26 957 321	(5 210 129)
Consumer Deposits	5 582 507	232 621	5 815 128	6 144 594	329 466
Trade and Other Payables from Exchange Transactions	78 911 566	36 821 206	115 732 772	197 214 385	81 481 613
Trade and Other Payables from Non-Exchange Transactions	69 228 719	(68 441 210)	787 508	54 716 683	53 929 175
Provisions	34 295 483	(1 896 333)	32 399 150	40 742 879	8 343 728
Total Current Liabilities	207 433 275	61 567 460	269 000 735	325 775 862	56 775 126
Non Current Liabilities					
Financial Liabilities	187 047 128	15 825 445	202 872 573	154 400 067	(48 472 506)
Provision	226 634 727	(27 159 980)	199 474 747	174 521 489	(24 953 258)
Total Non Current Liabilities	413 681 854	(11 334 534)	402 347 320	328 921 555	(73 425 764)
TOTAL LIABILITIES	621 115 129	50 232 926	671 348 055	654 697 417	(16 650 638)
NET ASSETS	1 002 224 628	(180 287 448)	821 937 180	723 031 465	(98 905 715)
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus	961 971 957	(140 034 777)	821 937 180	723 031 465	(98 905 715)
Reserves and Funds	40 252 671	(40 252 671)	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	1 002 224 628	(180 287 448)	821 937 180	723 031 465	(98 905 715)

Refer to note 56.2 for explanations of material variances.

Material variances are considered to be any variances greater than R8 million.



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THEWATERSKLOOF LOCAL MUNICIPALITY

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

	ORIGINAL APPROVED BUDGET R	ADJUSTMENTS R	FINAL APPROVED BUDGET R	VIREMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL PERFORMANCE							
REVENUE							
Exchange Revenue							
Service charges - Electricity	135 536 669	(2 015 037)	133 521 632	-	133 521 632	131 841 010	(1 680 622)
Service charges - Water	85 972 050	3 170 950	89 143 000	-	89 143 000	88 007 447	(1 135 553)
Service charges - Waste Water Management	42 831 398	(205 398)	42 626 000	-	42 626 000	43 032 681	406 681
Service charges - Waste Management	42 252 880	163 120	42 416 000	-	42 416 000	42 458 788	42 788
Sale of Goods and Rendering of Services	24 083 652	(20 000 000)	4 083 652	-	4 083 652	3 192 562	(891 090)
Agency Services	9 378 318	-	9 378 318	-	9 378 318	7 938 120	(1 440 198)
Interest Earned from Receivables (Exchange)	24 109 700	1 403 300	25 513 000	-	25 513 000	23 410 635	(2 102 365)
Interest Earned from Current and Non Current Assets	10 962 000	(2 800 000)	8 162 000	-	8 162 000	6 150 879	(2 011 121)
Rent on Land	1 000	-	1 000	-	1 000	-	(1 000)
Rental from Fixed Assets	2 307 388	(591 100)	1 716 288	-	1 716 288	2 038 661	322 373
Licences and Permits	23 260	-	23 260	-	23 260	1 517	(21 743)
Operational Revenue (Exchange)	2 137 063	1 899 999	4 037 062	-	4 037 062	19 492 081	15 455 019
Non-Exchange Revenue							
Property Rates	158 015 742	(4 568 742)	153 447 000	-	153 447 000	153 615 706	168 706
Surcharges and Taxes	-	1 917 000	1 917 000	-	1 917 000	1 895 426	(21 574)
Fines, Penalties and Forfeits	38 115 956	(9 722 000)	28 393 956	-	28 393 956	20 794 954	(7 599 002)
Transfers and Subsidies - Operational	161 314 662	10 818 999	172 133 661	-	172 133 661	153 871 924	(18 261 737)
Interest Earned from Receivables (Non-Exchange)	-	5 690 000	5 690 000	-	5 690 000	5 017 908	(672 092)
Operational Revenue (Non-Exchange)	1 600 000	3 221 000	4 821 000	-	4 821 000	5 250 479	429 479
Gains on Disposal of Assets	10	45 000	45 010	-	45 010	-	(45 010)
Other Gains	1 700 002	3 600 998	5 301 000	-	5 301 000	464 806	(4 836 194)
Total Revenue (excluding capital transfers)	740 341 750	(7 971 911)	732 369 839	-	732 369 839	708 475 583	(23 894 257)
EXPENDITURE							
Employee Related Costs	291 266 072	1 791 315	293 057 387	-	293 057 387	275 384 232	(17 673 155)
Remuneration of Councillors	13 987 798	-	13 987 798	-	13 987 798	13 189 413	(798 385)
Bulk Purchases - Electricity	84 005 000	18 467 339	102 472 339	-	102 472 339	101 021 445	(1 450 894)
Inventory Consumed	33 039 109	7 473 525	40 512 634	-	40 512 634	40 326 873	(185 761)
Debt Impairment	103 164 005	17 215 000	120 379 005	(16 874 000)	103 505 005	88 787 711	(14 717 294)
Depreciation and Amortisation	25 910 041	11 732 157	37 642 198	-	37 642 198	34 187 871	(3 454 327)
Interest	28 629 836	17 015 984	45 645 820	-	45 645 820	41 699 341	(3 946 479)
Contracted Services	92 945 599	15 845 053	108 790 652	-	108 790 652	141 907 426	33 116 774
Transfers and Subsidies	10 105 802	826 568	10 932 370	-	10 932 370	1 951 551	(8 980 819)
Operational Costs	78 009 572	37 302 879	115 312 451	-	115 312 451	118 080 001	2 767 550
Losses on Disposal of Assets	10	100 000	100 010	22 000 000	22 100 010	40 429 033	18 329 023
Other Losses	1 700 000	3 601 000	5 301 000	(5 126 000)	175 000	131 312	(43 688)
Total Expenditure	762 762 844	131 370 820	894 133 664	-	894 133 664	897 096 211	2 962 547
Surplus/(Deficit)	(22 421 094)	(139 342 731)	(161 763 825)	-	(161 763 825)	(188 620 628)	(26 856 803)
Transfers and Subsidies - Capital (monetary allocations)	80 760 001	64 332 280	145 092 281	-	145 092 281	78 252 091	(66 840 190)
Transfers and Subsidies - Capital (in-kind)	-	720 000	720 000	-	720 000	1 804 379	1 084 379
Surplus/(Deficit) for the year	58 338 907	(74 290 451)	(15 951 544)	-	(15 951 544)	(108 564 159)	(92 612 615)

Refer to note 56.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 56.3 for explanations of material variances.

Material variances are considered to be any variances greater than R8 million.



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THE WATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 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	146 006 546	(3 273 573)	142 732 972	149 081 611	6 348 639
Service Charges	258 774 218	(4 550 760)	254 223 458	265 234 654	11 011 197
Other Revenue	43 460 799	(21 294 957)	22 165 842	23 566 387	1 400 545
Transfers and Subsidies	242 074 663	56 480 917	298 555 580	267 863 290	(30 692 290)
Interest	12 938 995	(2 384 260)	10 554 735	6 135 295	(4 419 440)
Payments					
Suppliers and Employees	(580 023 154)	(94 306 159)	(674 329 313)	(606 298 754)	68 030 559
Finance Charges	(16 557 836)	(8 948 984)	(25 506 820)	(21 622 624)	3 884 196
Transfers and Grants	(10 105 802)	(826 568)	(10 932 370)	(8 122 821)	2 809 549
Net Cash from/(used) Operating Activities	96 568 429	(79 104 345)	17 464 084	75 837 038	58 372 954
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	10	45 000	45 010	678 435	633 425
Decrease/(Increase) in Other Non-Current Investments	(1 000 000)	(382 886)	(1 382 886)	(1 046 537)	336 349
Payments					
Capital Assets	(147 352 476)	(69 502 481)	(216 854 957)	(124 362 917)	92 492 040
Net Cash from/(used) Investing Activities	(148 352 466)	(69 840 367)	(218 192 833)	(124 731 020)	93 461 813
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	56 095 725	(2 343 000)	53 752 725	-	(53 752 725)
Increase/(Decrease) in Consumer Deposits	315 991	13 167	329 158	658 625	329 467
Payments					
Repayment of Borrowing	(19 000 000)	(2 368 241)	(21 368 241)	(21 298 156)	70 085
Net Cash from/(used) Financing Activities	37 411 716	(4 698 074)	32 713 642	(20 639 531)	(53 353 173)
NET INCREASE/(DECREASE) IN CASH HELD	(14 372 321)	(153 642 785)	(168 015 106)	(69 533 512)	98 481 594
Cash and Cash Equivalents at the year begin	178 917 692	(93 001 313)	85 916 380	85 916 380	-
Cash and Cash Equivalents at the year end	164 545 372	(246 644 098)	(82 098 726)	16 382 868	98 481 594

Refer to note 56.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 56.4 for explanations of material variances.

Material variances are considered to be any variances greater than R8 million.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

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

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

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

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

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

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

1.02 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.

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.



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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.



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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.



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1.09 RESERVES

1.09.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

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

- (a) The cash funds that back up the CRR are invested until utilised.
- (b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- (c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

1.10 INVESTMENT PROPERTY

1.10.1 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.

1.10.2 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.

1.10.3 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.



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

	YEARS
Buildings	20 - 100

1.10.4 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.

1.10.5 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.

1.11 PROPERTY, PLANT AND EQUIPMENT

1.11.1 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.



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1.11.2 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.

1.11.3 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 Assets	
Land	N/A	Parks and Gardens	15 - 20
Buildings	20 - 100	Cemeteries	30
Work in progress	N/A	Leased Assets	
		Office Equipment	3 - 15
Infrastructure		Other Assets	
Roads and Storm water	5 - 150	Computer Equipment	3 - 15
Electricity Network	10 - 100	Furniture and Office Equipment	3 - 20
Sewerage Network	10 - 200	Machinery and Equipment	2 - 35
Water Network	10 - 200	Transport Assets	5 - 35
Refuse Removal	20 - 50		
Work in progress	N/A		

1.11.4 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.

1.11.5 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.

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1.12 INTANGIBLE ASSETS

1.12.1 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.

1.12.2 Subsequent Measurement - Cost Model

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

1.12.3 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	3 - 15



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1.12.4 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.

1.12.5 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.

1.13 HERITAGE ASSETS

1.13.1 Initial Recognition

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

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

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

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

1.13.2 Subsequent Measurement – Cost Model

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

1.13.3 Depreciation

Heritage assets are not depreciated.

1.13.4 Impairment

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

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



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1.13.5 Derecognition

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

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

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

1.14 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 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.

1.14.1 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.

1.14.2 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.

1.14.3 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.

1.14.4 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.



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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.

1.15 INVENTORIES

1.15.1 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 incurred in bringing the inventories to their current location and condition.

1.15.2 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.



THEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

1.16 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.

1.16.1 Post-Retirement Benefits

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

1.16.1.1 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.

1.16.1.2 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 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the 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.

1.16.2 Long-term Benefits

1.16.2.1 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.

1.16.3 Short-term Benefits

1.16.3.1 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.



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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.

1.16.3.2 Bonuses

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

1.16.3.3 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.

1.16.3.4 Other Short-term Employee Benefits

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

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

1.17 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.



THEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

1.18 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.

1.18.1 Municipality as Lessee

1.18.1.1 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.

1.18.1.2 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.

1.18.2 Municipality as Lessor

1.18.2.1 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.

1.18.2.2 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.

1.19 FINANCIAL INSTRUMENTS

1.19.1 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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

1.19.2 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.

1.19.3 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.

1.19.3.1 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.

1.19.3.2 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.

1.19.4 Derecognition of financial instruments

1.19.4.1 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.

THE WATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

1.19.4.2 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.

1.19.5 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.

1.20 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.

1.20.1 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.

1.20.2 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.

1.20.3 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.

1.20.4 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.



THE WATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

1.21 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.

1.22 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.

1.23 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.

1.24 NON-CURRENT INVESTMENTS

Investments which include investments in listed shares and fixed deposits invested in registered commercial banks.

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

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

1.25 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.

1.26 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.



THEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

1.27 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.

1.28 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.

1.28.1 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.

1.28.1.1 *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.

1.28.1.2 *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.

1.28.1.3 *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, sewerage and solid waste) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.



THE WATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

1.28.1.4 Fines

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

1.28.1.5 Insurance Refunds

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.

1.28.1.6 Unclaimed deposits

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

1.28.1.7 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.

1.28.1.8 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.

1.28.1.9 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.

1.28.2 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.

1.28.2.1 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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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.

1.28.2.2 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.

1.28.2.3 Rental income

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

1.28.2.4 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.

1.28.2.5 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.

1.28.2.6 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.

1.28.2.7 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.

1.28.3 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 WATERSKLOOF LOCAL MUNICIPALITY

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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 Human Settlements. The Municipality assesses the terms and conditions of each contract concluded with the provincial Department of Human Settlements 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 Human Settlements. The responsibility of appointment and payment of the contractors ultimately vest with the provincial Department of Human Settlements.

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 Human Settlements. 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 Human Settlements.

The binding agreements entered into with the provincial Department of Human Settlements 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.

1.29 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.

1.30 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.

1.31 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.



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1.32 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.

1.33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

1.34 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 periods subsequent to the specific reporting date.

1.35 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.

1.36 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.



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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.

1.37 ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

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

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

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

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

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

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

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that 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.



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1.38 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.

1.39 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.

1.40 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:

1.40.1 Application of Directive 7

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

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

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



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GRAP implementation date for the Municipality is 1 July 2007 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2007 to the current year's reported date. Where the economic useful life of an item 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.

1.40.2 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.

1.40.3 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.

1.40.4 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.

1.40.5 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.

1.40.6 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.

1.40.7 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.



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1.40.8 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.

1.40.9 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.

1.40.10 Recognition and Derecognition of Land

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

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

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

1.40.11 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.



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<i>Figures in Rand</i>	2024	2023
2 CASH AND CASH EQUIVALENTS		
Bank Accounts	16 373 169	85 906 681
Call Investment Deposits	-	-
Cash Floats	9 699	9 699
Total	16 382 868	85 916 380
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 commitments:		
Department of Human Settlements	933 786	1 834 148
Unspent Conditional Grants	54 592 306	19 439 700
Unspent Public Contributions	124 377	535 677
Capital Replacement Reserve	-	50 052 458
VAT Payable	2 811 988	-
Total	58 462 456	71 861 982
Grant funding utilised for own working capital requirements	42 079 588	-
2.1 Bank Accounts		
Standard Bank of South Africa Limited - Account Number 072-331-348 (Current Primary Account)	16 373 169	85 686 164
Standard Bank of South Africa Limited - Account Number 072-339-713 (Traffic Account)	-	-
ABSA Bank Limited - Account Number 40-5786-6237 (Former Primary Account)	-	-
ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)	-	220 517
ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)	-	-
Total	16 373 169	85 906 681
Standard Bank of South Africa Limited - Account Number 072-331-348 (Current Primary Account)		
Cash book balance at beginning of year	85 686 164	116 727 948
Cash book balance at end of year	16 373 169	85 686 164
Bank statement balance at beginning of year	84 879 707	115 941 236
Bank statement balance at end of year	15 837 662	84 879 707
Standard Bank of South Africa Limited - Account Number 072-339-713 (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	-	-
Traffic account is cleared daily to Primary Bank Account.		
ABSA Bank Limited - Account Number 40-5786-6237 (Former Primary Account)		
Cash book balance at beginning of year	-	145 982
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	145 982
Bank statement balance at end of year	-	-
Account was closed on 9 February 2023.		



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2 CASH AND CASH EQUIVALENTS (CONTINUED)

ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)

Cash book balance at beginning of year	220 517	-
Cash book balance at end of year	-	220 517
	<u>220 517</u>	<u>-</u>
Bank statement balance at beginning of year	220 517	-
Bank statement balance at end of year	-	220 517
	<u>220 517</u>	<u>220 517</u>

Account was closed on 23 August 2023.

ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
	<u>-</u>	<u>-</u>
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
	<u>-</u>	<u>-</u>

Account was closed on 9 February 2023.

2.2 Call Investment Deposits

Call investment deposits consist out of the following accounts:

Interneuron Capital Ltd - Notice deposit - Account number CA 002	430 224	430 224
	<u>430 224</u>	<u>430 224</u>
Less: Provision for Impairment	(430 224)	(430 224)
	<u>-</u>	<u>-</u>

Total

An amount of R 430 224 (2023: R 430 224), included in Call Investment Deposits above, is invested in an institution which is under curatorship. The curators are encashing property developments financed by the investment company before distribution of funds will continue, however it is expected significant capital losses will be incurred. The dates of any possible future cashflows are not known at the reporting date and the full amount has been impaired due to the uncertainty of collectability.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Service Receivables

	299 647 275	250 480 044
Electricity	14 002 644	12 081 658
Water	65 873 726	55 319 365
Refuse	68 460 340	59 237 603
Sewerage	61 375 181	53 912 330
Interest	84 343 274	65 880 817
Other	5 592 109	4 048 271

Other Receivables

	5 264 628	5 338 088
Prepayments	5 070 521	4 905 726
Accrued Interest	194 107	432 362

Total Gross Balance

	304 911 903	255 818 132
Less: Allowance for Debt Impairment	(262 279 450)	(215 054 561)

Total Net Receivable

	<u>42 632 453</u>	<u>40 763 571</u>
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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.

Refer to note 14.2 for receivables pledged as security for Long-term Liabilities.



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<i>Figures in Rand</i>	2024	2023
3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Reconciliation of Allowance for Debt Impairment		
Balance at the beginning of the year	215 054 561	232 905 994
Movement in the contribution to the provision	69 261 830	65 095 137
Electricity	(1 554 862)	2 747 881
Water	22 192 688	18 664 503
Refuse	13 284 367	12 415 011
Sewerage	11 559 879	10 376 066
Interest	21 902 242	19 742 815
Other	1 877 517	1 148 861
Bad Debts Written off	(22 036 942)	(82 946 570)
Electricity	(85 381)	(424 335)
Water	(9 773 937)	(23 329 739)
Refuse	(4 178 352)	(19 504 466)
Sewerage	(3 671 771)	(15 998 753)
Interest	(4 000 460)	(22 344 291)
Other	(327 041)	(1 344 986)
Balance at the end of the year	262 279 450	215 054 561

The allowance for impairment of receivables has been made for all consumer balances outstanding (excluding outstanding government debt) 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.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2024			
Service Receivables			
Electricity	14 002 644	(1 756 913)	12 245 730
Water	65 873 726	(52 481 135)	13 392 591
Refuse	68 460 340	(64 182 619)	4 277 722
Sewerage	61 375 181	(56 671 557)	4 703 625
Interest	84 343 274	(82 110 662)	2 232 612
Other	5 592 109	(5 076 564)	515 545
Other Receivables			
Prepayments	5 070 521	-	5 070 521
Accrued Interest	194 107	-	194 107
Total	304 911 903	(262 279 450)	42 632 453
30 June 2023			
Service Receivables			
Electricity	12 081 658	(3 397 157)	8 684 501
Water	55 319 365	(40 062 384)	15 256 980
Refuse	59 237 603	(55 076 604)	4 160 999
Sewerage	53 912 330	(48 783 448)	5 128 882
Interest	65 880 817	(64 208 880)	1 671 937
Other	4 048 271	(3 526 088)	522 183
Other Receivables			
Prepayments	4 905 726	-	4 905 726
Accrued Interest	432 362	-	432 362
Total	255 818 132	(215 054 561)	40 763 571



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<i>Figures in Rand</i>	2024	2023
3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Ageing of Receivables from Exchange Transactions		
Electricity		
0 - 30 Days (Current)	10 486 284	7 481 924
1 to 3 months	1 925 571	1 789 586
4 months to 1 year	933 627	1 606 799
Over 1 year	657 161	1 203 349
Total	14 002 644	12 081 658
Water		
0 - 30 Days (Current)	13 610 678	13 176 803
1 to 3 months	8 909 965	7 630 602
4 months to 1 year	15 799 648	9 553 700
Over 1 year	27 553 435	24 958 260
Total	65 873 726	55 319 365
Refuse		
0 - 30 Days (Current)	4 073 562	3 635 622
1 to 3 months	6 931 581	4 955 097
4 months to 1 year	12 839 000	9 041 070
Over 1 year	44 616 198	41 605 813
Total	68 460 340	59 237 603
Sewerage		
0 - 30 Days (Current)	4 984 487	4 830 914
1 to 3 months	5 843 931	4 315 897
4 months to 1 year	10 842 237	7 883 667
Over 1 year	39 704 526	36 881 853
Total	61 375 181	53 912 330
Interest		
0 - 30 Days (Current)	2 570 574	2 261 312
1 to 3 months	9 762 908	6 280 542
4 months to 1 year	20 677 591	12 343 612
Over 1 year	51 332 200	44 995 350
Total	84 343 274	65 880 817
Other		
0 - 30 Days (Current)	542 347	436 679
1 to 3 months	880 454	564 380
4 months to 1 year	1 369 702	827 421
Over 1 year	2 799 605	2 219 791
Total	5 592 109	4 048 271
Summary Ageing of all Receivables from Exchange Transactions		
0 - 30 Days (Current)	36 267 933	31 823 255
1 to 3 months	34 254 410	25 536 104
4 months to 1 year	62 461 806	41 256 270
Over 1 year	166 663 126	151 864 415
Total	299 647 275	250 480 044



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<i>Figures in Rand</i>	2024	2023
4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Service Receivables	56 428 718	52 898 066
Property Rates	45 067 762	42 413 719
Availability Charges	11 360 956	10 484 347
Other Receivables	47 664 574	54 960 467
Unpaid Traffic Fines	43 843 900	51 285 500
Other Receivables	37 109	145 240
Unpaid Grants	483 907	483 907
Deposits	3 299 659	3 045 820
Total Gross Balance	104 093 292	107 858 533
Less: Allowance for Debt Impairment	(80 731 635)	(85 167 836)
Total Net Receivable	23 361 657	22 690 697

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.

Refer to note 14.2 for receivables pledged as security for Long-term Liabilities.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	85 167 836	75 702 273
Movement in the contribution to the provision	20 285 043	33 800 375
Property Rates	3 402 027	4 737 343
Availability Charges	985 366	1 646 782
Unpaid Traffic Fines	15 897 650	27 416 250
Bad Debts Written off	(24 721 244)	(24 334 812)
Property Rates	(1 880 052)	(12 092 751)
Availability Charges	(25 042)	(3 027 111)
Unpaid Traffic Fines	(22 816 150)	(9 214 950)
Balance at the end of the year	80 731 635	85 167 836

The allowance for debt impairment of property rates has been made for all balances outstanding (excluding outstanding government debt) 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 collection rate.



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Figures in Rand

2024

2023

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2024			
Service Receivables			
Property Rates	45 067 762	(28 833 208)	16 234 554
Availability Charges	11 360 956	(10 766 626)	594 330
Other Receivables			
Unpaid Traffic Fines	43 843 900	(41 131 800)	2 712 100
Other Receivables	37 109	-	37 109
Unpaid Grants	483 907	-	483 907
Deposits	3 299 659	-	3 299 659
Total	104 093 292	(80 731 635)	23 361 657
30 June 2023			
Service Receivables			
Property Rates	42 413 719	(27 311 233)	15 102 486
Availability Charges	10 484 347	(9 806 302)	678 044
Other Receivables			
Unpaid Traffic Fines	51 285 500	(48 050 300)	3 235 200
Other Receivables	145 240	-	145 240
Unpaid Grants	483 907	-	483 907
Deposits	3 045 820	-	3 045 820
Total	107 858 533	(85 167 836)	22 690 697

Ageing of Receivables from Non-Exchange Transactions

Property Rates

0 - 30 Days (Current)	9 641 682	8 655 336
1 to 3 months	5 880 204	5 460 724
4 months to 1 year	13 105 500	9 317 864
Over 1 year	16 440 376	18 979 796
Total	45 067 762	42 413 719

Availability Charges

0 - 30 Days (Current)	453 244	428 297
1 to 3 months	764 666	753 180
4 months to 1 year	1 641 565	1 503 975
Over 1 year	8 501 481	7 798 894
Total	11 360 956	10 484 347

5 TAXES

VAT Claimable/(Payable)	(3 090 085)	4 759 582
VAT Input in Suspense	19 153 598	10 506 460
VAT Output in Suspense - net	(2 957 467)	(2 159 244)
VAT Output in Suspense	(27 746 861)	(22 645 004)
Less: VAT on Allowance for Debt Impairment	24 789 394	20 485 760
Total	13 106 045	13 106 799

Reconciliation of VAT on Allowance for Debt Impairment

Balance at beginning of year	20 485 760	22 499 914
Debt Impairment for current year	4 303 634	(2 014 154)
Balance at the end of the year	24 789 394	20 485 760

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<i>Figures in Rand</i>	2024	2023
6 OPERATING LEASES		
6.1 OPERATING LEASE ASSET		
Operating Lease Asset	630 774	611 421
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	611 421	597 267
Movement during the year	19 354	14 153
Balance at the end of the year	630 774	611 421
The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.		
Within 1 Year	644 228	553 150
Between 1 and 5 Years	1 899 704	1 691 641
After 5 Years	702 821	999 983
Total operating lease payments	3 246 754	3 244 774
The prior year's total lease payments indicated an amount of R3 146 051. This amount has been restated to R3 244 774 due to omissions noted in the lease register.		
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 Municipality leases a number of land and buildings for periods ranging from 1 year to 9 years and 11 months with escalations of between 0% and 20% per annum.		
The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.		
Significant lease agreements include, but are not limited to:		
- Lease of Loerkop Caravan Park for a period of 20 years ending 30 September 2031 with an annual escalation of 10%.		
- Lease of a portion of Farm 329 - Grabouw for a period of 9 years and 10 months ending 30 March 2029, with an annual escalation of 6%.		
- Lease of erf 542 for a period of 9 years and 11 months ending 30 September 2030, with an annual escalation of 8%.		
7 LONG-TERM RECEIVABLES		
Receivables with repayment arrangements	11 363 425	2 543 283
Less: Allowance for Debt Impairment	(4 445 250)	(900 777)
Total Net Receivable	6 918 176	1 642 505
Less: Current portion of Long-term Receivables	(1 786 841)	(702 045)
Total	5 131 335	940 461
At year-end debtors amounting to R11 363 425 (2023 - R2 543 283) arranged to settle their accounts over an re-negotiated period. Total payments to the value of R8 708 288 (2023 - R1 477 984) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.		
Reconciliation of Allowance for Debt Impairment		
Balance at the beginning of the year	900 777	2 207 888
Movement in the contribution to the provision	3 544 472	(1 307 111)
Balance at the end of the year	4 445 250	900 777
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.		



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<i>Figures in Rand</i>	2024	2023
8 INVENTORY		
Maintenance Materials	8 315 710	11 764 116
Water	633 445	693 449
Total	8 949 155	12 457 565
Inventory are disclosed at the lower of cost or net realisable value.		
The Municipality recognised only purification costs in respect of non-purchased purified water inventory.		
No inventory were pledged as security for liabilities.		
Inventory written down due to losses identified during the annual stores counts	71 085	120 317
Inventory recognised as an expense during the year	10 332 753	12 141 996
9 INVESTMENT PROPERTY		
Investment Property - Carrying Value	67 392 741	68 483 156
As previously reported		68 564 654
Correction of error restatement - note 53.1		(81 498)
Restated balance		68 483 156
The carrying value of Investment Property is reconciled as follows:		
Opening Carrying Value	68 483 156	69 891 856
Cost	77 237 670	77 673 182
Accumulated Depreciation	(1 133 323)	(1 046 865)
Accumulated Impairment	(7 621 191)	(6 734 461)
Additions	-	-
Impairment	-	(894 743)
Disposals	(1 003 652)	(427 498)
Cost	(1 003 652)	(435 512)
Accumulated Depreciation	-	-
Accumulated Impairment	-	8 014
Depreciation	(86 763)	(86 458)
Closing Carrying Value	67 392 741	68 483 156
Cost	76 234 018	77 237 670
Accumulated Depreciation	(1 220 086)	(1 133 323)
Accumulated Impairment	(7 621 191)	(7 621 191)
There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
There are no contractual obligations to purchase, construct or develop Investment Property or for repairs, maintenance or enhancements.		
Revenue derived from the rental of Investment Property	1 780 046	1 623 649
No significant operating expenditure was incurred on investment property during the 2023/24 and 2022/23 financial year.		



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<i>Figures in Rand</i>		2024	2023		
10	PROPERTY, PLANT AND EQUIPMENT				
		Accumulated	Accumulated		
		Depreciation	Impairment		
	Cost	R	Carrying Value		
	R	R	R		
	30 June 2024				
	Land and Buildings	143 797 043	(9 154 675)	(2 851 878)	131 790 489
	Infrastructure	1 236 151 090	(245 798 030)	-	990 353 060
	Community Assets	763 623	(517 141)	-	246 482
	Other Assets	97 412 591	(36 537 160)	-	60 875 431
	Capitalised Restoration Cost	66 576 990	(49 655 778)	(16 921 212)	-
	Total	1 544 701 336	(341 662 785)	(19 773 090)	1 183 265 462
	30 June 2023				
	Land and Buildings	134 921 210	(8 259 238)	(2 851 878)	123 810 094
	Infrastructure	1 163 521 680	(218 302 752)	-	945 218 928
	Community Assets	763 623	(485 729)	-	277 894
	Other Assets	92 826 184	(31 429 103)	-	61 397 080
	Capitalised Restoration Cost	69 287 248	(49 204 068)	(16 921 212)	3 161 968
	Total	1 461 319 946	(307 680 890)	(19 773 090)	1 133 865 965
	As previously reported				1 133 916 031
	Correction of error restatement - note 53.2				(50 066)
	Restated balance				1 133 865 965
	A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.				
10.1	Repairs and Maintenance were incurred on the following asset classes:		32 485 616		19 557 929
10.2	Capital Restoration Cost				
	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.				
10.3	Work in Progress projects that has been halted		1 411 173		345 235
	The work in progress that has been halted include several projects of which the expenditure mainly relate to environmental studies and designs. The projects have been halted due to the availability of funding. No impairment losses were recognised on the said projects.				
10.4	Work in Progress projects taking a significantly longer period of time to complete than expected		-		37 766 183
	Work in progress projects taking a significantly longer period of time to complete than expected include several projects of which most are in their finalised stages. The delays are mainly due to delays in the final sign-off by the consulting engineers as snag lists are still being attended to by the contractors. No impairment losses were recognised on the said projects.				
10.5	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	(2 001 429)	(295 195)	2 296 624	
	Increase / (Decrease) in Accumulated Surplus	2 001 429	295 195	(2 296 624)	
	Increase / (Decrease) in Property, Plant and Equipment	2 001 429	295 195	(2 296 624)	



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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.6 Reconciliation of Carrying Value

30 June 2024	Cost					Accumulated Depreciation and Impairment					Carrying Value	
	Opening Balance	Additions	Disposals	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals		Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	134 921 210	8 646 969	(296 833)	525 696	-	143 797 043	11 111 116	895 437	-	-	12 006 553	131 790 489
Land	44 523 013	-	-	-	90 000	44 613 013	2 691 232	-	-	-	2 691 232	41 921 781
Buildings	84 293 075	-	-	-	4 831 914	89 124 989	8 419 885	895 437	-	-	9 315 322	79 809 667
Work in progress	6 105 123	8 646 969	(296 833)	525 696	(4 921 914)	10 059 041	-	-	-	-	-	10 059 041
Infrastructure	1 163 521 680	112 458 243	(39 625 167)	-	(203 666)	1 236 151 090	218 302 752	27 495 278	-	-	245 798 030	990 353 060
Roads and Storm water	244 690 477	-	-	-	7 423 864	252 114 341	74 032 701	4 698 971	-	-	78 731 672	173 382 668
Electricity Network	140 214 198	-	-	-	21 004 552	161 218 750	28 515 922	3 726 783	-	-	32 242 705	128 976 045
Sewerage Network	332 064 878	-	-	-	13 823 048	345 887 926	52 390 907	9 544 810	-	-	61 935 716	283 952 210
Water Network	231 268 914	-	-	-	34 359 790	265 628 705	59 664 323	7 555 639	-	-	67 219 962	198 408 743
Refuse Removal	60 534 600	-	-	-	4 490 139	65 024 739	3 698 900	1 969 074	-	-	5 667 974	59 356 764
Work in progress	154 748 613	112 458 243	(39 625 167)	-	(81 305 059)	146 276 630	-	-	-	-	-	146 276 630
Community Assets	763 623	-	-	-	-	763 623	485 729	31 412	-	-	517 141	246 482
Parks and Gardens	517 259	-	-	-	-	517 259	273 013	22 712	-	-	295 725	221 534
Cemeteries	246 364	-	-	-	-	246 364	212 715	8 701	-	-	221 416	24 948
Other Assets	92 826 184	3 257 705	(153 646)	1 278 683	203 666	97 412 591	31 429 103	5 168 116	-	(60 059)	36 537 160	60 875 431
Computer Equipment	9 959 695	1 492 488	(67 298)	90 513	-	11 475 398	4 316 451	866 401	-	(28 635)	5 154 217	6 321 181
Furniture and Office Equipment	10 846 294	960 932	(12 510)	-	-	11 794 716	5 470 728	651 455	-	(4 776)	6 117 407	5 677 310
Machinery and Equipment	11 748 265	745 985	(73 839)	-	-	12 420 411	5 258 764	818 813	-	(26 648)	6 050 929	6 369 482
Transport Assets	60 271 930	58 300	-	1 188 170	203 666	61 722 066	16 383 160	2 831 447	-	-	19 214 607	42 507 458
Capitalised Restoration Cost	69 287 248	-	(2 710 259)	-	-	66 576 990	66 125 280	451 710	-	-	66 576 990	-
Landfill Site Rehabilitation	69 287 248	-	(2 710 259)	-	-	66 576 990	66 125 280	451 710	-	-	66 576 990	-
	1 461 319 946	124 362 917	(42 785 905)	1 804 379	-	1 544 701 336	327 453 981	34 041 953	-	(60 059)	361 435 875	1 183 265 461



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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.6 Reconciliation of Carrying Value

30 June 2023	Cost						Accumulated Depreciation and Impairment					Carrying Value (Restated)
	Opening Balance	Additions	Disposals	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	130 894 604	4 026 606	-	-	-	134 921 210	10 375 644	894 142	(158 669)	-	11 111 116	123 810 094
Land	44 523 013	-	-	-	-	44 523 013	2 660 710	-	30 522	-	2 691 232	41 831 781
Buildings	83 874 460	-	-	-	418 615	84 293 075	7 714 934	894 142	(189 191)	-	8 419 885	75 873 190
Work in progress	2 497 132	4 026 606	-	-	(418 615)	6 105 123	-	-	-	-	-	6 105 123
Infrastructure	1 034 927 100	128 594 580	-	-	-	1 163 521 680	195 827 680	22 475 073	-	-	218 302 752	945 218 928
Roads and Storm water	237 800 768	-	-	-	6 889 709	244 690 477	69 409 086	4 623 615	-	-	74 032 701	170 657 776
Electricity Network	128 294 091	-	-	-	11 920 107	140 214 198	24 994 366	3 521 555	-	-	28 515 922	111 698 277
Sewerage Network	242 854 422	-	-	-	89 210 456	332 064 878	46 553 684	5 837 223	-	-	52 390 907	279 673 971
Water Network	211 898 611	-	-	-	19 370 303	231 268 914	52 710 621	6 953 702	-	-	59 664 323	171 604 592
Refuse Removal	43 713 828	-	-	-	16 820 772	60 534 600	2 159 923	1 538 977	-	-	3 698 900	56 835 700
Work in progress	170 365 380	128 594 580	-	-	(144 211 347)	154 748 613	-	-	-	-	-	154 748 613
Community Assets	763 623	-	-	-	-	763 623	497 209	(11 480)	-	-	485 729	277 894
Parks and Gardens	517 259	-	-	-	-	517 259	250 844	22 169	-	-	273 013	244 245
Cemeteries	246 364	-	-	-	-	246 364	246 364	(33 649)	-	-	212 715	33 649
Other Assets	81 114 488	9 833 172	(415 993)	2 294 517	-	92 826 184	26 081 741	5 514 246	-	(166 883)	31 429 103	61 397 080
Computer Equipment	9 375 729	643 476	(104 026)	44 517	-	9 959 695	3 380 438	988 093	-	(52 081)	4 316 451	5 643 244
Furniture and Office Equipment	10 143 481	801 083	(98 269)	-	-	10 846 294	4 729 066	781 192	-	(39 530)	5 470 728	5 375 566
Machinery and Equipment	10 638 717	1 275 245	(165 697)	-	-	11 748 265	4 366 423	961 233	-	(68 892)	5 258 764	6 489 500
Transport Assets	50 956 563	7 113 368	(48 000)	2 250 000	-	60 271 930	13 605 813	2 783 727	-	(6 380)	16 383 160	43 888 770
Capitalised Restoration Cost	72 374 154	1 589 730	(4 676 636)	-	-	69 287 248	63 402 914	2 255 445	466 921	-	66 125 280	3 161 968
Landfill Site Rehabilitation	72 374 154	1 589 730	(4 676 636)	-	-	69 287 248	63 402 914	2 255 445	466 921	-	66 125 280	3 161 968
	1 320 073 970	144 044 088	(5 092 629)	2 294 517	-	1 461 319 946	296 185 187	31 127 425	308 252	(166 883)	327 453 981	1 133 865 965



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11 INTANGIBLE ASSETS

Intangible Assets - Carrying Value

214 158

273 337

The carrying value of intangible Assets is reconciled as follows:

Opening Carrying Value

273 337

332 434

Cost

622 156

622 156

Accumulated Amortisation

(348 820)

(289 722)

Accumulated Impairment

-

-

Additions

-

-

Amortisation

(59 179)

(59 097)

Disposal

-

-

Cost

-

-

Accumulated Amortisation

-

-

Closing Carrying Value

214 158

273 337

Cost

622 156

622 156

Accumulated Amortisation

(407 999)

(348 820)

Accumulated Impairment

-

-

The following material intangible assets are included in the carrying value above:

Description

Remaining amortisation period

Carrying Value

Computer software/licenses

1 - 7 years

214 158

273 337

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.

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

12 HERITAGE ASSETS

The Municipality has four registered Heritage Assets, however, the principal usage of the assets are for service delivery and to derive rental income and are therefore recognised in Property, Plant and Equipment and Investment Property. The assets are as follows:

Erf 614, Caledon - utilised as the Town Hall

670 428

677 657

Erf 12, Villiersdorp - leased to Tourism Buro

112 041

113 396

Bridge at Meul Street, Caledon

0

0

Bridge at Farm 39, Genadendal

68

82

Total carrying value included under Property, Plant and Equipment

782 537

791 135

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

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

13 NON-CURRENT INVESTMENTS

Listed shares

248 817

179 951

Fixed Deposits

-

13 648 904

Total

248 817

13 828 856

13.1 Listed shares

Sanlam - Shares Investment

248 817

179 951

Listed shares are held in public companies. No specific maturity dates and interest rates are applicable to these shares.

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<i>Figures in Rand</i>		2024	2023	
13	NON-CURRENT INVESTMENTS (CONTINUED)			
13.2	Fixed Deposits			
	Nedbank - Account number 03 7881715316 0000 44 - 5 year investment	14 626 575	13 648 904	
	Transferred to Current Investments	(14 626 575)	-	
	Total	-	13 648 904	
	Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates of 9.75% per annum. The fixed deposit matures 4 October 2024.			
	The fixed deposit is ring-fenced for the repayment of stock loans as per note 14.2.			
14	LONG-TERM LIABILITIES			
	Annuity Loans	166 887 588	188 185 739	
	Stock Loans	14 469 800	14 469 800	
	Sub-Total	181 357 388	202 655 539	
	Less: Current portion of Long-term Liabilities	26 957 321	21 368 213	
	Annuity Loans	20 957 321	21 368 213	
	Stock Loans	6 000 000	-	
	Total	154 400 067	181 287 326	
	Long-term Liabilities were utilised as follow:			
	Total Long-term Liabilities taken up	181 357 388	202 655 539	
	Used to finance Property, Plant and Equipment at cost	(181 357 388)	(202 655 539)	
	Unspent Borrowings	-	-	
	Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.			
14.1	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
	DBSA BANK - 10 & 20 year (102807/1)	10.74%	30/06/2028	3 291 226
	DBSA BANK - 10 & 20 year (103108/1)	11.44%	30/09/2028	4 294 328
	DBSA BANK - 20 year (103313.1)	9.85%	31/03/2029	10 049 339
	DBSA BANK - 15 year (103313.2)	9.97%	31/03/2024	-
	DBSA BANK - 20 year (103817/3)	11.06%	31/12/2030	6 427 255
	STANDARD BANK- 15 year (272400572)	12.22%	30/06/2026	2 087 444
	STANDARD BANK - 4 year (000600694)	6.63%	31/12/2024	1 622 724
	STANDARD BANK - 10 year (000600703)	8.26%	28/06/2030	3 618 869
	STANDARD BANK - 15 year (000600712)	9.76%	29/06/2035	5 608 196
	STANDARD BANK - 15 year (000682253)	10.79%	30/12/2036	13 102 729
	STANDARD BANK - 5 year (000748692)	10.58%	30/06/2027	5 703 811
	STANDARD BANK - 7 year (000748736)	10.99%	29/06/2028	3 824 732
	STANDARD BANK - 12 year (000748754)	11.60%	30/06/3032	10 791 324
	STANDARD BANK - 15 year (000748773)	12.27%	30/06/3037	9 235 577
	ABSA BANK - 15 year (40-7908-8994)	10.79%	27/06/2027	4 010 450
	ABSA BANK - 10 year (387230963)	10.63%	27/06/2024	-
	ABSA BANK - 5 year (3050777771)	8.95%	30/06/2024	-
	ABSA BANK - 7 year (3050777789)	9.19%	30/06/2026	877 452
	ABSA BANK - 10 year (3050777763)	9.62%	30/06/2029	2 015 044
	ABSA BANK - 7 year (3052887574)	9.19%	30/06/2027	1 522 415
	ABSA BANK - 5 year (3054670983)	8.66%	30/10/2026	7 181 453
	ABSA BANK - 7 year (3054671133)	9.19%	30/10/2028	3 618 437
	ABSA BANK - 10 year (3054671256)	9.89%	30/10/2031	1 661 815
	ABSA BANK - 5 year (3058757317)	10.53%	30/06/2028	6 451 187
	ABSA BANK - 10 year (3058757341)	11.59%	30/06/2033	8 970 387
	ABSA BANK - 15 year (3058757325)	12.32%	30/06/2038	48 770 581
	NEDBANK - 15 year (05/78310356050)	10.45%	30/06/2034	2 150 813
	Total			166 887 588
				188 185 739

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<i>Figures in Rand</i>		2024	2023	
14	LONG-TERM LIABILITIES (CONTINUED)			
	All annuity loans are unsecured.			
	Annuity loans are payable as follows:			
	Payable within one year	38 690 446	41 402 260	
	Payable within two to five years	121 787 516	140 539 380	
	Payable after five years	115 220 437	135 159 019	
	Total amount payable	275 698 400	317 100 660	
	Less: Outstanding Future Finance Charges	(108 810 812)	(128 914 921)	
	Present value of annuity loans	166 887 588	188 185 739	
14.2	Stock Loans			
	Stock Loans, disclosed at amortised cost, consist out of the following agreements:			
	Institution and loan number	Rate	Maturity Date	Carrying Value of Liability
	DBSA BANK - 20 year (1022755)	9.29%	31/03/2027	8 469 800
	DBSA BANK - 20 year (1014871)	9.46%	31/12/2024	6 000 000
	Total			14 469 800
	The following serve as security for stock loans:			
	- Fixed Deposit as per note 13.2			14 626 575
	- Cession on outstanding consumer debtors			6 000 000
	Total			20 626 575
	Stock loans are payable as follows:			
	Payable within one year			7 073 167
	Payable within two to five years			10 043 320
	Payable after five years			-
	Total amount payable			17 116 487
	Less: Outstanding Future Finance Charges			(2 646 687)
	Present value of stock loans			14 469 800
15	CONSUMER DEPOSITS			
	Water and Electricity Deposits	6 144 594	5 485 970	
	The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.			
16	PAYABLES FROM EXCHANGE TRANSACTIONS			
	Trade Payables	170 522 844	85 583 037	
	Retentions	9 406 563	7 784 978	
	Payments Received in Advance	7 252 300	10 277 025	
	Department of Human Settlements	933 786	1 834 148	
	Unused Pre-paid Electricity	1 118 820	974 431	
	Sundry Deposits	6 091 813	9 319 568	
	Accrued Interest	599 659	640 594	
	Land Sales Deposits	1 288 599	667 948	
	Department of Cultural Affairs and Sport	-	400 897	
	Total	197 214 385	117 482 625	
	As previously reported		117 081 728	
	Correction of error restatement - note 53.4		400 897	
	Restated balance		117 482 625	

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16 PAYABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Payables are being recognised net of any discounts received.		
The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.		
The carrying value of trade and other payables approximates its fair value.		
Sundry deposits include wayleave, hall, builders and housing deposits.		
Department of Human Settlements balance consist of the following:		
Advances received for the construction of housing top structures - note 39	714 704	714 704
Advances received in terms of principal-agent arrangements - note 64	219 083	1 119 445
Total	<u>933 787</u>	<u>1 834 149</u>
17 UNSPENT CONDITIONAL GOVERNMENT GRANTS		
National Government	46 993 026	13 203 912
Provincial Government	6 805 600	5 734 596
District Municipality	567 203	67 203
Other Grant Providers	226 477	433 988
Total	<u>54 592 306</u>	<u>19 439 700</u>
As previously reported		19 642 194
Correction of error restatement - note 53.3		198 402
Correction of error restatement - note 53.4		(400 897)
Restated balance		<u>19 439 700</u>
Detail reconciliations of all grants received and grant conditions met are included in note 25. 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.		
Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.		
18 UNSPENT PUBLIC CONTRIBUTIONS		
Hogeschool van Arnhem en Nijmegen (HAN)	-	411 300
Bursaries Fund	124 377	124 377
Total	<u>124 377</u>	<u>535 677</u>
Detail reconciliations of all public contributions received are included in note 26. Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met.		
Due to the short term nature of unspent public contributions, the carrying value approximates the fair value of the unspent public contribution at year-end.		
19 CURRENT EMPLOYEE BENEFITS		
Bonuses	6 616 194	6 158 533
Staff Leave	19 612 732	18 237 628
Performance Bonuses	535 207	577 189
Pension	10 769	10 769
Group Insurance	248 817	179 951
Standby and Overtime	1 768 742	1 831 166
Current portion of Non-Current Employee Benefits - note 21	4 478 000	3 570 000
Post Retirement Medical Benefits	2 839 000	2 252 000
Long Service Awards	1 639 000	1 318 000
Total	<u>33 270 460</u>	<u>30 565 237</u>

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<i>Figures in Rand</i>	2024	2023
19 CURRENT EMPLOYEE BENEFITS (CONTINUED)		
The movement in current employee benefits are reconciled as follows:		
19.1 Bonuses		
Opening Balance	6 158 533	5 786 275
Contribution during the year	13 457 620	12 293 023
Payments made	(12 999 959)	(11 920 765)
Balance at the end of the year	<u><u>6 616 194</u></u>	<u><u>6 158 533</u></u>
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.		
19.2 Staff Leave		
Opening Balance	18 237 628	19 361 628
Contribution during the year	3 989 768	952 183
Payments made	(2 614 665)	(2 076 183)
Balance at the end of the year	<u><u>19 612 732</u></u>	<u><u>18 237 628</u></u>
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.		
19.3 Performance Bonuses		
Opening Balance	577 189	-
Contribution during the year	260 197	720 944
Payments made	(302 180)	(143 755)
Balance at the end of the year	<u><u>535 207</u></u>	<u><u>577 189</u></u>
Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the Council. There is no possibility of reimbursement.		
19.4 Pension		
Opening Balance	10 769	10 769
Payments made	-	-
Balance at the end of the year	<u><u>10 769</u></u>	<u><u>10 769</u></u>
Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.		
19.5 Group Insurance		
Opening Balance	179 951	163 051
Fair Value adjustment during the year	68 866	16 900
Balance at the end of the year	<u><u>248 817</u></u>	<u><u>179 951</u></u>
Shares accruing and to be apportioned to staff contributing to the Sanlam Group insurance scheme. The timing of the payment is uncertain. The possibility of reimbursement is being investigated.		
19.6 Standby and Overtime		
Balance at beginning of year	1 831 166	1 672 135
Contribution during the year	1 768 742	1 831 166
Payments made	(1 831 166)	(1 672 135)
Balance at end of year	<u><u>1 768 742</u></u>	<u><u>1 831 166</u></u>
Standby and overtime worked by staff in current financial year, but paid in following financial year.		

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<i>Figures in Rand</i>		2024	2023
20	CURRENT PROVISIONS		
	Output VAT Payable on Library Grants	7 472 418	5 963 112
	Total	7 472 418	5 963 112
	As previously reported		-
	Correction of error restatement - note 53.4		5 963 112
	Restated balance		5 963 112
	The movement in the provision is reconciled as follows:		
	Opening balance	5 963 112	4 876 129
	Increase based on Output VAT portion of grant funding received	1 509 306	1 086 983
	Total balance at year-end	7 472 418	5 963 112
	Refer to note 53.4 for a brief description of the nature of the obligation.		
	It is estimated that a 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 year, i.e. from 2018/19 to 2023/24.		
	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.		
21	EMPLOYEE BENEFITS		
	Post Retirement Medical Benefits	55 840 000	54 352 000
	Long Service Awards	13 106 000	12 388 000
	Sub-Total	68 946 000	66 740 000
	Less: Current portion of Employee Benefits	4 478 000	3 570 000
	Post Retirement Medical Benefits	2 839 000	2 252 000
	Long Service Awards	1 639 000	1 318 000
	Total	64 468 000	63 170 000
21.1	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:		
	Opening Balance	54 352 000	52 433 000
	Contribution during the year	3 852 000	8 761 000
	Service Cost	(2 832 000)	2 669 000
	Current Service Cost	2 380 000	2 669 000
	Past Service Cost	(5 212 000)	-
	Interest Expense	6 684 000	6 092 000
	Payments made	(2 495 312)	(1 967 469)
	Actuarial Loss/(Gain)	131 312	(4 874 531)
	Change in Financial Assumptions	(2 146 000)	(7 007 000)
	Change in Demographic Assumptions	-	-
	Experience Adjustments	2 277 312	2 132 469
	Total balance at year-end	55 840 000	54 352 000
	Less: Current portion	(2 839 000)	(2 252 000)
	Total	53 001 000	52 100 000



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21 EMPLOYEE BENEFITS (CONTINUED)

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:

Category	Number of individuals		2024	2023
	2024	2023		
In-service members	249	253	20 704 000	24 309 000
In-service non-members	390	386	5 410 000	5 533 000
Continuation members	43	38	29 726 000	24 510 000
Total	682	677	55 840 000	54 352 000

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 15 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.
- Post-employment subsidies, except for those in respect of certain current continuation members, are subject to a maximum subsidy. The maximum subsidy was assumed to be R5 541 per principal member per month for the year ending 30 June 2025, and has been assumed to increase annually on 1 July at 75% of salary inflation.
- During the current financial year, the Municipality amended its policy to include a maximum subsidy as described above. Prior to 30 June 2023, no post-employment subsidies were subject to a maximum subsidy. The change in policy resulted in the past service cost amounting to R5 212 000.
- 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.

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

i) Financial Assumptions

- Medical Aid Contribution Inflation Rate	7.70%	8.27%
- Discount Rate	12.21%	12.55%
- Net Discount Rate (Medical Aid Contributions)	4.19%	3.95%
- Net Discount Rate (Maximum Subsidy)	6.46%	N/A



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21	EMPLOYEE BENEFITS (CONTINUED)		
	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	26 114 000	29 726 000	55 840 000	
Medical Aid Contribution Inflation Rate (+ 1%)	27 878 000	32 059 000	59 937 000	7%
Medical Aid Contribution Inflation Rate (- 1%)	23 653 000	27 542 000	51 195 000	-8%
Discount Rate (+ 1%)	22 260 000	27 458 000	49 718 000	-11%
Discount Rate (- 1%)	30 967 000	32 361 000	63 328 000	13%
Post-Employment Mortality (+ 1 year)	25 598 000	28 833 000	54 431 000	-3%
Post-Employment Mortality (- 1 year)	26 614 000	30 615 000	57 229 000	2%
Average Retirement Age (- 1 year)	29 057 000	29 726 000	58 783 000	5%
Membership Continuation (- 10%)	22 833 000	29 726 000	52 559 000	-6%

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).

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	48 955 000	3%
Future year 11 - 20	131 893 000	8%
Future year 21 - 30	275 167 000	16%
Future year 31 - 40	412 208 000	24%
Future year 41 - 50	422 940 000	24%
Future year 51 - 60	292 797 000	17%
Future year 61 - 70	124 360 000	7%
Future year 71 - 80	26 606 000	2%
Future year 80 + (considered insignificant to include in analysis)	-	0%
Total future expected benefits to be paid	1 734 926 000	100%



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21 EMPLOYEE BENEFITS (CONTINUED)		
21.2 Long Service Awards		
The Long Service Awards plans are defined benefit plans. The movement in the defined benefit obligation is reconciled as follows:		
Opening Balance	12 388 000	12 239 000
Contribution during the year	2 474 000	2 365 000
Current Service Cost	1 091 000	1 076 000
Interest Expense	1 383 000	1 289 000
Payments made	(1 291 194)	(1 790 017)
Actuarial Loss/(Gain)	(464 806)	(425 983)
Change in Financial Assumptions	(163 000)	(720 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(301 806)	294 017
Total balance at year-end	13 106 000	12 388 000
Less: Current portion	(1 639 000)	(1 318 000)
Total	11 467 000	11 070 000
As at year end, the following number of employees were eligible for Long Service Awards	639	639

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 15 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.

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.



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21	EMPLOYEE BENEFITS (CONTINUED)		
	Significant Actuarial Assumptions		
	i) Financial Assumptions		
	- General Earnings Inflation Rate	6.53%	7.08%
	- Discount Rate	11.43%	11.77%
	- Net Discount Rate	4.60%	4.38%
	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:		
	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	13 106 000	
General Earnings Inflation Rate (+ 1%)	13 954 000	6%
General Earnings Inflation Rate (- 1%)	12 338 000	-6%
Discount Rate (+ 1%)	12 332 000	-6%
Discount Rate (- 1%)	13 974 000	7%
Average Retirement Age (+ 2 years)	14 921 000	14%
Average Retirement Age (- 2 years)	11 529 000	-12%
Rates of Termination of Services (x 2)	10 531 000	-20%
Rates of Termination of Services (x 0.5)	14 866 000	13%

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 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	22 708 000	27%
Future year 11 - 20	32 982 000	39%
Future year 21 - 30	25 143 000	30%
Future year 31 - 40	3 511 000	4%
Future year 40 + (considered insignificant to include in analysis)	-	0%
Total future expected benefits to be paid	84 344 000	100%

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<i>Figures in Rand</i>		2024	2023
21	EMPLOYEE BENEFITS (CONTINUED)		
21.3	Defined Contribution Plans		
	Council contributes to the following defined contribution plans:		
	Consolidated Retirement Fund	25 343 270	23 696 088
	LA Retirement Fund	128 943	122 338
	National Fund for Municipal Workers	131 212	213 602
	SALA Pension Fund	133 997	126 477
	Municipal Workers Retirement Fund	2 320 515	2 291 057
	Total	28 057 937	26 449 563

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 631 137 to R26 449 563.

22 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	110 053 489	116 746 746
The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:		
Opening Balance	116 746 746	125 806 415
Contribution during the year	(6 693 257)	(9 059 669)
Increase/(Decrease) in estimate allocated to Capital Restoration Cost Asset	(2 710 258)	(3 086 906)
Decrease in estimate allocated to Statement of Financial Performance	(16 033 652)	(17 066 372)
Interest Cost	12 050 652	11 093 610
Total	110 053 489	116 746 746

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 Bond yield) of 11.70% (2023: 9.18% to 11.90%) which is based on the remaining useful life of the landfill-sites.

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

Location	Discount Rate	Site Dimensions (m ²)	Rehabilitation cost per m ² (Rand)	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Caledon	11.70%	59 661	952	34 479 180	30 903 378
Genadendal	11.70%	20 490	1 051	15 363 281	18 761 173
Greyton	11.70%	16 887	1 101	12 545 789	15 141 915
Riviersonderend	11.70%	10 664	1 364	10 377 255	13 135 421
Villiersdorp	11.70%	28 779	971	20 215 594	18 164 787
Botrivier	11.70%	17 537	1 364	17 072 389	20 640 073
Total				110 053 489	116 746 746



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22	NON-CURRENT PROVISIONS (CONTINUED)		
	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:		
		Estimated Decommission Date	Future Cost of Rehabilitation
	Location		Future Cost of Rehabilitation
	Caledon	2033	92 713 410
	Genadendal	2030	29 840 288
	Greyton	2031	27 218 877
	Riviersonderend	2030	20 155 869
	Villiersdorp	2030	38 733 331
	Botrivier	2030	33 159 907
	Total		241 821 683
			224 257 715
23	RESERVES		
	Capital Replacement Reserve		-
			50 052 458
	The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
24	PROPERTY RATES		
	Rateable Land and Buildings		153 615 706
			136 353 678
	Total		153 615 706
			136 353 678
	Property rate levied are based on the following rateable valuations:		
	Residential (including Residential Vacant)	8 412 142 000	6 414 084 437
	Business and Commercial (including vacant)	2 684 490 000	2 041 716 665
	Industrial (including vacant)	297 410 500	281 597 500
	Mining	2 291 000	3 174 000
	Public benefit Organizations	66 283 000	122 529 819
	Public Service Infrastructure	68 000 000	66 535 000
	Public Service Purposes	580 571 000	571 956 192
	Agricultural	19 944 694 200	15 705 237 467
	Total Valuation	32 055 881 700	25 206 831 080
	Rate that is applicable to the valuations above:		
	Residential (including Residential Vacant)	0.9060 c/R	1.0488 c/R
	Business and Commercial (including vacant)	1.8120 c/R	2.0977 c/R
	Industrial (including vacant)	1.8120 c/R	2.0977 c/R
	Mining	1.8120 c/R	2.0977 c/R
	Public benefit Organizations	0.2265 c/R	0.2623 c/R
	Public Service Infrastructure	0.0000 c/R	0.0000 c/R
	Public Service Purposes	1.8120 c/R	2.0977 c/R
	Agricultural	0.1812 c/R	0.2100 c/R
	Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2023. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.		
	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.		
	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.		
	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.		



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24	PROPERTY RATES (CONTINUED)		
The Municipality grants the following rebates, reductions and exemptions on the valuation and/or rates of property:			
- Residential properties valued R200 000 or less		85 000	85 000
- Consumer older than 70 years and the residential property is valued R200 000 or less		145 000	145 000
- Consumer older than 60 years or disabled and household income is less than R5 000 per month		100%	100%
- Consumer older than 60 years or disabled and household income is less than R10 000 per month		50%	50%
- Qualifying Non-profit organisations (NPO's)		100%	100%
- All properties valued R15 000 or less		100%	100%
- Open spaces and heritage properties		100%	100%
- Rural Areas Rebate: Residential and Business		75%	75%
25	GOVERNMENT GRANTS AND SUBSIDIES		
Unconditional Grants - National Government		131 583 000	120 101 000
Equitable Share		131 583 000	120 101 000
Conditional Grants - National Government		47 689 176	34 691 165
Finance Management Grant (FMG)		1 567 978	1 609 691
Municipal Infrastructure Grant (MIG)		23 636 845	29 088 273
Expanded Public Works Programme (EPWP)		1 684 000	2 077 000
Integrated National Electrification Programme (INEP)		-	-
Energy Efficiency and Demand Side Management Grant		4 000 000	-
Municipal Drought Relief		-	-
Emergency Housing Grant		-	1 916 200
Municipal Disaster Recovery Grant		7 406 348	-
Water Service Infrastructure Grant (WSIG)		9 394 004	-
Municipal Disaster Response Grant		-	-
Conditional Grants - Provincial Government		40 308 663	28 777 136
Housing		39 078 006	23 744 953
CDW Contribution		118 424	159 852
Main Roads Subsidy		-	143 948
Financial Management Support Grant (FMSG)		-	-
Municipal Capacity Building Grant		-	60 910
Sport and Recreation		-	-
Municipal Drought Relief (MDR)		-	-
Regional socio-economic projects (RSEP)		213 835	727 464
Municipal Interventions Grant		218 238	-
Municipal Service Delivery and Capacity Building Grant (MSDCB)		-	105 382
Public Employment Support Grant		-	390 313
Financial Management Capability Grant		180 160	1 260 314
Emergency Municipal Load-Shedding Relief Grant		-	1 800 000
Joint District and Metro Grant		-	384 000
Municipal Energy Resilience Grant		500 000	-
Conditional Grants - District Municipality		-	192 797
Safety Audit and Safety Plan Grant		-	192 797
Conditional Grants - Other Grant Providers		713 517	544 352
DBSA Local Economic Development		-	-
SETA		713 517	270 495
SANRAL		-	273 857
Total		220 294 355	184 306 450
As previously reported			194 675 889
Correction of error restatement - note 53.3			(40 309)
Correction of error restatement - note 53.4			(10 329 131)
Restated balance			184 306 450

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25 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
Disclosed as:		
Government Grants and Subsidies - Operating	142 295 019	131 810 778
Government Grants and Subsidies - Capital	77 999 337	52 495 672
Total	220 294 355	184 306 450
Grants per Vote (MFMA Sec 123 (c)):		
Equitable share	131 583 000	120 101 000
Vote 1 - Directorate Finance	4 784 030	8 603 488
Vote 2 - Community Services	-	-
Vote 3 - Corporate services	831 941	-
Vote 4 - Electricity	4 718 238	-
Vote 5 - Economic Development and Planning	39 291 841	-
Vote 6 - Office of the Municipal Manager	45 160	-
Vote 8 - Technical and Infrastructure Implementation Services	22 239 793	51 260 052
Vote 12 - Waste management	-	-
Vote 13 - Waste water management	-	-
Vote 14 - Water	16 800 352	-
Vote 15 - Directorate Development and Community Services	-	4 341 911
Total	220 294 355	184 306 450
The movements per grant can be summarised as follows:		
25.01 Equitable Share		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	131 583 000	120 101 000
Transferred to Revenue - Operating	(131 583 000)	(120 101 000)
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.		
25.02 Finance Management Grant (FMG)		
Opening Unspent Balance	198 402	171 634
Grants Received / (Repaid)	1 700 000	1 636 460
Transferred to Revenue - Operating	(1 567 978)	(1 609 691)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	330 424	198 402
The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.		
25.03 Municipal Infrastructure Grant (MIG)		
Opening Unspent Balance	639 726	4 557 126
Grants Received / (Repaid)	23 202 273	25 170 873
Transferred to Revenue - Operating	(3 081 051)	(3 794 123)
Transferred to Revenue - Capital	(20 555 793)	(25 294 151)
Closing Unspent Balance	205 154	639 726
The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.		



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25	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
25.04	Expanded Public Works Programme (EPWP)		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	1 684 000	2 077 000
	Transferred to Revenue - Operating	(1 684 000)	(2 077 000)
	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.		
25.05	Integrated National Electrification Programme (INEP)		
	Opening Unspent Balance	-	5 003 854
	Grants Received / (Repaid)	-	(5 003 854)
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.		
25.06	Energy Efficiency and Demand Side Management Grant		
	Opening Unspent Balance	33 535	33 535
	Grants Received / (Repaid)	3 966 465	-
	Transferred to Revenue - Operating	(521 739)	-
	Transferred to Revenue - Capital	(3 478 261)	-
	Closing Unspent Balance	-	33 535
	Grant was utilised for the purchase and installation of street lights.		
25.07	Municipal Drought Relief		
	Opening Unspent Balance	8 449	8 449
	Grants Received / (Repaid)	(8 449)	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	8 449
	The grant will be utilised for boreholes.		
25.08	Emergency Housing Grant		
	Opening Unspent Balance	383 800	-
	Grants Received / (Repaid)	-	2 300 000
	Transferred to Revenue - Operating	-	(1 916 200)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	383 800	383 800
	Grant is used for temporary shelter assistance to households affected by disasters or a housing emergency or repair the damage to housing for low-income households following a disaster or housing emergency.		
25.09	Municipal Disaster Recovery Grant		
	Opening Unspent Balance	11 940 000	-
	Grants Received / (Repaid)	-	11 940 000
	Transferred to Revenue - Operating	(1 119 844)	-
	Transferred to Revenue - Capital	(6 286 504)	-
	Closing Unspent Balance	4 533 652	11 940 000
	Grant is used to rehabilitate and reconstruct disaster damaged municipal infrastructure.		



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25 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
25.10 Water Service Infrastructure Grant (WSIG)		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	9 630 000	-
Transferred to Revenue - Operating	(1 225 305)	-
Transferred to Revenue - Capital	(8 168 699)	-
Closing Unspent Balance	<u>235 996</u>	<u>-</u>
Grant will be utilised for the replacement of water pipes.		
25.11 Municipal Disaster Response Grant		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	41 304 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<u>41 304 000</u>	<u>-</u>
Grant will be utilised for repairs of infrastructure caused storm damages.		
25.12 Housing		
Opening Unspent Balance	4 446 980	2 241 537
Grants Received / (Repaid)	40 043 629	25 950 397
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(39 078 006)	(23 744 953)
Closing Unspent Balance	<u>5 412 603</u>	<u>4 446 980</u>
Housing grants was utilised for the development of erven and infrastructure.		
25.13 CDW Contribution		
Opening Unspent Balance	49 507	97 359
Grants Received / (Repaid)	113 000	112 000
Transferred to Revenue - Operating	(118 424)	(159 852)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<u>44 083</u>	<u>49 507</u>
The CDW Contribution was used to finance the activities of Community Development Workers.		
25.14 Main Roads Subsidy		
Opening Unspent Balance	88 611	88 611
Grants Received / (Repaid)	-	143 948
Transferred to Revenue - Operating	-	(143 948)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<u>88 611</u>	<u>88 611</u>
The subsidy is utilised for the maintenance of the provincial main roads which runs through the town centres.		
25.15 Financial Management Support Grant (FMSG)		
Opening Unspent Balance	-	394 634
Grants Received / (Repaid)	-	(394 634)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	<u>-</u>	<u>-</u>
The grant is intended to be utilised for the improvement of financial governance.		



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25	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
25.16	Municipal Capacity Building Grant		
	Opening Unspent Balance	22 658	83 568
	Grants Received / (Repaid)	(22 658)	-
	Transferred to Revenue - Operating	-	(60 910)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	22 658
	To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.		
25.17	Sport and Recreation		
	Opening Unspent Balance	-	6 636
	Grants Received / (Repaid)	-	(6 636)
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	Grant is used to facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders.		
25.18	Municipal Drought Relief (MDR)		
	Opening Unspent Balance	-	105
	Grants Received / (Repaid)	-	(105)
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	Grant is used as financial assistance to augment water supply and bulk infrastructure capacity in drought stricken areas.		
25.19	Regional socio-economic projects (RSEP)		
	Opening Unspent Balance	272 536	6 836
	Grants Received / (Repaid)	1 100 000	993 164
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	(213 835)	(727 464)
	Closing Unspent Balance	1 158 701	272 536
	This grant is earmarked for the erection of fencing, security gates and installation of shutter doors at the trading market.		
25.20	Municipal Interventions Grant		
	Opening Unspent Balance	250 000	2 230
	Grants Received / (Repaid)	-	247 770
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	(218 238)	-
	Closing Unspent Balance	31 762	250 000
	This grant is utilised to provide financial assistance to municipalities to improve infrastructure, systems structure, corporate governance, service delivery and compliance with executive obligations.		
25.21	Municipal Service Delivery and Capacity Building Grant (MSDCB)		
	Opening Unspent Balance	514 618	-
	Grants Received / (Repaid)	(514 618)	620 000
	Transferred to Revenue - Operating	-	(26 932)
	Transferred to Revenue - Capital	-	(78 450)
	Closing Unspent Balance	-	514 618
	This grant is utilised to provide financial assistance to municipalities to improve infrastructure, systems structure, corporate governance, service delivery and compliance with executive obligations.		



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25	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
25.22	Public Employment Support Grant		
	Opening Unspent Balance	-	390 313
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	(390 313)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	This grant will be used to coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress.		
25.23	Financial Management Capability Grant		
	Opening Unspent Balance	89 686	-
	Grants Received / (Repaid)	160 314	1 350 000
	Transferred to Revenue - Operating	(180 160)	(1 260 314)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	69 840	89 686
	Grant is used to improve financial management capabilities of the Municipality.		
25.24	Emergency Municipal Load-Shedding Relief Grant		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	-	1 800 000
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	(1 800 000)
	Closing Unspent Balance	-	-
	This grant is used for the installation of back-up energy supply for water and wastewater infrastructure.		
25.25	Joint District and Metro Grant		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	(384 000)
	Transfer to / (from) Receivables	-	384 000
	Closing Unspent Balance	-	-
	This grant is used to implement catalytic projects to improve infrastructure, systems, structures and service delivery		
25.26	Municipal Energy Resilience Grant		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	500 000	-
	Transferred to Revenue - Operating	(500 000)	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	Grant will be utilised for the infrastructure master plan.		
25.27	Safety Audit and Safety Plan Grant		
	Opening Unspent Balance	67 203	90 000
	Grants Received / (Repaid)	500 000	170 000
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	(192 797)
	Closing Unspent Balance	567 203	67 203
	This grant will be used to conduct a safety audit and draft a safety plan with the aim to establish a Community Safety Forum (CSF) for the Municipality as outlined in the National Crime Prevention Strategy and White Paper on Safety and Security.		



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25	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
25.28	DBSA Local Economic Development		
	Opening Unspent Balance	226 477	226 477
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	<u>226 477</u>	<u>226 477</u>
	This grant is utilised for the replacement of bulk sewerage line between Caledon and Myddleton.		
25.29	SETA		
	Opening Unspent Balance	207 511	-
	Grants Received / (Repaid)	506 006	478 006
	Transferred to Revenue - Operating	(713 517)	(270 495)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	<u>-</u>	<u>207 511</u>
	This grant is for the training and development of municipal officials.		
25.30	SANRAL		
	Opening Unspent Balance	-	173 950
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	(273 857)
	Transfer to / (from) Receivables	-	99 907
	Closing Unspent Balance	<u>-</u>	<u>-</u>
	This grant will be utilised for the construction of a taxi rank / bus stop in Grabouw.		
25.31	Total Grants		
	Opening Unspent Balance	19 439 700	13 576 854
	Grants Received / (Repaid)	255 446 962	189 685 389
	Transferred to Revenue - Operating	(142 295 019)	(131 810 778)
	Transferred to Revenue - Capital	(77 999 337)	(52 495 672)
	Transfer to / (from) Receivables	-	483 907
	Closing Unspent Balance	<u>54 592 306</u>	<u>19 439 700</u>
26	PUBLIC CONTRIBUTIONS AND DONATIONS		
	Hogeschool van Arnhem en Nijmegen (HAN)	521 740	355 458
	Bursaries Fund	-	-
	Total	<u>521 740</u>	<u>355 458</u>
	The movements per grant can be summarised as follows:		
26.01	Hogeschool van Arnhem en Nijmegen (HAN)		
	Opening Unspent Balance	411 300	297 868
	Grants Received	110 440	468 890
	Transferred to Revenue - Operating	(521 740)	(355 458)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	<u>-</u>	<u>411 300</u>
	The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects.		



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26 PUBLIC CONTRIBUTIONS AND DONATIONS (CONTINUED)		
26.02 Bursaries Fund		
Opening Unspent Balance	124 377	4 150
Grants Received	-	120 227
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
	<u>124 377</u>	<u>124 377</u>
Closing Unspent Balance	<u>124 377</u>	<u>124 377</u>
Contributions are made by contractors in terms of the service level agreements with the Municipality. The funds are to be utilised for bursary schemes towards the community.		
27 CONTRIBUTED ASSETS		
Property, Plant and Equipment	1 804 379	2 294 517
Total	<u>1 804 379</u>	<u>2 294 517</u>
Contributed Assets consists out of the following:		
- Computer and Office Equipment	90 513	44 517
- Waste Compactor Truck	-	2 250 000
- Mobile Alcohol Testing Station	1 188 170	-
- Solar system installed at the taxi rank in Villiersdorp	525 696	-
Total	<u>1 804 379</u>	<u>2 294 517</u>
The contributed assets were received from the following parties:		
- Insurance company replaced the assets rather than paying a refund	90 513	44 517
- Department of Forestry, Fisheries and Environment	-	2 250 000
- South African Breweries (SAB)	1 188 170	-
- Department of Economic Development and Tourism	525 696	-
Total	<u>1 804 379</u>	<u>2 294 517</u>
28 AVAILABILITY CHARGES		
Electricity	1 547 007	1 365 907
Water	2 049 415	1 914 557
Refuse Removal	750 420	710 412
Sewerage and Sanitation	903 637	869 235
Total	<u>5 250 479</u>	<u>4 860 111</u>
Availability charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity, sewerage and solid waste) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.		
29 FINES, PENALTIES AND FORFEITS		
Traffic	19 128 450	33 004 300
Pound Fees	135 007	315 995
Unclaimed Money	1 433 040	2 344 936
Overdue Books	7 424	4 571
Disconnection Fees	91 032	-
Total	<u>20 794 954</u>	<u>35 669 802</u>
In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year are recognised as revenue.		



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30	FAIR VALUE ADJUSTMENT GAINS		
	Actuarial Gains	464 806	5 300 514
	Post Retirement Medical Benefits	-	4 874 531
	Long Service Awards	464 806	425 983
	Landfill Sites - iGRAP 2 adjustments	16 033 652	17 066 372
	Total	16 498 458	22 366 886
	As previously reported		-
	Reclassification - note 52		22 366 886
	Restated balance		22 366 886
	The actuarial gains mainly originated as a result of a 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.		
31	OTHER INCOME (NON-EXCHANGE)		
	Insurance Refund	952 280	513 980
	Total	952 280	513 980
	As previously reported		17 580 353
	Reclassification - note 52		(17 066 372)
	Restated balance		513 980
32	SERVICE CHARGES		
	Electricity	138 186 269	117 826 521
	Water	102 090 279	89 331 866
	Refuse Removal	58 420 899	54 226 626
	Sewerage and Sanitation	57 245 240	53 094 846
	Total Revenue	355 942 687	314 479 860
	Less: Rebates	(48 707 336)	(45 553 907)
	Electricity	(6 132 923)	(5 155 713)
	Water	(13 510 347)	(11 869 360)
	Refuse Removal	(15 391 985)	(15 079 234)
	Sewerage and Sanitation	(13 672 081)	(13 449 601)
	Total	307 235 352	268 925 953
	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.		
33	RENTAL OF FACILITIES AND EQUIPMENT		
	Buildings and Commonage	1 780 046	1 623 649
	Halls and Sportfields	258 616	230 948
	Total	2 038 661	1 854 597
34	INTEREST EARNED - EXTERNAL INVESTMENTS		
	Primary Bank Accounts	4 919 369	5 872 264
	Investment Deposits	977 671	5 476 346
	Eskom Deposits	253 839	120 641
	Total	6 150 879	11 469 251
35	INTEREST EARNED - OUTSTANDING DEBTORS		
	Outstanding Debtors	28 428 544	23 462 549
	Total	28 428 544	23 462 549
	Interest is levied at the prime rate plus 1% on unpaid balances.		



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36	AGENCY SERVICES		
	Drivers Licences	1 320 065	1 252 161
	Duplicate Registration	105 468	101 871
	Instructor Certificate	-	330
	Learners	204 146	165 434
	Roadworthy Applications	275 270	222 626
	Roadworthy Certificates	75 326	57 171
	Special Permits	40 885	36 963
	Temporary Permits	59 889	63 330
	Vehicle Licences	4 211 150	4 120 705
	Vehicle Registration	1 645 921	1 615 357
	Total	7 938 120	7 635 948
	The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission. Refer to note 64 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.		
37	LIBRARY SERVICES		
	Department of Cultural Affairs and Sport	10 462 937	9 242 147
	Total	10 462 937	9 242 147
	As previously reported		-
	Correction of error restatement - note 53.4		9 242 147
	Restated balance		9 242 147
38	OTHER INCOME (EXCHANGE)		
	Sale of Goods and Rendering of Services	3 192 562	3 338 218
	Building Plan Approval	1 509 181	1 466 599
	Building Plans Clause Levy	100 959	142 936
	Cemetery and Burial	645 179	686 124
	Clearance Certificates	238 807	230 810
	Encroachment Fees	67 161	63 088
	Escort Fees	18 522	36 574
	Photocopies and Faxes	88 737	74 852
	Sub-division and Consolidation Fees	359 293	374 726
	Tender Documents	153 782	259 276
	Sundry Income	10 942	3 233
	Licences and Permits	1 517	4 362
	Operational Revenue	2 506 149	2 378 949
	Collection Charges	1 797 357	1 335 050
	Commission	72 452	68 287
	Development Charges	210 760	797 006
	Wayleave Charges	364 845	98 530
	Sundry Income	60 735	80 076
	Total	5 700 228	5 721 529
	As previously reported		5 717 167
	Reclassification - note 52		4 362
	Restated balance		5 721 529

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
39	CONSTRUCTION CONTRACTS		
	Construction of Housing Top Structures	-	396 719
	Total	-	396 719
	The Municipality has assessed that it acts as the Developer for the Department of Human Settlements for the construction of top structures.		
	As the contracts with the Department of Human Settlements are non-commercial contracts with no profit margins, 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.		
	Reconciliation for the year		
	Opening balance	714 704	(29 853)
	Payments / Advances received	-	1 141 275
	Expenditure incurred / Revenue Recognised	-	(396 719)
	Gross amount due to Department of Human Settlements	<u>714 704</u>	<u>714 704</u>
40	EMPLOYEE RELATED COSTS		
	Basic Salaries and Wages	175 352 231	154 028 827
	Pension and UIF Contributions	29 558 429	27 889 222
	Medical Aid Contributions	10 213 114	9 453 667
	Overtime	16 591 527	12 751 134
	Motor Vehicle Allowances	11 537 932	10 628 038
	Cell Phone Allowances	954 653	990 973
	Housing Allowances	1 114 124	1 011 769
	Other benefits and allowances	14 095 637	12 525 502
	Acting Allowances	2 974 992	2 695 347
	Bargaining Council	92 178	85 709
	Group Life Insurance	2 760 987	2 340 773
	Standby Allowances	8 267 480	7 403 674
	Contributions to Employee Benefits	15 966 586	17 711 150
	Bonuses	13 457 620	12 293 023
	Staff Leave	3 989 768	952 183
	Performance Bonuses	260 197	720 944
	Long Service Awards	1 091 000	1 076 000
	Post Retirement Medical Benefits	(2 832 000)	2 669 000
	Workmen's Compensation	1 118 909	1 244 340
	Total	<u>276 503 141</u>	<u>248 234 622</u>
40.01	Remuneration of Management Personnel		
	Interim Municipal Manager - R Steven (23 Jun 24 - 30 Jun 2024)		
	Annual Remuneration	97 201	-
	Travelling Allowance	10 000	-
	Cell Phone Allowances	1 723	-
	Housing Allowance	4 000	-
	Contributions to UIF, Medical and Pension Funds	2 348	-
	Total	<u>115 272</u>	<u>-</u>
	Municipal Manager - WSE Solomons-Johannes (1 Aug 2023 - 22 Jun 2024)		
	Annual Remuneration	805 636	-
	Travelling Allowance	110 000	-
	Cell Phone Allowances	18 956	-
	Contributions to UIF, Medical and Pension Funds	164 959	-
	Performance Bonus	151 069	-
	Total	<u>1 250 619</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
40 EMPLOYEE RELATED COSTS (CONTINUED)		
Municipal Manager - BM Ngubo (9 Nov 2022 - 12 Apr 2023)		
Annual Remuneration	-	487 386
Travelling Allowance	-	47 333
Cell Phone Allowances	-	1 635
Contributions to UIF, Medical and Pension Funds	1 365	80 808
Performance Bonus	118 740	-
Leave Payout	-	110 046
Total	120 104	727 208
Interim Municipal Manager - BM Ngubo (20 Jun 22 - 8 Nov 22)		
Annual Remuneration	-	488 636
Cell Phone Allowances	-	6 540
Contributions to UIF, Medical and Pension Funds	-	708
Total	-	495 884
Interim Municipal Manager - JJ Jonkers (17 Jan 22 - 19 Jun 22)		
Contributions to UIF, Medical and Pension Funds	-	1 148
Performance Bonus	-	97 065
Total	-	98 212
Municipal Manager - DP Lubbe (8 Apr 21 - 30 Nov 21)		
Contributions to UIF, Medical and Pension Funds	-	1 203
Leave Payout	-	102 557
Severance Package	-	370 097
Total	-	473 856
Interim Director: Financial Services - NP Mabhena (1 Aug 2023 - 31 May 2024)		
Annual Remuneration	955 819	-
Travelling Allowance	70 000	-
Cell Phone Allowances	17 232	-
Contributions to UIF, Medical and Pension Funds	1 771	-
Leave Payout	57 107	-
Total	1 101 930	-
Director: Financial Services - D Louw (resigned 31 Jul 22)		
Annual Remuneration	-	134 265
Travelling Allowance	-	9 000
Contributions to UIF, Medical and Pension Funds	-	19 526
Leave Payout	-	194 479
Severance Package	-	3 161 985
Total	-	3 519 255
Interim Director: Technical and Infrastructure - HJ Mathee (1 Mar 2024 - 30 Jun 2024)		
Annual Remuneration	310 793	-
Travelling Allowance	100 000	-
Cell Phone Allowances	6 893	-
Contributions to UIF, Medical and Pension Funds	708	-
Total	418 394	-
Interim Director: Technical and Infrastructure - NL Baliso (1 Feb 2023 - 30 Jun 2023)		
Annual Remuneration	-	356 690
Cell Phone Allowances	-	7 412
Contributions to UIF, Medical and Pension Funds	-	886
Total	-	364 987

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>	2024	2023
40 EMPLOYEE RELATED COSTS (CONTINUED)		
Interim Director: Development and Planning - NL Baliso (1 Mar 2024 - 30 Jun 2024)		
Annual Remuneration	410 781	-
Cell Phone Allowances	6 893	-
Contributions to UIF, Medical and Pension Funds	720	-
Total	<u>418 394</u>	<u>-</u>
Interim Director: Development and Planning - MH Gxoyiya (24 Jan 22 - 7 Jun 23)		
Annual Remuneration	-	1 094 474
Cell Phone Allowances	-	18 992
Travelling Allowance	-	3 155
Contributions to UIF, Medical and Pension Funds	-	80 175
Total	<u>-</u>	<u>1 196 796</u>
Director: Community Services - WSE Solomons-Johannes (Interim appointed 24 Jan 22 - 30 Sep 2022 / Full-Time appointed 1 Oct 2022 - 31 Jul 2023)		
Annual Remuneration	118 048	928 598
Travelling Allowance	10 000	90 000
Cell Phone Allowance	1 723	19 619
Performance Bonus	-	46 690
Acting Allowance	4 584	7 500
Contributions to UIF, Medical and Pension Funds	13 298	118 255
Total	<u>147 653</u>	<u>1 210 663</u>
Director: Corporate Services - R Stevens (1 Aug 2023 - 31 May 2024)		
Annual Remuneration	865 185	-
Travelling Allowance	100 000	-
Cell Phone Allowance	17 232	-
Housing Allowance	40 000	-
Contributions to UIF, Medical and Pension Funds	22 405	-
Leave Payout	57 107	-
Total	<u>1 101 930</u>	<u>-</u>
Director: Corporate Services - WF Hendricks (26 Sep 2022 - 2 Jan 2023)		
Annual Remuneration	-	255 712
Cell Phone Allowance	-	5 283
Contributions to UIF, Medical and Pension Funds	501	43 122
Performance Bonus	32 372	-
Leave Payout	-	20 835
Total	<u>32 873</u>	<u>324 952</u>
40.02 Employees acting in management positions		
Acting Director: Financial Services - A Riddles for 31 days (2023 - 248 days)		
Annual Remuneration	93 680	941 005
Travelling Allowance	14 225	161 955
Cell Phone Allowance	1 062	12 092
Housing Allowance	1 066	5 285
Acting Allowance	9 632	225 768
Annual Bonus	-	88 880
Contributions to UIF, Medical and Pension Funds	23 812	219 842
Total	<u>143 477</u>	<u>1 654 827</u>



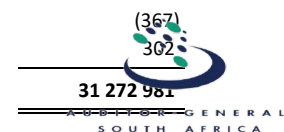
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<i>Figures in Rand</i>		2024	2023
40	EMPLOYEE RELATED COSTS (CONTINUED)		
	Acting Director: Corporate Services - J Amansure for 31 days (2023 - 191 days)		
	Annual Remuneration	64 097	718 348
	Travelling Allowance	14 225	151 970
	Cell Phone Allowance	1 062	12 092
	Housing Allowance	1 066	12 141
	Acting Allowance	37 171	306 399
	Annual Bonus	-	59 387
	Contributions to UIF, Medical and Pension Funds	18 019	203 534
	Total	135 640	1 463 871
	Acting Director: Corporate Services - J Barnard for 8 days		
	Annual Remuneration	17 206	-
	Travelling Allowance	3 556	-
	Cell Phone Allowance	266	-
	Acting Allowance	4 478	-
	Contributions to UIF, Medical and Pension Funds	3 464	-
	Total	28 969	-
41	REMUNERATION OF COUNCILLORS		
	Executive Mayor	1 019 788	959 548
	Deputy Executive Mayor	838 631	781 802
	Speaker	837 604	788 436
	Mayoral Committee Members	3 445 468	3 696 091
	Other Councillors	7 047 922	6 459 704
	Total	13 189 413	12 685 581
	In-kind Benefits		
	The Executive Mayor, Deputy Executive Mayor, Speaker and five Mayoral Committee members serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.		
	Councillors may utilize municipal transportation when engaged in official duties.		
42	DEBT IMPAIRMENT		
	Receivables from Exchange Transactions	69 261 830	65 095 137
	Receivables from Non-Exchange Transactions	20 285 043	33 800 375
	Long-term Receivables	3 544 472	(1 307 111)
	Total Debt Impairment	93 091 345	97 588 401
	Movement in VAT included in debt impairment	(4 303 634)	2 014 154
	Total	88 787 711	99 602 555
43	DEPRECIATION AND AMORTISATION		
	Property, Plant and Equipment	34 041 953	31 127 425
	Investment Property	86 763	86 458
	Intangible Assets	59 179	59 097
	Total	34 187 895	31 272 981
	As previously reported		31 273 046
	Correction of error restatement - note 53.1		(367)
	Correction of error restatement - note 53.2		302
	Restated balance		31 272 981



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<i>Figures in Rand</i>		2024	2023
44	IMPAIRMENT		
	Investment Property	-	894 743
	Property, Plant and Equipment	-	(158 669)
	Capitalised Restoration Cost	-	466 921
	Total	-	1 202 995
	Impairment movements on Investment Property and Property, Plant and Equipment relate to a change in market values of land and buildings as determined by the valuation roll implemented 1 July 2023. 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.		
45	FINANCE CHARGES		
	Cash	21 581 689	14 003 939
	Long-term Liabilities	21 581 689	14 003 939
	Non-cash	20 117 652	18 474 610
	Post Retirement Medical Benefits	6 684 000	6 092 000
	Long Service Awards	1 383 000	1 289 000
	Rehabilitation of Landfill Sites	12 050 652	11 093 610
	Total	41 699 341	32 478 549
46	BULK PURCHASES		
	Electricity	101 021 445	87 773 616
	Water	22 253 013	20 730 463
	Total	123 274 458	108 504 079
	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 Department of Water and Sanitation, Overberg Water and a number of private suppliers.		
47	CONTRACTED SERVICES		
	Alien Vegetation Control	228 666	124 529
	Business and Financial Management	6 693 872	5 467 295
	Clearing and Grass Cutting Services	3 086 270	5 637 823
	Construction of Housing Top Structures	-	2 312 919
	Drivers Licence Cards	503 625	498 203
	Electrical Contractors	1 712 134	2 028 913
	Engineering - Civil	1 404 870	536 470
	Fire Services	2 517 147	2 392 477
	Legal Advice	1 176 625	795 956
	Maintenance Services	24 242 237	16 583 295
	Management of Informal Settlements	27 056	2 088 786
	Refuse Haulage	5 704 382	5 590 084
	Research and Advisory	155 500	60 164
	Personnel and Labour	7 825 335	17 952 071
	Security Services	83 254 673	58 010 028
	Valuation Services	806 363	1 561 949
	Water Tests	496 724	367 511
	Other Contracted Services	969 833	1 780 084
	Total	140 805 314	123 788 556
	As previously reported		123 738 792
	Correction of error restatement - note 53.2		49 764
	Restated balance		123 788 556
	Other Contracted Services consist out of a variety of services, including but not limited to animal care, catering services, human resources and audit committee.		

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
48	TRANSFERS AND GRANTS		
	Indigent Subsidies - Electricity	4 263 697	4 784 770
	Mayoral Charity Fund	1 106 570	400 908
	Severance Package	-	3 161 985
	SMME Support Grant	-	79 475
	Assistance towards Informal Settlements	2 752 554	-
	Total	8 122 821	8 427 139
49	OTHER EXPENDITURE		
	Advertising, Publicity and Marketing	516 380	667 870
	Audit Fees	4 511 319	4 166 456
	Bank Charges	745 500	694 773
	Commission Paid (Electricity)	1 102 113	1 266 149
	Electricity - Eskom	19 422 794	13 149 124
	Computer Services and Licences	9 264 036	9 980 816
	Dumping fees (Karwyderskraal)	3 165 915	2 213 037
	Fuel Cost	14 677 185	12 387 928
	Full Time Union Representative	290 823	185 341
	Hire Charges	44 585 610	62 213 592
	Insurance	4 497 228	4 311 389
	Maintenance Materials	8 243 378	8 102 562
	Material and protective clothing	1 697 781	1 766 816
	Membership fees	2 945 833	2 581 954
	Postage	124 025	108 308
	Printing and stationery	928 619	965 347
	Refuse bags	619 261	333 986
	Skills development levy	2 426 150	2 212 917
	Telephone	689 057	699 479
	Training	311 300	716 887
	Travel and subsistence	1 687 629	1 803 730
	Ward Committees	121 900	145 400
	Water Purification	3 240 964	3 186 560
	Sundries and Other Consumables	3 394 235	2 747 912
	Total	129 209 034	136 608 336
50	GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS		
	Proceeds	678 435	1 071 565
	Less: Carrying value of Investment Property disposed	(1 003 652)	(427 498)
	Less: Carrying value of Property, Plant and Equipment disposed	(40 015 588)	(249 110)
	Less: Carrying value of Intangible Assets disposed	-	-
	Total	(40 340 805)	394 957

The significant loss with the disposal of Property, Plant and Equipment relate old work-in-progress (WIP) projects which was written off by Council in the current year. The WIP written off relate to, amongst other, old projects which were cancelled or projects that never commenced.



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<i>Figures in Rand</i>		2024	2023
51	FAIR VALUE ADJUSTMENT LOSSES		
	Actuarial Losses - Post Retirement Medical Benefits	131 312	-
	Total	131 312	-

52 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATION

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
Post Retirement Medical Benefits	Actuarial Gains (removed)	Fair Value Adjustment Gains	4 874 531
Long Service Awards	Actuarial Gains (removed)	Fair Value Adjustment Gains	425 983
Landfill Sites - iGRAP 2 adjustments	Other Income (Non-Exchange)	Fair Value Adjustment Gains	17 066 372
Licences and Permits	Licences and Permits (removed)	Other Income (Exchange)	4 362

53 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

53.1 Investment Property

Investment property with a carrying value of R81 498 which was disposed during 2020/21, was never removed from the asset register.

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

- Investment Property - note 9	Overstated	(81 498)
- Depreciation and Amortisation - note 43	Overstated	(367)
- Accumulated Surplus - note 53.5	Overstated	(81 865)

53.2 Property, Plant and Equipment

The following errors were noted:

- Completed projects were incorrectly included as work in progress which resulted that depreciation amounting to R302 was not recognised on the said projects.
- The comparative figures within the Property, Plant and Equipment note were restated in order to agree to the general ledger and asset register. Accumulated Depreciation was overstated by R6 660 432 and Accumulated Impairment was understated by the same amount. The line-item of Property, Plant and Equipment was not affected as a whole by this misstatement.
- Operational expenditure amounting to R49 764 was incorrectly included in work in progress.

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

- Property, Plant and Equipment - note 10	Overstated	(50 066)
- Depreciation and Amortisation - note 43	Understated	302
- Contracted Services - note 47	Understated	49 764



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<i>Figures in Rand</i>		2024	2023
53	PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR		
53.3	Unspent Conditional Government Grants		
	It was noted that the grant revenue recognition for the Finance Management Grant (FMG) was done incorrectly for the last three financial years. The VAT portion recognised as revenue was incorrectly based on budgeted amounts, and not the VAT on actual expenditure.		
	The net effect of the above-mentioned were as follows:		
	- Unspent Conditional Government Grants - note 17	Understated	198 402
	- Government Grants and Subsidies - Operating - note 25	Overstated	(40 309)
	- Accumulated Surplus - note 53.5	Overstated	(158 094)
53.4	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		
	During the current year, several municipalities in the Western Cape (of which the Municipality was not party to) 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 municipalities. 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:		
	- Payables from Exchange Transactions - note 16	Understated	400 897
	- Unspent Conditional Government Grants - note 17	Overstated	(400 897)
	- Current Provisions - note 20	Understated	5 963 112
	- Government Grants and Subsidies - Operating - note 25	Overstated	(10 329 131)
	- Library Services - note 37	Understated	9 242 147
	- Accumulated Surplus - note 53.5	Overstated	(4 876 129)
53.5	Accumulated Surplus		
	Investment Property - note 53.1		(81 865)
	Unspent Conditional Government Grants - note 53.3		(158 094)
	Output VAT on Library Grants - note 53.4		(4 876 129)
	Total		(5 116 088)



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<i>Figures in Rand</i>	2024	2023
54 NET CASH FROM/(USED) OPERATING ACTIVITIES		
Net Deficit for the year	(108 564 176)	(86 980 860)
Adjusted for:		
Non-cash revenue included in Net Surplus	(18 322 191)	(25 070 513)
Fair Value Adjustment Gains	(16 498 458)	(22 366 886)
Actuarial Gains	(464 806)	(5 300 514)
Landfill Sites - iGRAP 2 adjustments	(16 033 652)	(17 066 372)
Contributed Assets	(1 804 379)	(2 294 517)
Rental of Facilities and Equipment - decrease in operating lease asset	(19 354)	(14 153)
Gain on disposal of Non-Monetary Assets	-	(394 957)
Non-cash expenditure included in Net Surplus	201 369 569	170 112 358
Employee Related Costs - Contributions towards	17 804 193	19 559 217
Post Retirement Medical Benefits	(2 832 000)	2 669 000
Long Service Awards	1 091 000	1 076 000
Bonuses	13 457 620	12 293 023
Staff Leave	3 989 768	952 183
Performance Bonuses	260 197	720 944
Group Insurance	68 866	16 900
Standby and Overtime	1 768 742	1 831 166
Debt Impairment	88 787 711	99 602 555
Depreciation and Amortisation	34 187 895	31 272 981
Impairment	-	1 202 995
Finance Charges	20 117 652	18 474 610
Post Retirement Medical Benefits	6 684 000	6 092 000
Long Service Awards	1 383 000	1 289 000
Provision for Rehabilitation of Landfill-sites	12 050 652	11 093 610
Loss on disposal of Non-Monetary Assets	40 340 805	-
Fair Value Adjustment Losses	131 312	-
Cash expenditure not included in Net Surplus	(21 534 476)	(19 570 324)
Post Retirement Medical Benefits	(2 495 312)	(1 967 469)
Long Service Awards	(1 291 194)	(1 790 017)
Bonuses	(12 999 959)	(11 920 765)
Staff Leave	(2 614 665)	(2 076 183)
Performance Bonuses	(302 180)	(143 755)
Pension	-	-
Standby and Overtime	(1 831 166)	(1 672 135)
Operating Surplus before changes in working capital	52 948 726	38 490 661
Movement in working capital	22 500 400	(63 242 939)
Long-term Receivables	(8 820 142)	3 531 277
Receivables from Exchange Transactions	(71 130 713)	(69 040 360)
Receivables from Non-Exchange Transactions	(20 956 003)	(36 499 305)
Taxes	4 304 388	(10 386 822)
Inventory	3 508 410	183 543
Consumer Deposits	658 625	517 560
Payables from exchange transactions	79 731 760	42 259 580
Unspent Conditional Government Grants	35 152 606	5 862 846
Unspent Public Contributions	(411 300)	233 659
Current and Non-current Investments	(1 046 537)	(991 900)
Current Provisions	1 509 306	1 086 983
Cash Flow from Operating Activities	75 449 126	(24 752 278)



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55 CASH AND CASH EQUIVALENTS (FOR CASH FLOW STATEMENT PURPOSES)		
Cash and Cash Equivalents comprise out of the following:		
Primary Bank Account	16 373 169	85 906 681
Cash Floats	9 699	9 699
Total	16 382 868	85 916 380

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

56 BUDGET COMPARISONS

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

Item	GRAP Classification	Budget Classification	Amount
Revenue			
Electricity	Service Charges	Surcharges and Taxes	212 337
Water	Service Charges	Surcharges and Taxes	572 486
Sewerage and Sanitation	Service Charges	Surcharges and Taxes	540 479
Refuse Removal	Service Charges	Surcharges and Taxes	570 125
Outstanding Debtors	Interest Earned - Outstanding Debtors	Interest Earned from Receivables (Non- Exchange)	5 017 908
Department of Cultural Affairs and Sport	Library Services	Transfers and Subsidies - Operational	10 210 183
Department of Cultural Affairs and Sport	Library Services	Transfers and subsidies - capital (monetary allocations)	252 754
Landfill Sites - iGRAP 2 adjustments	Fair Value Adjustment Gains	Operational Revenue (Exchange)	16 033 652
Insurance Refund	Other Income (Non- Exchange)	Operational Revenue (Exchange)	952 280
Expenditure			
Workmen's Compensation	Employee Related Costs	Operational Costs	1 118 909
Water	Bulk Purchases	Inventory Consumed	22 253 013
Indigent Subsidies - Electricity	Transfers and Grants	Operational Costs	4 263 697
Assistance towards Informal Settlements	Transfers and Grants	Inventory Consumed	2 752 554
Commission Paid (Electricity)	Other Expenditure	Contracted Services	1 102 113
Sundries and Other Consumables	Other Expenditure	Inventory Consumed	2 407 235
Sundries and Other Consumables	Other Expenditure	Losses on disposal of Assets	88 220
Printing and stationery	Other Expenditure	Inventory Consumed	810 467
Maintenance Materials	Other Expenditure	Inventory Consumed	8 243 378
Refuse bags	Other Expenditure	Inventory Consumed	619 261
Water Purification	Other Expenditure	Inventory Consumed	3 240 964

The treatment of the funding received from the Department of Human Settlements (DoHS) for the Peoples Housing Project (PHP) has different treatment for GRAP and budget purposes. For budget purposes, revenue is budgeted as part of "Transfers recognised - Operational" and the respective expenditure is budgeted as Transfers and Grants, but for GRAP purposes it is treated as an agent function and accordingly no revenue or expenditure is reflected in the Statement of Financial Performance. In order to align the actuals to the budgeted amounts, the following reclassification of revenue and expenditure is required:

Item	GRAP Classification	Budget Classification	Amount
Funding received from DoHS	None	Transfers Recognised - Operational	844 982
Expenditure incurred on behalf of DoHS	None	Transfers and Grants	844 982

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BUDGET COMPARISONS (CONTINUED)

Reconciliation of Actuals	Note	Actuals per Statement of Financial Performance R	Reclassification due to mSCOA versus GRAP classification R	Actuals per Budget Comparison R
REVENUE				
Exchange Revenue		367 954 720	(390 341)	367 564 380
Service charges - Electricity	32	132 053 346	(212 337)	131 841 010
Service charges - Water	32	88 579 933	(572 486)	88 007 447
Service charges - Waste Water Management	32	43 573 159	(540 479)	43 032 681
Service charges - Waste Management	32	43 028 913	(570 125)	42 458 788
Sale of Goods and Rendering of Services	38	3 192 562	-	3 192 562
Agency Services	36	7 938 120	-	7 938 120
Interest Earned from Receivables (Exchange)	35	28 428 544	(5 017 908)	23 410 635
Interest Earned from Current and Non Current Assets	34	6 150 879	-	6 150 879
Rental from Fixed Assets	33	2 038 661	-	2 038 661
Licences and Permits	38	1 517	-	1 517
Operational Revenue (Exchange)	37 & 38	12 969 087	6 522 994	19 492 081
Non-Exchange Revenue		339 928 633	982 569	340 911 203
Property Rates	24	153 615 706	-	153 615 706
Surcharges and Taxes		-	1 895 426	1 895 426
Fines, Penalties and Forfeits	29	20 794 954	-	20 794 954
Transfers and Subsidies - Operational	25 & 26	142 816 758	11 055 165	153 871 924
Interest Earned from Receivables (Non-Exchange)		-	5 017 908	5 017 908
Operational Revenue (Non-Exchange)	28 & 31	6 202 758	(952 280)	5 250 479
Other Gains	30	16 498 458	(16 033 652)	464 806
Total Revenue (excluding capital transfers)		707 883 354	592 228	708 475 583
EXPENDITURE				
Employee Related Costs	40	276 503 141	(1 118 909)	275 384 232
Remuneration of Councillors	41	13 189 413	-	13 189 413
Debt Impairment	42	88 787 711	-	88 787 711
Depreciation and Amortisation	43 & 44	34 187 895	-	34 187 871
Interest	45	41 699 341	-	41 699 341
Bulk Purchases - electricity	46	123 274 458	(22 253 013)	101 021 445
Inventory consumed		-	40 326 873	40 326 873
Contracted Services	47	140 805 314	1 102 113	141 907 426
Transfers and Subsidies	48	8 122 821	(6 171 270)	1 951 551
Operational Costs	49	129 209 034	(11 129 033)	118 080 001
Losses on Disposal of Assets	50	40 340 805	88 220	40 429 033
Other Losses	51	131 312	-	131 312
Total Expenditure		896 251 246	844 982	897 096 211
Surplus/(Deficit)		(188 367 892)	(252 754)	(188 620 628)
Transfers and Subsidies - Capital (monetary allocations)	25	77 999 337	252 754	78 252 091
Transfers and Subsidies - Capital (in-kind)	27	1 804 379	-	1 804 379
Surplus/(Deficit) for the year		(108 564 176)	-	(108 564 159)

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".
- Interest earned on Non-Current Investment, although a non-cash flow item for GRAP purposes, has been budgeted as a cash flow item.
- The treatment of the funding received from the Department of Human Settlements (DoHS) for the Peoples Housings Project (PHP) is treated as a agency function for GRAP purposes, but for budget purposes the revenue and expenditure is reflected separately in the Statement of Comparison of Budget and Actual amount of the Cash Flow Statement.
- Funding received from the Department of Cultural Affairs and Sport (DCAS) is recognised as "Other Revenue" for GRAP purposes, but for budget purposes it is recognised as "Government Grants".



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56 BUDGET COMPARISONS (CONTINUED)

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	34 287 053	(10 720 665)	23 566 387
Government Grants / Transfers and Subsidies	256 956 268	10 907 022	267 863 290
Investment Income / Interest	5 088 758	1 046 537	6 135 295
Suppliers and Employees	(605 453 772)	(844 982)	(606 298 754)
Decrease/(Increase) in Other Non-Current Investments	-	(1 046 537)	(1 046 537)
Increase (decrease) in consumer deposits	-	658 625	658 625

56.2 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.

Accumulated Surplus was adjusted to take into account budget adjustments made to the Statement of Financial Performance.

Actual Amounts vs Final Budget

Cash and Cash Equivalents	More cash was available at year-end due to grant funded projects not spent. In addition, the non-current investment deposit is maturing in the next financial year and has therefore been allocated to current assets as part Cash and Cash Equivalents. The budget did not take into account the afore-mentioned.
Trade and Other Receivables from Exchange Transactions	When assessing the both receivables from exchange and non-exchange as one, the variance is not considered material. The variance between the receivables are due to provision of impairment for interest which were allocated to exchange receivables, rather than to non-exchange receivables.
Receivables from Non-Exchange Transactions	
Investments	Actuals were less than budget as the investment deposit is maturing in the next financial year and has therefore been allocated to current assets as part Cash and Cash Equivalents. The budget did not take into account the afore-mentioned.
Property, Plant and Equipment	Actuals were less than budget as 57% of capital budget was spent. In addition, the significant disposals as per note 50 were also not budgeted for.
Bank Overdraft	Bank overdraft did not materialise.
Trade and Other Payables from Exchange Transactions	Actuals more than budget due to more unpaid trade payables at year end, as a result of cash flow constraints experienced by the Municipality.
Trade and Other Payables from Non-Exchange Transactions	Actuals more than budget mainly due to Municipal Disaster Response Grant which was received late in the financial year of which no spending was incurred.
Provisions (Current Liabilities)	Actuals more than budget due to the provision created for potential Output VAT on library grants as disclosed in note 53.4.
Non-Current Financial Liabilities	Actuals less than budget as the anticipated borrowings were not taken up.
Provision	Actuals were less than budget, mainly as a result of the iGRAP 2 adjustment as explained in note 30.
Accumulated Surplus	Accumulated Surplus was less than budget as a result of variances as noted under the budget comparison of the Statement of Financial Performance.



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56 BUDGET COMPARISONS (CONTINUED)

56.3 Statement of Financial Performance

Adjustments to Original Budget

Sale of Goods and Rendering of Services	The original budget made provision for sale of land which did not materialise and accordingly removed from the budget.
Fines, Penalties and Forfeits	Portion of N2 road was closed as a result of the bridge that was flooded. During this 2 month period of which the road was closed, minimum fines was issued, and accordingly the budget was decreased.
Transfers and Subsidies - Operational	Increased due to additional funding of the Municipal Disaster Response Grant.
Bulk Purchases - Electricity	Budget was increased due to the original budget being insufficient for the demand req
Debt Impairment	Original budget calculations was based on a collection rate of 86%. The collection rate was however revised to 80% and the debt impairment budget was adjusted accordingly.
Depreciation and Amortisation	Budget was increased based on the additional capital expenditure budget which was increased by 47%.
Interest	Interest pertaining to employee benefits was incorrectly budgeted as part of "Employee Related Costs" in the original budget. In addition, the interest relating to the new loans taken up during 2022/23 was also not included in the original budget. The afore-mentioned was corrected with the final budget.
Contracted Services	Budget was mainly increased to make provision for additional security services.
Operational Costs	Budget was mainly increased to make provision for additional hire charges and increased fuel consumption.
Transfers and Subsidies - Capital (monetary allocations)	Increased due to additional funding of the Municipal Disaster Response Grant and Department of Human Settlements.

Virements

The Virement Policy as approved by Council gives authority to the Chief Financial Officer to approve transfers or adjustments falling outside the ambit of this policy. This includes virements between any vote to comply with GRAP requirements. These entries in the final virement passed is within the allowed exception of said policy.

Actual Amounts vs Final Budget

Operational Revenue (Exchange)	Actuals were more than budget, mainly as a result of the iGRAP 2 adjustment as explained in note 30, which could not be budgeted for.
Transfers and Subsidies - Operational	Actuals were less than budget mainly due to Municipal Disaster Response Grant which was received late in the financial year of which no spending was incurred. In addition, delays were experienced regarding the housing projects which also resulted in an underspending of the budget.
Employee Related Costs	Actuals less than budget as not all budgeted positions were filled during the year. In addition, the implementation of a maximum subsidy on post-employment medical subsidies also resulted in a decrease in Employee Related Cost as disclosed in note 21.1.



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56 BUDGET COMPARISONS (CONTINUED)

Debt Impairment	The budgeted debt impairment calculation was based on a collection rate of 80%, while the actual collection rate for the year was 82.7%, resulting in less debt impairment being recognised than what was budgeted. In addition, less fines were issued, which also resulted in less debt impairment as traffic fines have a relatively low collection rate.
Contracted Services	Actuals more than budget due to additional security services acquired.
Transfers and Subsidies	Actuals less than budget as housing projects (Construction of Housing Topstructure) experienced delays.
Losses on Disposal of Assets	Actuals were more than budget due to the work in progress projects that was written off by Council as disclosed in note 50.
Transfers and Subsidies - Capital (monetary allocations)	Actuals were less than budget mainly due to Municipal Disaster Response Grant which was received late in the financial year of which no spending was incurred. In addition, delays were experienced regarding the housing projects which also resulted in an underspending of the budget.

56.4 Cash Flow Statement

Adjustments to Original Budget

Net Cash from/(used) Operating Activities	Other Revenue decreased due to sale of land not materialising. Transfers and Grants increased due to additional funding of the Municipal Disaster Response Grant. Suppliers and Employees increased due to additional security services, hire charges and fuel consumption. Finance Charges increased as interest relating to the new loans taken up during 2022/23 was not included in the original budget.
Net Cash from/(used) Investing Activities	Budget was increased due to additional funding of the Municipal Disaster Response Grant.
Net Cash from/(used) Financing Activities	No material variances.

Actual Amounts vs Final Budget

Net Cash from/(used) Operating Activities	Service charges collections more than budget as actual collection rate was 82.7% versus budgeted collection rate of 80%. Transfer and Grants less than budget due to delays experienced regarding housing projects. Suppliers and Employees less than budget due to cash flow constraints resulting in more unpaid trade payables at year-end.
Net Cash from/(used) Investing Activities	Actuals were less than budget mainly as a result of capital budget not spent in full (57% of capital budget was spent)
Net Cash from/(used) Financing Activities	Actuals less than budget as anticipated loans were not taken up.



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57	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE		
57.1	Unauthorised Expenditure		
	Unauthorised expenditure can be reconciled as follow:		
	Opening balance	104 357 068	-
	Unauthorised expenditure current year - operating	49 370 445	104 357 068
	Unauthorised expenditure current year - capital	-	-
	Approved by Council	-	-
	Unauthorised expenditure awaiting further action	153 727 513	104 357 068
	Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:		
		2024	2024
		(Actual)	(Final Budget)
		R	R
	Unauthorised expenditure - Operating		
	Vote 1 - Directorate Finance	123 972 530	124 102 682
	Vote 2 - Community Services	259 018 639	209 648 193
	Vote 3 - Corporate services	70 823 455	78 716 259
	Vote 4 - Electricity	125 739 949	136 271 858
	Vote 5 - Economic Development and Planning	34 831 376	45 249 177
	Vote 6 - Office of the Municipal Manager	8 400 058	9 689 049
	Vote 8 - Technical and Infrastructure Implementation Ser	12 738 256	12 892 493
	Vote 12 - Waste management	66 510 438	73 516 321
	Vote 13 - Waste water management	66 273 635	66 355 404
	Vote 14 - Water	128 787 875	137 692 228
	Total	897 096 211	894 133 664
	Unauthorised expenditure - Capital		
	Vote 1 - Directorate Finance	1 504 899	1 575 000
	Vote 2 - Community Services	15 773 996	63 167 037
	Vote 3 - Corporate services	1 383 064	1 439 112
	Vote 4 - Electricity	17 861 655	19 991 639
	Vote 5 - Economic Development and Planning	40 339 263	67 835 519
	Vote 6 - Office of the Municipal Manager	-	-
	Vote 8 - Technical and Infrastructure Implementation Ser	45 276	57 000
	Vote 10 - Road transport	-	-
	Vote 12 - Waste management	1 375 875	4 273 623
	Vote 13 - Waste water management	18 859 570	22 749 188
	Vote 14 - Water	29 023 700	35 766 839
	Total	126 167 296	216 854 957
57.2	Fruitless and Wasteful Expenditure		
	Fruitless and wasteful expenditure can be reconciled as follow:		
	Opening balance	18 386	-
	Fruitless and wasteful expenditure incurred - current year	-	18 386
	Approved by Council	-	-
	Recovered	(4 432)	-
	Fruitless and wasteful expenditure awaiting further action	13 954	18 386



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57 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)		
Details of fruitless and wasteful expenditure incurred:		
(a) Cashier losses. Investigation finalised and no liability for employees. No further prosecution as per disciplinary outcome.	-	13 954
(b) Overpayment of supplier	-	4 432
Total	-	18 386
Details of fruitless and wasteful expenditure awaiting further action:		
(a) Cashier losses. Investigation finalised and no liability for employees. No further prosecution as per disciplinary outcome.	13 954	13 954
(b) Overpayment of supplier	-	4 432
Total	13 954	18 386
57.3 Irregular Expenditure		
Irregular expenditure can be reconciled as follow:		
Opening balance	90 979 117	755 639
Irregular expenditure incurred - current year	259 169 598	182 583 452
Irregular expenditure incurred - prior year	3 101 052	5 036 073
Approved by Council	-	(97 396 047)
Irregular expenditure awaiting further action	353 249 767	90 979 117
The comparative figures have been restated from R100 237 876 to R90 979 117 due to a duplication of R9 258 759 removed from prior year's disclosure.		
Details of irregular expenditure incurred		
(a) Deviations not considered to be impractical or exceptional circumstances	20 627 374	7 842 625
(b) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	37 399 052	20 666 002
(c) Services rendered without a contract, order or quotation.	-	-
(d) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1) of the Municipal supply chain regulations	46 484	375 759
(e) Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees	-	581 817
(f) Non compliance with section 112 (1) (a) to (g) of the MFMA	133 422 092	142 060 954
(g) Section 52 of the SCM policy not followed	-	5 400
(h) Service rendered and invoice paid of which section 36 deviation was subsequently rejected	-	2 280
(i) NGO appointed to organise event without approaching any other event organisation to make such an offering	-	179 895
(j) Non compliance with cost containment policy	-	1 540
(k) Non-compliance with PPR 2017 8(2): Local production and content and Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees	-	9 258 759
(l) Deviations not considered to be an emergency	16 856 838	2 802 524
(m) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	7 424 602	3 841 970
(n) Specialised medical assessments referred but service providers unwilling to follow procurement processes	14 640	-
(o) Donation made without clear policy guidelines and/or Council Resolution	500 000	-
(q) Non-compliance with CIDB Regulation 17 and Schedule 3 of CIDB Regulation	90 086	-
(r) Grant funding not spend in terms of section 16(1) of the 2023 DoRA	42 079 588	-
(s) Non-compliance with appointment in terms of Section 54A of the MSA	1 056 233	-
(t) Non-compliance with appointment in terms of Section 56(1)(c) of the MSA	1 948 759	-
(u) Non-compliance with SCM Reg 18(a) - Advertisements above R30 000	56 000	-
(v) Non-compliance with appointment in terms of Section 55(1)(e) of the MSA	748 903	-
Total	262 270 650	187 619 525



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57 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)		
Details of irregular expenditure awaiting further action:		
(a) Deviations not considered to be impractical or exceptional circumstances	28 584 999	7 957 625
(b) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	58 065 054	20 666 002
(c) Services rendered without a contract, order or quotation.	12 900	12 900
(d) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1) of the Municipal supply chain regulations	655 926	609 442
(e) Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees	1 075 990	1 075 990
(f) Non compliance with section 112 (1) (a) to (g) of the MFMA	187 432 780	54 010 688
(g) Section 52 of the SCM policy not followed	-	-
(h) Service rendered and invoice paid of which section 36 deviation was subsequently rejected	-	-
(i) NGO appointed to organise event without approaching any other event organisation to make such an offering	436	436
(j) Non compliance with cost containment policy	1 540	1 540
(k) Non-compliance with PPR 2017 8(2): Local production and content and Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees	-	-
(l) Deviations not considered to be an emergency	19 659 362	2 802 524
(m) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	11 266 572	3 841 970
(n) Specialised medical assessments referred but service providers unwilling to follow procurement processes	14 640	-
(o) Donation made without clear policy guidelines and/or Council Resolution	500 000	-
(q) Non-compliance with CIDB Regulation 17 and Schedule 3 of CIDB Regulation	90 086	-
(r) Grant funding not spend in terms of section 16(1) of the 2023 DoRA	42 079 588	-
(s) Non-compliance with appointment in terms of Section 54A of the MSA	1 056 233	-
(t) Non-compliance with appointment in terms of Section 56(1)(c) of the MSA	1 948 759	-
(u) Non-compliance with SCM Reg 18(a) - Advertisements above R30 000	56 000	-
(v) Non-compliance with appointment in terms of Section 55(1)(e) of the MSA	748 903	-
Total	353 249 767	90 979 117

Incidents/cases identified in the current year include:

(a) Deviations not considered to be impractical or exceptional circumstances	16	4
(b) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	1	1
(c) Services rendered without a contract, order or quotation.	-	-
(d) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1) of the Municipal supply chain regulations	1	4
(e) Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees	-	3
(f) Non compliance with section 112 (1) (a) to (g) of the MFMA	19	45
(g) Section 52 of the SCM policy not followed	-	1
(h) Service rendered and invoice paid of which section 36 deviation was subsequently rejected	-	1
(i) NGO appointed to organise event without approaching any other event organisation to make such an offering	-	1
(j) Non compliance with cost containment policy	-	1
(k) Non-compliance with PPR 2017 8(2): Local production and content and Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees	-	1
(l) Deviations not considered to be an emergency	3	3
(m) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	627	391
(n) Specialised medical assessments referred but service providers unwilling to follow procurement processes	2	-
(o) Donation made without clear policy guidelines and/or Council Resolution	1	-
(q) Non-compliance with CIDB Regulation 17 and Schedule 3 of CIDB Regulation	1	-
(r) Grant funding not spend in terms of section 16(1) of the 2023 DoRA	1	-
(s) Non-compliance with appointment in terms of Section 54A of the MSA	1	-
(t) Non-compliance with appointment in terms of Section 56(1)(c) of the MSA	2	-
(u) Non-compliance with SCM Reg 18(a) - Advertisements above R30 000	1	-
(v) Non-compliance with appointment in terms of Section 55(1)(e) of the MSA	1	-

No irregular expenditure incurred has been recovered.

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



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58	MATERIAL LOSSES		
58.1	Water distribution losses		
	Kilo litres disinfected/purified/purchased	5 999 230	6 166 465
	Kilo litres sold and free basic services	4 698 475	4 328 773
	Kilo litres lost during distribution	1 300 755	1 837 691
	Percentage lost during distribution	21.68%	29.80%
	Normal pipe bursts, field leakages and unmetered connections are responsible for water losses.		
58.2	Electricity distribution losses		
	Units purchased (Kwh)	54 437 884	53 918 870
	Units sold, free basic services and standard friction losses	52 425 313	51 007 528
	Units lost during distribution (Kwh)	2 012 571	2 911 342
	Percentage lost during distribution	3.70%	5.40%
59	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
59.1	SALGA Contributions [MFMA 125 (1)(b)]		
	Opening balance	(2 926 970)	(2 416 499)
	Expenditure incurred	2 926 970	2 416 499
	Payments	(3 074 334)	(2 926 970)
	Payments in advance	(3 074 334)	(2 926 970)
59.2	Audit Fees [MFMA 125 (1)(c)]		
	Opening balance	-	-
	Expenditure incurred	5 188 017	4 791 424
	External Audit - Auditor-General	4 511 319	4 166 456
	VAT on External Audit	676 698	624 968
	Payments	(5 186 683)	(4 791 424)
	Outstanding Balance	1 334	-
59.3	VAT [MFMA 125 (1)(c)]		
	Opening balance	4 495 203	3 270 937
	Net amount claimed/(declared) during the year	17 533 126	18 041 564
	Net amount paid/(received) during the year	(24 840 316)	(16 817 298)
	Outstanding Balance Receivable/(Payable)	(2 811 988)	4 495 203
	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.		
59.4	PAYE, SDL and UIF [MFMA 125 (1)(c)]		
	Opening balance	-	-
	Payroll deductions and Council Contributions during the year	46 234 172	43 784 759
	Payments	(42 346 445)	(43 784 759)
	Outstanding Balance	3 887 728	-



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59 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)		
59.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]		
Opening balance	-	-
Payroll deductions and Council Contributions during the year	63 526 062	59 442 614
Payments made to pension and medical fund	(63 526 062)	(59 442 614)
Outstanding Balance	-	-
59.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]		
The following Councillors had arrear accounts for more than 90 days as at 30 June:		
MS Shale	1 597	13 256
MA Nomkoko	23 108	35 264
DA Appel	-	234
B Mkwibiso	-	2 114
PJ Stander	15 128	1 367
DA Jacobs	-	933
J Smith	1 163	-
Total	40 996	53 168
Payment arrangements have been undertaken by Councillors listed below:		
MS Shale		
MA Nomkoko		
J Smith		
59.7 Deviations from Supply Chain Management Regulations		
Deviations from Supply Chain Management Regulations were identified on the following categories:		
Section 36(1)(a)(i) - Emergencies	26 688 183	6 215 741
Section 36(1)(a)(ii) - Single provider	77 188	123 711
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical to follow official procurement process	45 785 806	26 315 136
Total	72 551 177	32 654 588
Deviations from Supply Chain Management Regulations can be allocated as follow:		
MM Office	-	29 996
Financial Services	1 046 060	2 282 771
Corporate Services	1 306 774	1 830 570
Development Services and Community Services	44 048 314	20 437 683
Economic Development and Planning	9 403 149	7 267 856
Technical and Infrastructure and Implementation Services	16 746 878	805 711
Total	72 551 177	32 654 588
Deviations from Supply Chain Management Regulations were identified on the quotation/tender categories:		
Less than R30 000	1 354 655	1 959 867
Between R30 001 and R200 000	6 274 591	5 627 770
Between R200 001 and R2 000 000	19 042 203	10 475 277
More than R2 000 001	45 879 727	14 591 674
Total	72 551 176	32 654 588



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60	CAPITAL COMMITMENTS		
	Approved and contracted for	97 609 738	31 752 885
	Infrastructure	97 609 738	31 097 302
	Community Assets	-	655 583
	This expenditure will be financed from:		
	External Loans	2 202 086	15 383 756
	Government Grants	94 084 163	11 800 282
	Own Resources	1 323 489	4 568 847
	Total	97 609 738	31 752 885

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

61 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

61.1 Credit Risk

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

The following financial assets are exposed to credit risk:

Cash and Cash Equivalents	16 373 169	85 906 681
Receivables from exchange transactions	37 561 932	35 857 845
Receivables from non-exchange transactions	594 330	678 044
Long-term Receivables	6 918 176	1 642 505
Current and Non-current Investments	14 875 393	13 828 856
Total	76 322 999	137 913 930

Cash and Cash Equivalents and Non-current Investments

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, except for the fixed deposit that serve as security for stock loans as disclosed in note 13.2 and 14.2.

Receivables from Exchange Transactions

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

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

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



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61 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 collateral is held from any consumers (other than consumer deposits).

Refer to note 14.2 for receivables pledged as security for Long-term Liabilities.

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

Electricity	2 003 496	1 403 587
Water	2 022 481	4 028 061
Refuse	1 765 046	1 815 014
Sewerage	1 091 276	1 484 482
Interest	2 052 232	1 485 280
Other	300 803	293 743
Availability Charges	362 356	451 973
Total	9 597 690	10 962 140

Past due receivables are aged as follow:

1 to 3 months overdue	5 342 520	7 584 847
4 months to 1 year overdue	2 698 967	2 021 272
1 year overdue	1 556 202	1 356 021
Total	9 597 690	10 962 140

61.2 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.

61.3 Interest rate risk (Market Risk)

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

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (excluding cash on hand)	16 373 169	85 906 681
Long-term Liabilities (including current portion)	-	-
Net balance exposed	16 373 169	85 906 681

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

0.5% (2023 - 0.5%) increase in interest rates	81 866	429 533
0.5% (2023 - 0.5%) decrease in interest rates	(81 866)	(429 533)

61.4 Liquidity risk

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

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



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61 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	38 690 446	121 787 516	115 220 437	275 698 400
Stock Loans	7 073 167	10 043 320	-	17 116 487
Payables from exchange transactions	187 554 666	-	-	187 554 666
Total	233 318 279	131 830 836	115 220 437	480 369 552
30 JUNE 2023				
Annuity Loans	41 402 260	140 539 380	135 159 019	317 100 660
Stock Loans	1 358 419	17 116 487	-	18 474 906
Payables from exchange transactions	105 563 221	-	-	105 563 221
Total	148 323 901	157 655 867	135 159 019	441 138 787

61.5 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 following balance is exposed to price risk:

Non-current Investments - Listed shares	248 817	179 951
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62 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

Cash and Cash Equivalents	16 373 169	85 906 681
Bank Accounts	16 373 169	85 906 681
Call Investment Deposits	-	-
Receivables from Exchange Transactions	37 561 932	35 857 845
Electricity	12 245 730	8 684 501
Water	13 392 591	15 256 980
Refuse	4 277 722	4 160 999
Sewerage	4 703 625	5 128 882
Interest	2 232 612	1 671 937
Other	515 545	522 183
Accrued Interest	194 107	432 362
Receivables from Non-Exchange Transactions	594 330	678 044
Availability Charges	594 330	678 044
Long-term Receivables	6 918 176	1 642 505
Receivables with repayment arrangements	6 918 176	1 642 505
Current and Non-current Investments	14 626 575	13 648 904
Fixed Deposits	14 626 575	13 648 904
Total	76 074 182	137 733 979



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62 FINANCIAL INSTRUMENTS (CONTINUED)		
<u>Financial Liabilities</u>		
Payables from Exchange Transactions	187 554 666	105 563 221
Trade Payables	170 522 844	85 583 037
Retentions	9 406 563	7 784 978
Department of Human Settlements	933 786	1 834 148
Sundry Deposits	6 091 813	9 319 568
Accrued Interest	599 659	640 594
Department of Cultural Affairs and Sport	-	400 897
Long-Term Liabilities	181 357 388	202 655 539
Annuity Loans	166 887 588	188 185 739
Stock Loans	14 469 800	14 469 800
Total	368 912 054	308 218 760

The Municipality recognised the following financial instruments at fair value:

Financial Assets

Non-current Investments

Listed shares	248 817	179 951
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63 STATUTORY RECEIVABLES

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

Receivables from Non-Exchange Transactions	18 946 653	18 337 686
Property Rates	16 234 554	15 102 486
Unpaid Traffic Fines	2 712 100	3 235 200
Taxes - VAT Claimable from SARS	-	4 759 582
Total	18 946 653	23 097 268

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

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 24 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 29 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.

Refer to note 4 for determining the recoverability of property rates and traffic fines.

Property Rates

- Past due at the reporting date, and which have been impaired	27 632 129	26 017 931
- Past due that have not been impaired	7 793 951	7 740 453



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64 PRINCIPAL-AGENT ARRANGEMENTS

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

64.1 Department of Transport and Public Works

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission.

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

Collections payable to the Department at beginning of year	393 358	314 444
Revenue collected from third parties	39 096 561	38 287 274
Commission earned on collections included in note 36	(6 059 564)	(5 938 226)
VAT on commission earned payable to the South African Revenue Services	(908 998)	(890 779)
Collections paid over to The Department	(29 884 756)	(31 379 355)
	2 636 601	393 358

64.2 Department of Human Settlements

The Municipality acts as an agent for the Department of Human Settlements for the Peoples Housing Project (PHP) and to facilitate the deed transfers to qualifying beneficiaries.

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

Balance at beginning of year	1 119 445	5 364 768
Payments received from / (funds returned to) the Department	-	(1 673 029)
Expenditure incurred on behalf of the Department	(900 362)	(2 572 295)
	219 083	1 119 445

64.3 Other Arrangements

The Municipality has entered into arrangements with prepaid electricity vendors to provide services to the public on behalf of the Municipality. Various prepaid electricity vendors sell electricity on the Municipality's behalf. The software used results in all transactions being recorded in the Municipality's sub-system. The Municipality collects the cash receipts from the vendors on a daily basis and therefore collects the revenue in full. Prepaid vendors earn commission on the value of each transaction. The nature of these arrangements were assessed and the transactions are not considered to fall within the scope of GRAP 109.

65 EVENTS AFTER REPORTING DATE

On 6 November 2024, the Western Cape Provincial Executive Council resolved that the Municipality be placed under a mandatory intervention in terms of Section 139(5)(a) of the Constitution of the Republic of South Africa.

Section 139(5)(a) state "*If a municipality, as a result of a crisis in its financial affairs, is in serious or persistent material breach of its obligations to provide basic services or to meet its financial commitments, or admits that it is unable to meet its obligations or financial commitments, the relevant provincial executive must impose a recovery plan aimed at securing the municipality's ability to meet its obligations to provide basic services or its financial commitment.*"

The basis for the intervention was the prolonged crisis in the financial affairs of the Municipality, because of sustained governance, institutional and financial management weaknesses.

The Financial Recovery Plan (FRP) will be used as an instrument to guide the Municipality in addressing the financial crisis in the Municipality as well as to ensure that the Municipality regains its financial health within shortest timeframe possible whilst ensuring that the underlying issues are comprehensively addressed.

The Financial Recovery Plan is designed to enable the municipality to achieve a financial recovery. Implementation is the responsibility of the municipality, supported by province (Western Cape Government).



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66 IN-KIND DONATIONS AND ASSISTANCE

Property, Plant and Equipment as per note 27 were donated to the Municipality.

67 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

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

68 CONTINGENT LIABILITIES

The Municipality were not exposed to any significant contingent liabilities at year end.

69 FINANCIAL SUSTAINABILITY

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

69.1 Financial Indicators

The following financial indicators were assessed:

Cash available for working capital requirements (positive balance)	-	14 054 398
Current Ratio (norm - at least 2:1)	0.37 : 1	0.88 : 1
Cash coverage ratio (norm - 3 months or more)	0 months	0.25 months
Creditors days (norm - 30 days or less)	118 days	60 days
Debtors collection rate (95% or more)	82.7%	84.0%
Operating surplus / (deficit)	(188 620 628)	(142 405 513)

The Municipality finds itself in a strained cash flow position and adverse financial ratios due to depleted own financial reserves. Subsequent to year-end, Council adopted the Budget Funding Plan which speaks to imminent financial recovery strategies which were reviewed and recommended by Provincial and National Treasury with specific focus on the revenue collection and curbing expenditure. This may affect service delivery in the short term, but will be mitigated through these interventions.

The Budget Funding Plan addresses the following commitments/milestones amongst others:

- Daily cashflow management and applying strict cost containment.
- Daily updates on revenue management activities to ensure improvement of collection rate.
- Reviewing and adjusting the budget: Aligning expenditure with realistic collection levels to ensure financial sustainability.
- Collaboration with Provincial Treasury: Working closely to agree on corrective steps for the main adjustments budget in February 2025.
- Payment of bulk supplier: Making provision for current account payments over the 2024/25 MTREF. The Municipality has engaged with Eskom to establish a payment plan for outstanding amounts. The Municipality is committed to meeting its obligations and has already made significant progress in this regard.
- Settling Arrear Debt: Gradually improving cash surpluses to settle outstanding debts.
- Monthly Progress Reports: Submitting updates to the Provincial Treasury on implementing these measures.

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.

69.2 Other Indicators

Contingent Liabilities are disclosed in note 68. As can be noted, there is no financial exposure, and therefore contingent liabilities does not pose any threat to the going concern assumption.

Subsequent to the reporting date, the Municipality was placed under a mandatory intervention as disclosed in note 65.



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69 FINANCIAL SUSTAINABILITY (CONTINUED)

69.3 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)	-	-	-
Current Ratio (norm - at least 2:1)	0.39:1	0.37:1	0.39:1
Cash coverage ratio (norm - 3 months or more)	0 months	0 months	0 months
Creditors days (norm - 30 days or less)	55 days	52 days	49 days
Debtors collection rate (95% or more)	80.0%	80.0%	80.0%
Operating surplus / (deficit)	212 487	4 213 634	12 567 605

The Municipality's budget was assessed to be unfunded over the entire 2024/25 MTREF. The realities of the unfunded budget approved by Council on 23 May 2024, and the related cash flow challenges, carries the risk of non-payment to creditors within 30 days, as stipulated in Section 65(2)(e) of the MFMA.

Although the above-mentioned ratio's are still below the required norms, there is a projected improvement. This will also be addressed and monitored through the adopted Budget Funding Plan with its short to medium term action plans.

69.4 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.

70 RELATED PARTIES

70.1 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.

70.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 40 and 41.

70.3 Current Employee Benefits

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

WSE Solomons-Johannes	- Director: Community Services	-	151 789
Total		<u>-</u>	<u>151 789</u>

70.4 Related Party Transactions

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



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71 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	Relationship	Position of person in service of the state	2024	2023
Finck Attorneys	Owner Ronald Finck is the spouse Gail Finck	TWK Senior Clerk Clearances	-	8 000
Petrol & Diesel Enjin Sentrum	Owner Petrus Pretorius is the parent-in-law of Joanle Pretorius	TWK Chief Clerk	730 653	1 327 659
Adenco Construction	Director Victor Machimana is the parent of Helen Machimana; Director Vuyo Machimana is the parent of Busisiwe Skosana and Director Daniel Jackson is the parent of Adele Kassner	Helen Machimana, Department of Welfare Limpopo Social Worker; Busisiwe Skosana, Department of Health Gauteng Nursing Sister and Adele Kassner, Department of Education Teacher	4 345 008	1 064 500
Zutari (Pty) Ltd. (Aurecon SA - Professional Services)	Parent of R Mehlala and Son of G Saaiman; Heather Ahlschalger spouse of Richard Ahlschalger; Shanaaz Seegers, Nadiema Allie, Mariam Gasant brother and sister of Ismail Gasant; Krishnavenie Nadasen spouse of Kevin Nadasen; Maria Marques spouse of Ermis Marques; Tlou Ndala spouse of Joseph Ndala	R Mehlala, CFO: Eastern Cape Arts and Culture Council and G Saaiman, Auditor General; Heather Ahlschalger Special Investigation Unit(independent statutory body that is accountable to Parliament and the president; Shanaaz Seegers City of Cape Town; Nadiema Allie South African Revenue Services; Mariam Gasant South African Revenue Services; Krishnavenie Nadasen National Department of Public Works; Maria MArques Department of Home Affairs; Tlou Ndala Gauteng Department of Education	85 100	740 770
Fairbridges Attorneys	Director Waheeda Shreef is the spouse of Mohammed Jawodeen; Director Adela Petersen is the sister of Shaheed Hofmeester and Director Diane-Maree Rauch is the daughter-in-law of Henk Rauch	Mohammed Jawodeen, Non-Executive Director of the Central Energy Fund; Shaheed Hofmeester, a Teacher and Henk Rauch, Programme Manger at Petrosa.	240 129	72 970
FCR Abrahams	Owner Frank Abrahams is the spouse of Berdine Abrahams, Father in-law of Anarood Plaatjies	Berdine Abrahams- TWK Debtors Clerk Anarood Plaatjies- Accountant Saldanha Municipality	27 720	60 617
Transoverberg Management Solutions	Owner Carlynn Cloete daughter of Sydney Armoed, Sister to Enslin Armoed	Enslin Armoed-Knysna Municipality Supervisor Sydney Armoed- Technical Officer Twk	101 150	139 060
Conlog (Pty) Ltd	Director Logandhren Moodley is the spouse of Nirvasha Moodley	Department of Health Director	58 133	148 822



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71 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2024	2023
Reginald du Plessis	Owner Reginald du Plessis is the spouse of Cerhal du Plessis and the son-in-law of Caroline Wood	Cerhal du Plessis, TWK General Worker; Caroline Wood, TWK Councillor	42 900	1 900
Bosman Smit Pretorius Inc	Owner Marriette Pretorius is the spouse of Gavin Brink	SAPS Police Officer	21 671	14 207
Shyzac 01 Security Solutions & Maintenance	Director Bjorn Africa is the second cousin of Annielle Martin and his sister is Atleigh Africa	TWK - Senior Administrator TWK - Senior Traffic Officer	253 878	225 440
Neil Lyners and Associates	Director Neil Lyners is the brother of HG Lyners	Department of Transport and Public Works - Director	2 279 214	3 324 045
AmandlaGCF Construction CC	Wendell Frazenberg, Director of AmandlaGCF Construction CC, is the brother-in-law of John Jacobs who is employed at the National Government Employment & Labour Department. Wendell Frazenberg is the brother of Unita Frazenberg, Eben Frazenberg, Jaqueline Frazenberg and Bryan Frazenberg who is employed at the National Government Deeds office, Education Department, Education Department and City of Cape Town - Traffic Department.	Teachers and Traffic Department	2 381 716	6 814 952
Amandla Construction CC and Khobeka Cons	Wendell Frazenberg, Director of AmandlaGCF Construction CC, is the brother-in-law of John Jacobs who is employed at the National Government Employment & Labour Department. Wendell Frazenberg is the brother of Unita Frazenberg, Eben Frazenberg, Jaqueline Frazenberg and Bryan Frazenberg who is employed at the National Government Deeds office, Education Department, Education Department and City of Cape Town - Traffic Department.	Teachers and Traffic Department	794 171	3 805 933
JVZ Construction (Pty) Ltd.	Marisa Matthee, Director of JVZ Construction (Pty) Ltd., is the spouse of RE Matthee whom is employed at the Department of Correctional Services.	Security Officer	-	3 512 873
Lit Technics	Jan Petrus Barnard, Director of LIT Technics (Pty) Ltd., is the independent child of Jan Barnard who works at TWK Mun.	Dep. Dir. Community Services	-	168 105
Royal Haskoning DHV	Salani Sithole, Director of Royal Haskoning DHV, is the spouse of Tryphosa Sithole who is employed at the City of Johannesburg.	Associate Director	205 034	354 252
Abe Rewinds t/a Delta Rewinds	Abduragman Daniels, Director of Abe Rewinds t/a Delta Rewinds, is the independent child of Mischa Human who is employed by the City of Cape Town.	Clerk	507 753	-
Groenland Motor Truck & Bakkie	Mina Snyders, Director of Groenland Motor Truck & Bakkie, is the sister-in-law of Morrizlin Josephs and Cornelius Josephs who is employed at TWK Mun. and SAPD.	Traffic Officer and Police Officer	539 722	200 357



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71 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2024	2023
Element Consulting Engineers (Pty) Ltd.	P Rossouw, Director of Element Consulting Engineers (Pty) Ltd., is the spouse of R Rossouw who is employed by the Education Department. M Shezi, Director of Element Consulting Engineers (Pty) Ltd., is the spouse of E Shezi also employed by the Education Department.	Teachers	229 725	1 210 356
JLA Logistics (Pty) Ltd.	Janine Cupido, Director of JLA Logistics (Pty) Ltd., is the daughter of A Cupido who is employed at the Department of Correctional Services.	Warden	61 420	94 340
JPCE (Pty) Ltd.	J.Minnie spouse of Jorina Minnie director of JPCE	Head:Operation Centre and System Integration Disaster Risk Management Centre, Safety and Security Directorate	717 814	1 866 239
EJ'S Auto and Mechanical Services (Pty) Ltd	Spouse of Sue-Ellen Januarie	Sergeant Traffic Officer	28 875	49 570
Confrank (Pty) Ltd.	Owner F. Benson spouse L.Benson	Teacher (WCED) Villiersdorp	-	25 050
Kemanzi (Pty) Ltd.	JN du Toit spouse of H du Toit director of Kemanzi (Pty) Ltd	Inspector Traffic Services: City of Cape Town	1 735 329	1 155 386
Kreesan Investments	Parent and sister of Kreesan Subramoney director of Kreesan Investments	Deputy Director: Department of Correctional Services Warden: Department of Correctional Services	148 770	-
Donnys Mechanical Repair Center	Spouse (Beulinde Fisher) and daughter (Aldean Peka) of director of Donnys Mechanical Repair Centre	HR Administrator: Theewaterskloof Municipality WCED (Subject Advisor)	175 002	-
FG Jacobs Transport CC	Herman Poole spouse of director Charmaine Poole and Kaylin Flagg non dependant child of director Merle Flagg	WCED	1 284 972	-
Enviro Care TWK	Jennifer Mc Kenzie parent of Jesse Jackson McKensziee director of Enviro Care TWK	Councillor: Theewaterskloof Municipality	237 534	-
Moc Asansa Trading	Rinah Mienies sister of William Oranie director of Moc Asanda Trading	Councillor: Theewaterskloof Municipality	28 500	-
Cape Petroleum CC	Lydia Buyiswa Mdyogolo spouse of Ivan Mdyogolo director of Cape Petroleum CC	Educator in Ntwasahlobo Primary School	48 951	-
Bigetron (Pty) Ltd.	C de Beer sister in law and R. Aartma is non dependant child , of H.Aartsma shareholder of Bigetron (Pty) Ltd.	Head: Property Valuations Theewaterskloof Municipality Department of Water & Sanitation- Candidate Engineer	618 717	-



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

71 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2024	2023
Bigen Africa Services (Pty) Ltd.	C de Beer sister in law and R. Aartma is non dependant child , of H.Aartsma shareholder of Bigen Africa Services (Pty) Ltd.	Head: Property Valuations Theewaterskloof Municipality Department of Water & Sanitation- Candidate Engineer	534 175	-
Fortuin-Wehr Enterprises (Pty) Ltd.	Owner Leonardo Wehr is the cousin of Rico Adams employed at Theewaterskloof Municipality	Theewaterskloof Municipality	206 510	-
C20 Max Projects (Pty) Ltd.	Parent of Nolan van Rhodie director of C20 Max Projects (Pty)Ltd.	Department of Infrastructure Western Cape in the Skills Development Department	229 499	-
Moreson Grondverskuiwers	Marie-Louise du Preez sister of Johan du Preez director of Moreson Grondverskuiwers	Department of Social Development	35 443	-
Engineering Advice Services	Shaun Westernberg brother of Anton Westerberg director of Engineering Advice Services and Erlnr Westernberg is his sister in law.	Building Control - Mosselbay Municipality PA to Muncipal Manager	3 522 278	299 000
William October t/a Willo's Fine Cuizine	Morne and William October is the brother and father of the director William October t/a Willo's Fine Cuizine.	LED Theewaterskloof Municipality Sewearage Theewaterskloof Municipality	22 965	-
Brendall Fullard t/a BF Transport	Joan-Lee Fullard sister of Brendall Fullard director of Brendall Fullard t/a BF Transport	Administrator Theewaterskloof Municipality	54 959	-
JVB Steelworks (Pty) Ltd.	Shayon Kayser sister in law of John Brikkels director of JVB Steelworks (Pty) Ltd.	Theewaterskloof Municipality	10 700	-
Can Marketing Solutions (Pty) Ltd.	Maarman spouse of C Maarman director of Can Marketing Solutions (Pty) Ltd	Transnet	21 660	165 000
Total			22 567 748	26 849 402

The comparative figures have been restated from R22 557 807 to R26 849 402 due to omissions noted in the register.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand

2024

2023

72 NON-LIVING RESOURCES

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

- Botrivier
- Caledon
- Genadendal
- Greyton
- Tesselaarsdal
- Villiersdorp

73 SEGMENT REPORTING

73.1 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 59 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	Tourism, Sportfields, Housing, Informal Settlements, Parks, Cemeteries, Halls and Cemeteries
3	Public Safety	Traffic control, animal control and pounds
4	Planning and Development	Town planning, local economic development and building control
5	Roads and Stormwater	Construction and maintenance of roads and storm water
6	Environmental Affairs	Disaster management, air pollution control and nature reserve
7	Electricity Services	Electricity Services
8	Water Services	Water Services
9	Sewerage Services	Sewerage Services
10	Refuse Services	Refuse Services

73.2 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.

73.3 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. towns), 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.

73.4 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.



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THEEWATERSKLOOF LOCAL MUNICIPALITY

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

73 SEGMENT REPORTING (CONTINUED)	Governance and Administration R	Community Services R	Public Safety R	Planning and Development R	Roads and Stormwater R	Environmental Affairs R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
73.5 Specific Segment Reporting											
2024											
REVENUE											
External Revenue from Non-Exchange Transactions	242 691 274	39 550 236	19 263 457	22 453 628	-	-	16 661 865	32 360 115	14 575 718	32 176 057	419 732 350
Property Rates	153 615 706	-	-	-	-	-	-	-	-	-	153 615 706
Government Grants and Subsidies - Operating	84 273 098	-	-	1 684 000	-	-	11 418 359	15 855 496	13 672 081	15 391 985	142 295 020
Public Contributions and Donations	521 740	-	-	-	-	-	-	-	-	-	521 740
Government Grants and Subsidies - Capital	-	39 078 006	-	20 769 628	-	-	3 696 499	14 455 204	-	-	77 999 337
Contributed Assets	1 804 379	-	-	-	-	-	-	-	-	-	1 804 379
Availability Charges	-	-	-	-	-	-	1 547 007	2 049 415	903 637	750 420	5 250 479
Fines, Penalties and Forfeits	1 524 072	7 424	19 263 457	-	-	-	-	-	-	-	20 794 954
Fair Value Adjustment Gains	-	464 806	-	-	-	-	-	-	-	16 033 652	16 498 458
Other Income (Non-Exchange)	952 280	-	-	-	-	-	-	-	-	-	952 280
External Revenue from Exchange Transactions	37 093 871	11 259 418	7 958 159	4 154 083	-	-	132 307 185	88 579 933	43 573 159	43 028 913	367 954 720
Service Charges	-	-	-	-	-	-	132 053 346	88 579 933	43 573 159	43 028 913	307 235 352
Rental of Facilities and Equipment	-	58 054	-	1 980 607	-	-	-	-	-	-	2 038 661
Interest Earned - External Investments	5 897 040	-	-	-	-	-	253 839	-	-	-	6 150 879
Interest Earned - Outstanding Debtors	28 428 544	-	-	-	-	-	-	-	-	-	28 428 544
Agency Services	-	-	7 938 120	-	-	-	-	-	-	-	7 938 120
Library Services	-	10 462 937	-	-	-	-	-	-	-	-	10 462 937
Other Income (Exchange)	2 768 287	738 426	20 039	2 173 476	-	-	-	-	-	-	5 700 228
Construction Contracts	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	279 785 145	50 809 654	27 221 616	26 607 711	-	-	148 969 050	120 940 048	58 148 877	75 204 970	787 687 070
EXPENDITURE											
Employee Related Costs	70 305 267	60 470 323	33 748 087	29 315 253	17 795 465	1 524 779	9 243 746	11 809 481	20 227 167	22 063 574	276 503 141
Remuneration of Councillors	13 189 413	-	-	-	-	-	-	-	-	-	13 189 413
Debt Impairment	28 063 659	-	15 897 650	-	-	-	(1 133 430)	22 436 208	10 588 169	12 935 455	88 787 711
Depreciation and Amortisation	5 227 295	926 851	-	86 763	4 698 971	-	3 726 786	7 555 612	9 544 810	2 420 784	34 187 871
Impairment	-	-	-	-	-	-	-	-	-	-	-
Finance Charges	1 634 588	8 345 472	15 812	139 361	1 851 633	-	2 093 025	6 159 855	7 472 858	13 986 737	41 699 341
Bulk Purchases	-	-	-	-	-	-	101 021 445	22 253 013	-	-	123 274 458
Contracted Services	6 937 533	65 232 719	1 639 803	2 477 741	3 075 620	3 993 041	2 711 814	41 597 758	4 366 178	8 773 106	140 805 314
Transfers and Grants	790 089	3 069 035	-	-	-	-	4 263 697	-	-	-	8 122 821
Other Expenditure	25 626 440	32 333 528	2 491 291	4 205 922	23 250 764	107 038	3 812 865	16 975 949	14 074 455	6 330 782	129 209 034
Loss on disposal of Non-Monetary Assets	40 340 812	-	-	-	-	-	-	-	-	-	40 340 812
Fair Value Adjustment Losses	-	131 312	-	-	-	-	-	-	-	-	131 312
Total Expenditure	192 115 097	170 509 240	53 792 644	36 225 040	50 672 454	5 624 857	125 739 949	128 787 875	66 273 635	66 510 438	896 251 229
NET SURPLUS/(DEFICIT) FOR THE YEAR	87 670 048	(119 699 587)	(26 571 028)	(9 617 328)	(50 672 454)	(5 624 857)	23 229 101	(7 847 828)	(8 124 758)	8 694 532	(108 564 159)
Less: Government Grants and Subsidies - Capital	-	(39 330 760)	-	(20 769 628)	-	-	(3 696 499)	(14 455 204)	-	-	(78 252 091)
Less: Contributed Assets	(1 804 379)	-	-	-	-	-	-	-	-	-	(1 804 379)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	85 865 669	(159 030 347)	(26 571 028)	(30 386 957)	(50 672 454)	(5 624 857)	19 532 602	(22 303 031)	(8 124 758)	8 694 532	(188 620 628)
CAPITAL EXPENDITURE FOR THE YEAR	2 850 818	47 571 811	1 123 897	1 216 515	6 283 457	-	17 861 655	29 023 700	18 859 570	1 375 875	126 167 296

THEEWATERSKLOOF LOCAL MUNICIPALITY

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

73 SEGMENT REPORTING (CONTINUED)	Governance and Administration R	Community Services R	Public Safety R	Planning and Development R	Roads and Stormwater R	Environmental Affairs R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
73.5 Specific Segment Reporting											
2023											
REVENUE											
External Revenue from Non-Exchange Transactions	220 685 659	31 350 239	33 513 092	28 488 927	417 805	-	11 306 390	13 783 917	14 318 836	32 856 018	386 720 882
Property Rates	136 353 678	-	-	-	-	-	-	-	-	-	136 353 678
Government Grants and Subsidies - Operating	76 944 640	1 916 200	-	2 467 313	143 948	-	9 940 483	11 869 360	13 449 601	15 079 234	131 810 778
Public Contributions and Donations	355 458	-	-	-	-	-	-	-	-	-	355 458
Government Grants and Subsidies - Capital	1 878 450	24 128 953	192 797	26 021 615	273 857	-	-	-	-	-	52 495 672
Contributed Assets	2 294 517	-	-	-	-	-	-	-	-	-	2 294 517
Availability Charges	-	-	-	-	-	-	1 365 907	1 914 557	869 235	710 412	4 860 111
Fines, penalties and forfeits	2 344 936	4 571	33 320 295	-	-	-	-	-	-	-	35 669 802
Fair Value Adjustment Gains	-	5 300 514	-	-	-	-	-	-	-	17 066 372	22 366 886
Other Income (Non-Exchange)	513 980	-	-	-	-	-	-	-	-	-	513 980
External Revenue from Exchange Transactions	37 395 299	10 041 915	7 676 885	4 546 239	-	-	112 791 450	77 462 506	39 645 246	39 147 392	328 706 933
Service Charges	-	-	-	-	-	-	112 670 809	77 462 506	39 645 246	39 147 392	268 925 953
Rental of Facilities and Equipment	-	37 081	-	1 817 517	-	-	-	-	-	-	1 854 597
Interest Earned - external investments	11 348 610	-	-	-	-	-	120 641	-	-	-	11 469 251
Interest Earned - outstanding debtors	23 462 549	-	-	-	-	-	-	-	-	-	23 462 549
Agency Services	-	-	7 635 948	-	-	-	-	-	-	-	7 635 948
Library Services	-	9 242 147	-	-	-	-	-	-	-	-	9 242 147
Other Income (Exchange)	2 189 183	762 687	40 937	2 728 723	-	-	-	-	-	-	5 721 529
Gain on disposal of Non-Monetary Assets	394 957	-	-	-	-	-	-	-	-	-	394 957
Construction Contracts	-	396 719	-	-	-	-	-	-	-	-	396 719
TOTAL REVENUE	258 080 958	41 788 872	41 189 977	33 035 167	417 805	-	124 097 840	91 246 423	53 964 082	72 003 410	715 824 534
EXPENDITURE											
Employee Related Costs	58 853 625	56 392 674	28 500 591	31 446 901	17 284 162	-	9 196 844	9 806 003	17 456 743	19 297 081	248 234 622
Remuneration of Councillors	12 685 581	-	-	-	-	-	-	-	-	-	12 685 581
Debt Impairment	25 282 643	-	27 416 250	-	-	-	2 613 079	19 846 757	11 158 751	13 285 075	99 602 555
Depreciation and Amortisation	5 573 991	882 662	-	86 458	4 817 211	-	3 520 907	6 953 702	5 643 627	3 794 422	31 272 981
Impairment	-	-	-	736 074	-	-	-	-	-	466 921	1 202 995
Finance Charges	1 072 041	7 527 614	30 781	138 671	2 003 831	-	1 045 029	4 455 858	3 435 434	12 769 290	32 478 549
Bulk Purchases	-	-	-	-	-	-	87 773 616	20 730 463	-	-	108 504 079
Contracted Services	10 556 113	22 992 536	3 877 770	4 120 056	3 033 132	3 925 828	2 240 726	59 905 061	4 383 489	8 753 845	123 788 556
Transfers and Grants	3 370 215	272 153	-	-	-	-	4 784 770	-	-	-	8 427 139
Other Expenditure	26 157 086	6 599 341	2 944 813	3 932 612	6 740 966	164 573	4 086 475	70 750 642	8 501 890	6 729 938	136 608 336
Total Expenditure	143 551 296	94 666 979	62 770 205	40 460 772	33 879 302	4 090 401	115 261 446	192 448 486	50 579 934	65 096 573	802 805 393
NET SURPLUS/(DEFICIT) FOR THE YEAR	114 529 662	(52 878 107)	(21 580 227)	(7 425 605)	(33 461 497)	(4 090 401)	8 836 394	(101 202 063)	3 384 147	6 906 838	(86 980 860)
Less: Government Grants and Subsidies - Capital	(1 878 450)	(24 763 418)	(192 797)	(26 021 615)	(273 857)	-	-	-	-	-	(53 130 137)
Less: Contributed Assets	(2 294 517)	-	-	-	-	-	-	-	-	-	(2 294 517)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	110 356 696	(77 641 525)	(21 773 025)	(33 447 220)	(33 735 354)	(4 090 401)	8 836 394	(101 202 063)	3 384 147	6 906 838	(142 405 513)
CAPITAL EXPENDITURE FOR THE YEAR	8 900 020	29 351 085	1 834 945	1 165 339	6 275 297	3 849	23 175 224	36 270 633	31 006 579	6 765 904	144 748 874

THEEWATERSKLOOF 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
<u>ANNUITY LOANS</u>							
DBSA BANK - 10 & 20 year	102807/1	10.74%	30/06/2028	3 939 681	-	(648 455)	3 291 226
DBSA BANK - 10 & 20 year	103108/1	11.44%	30/09/2028	4 989 857	-	(695 529)	4 294 328
DBSA BANK - 20 year	103313.1	9.85%	31/03/2029	11 538 878	-	(1 489 539)	10 049 339
DBSA BANK - 15 year	103313.2	9.97%	31/03/2024	784 650	-	(784 650)	-
DBSA BANK - 20 year	103817/3	11.06%	31/12/2030	7 072 757	-	(645 502)	6 427 255
STANDARD BANK - 15 year	272400572	12.22%	30/06/2026	2 958 762	-	(871 318)	2 087 444
STANDARD BANK - 4 year	000600694	6.63%	31/12/2024	3 144 253	-	(1 521 529)	1 622 724
STANDARD BANK - 10 year	000600703	8.26%	28/06/2030	4 070 191	-	(451 322)	3 618 869
STANDARD BANK - 15 year	000600712	9.76%	29/06/2035	5 885 441	-	(277 245)	5 608 196
STANDARD BANK - 15 year	000682253	10.79%	30/12/2036	13 624 886	-	(522 157)	13 102 729
STANDARD BANK - 5 year	000748692	10.58%	30/06/2027	7 248 810	-	(1 544 999)	5 703 811
STANDARD BANK - 7 year	000748736	10.99%	29/06/2028	4 375 285	-	(550 553)	3 824 732
STANDARD BANK - 12 year	000748754	11.60%	30/06/3032	11 582 018	-	(790 694)	10 791 324
STANDARD BANK - 15 year	000748773	12.27%	30/06/3037	9 519 919	-	(284 342)	9 235 577
ABSA BANK - 15 year	40-7908-8994	10.79%	27/06/2027	5 090 816	-	(1 080 366)	4 010 450
ABSA BANK - 10 year	387230963	10.63%	27/06/2024	1 262 510	-	(1 262 510)	-
ABSA BANK - 5 year	3050777771	8.95%	30/06/2024	470 787	-	(470 787)	-
ABSA BANK - 7 year	3050777789	9.19%	30/06/2026	1 259 228	-	(381 776)	877 452
ABSA BANK - 10 year	3050777763	9.62%	30/06/2029	2 314 106	-	(299 062)	2 015 044
ABSA BANK - 7 year	3052887574	9.19%	30/06/2027	1 943 386	-	(420 971)	1 522 415
ABSA BANK - 5 year	3054670983	8.66%	30/10/2026	9 645 596	-	(2 464 143)	7 181 453
ABSA BANK - 7 year	3054671133	9.19%	30/10/2028	4 238 504	-	(620 067)	3 618 437
ABSA BANK - 10 year	3054671256	9.89%	30/10/2031	1 803 993	-	(142 178)	1 661 815
ABSA BANK - 5 year	3058757317	10.53%	30/06/2028	7 679 582	-	(1 228 395)	6 451 187
ABSA BANK - 10 year	3058757341	11.59%	30/06/2033	9 500 751	-	(530 364)	8 970 387
ABSA BANK - 15 year	3058757325	12.32%	30/06/2038	49 973 646	-	(1 203 065)	48 770 581
NEDBANK - 15 year	05/78310356050	10.45%	30/06/2034	2 267 446	-	(116 633)	2 150 813
Total Annuity Loans				188 185 739	-	(21 298 152)	166 887 588
<u>STOCK LOANS</u>							
DBSA BANK - 20 year	1022755	9.29%	31/03/2027	8 469 800	-	-	8 469 800
DBSA BANK - 20 year	1014871	9.46%	31/12/2024	6 000 000	-	-	6 000 000
Total Stock Loans				14 469 800	-	-	14 469 800
Total Long-Term Liabilities				202 655 539	-	(21 298 152)	181 357 388

THEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2024

	OPENING BALANCE	GRANTS RECEIVED	GRANTS REPAID	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	TRANSFER TO / (FROM) RECEIVABLES	CLOSING BALANCE
	R	R	R	R	R	R	R
NATIONAL GOVERNMENT							
Equitable Share	-	131 583 000		(131 583 000)	-	-	-
Finance Management Grant (FMG)	198 402	1 700 000		(1 567 978)	-	-	330 424
Municipal Infrastructure Grant (MIG)	639 726	23 842 000	(639 727)	(3 081 051)	(20 555 793)	-	205 154
Expanded Public Works Programme (EPWP)	-	1 684 000	-	(1 684 000)	-	-	-
Energy Efficiency and Demand Side Management Grant	33 535	4 000 000	(33 535)	(521 739)	(3 478 261)	-	-
Municipal Drought Relief	8 449	-	(8 449)	-	-	-	-
Emergency Housing Grant	383 800	-	-	-	-	-	383 800
Municipal Disaster Recovery Grant	11 940 000	-	-	(1 119 844)	(6 286 504)	-	4 533 652
Water Service Infrastructure Grant (WSIG)	-	9 630 000	-	(1 225 305)	(8 168 699)	-	235 996
Municipal Disaster Response Grant	-	41 304 000	-	-	-	-	41 304 000
Total	13 203 912	213 743 000	(681 711)	(140 782 918)	(38 489 258)	-	46 993 026
PROVINCIAL GOVERNMENT							
Housing	4 446 980	40 043 629	-	-	(39 078 006)	-	5 412 603
CDW Contribution	49 507	113 000	-	(118 424)	-	-	44 083
Main Roads Subsidy	88 611	-	-	-	-	-	88 611
Municipal Capacity Building Grant	22 658	-	(22 658)	-	-	-	-
Regional socio-economic projects (RSEP)	272 536	1 100 000	-	-	(213 835)	-	1 158 701
Municipal Interventions Grant	250 000	-	-	-	(218 238)	-	31 762
Municipal Service Delivery and Capacity Building Grant (MSDCB)	514 618	-	(514 618)	-	-	-	-
Financial Management Capability Grant	89 686	200 000	(39 686)	(180 160)	-	-	69 840
Municipal Energy Resilience Grant	-	500 000	-	(500 000)	-	-	-
Total	5 734 596	41 956 629	(576 962)	(798 584)	(39 510 079)	-	6 805 600
DISTRICT MUNICIPALITY							
Safety Audit and Safety Plan Grant	67 203	500 000	-	-	-	-	567 203
Total	67 203	500 000	-	-	-	-	567 203
OTHER GRANT PROVIDERS							
DBSA Local Economic Development	226 477	-	-	-	-	-	226 477
SETA	207 511	506 006	-	(713 517)	-	-	-
SANRAL	-	-	-	-	-	-	-
Total	433 988	506 006	-	(713 517)	-	-	226 477
ALL SPHERES OF GOVERNMENT	19 439 700	256 705 635	(1 258 673)	(142 295 019)	(77 999 337)	-	54 592 306



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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	158 015 742	(4 568 742)	153 447 000	153 615 706	168 706	136 353 678
Service charges	306 592 997	1 113 635	307 706 632	305 339 925	(2 366 707)	273 786 064
Investment revenue	10 962 000	(2 800 000)	8 162 000	6 150 879	(2 011 121)	11 469 251
Transfers and Subsidies - operating	161 314 662	10 818 999	172 133 661	153 871 924	(18 261 737)	143 742 931
Other own revenue	103 456 349	(12 535 803)	90 920 546	89 497 149	(1 423 397)	97 620 250
Total Operating Revenue (excluding capital transfers)	740 341 750	(7 971 911)	732 369 839	708 475 583	(23 894 257)	662 972 175
Employee costs	291 266 072	1 791 315	293 057 387	275 384 232	(17 673 155)	246 990 282
Remuneration of councillors	13 987 798	-	13 987 798	13 189 413	(798 385)	12 685 581
Depreciation and asset impairment	25 910 041	115 237 162	141 147 203	122 975 582	(18 171 621)	132 078 531
Finance charges	28 629 836	17 015 984	45 645 820	41 699 341	(3 946 479)	32 478 549
Inventory consumed and bulk purchases	117 044 109	25 940 864	142 984 973	141 348 318	(1 636 655)	122 994 537
Transfers and subsidies	10 105 802	826 568	10 932 370	1 951 551	(8 980 819)	8 527 581
Other expenditure	275 819 186	(29 441 073)	246 378 113	300 547 773	54 169 660	249 622 627
Total Expenditure	762 762 844	131 370 820	894 133 664	897 096 211	2 962 547	805 377 688
Surplus/(Deficit)	(22 421 094)	(139 342 731)	(161 763 825)	(188 620 628)	(26 856 803)	(142 405 513)
Transfers and subsidies - capital (monetary allocations)	80 760 001	64 332 280	145 092 281	78 252 091	(66 840 190)	53 130 137
Transfers and subsidies - capital (in-kind)	-	720 000	720 000	1 804 379	1 084 379	2 294 517
Surplus/(Deficit) for the year	58 338 907	(74 290 451)	(15 951 544)	(108 564 159)	(92 612 615)	(86 980 860)
Capital expenditure & funds sources						
Capital expenditure	147 352 476	69 502 481	216 854 957	126 167 296	(90 687 661)	144 748 874
Transfers recognised - capital	80 760 001	64 332 284	145 092 285	78 252 091	(66 840 194)	55 441 057
Borrowing	56 095 725	(2 343 000)	53 752 725	38 094 780	(15 657 945)	64 699 762
Internally generated funds	10 496 750	7 513 197	18 009 947	9 820 426	(8 189 521)	24 608 055
Total sources of capital funds	147 352 476	69 502 481	216 854 957	126 167 296	(90 687 661)	144 748 874
Cash flows						
Net cash from (used) operating	96 568 429	(79 104 345)	17 464 084	75 837 038	58 372 954	(24 277 938)
Net cash from (used) investing	(148 352 466)	(69 840 367)	(218 192 833)	(124 731 020)	93 461 813	(142 374 693)
Net cash from (used) financing	37 411 716	(4 698 074)	32 713 642	(20 639 531)	(53 353 173)	86 586 691
Net Cash Movement for the year	(14 372 321)	(153 642 785)	(168 015 106)	(69 533 512)	98 481 594	(80 065 941)
Cash/cash equivalents at beginning of year	178 917 692	(93 001 313)	85 916 380	85 916 380	-	165 982 321
Cash/cash equivalents at the year end	164 545 372	(246 644 098)	(82 098 726)	16 382 868	98 481 594	85 916 380



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	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	1 093 000	(504 341)	588 659	640 163	51 504	515 310
Finance and administration	307 198 904	25 139 135	332 338 039	281 612 691	(50 725 348)	294 406 618
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	10 876 518	1 994 000	12 870 518	11 208 491	(1 662 027)	9 999 344
Sport and recreation	12 236	37 868	50 104	58 054	7 950	37 081
Public safety	38 156 092	(9 654 797)	28 501 295	19 283 496	(9 217 799)	33 554 029
Housing	49 350 000	26 219 551	75 569 551	39 922 988	(35 646 563)	26 713 967
Economic and environmental services						
Planning and development	31 958 568	(5 622 682)	26 335 886	24 605 104	(1 730 782)	3 804 972
Road transport	9 543 318	-	9 543 318	7 938 120	(1 605 198)	8 053 753
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	145 496 547	70 963	145 567 510	148 969 050	3 401 540	124 097 840
Water management	110 112 650	16 662 950	126 775 600	120 940 048	(5 835 552)	91 246 423
Waste water management	58 024 258	1 245 602	59 269 860	58 148 877	(1 120 983)	53 964 082
Waste management	59 279 661	1 492 120	60 771 781	75 204 970	14 433 189	72 003 410
Other	-	-	-	-	-	-
Total Revenue - Standard	821 101 752	57 080 369	878 182 121	788 532 052	(89 650 069)	718 396 829
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	26 007 496	(775 956)	25 231 540	27 838 373	2 606 833	26 315 972
Finance and administration	190 636 413	32 805 436	223 441 849	206 466 226	(16 975 623)	186 233 316
Internal audit	3 053 795	(158 897)	2 894 898	2 822 450	(72 448)	2 835 697
Community and public safety						
Community and social services	21 155 638	35 903 457	57 059 095	98 342 642	41 283 547	10 950 741
Sport and recreation	12 316 055	647 916	12 963 971	15 292 000	2 328 029	15 184 826
Public safety	61 794 123	(14 261 426)	47 532 697	47 491 017	(41 680)	56 521 025
Housing	20 713 756	1 302 549	22 016 305	16 928 138	(5 088 167)	22 858 773
Economic and environmental services						
Planning and development	35 622 207	629 834	36 252 041	32 500 872	(3 751 169)	17 691 893
Road transport	48 509 216	3 624 275	52 133 491	61 515 941	9 382 450	43 228 708
Environmental Protection	128 974	(95 000)	33 974	33 992	18	-
Trading services						
Energy sources	113 878 750	22 393 108	136 271 858	125 739 949	(10 531 909)	115 261 446
Water management	111 443 176	26 249 052	137 692 228	128 787 875	(8 904 353)	192 448 486
Waste water management	52 892 897	13 462 507	66 355 404	66 273 635	(81 769)	50 579 934
Waste management	63 902 856	9 613 465	73 516 321	66 510 438	(7 005 883)	65 096 573
Other	707 492	30 500	737 992	552 663	(185 329)	170 299
Total Expenditure - Standard	762 762 844	131 370 820	894 133 664	897 096 211	2 962 547	805 377 689
Surplus/(Deficit) for the year	58 338 908	(74 290 451)	(15 951 543)	(108 564 159)	(92 612 616)	(86 980 860)



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	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 - Directorate Finance	303 060 008	(19 932 225)	283 127 783	278 313 852	(4 813 931)	257 199 934
Vote 2 - Community Services	60 782 114	33 787 103	94 569 217	40 535 929	(54 033 288)	-
Vote 3 - Corporate services	1 892 946	3 911 015	5 803 961	1 369 495	(4 434 466)	-
Vote 4 - Electricity	145 496 547	70 963	145 567 510	148 969 050	3 401 540	124 097 840
Vote 5 - Economic Development and Planning	52 735 940	26 492 087	79 228 027	42 241 469	(36 986 558)	-
Vote 6 - Office of the Municipal Manager	980 000	(504 028)	475 972	566 900	90 928	355 458
Vote 8 - Technical and Infrastructure Implementation Services	28 737 628	(6 145 218)	22 592 410	22 241 462	(350 948)	56 894 700
Vote 10 - Road transport	-	-	-	-	-	-
Vote 12 - Waste management	59 279 661	1 492 120	60 771 781	75 204 970	14 433 189	72 003 410
Vote 13 - Waste water management	58 024 258	1 245 602	59 269 860	58 148 877	(1 120 983)	53 964 082
Vote 14 - Water	110 112 650	16 662 950	126 775 600	120 940 048	(5 835 552)	91 246 423
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	62 634 982
Total Revenue by Vote	821 101 752	57 080 369	878 182 121	788 532 052	(89 650 069)	718 396 829
EXPENDITURE						
Vote 1 - Directorate Finance	89 005 523	35 097 159	124 102 682	123 972 530	(130 152)	79 789 609
Vote 2 - Community Services	180 597 181	29 051 012	209 648 193	259 018 639	49 370 446	-
Vote 3 - Corporate services	83 152 208	(4 435 949)	78 716 259	70 823 455	(7 892 804)	-
Vote 4 - Electricity	113 878 750	22 393 108	136 271 858	125 739 949	(10 531 909)	115 261 446
Vote 5 - Economic Development and Planning	44 857 274	391 903	45 249 177	34 831 376	(10 417 801)	-
Vote 6 - Office of the Municipal Manager	11 080 296	(1 391 247)	9 689 049	8 400 058	(1 288 991)	9 868 597
Vote 8 - Technical and Infrastructure Implementation Services	11 952 683	939 810	12 892 493	12 738 256	(154 237)	41 035 469
Vote 12 - Waste management	63 902 856	9 613 465	73 516 321	66 510 438	(7 005 883)	65 096 573
Vote 13 - Waste water management	52 892 897	13 462 507	66 355 404	66 273 635	(81 769)	50 579 934
Vote 14 - Water	111 443 176	26 249 052	137 692 228	128 787 875	(8 904 353)	192 448 486
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	251 297 574
Total Expenditure by Vote	762 762 844	131 370 820	894 133 664	897 096 211	2 962 547	805 377 688
Surplus/(Deficit) for the year	58 338 908	(74 290 451)	(15 951 543)	(108 564 159)	(92 612 616)	(86 980 859)



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	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	135 536 669	(2 015 037)	133 521 632	131 841 010	(1 680 622)	114 036 716
Service charges - Water	85 972 050	3 170 950	89 143 000	88 007 447	(1 135 553)	79 377 063
Service charges - Waste Water Management	42 831 398	(205 398)	42 626 000	43 032 681	406 681	40 514 481
Service charges - Waste Management	42 252 880	163 120	42 416 000	42 458 788	42 788	39 857 804
Sale of Goods and Rendering of Services	24 083 652	(20 000 000)	4 083 652	3 192 562	(891 090)	3 338 218
Agency Services	9 378 318	-	9 378 318	7 938 120	(1 440 198)	7 635 948
Interest Earned from Receivables (Exchange)	24 109 700	1 403 300	25 513 000	23 410 635	(2 102 365)	23 462 549
Interest Earned from Current and Non Current Assets	10 962 000	(2 800 000)	8 162 000	6 150 879	(2 011 121)	11 469 251
Rent on Land	1 000	-	1 000	-	(1 000)	-
Rental from Fixed Assets	2 307 388	(591 100)	1 716 288	2 038 661	322 373	1 854 597
Licences and Permits	23 260	-	23 260	1 517	(21 743)	4 362
Operational Revenue (Exchange)	2 137 063	1 899 999	4 037 062	19 492 081	15 455 019	19 959 302
Non-Exchange Revenue						
Property Rates	158 015 742	(4 568 742)	153 447 000	153 615 706	168 706	136 353 678
Surcharges and Taxes	-	1 917 000	1 917 000	1 895 426	(21 574)	-
Fines, Penalties and Forfeits	38 115 956	(9 722 000)	28 393 956	20 794 954	(7 599 002)	35 669 802
Transfers and Subsidies - Operational	161 314 662	10 818 999	172 133 661	153 871 924	(18 261 737)	143 742 931
Interest Earned from Receivables (Non-Exchange)	-	5 690 000	5 690 000	5 017 908	(672 092)	-
Operational Revenue (Non-Exchange)	1 600 000	3 221 000	4 821 000	5 250 479	429 479	-
Gains on Disposal of Assets	10	45 000	45 010	-	(45 010)	394 957
Other Gains	1 700 002	3 600 998	5 301 000	464 806	(4 836 194)	5 300 514
Total Revenue (excl capital transfers)	740 341 750	(7 971 911)	732 369 839	708 475 583	(23 894 257)	662 972 175
EXPENDITURE BY TYPE						
Employee Related Costs	291 266 072	1 791 315	293 057 387	275 384 232	(17 673 155)	246 990 282
Remuneration of Councillors	13 987 798	-	13 987 798	13 189 413	(798 385)	12 685 581
Bulk Purchases - Electricity	84 005 000	18 467 339	102 472 339	101 021 445	(1 450 894)	87 773 616
Inventory Consumed	33 039 109	7 473 525	40 512 634	40 326 873	(185 761)	35 220 920
Debt Impairment	103 164 005	341 000	103 505 005	88 787 711	(14 717 294)	99 602 555
Depreciation and Amortisation	25 910 041	11 732 157	37 642 198	34 187 871	(3 454 327)	32 475 976
Interest	28 629 836	17 015 984	45 645 820	41 699 341	(3 946 479)	32 478 549
Contracted Services	92 945 599	15 845 053	108 790 652	141 907 426	33 116 774	122 741 787
Transfers and Subsidies	10 105 802	826 568	10 932 370	1 951 551	(8 980 819)	8 527 581
Operational Costs	78 009 572	37 302 879	115 312 451	118 080 001	2 767 550	126 834 547
Losses on Disposal of Assets	10	22 100 000	22 100 010	40 429 033	18 329 023	-
Other Losses	1 700 000	(1 525 000)	175 000	131 312	(43 688)	46 293
Total Expenditure	762 762 844	131 370 820	894 133 664	897 096 211	2 962 547	805 377 688
Surplus/(Deficit)	(22 421 094)	(139 342 731)	(161 763 825)	(188 620 628)	(26 856 803)	(142 405 513)
Transfers and Subsidies - Capital (monetary allocations)	80 760 001	64 332 280	145 092 281	78 252 091	(66 840 190)	53 130 137
Transfers and Subsidies - Capital (in-kind)	-	720 000	720 000	1 804 379	1 084 379	2 294 517
Surplus/(Deficit) for the year	58 338 907	(74 290 451)	(15 951 544)	(108 564 159)	(92 612 615)	(86 980 860)

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	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 (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Directorate Finance	-	-	-	-	-	-
Vote 2 - Community Services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	4 750 000	-	4 750 000	4 781 761	31 761	11 454 320
Vote 5 - Economic Development and Planning	19 200 000	17 388 609	36 588 609	24 485 882	(12 102 727)	-
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	-	-	-	-	-	26 343 270
Vote 12 - Waste management	-	-	-	-	-	372 533
Vote 13 - Waste water management	10 000 000	1 303 286	11 303 286	10 303 422	(999 864)	3 459 628
Vote 14 - Water	16 885 943	(5 365 684)	11 520 259	11 491 226	(29 033)	18 479 446
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	1 760 582
Total Multi-year expenditure	50 835 943	13 326 211	64 162 154	51 062 290	(13 099 864)	61 869 779
Single-year expenditure						
Vote 1 - Directorate Finance	215 000	1 360 000	1 575 000	1 504 899	(70 101)	3 311 998
Vote 2 - Community Services	20 285 053	42 881 984	63 167 037	15 773 996	(47 393 041)	-
Vote 3 - Corporate services	1 404 112	35 000	1 439 112	1 383 064	(56 048)	-
Vote 4 - Electricity	14 991 639	250 000	15 241 639	13 079 894	(2 161 745)	11 720 904
Vote 5 - Economic Development and Planning	23 142 000	8 104 910	31 246 910	15 853 381	(15 393 529)	-
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	18 245
Vote 8 - Technical and Infrastructure Implementation Services	57 000	-	57 000	45 276	(11 724)	19 260
Vote 12 - Waste management	4 711 623	(438 000)	4 273 623	1 375 875	(2 897 748)	6 393 371
Vote 13 - Waste water management	8 575 002	2 870 900	11 445 902	8 556 148	(2 889 754)	27 546 951
Vote 14 - Water	23 135 104	1 111 476	24 246 580	17 532 475	(6 714 105)	17 791 186
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	16 077 180
Total Single-year expenditure	96 516 533	56 176 270	152 692 803	75 105 007	(77 587 796)	82 879 095
Total Capital Expenditure by Vote	147 352 476	69 502 481	216 854 957	126 167 296	(90 687 661)	144 748 874



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	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 (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	-	-	-	-	-
Finance and administration	2 472 112	1 620 651	4 092 763	3 618 578	(474 185)	10 732 474
Internal audit	-	-	-	-	-	18 245
Community and public safety						
Community and social services	3 028 947	(402 299)	2 626 648	2 112 116	(514 532)	636 255
Sport and recreation	7 082 728	(798 890)	6 283 838	5 523 911	(759 927)	441 403
Public safety	550 000	13 988	563 988	359 813	(204 175)	229 317
Housing	40 500 000	25 220 983	65 720 983	39 168 024	(26 552 959)	26 359 990
Economic and environmental services						
Planning and development	1 899 000	272 536	2 171 536	1 216 515	(955 021)	1 228 078
Road transport	8 770 378	43 843 534	52 613 912	7 047 541	(45 566 371)	7 884 774
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	19 741 639	250 000	19 991 639	17 861 655	(2 129 984)	23 175 224
Water management	40 021 047	(4 254 208)	35 766 839	29 023 700	(6 743 139)	36 270 633
Waste water management	18 575 002	4 174 186	22 749 188	18 859 570	(3 889 618)	31 006 579
Waste management	4 711 623	(438 000)	4 273 623	1 375 875	(2 897 748)	6 765 904
Other	-	-	-	-	-	-
Total Capital Expenditure - Standard	147 352 476	69 502 481	216 854 957	126 167 296	(90 687 661)	144 748 874
CAPITAL EXPENDITURE (CONTINUED)						
FUNDING SOURCES						
National Government	39 660 001	38 001 562	77 661 563	38 489 258	(39 172 305)	25 310 555
Provincial Government	41 100 000	26 263 519	67 363 519	39 762 833	(27 600 686)	27 369 332
District Municipality	-	67 203	67 203	-	(67 203)	192 797
Other transfers and grants	-	-	-	-	-	2 568 373
Transfers recognised - capital	80 760 001	64 332 284	145 092 285	78 252 091	(66 840 194)	55 441 057
Borrowing	56 095 725	(2 343 000)	53 752 725	38 094 780	(15 657 945)	64 699 762
Internally generated funds	10 496 750	7 513 197	18 009 947	9 820 426	(8 189 521)	24 608 055
Total Capital Funding	147 352 476	69 502 481	216 854 957	126 167 296	(90 687 661)	144 748 874



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	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	146 006 546	(3 273 573)	142 732 972	149 081 611	6 348 639	130 392 622
Service charges	258 774 218	(4 550 760)	254 223 458	265 234 654	11 011 197	228 345 017
Other revenue	43 460 799	(21 294 957)	22 165 842	23 566 387	1 400 545	16 806 814
Transfers and Subsidies - Operational	161 314 662	7 970 576	169 285 238	189 863 953	20 578 715	145 523 254
Transfers and Subsidies - Capital	80 760 001	48 510 341	129 270 342	77 999 337	(51 271 005)	52 495 672
Interest	12 938 995	(2 384 260)	10 554 735	6 135 295	(4 419 440)	11 644 929
Payments						
Suppliers and employees	(580 023 154)	(94 306 159)	(674 329 313)	(606 298 754)	68 030 559	(586 986 447)
Finance charges	(16 557 836)	(8 948 984)	(25 506 820)	(21 622 624)	3 884 196	(14 072 662)
Transfers and grants	(10 105 802)	(826 568)	(10 932 370)	(8 122 821)	2 809 549	(8 427 139)
NET CASH FROM OPERATING ACTIVITIES	96 568 429	(79 104 345)	17 464 084	75 837 038	58 372 954	(24 277 938)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	10	45 000	45 010	678 435	633 425	1 071 565
Decrease (increase) in non-current investments	(1 000 000)	(382 886)	(1 382 886)	(1 046 537)	336 349	(991 900)
Payments						
Capital assets	(147 352 476)	(69 502 481)	(216 854 957)	(124 362 917)	92 492 040	(142 454 358)
NET CASH USED IN INVESTING ACTIVITIES	(148 352 466)	(69 840 367)	(218 192 833)	(124 731 020)	93 461 813	(142 374 693)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	56 095 725	(2 343 000)	53 752 725	-	(53 752 725)	103 715 446
Increase (decrease) in consumer deposits	315 991	13 167	329 158	658 625	329 467	517 560
Payments						
Repayment of borrowing	(19 000 000)	(2 368 241)	(21 368 241)	(21 298 156)	70 085	(17 646 316)
NET CASH FROM FINANCING ACTIVITIES	37 411 716	(4 698 074)	32 713 642	(20 639 531)	(53 353 173)	86 586 691
NET INCREASE/ (DECREASE) IN CASH HELD	(14 372 321)	(153 642 785)	(168 015 106)	(69 533 512)	98 481 594	(80 065 941)
Cash/cash equivalents at the year begin:	178 917 692	(93 001 313)	85 916 380	85 916 380	-	165 982 321
Cash/cash equivalents at the year end:	164 545 372	(246 644 098)	(82 098 726)	16 382 868	98 481 594	85 916 380



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence
30 November 2024