LAINGSBURG
MUNICIPALITY

[These financial statements have not been audited]

ANNUAL FINANCIAL STATEMENTS

30 JUNE 2024

LAINGSBURG MUNICIPALITY

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LAINGSBURG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

NATURE OF BUSINESS

Laingsburg Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 108 of 1998)

GRADING OF MUNICIPALITY

Grade 1

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Laingsburg Municipality includes the following areas:
Laingsburg
Matjiesfontein
Vleiland
Scattered Farming community

EXECUTIVE MAYOR

A Kleinbooi

DEPUTY EXECUTIVE MAYOR

S Laban

SPEAKER

M Gouws

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor	A Kleinbooi
Deputy Executive Mayor	S Laban
Speaker	M Gouws
Executive Councillor	J Botha
	A Theron
	L Potgieter
	J Pieterse

MUNICIPAL MANAGER

Mr J Booysen

CHIEF FINANCIAL OFFICER

Ms A Groenewald

REGISTERED OFFICE

Private Bag X4
Laingsburg
6900

AUDITORS

Office of the Auditor-General (Western Cape)

PRINCIPLE BANKERS

LAINGSBURG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

ABSA Bank

ATTORNEYS

Wilna Roux Prokureurs
Abraham Kiewiets Inc

LAINGSBURG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

RELEVANT LEGISLATION

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

MEMBERS OF THE LAINGSBURG MUNICIPALITY

WARD	COUNCILLOR
1	J Pieterse
2	A Theron
3	L Potgieter
4	M Gouws
Proportional	J Botha
Proportional	S Laban
Proportional	A Kleinbooi

ABBREVIATIONS

DBSA	Development Bank of South Africa
COID	Compensation for Occupational Injuries and Diseases
HDF	Housing Development Act
GRAP	Generally Recognised Accounting Practice
LGSETA	Local Government Services Sector Education & Training Authority
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MSIG	Municipal System Improvement grant
NDPG	Neighbourhood Development and Partnership Grant
SALGA	South African Local Government Association

LAINGSBURG MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2024, which are set out on pages 3 to 120 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

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

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

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

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

Mr J Booysen **Municipal Manager**	07/10/2024 **Date**

LAINGSBURG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R	2023 R
ASSETS			
Non-Current Assets		**324 704 404**	**288 789 763**
Property, Plant and Equipment	**2**	302 810 358	265 804 648
Investment Property	**3**	21 207 961	22 152 686
Intangible Assets	**4**	155 515	263 637
Heritage Assets	**5**	43 354	43 354
Non-Current Receivables from Exchange Transactions	**6**	483 248	502 107
Non-Current Receivables from Non-Exchange Transactions	**7**	3 968	23 331
Current Assets		**24 701 480**	**18 525 288**
Inventory	**9**	143 433	259 675
Receivables from Exchange Transactions	**10**	3 165 425	2 801 567
Receivables from Non-exchange Transactions	**11**	5 426 118	6 461 557
Operating Lease Asset	**8.1**	70 529	77 976
VAT receivable	**19**	9 182 600	6 445 428
Cash and Cash Equivalents	**12.1**	6 713 375	2 479 086
Total Assets		**349 405 884**	**307 315 051**
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		**39 527 042**	**26 096 553**
Non-current Provisions	**13**	33 723 042	20 175 553
Non-current Employee Benefits	**14**	5 804 000	5 921 000
Current Liabilities		**26 399 266**	**23 262 401**
Consumer Deposits	**15**	1 045 670	929 607
Current Employee Benefits	**16**	3 259 784	3 004 592
Trade and Other Payables from Exchange Transactions	**17**	20 098 672	18 164 549
Unspent Transfers and Subsidies	**18**	1 995 140	1 161 351
VAT Payable	**19.3**	-	-
Operating Lease Liability	**8.2**	-	2 302
Total Liabilities		**65 926 308**	**49 358 954**
Net Assets		**283 479 576**	**257 956 097**
Accumulated Surplus/(Deficit)		283 479 576	257 956 097
Total Net Assets and Liabilities		**349 405 884**	**307 315 051**

LAINGSBURG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R	2023 R
REVENUE			
Revenue from Non-exchange Transactions		**113 370 795**	**113 346 909**
Taxation Revenue		**5 320 209**	**5 116 496**
Property Rates	**22**	5 024 646	5 116 496
Surcharges and Taxes		295 563	-
Transfer Revenue		**73 574 342**	**53 489 945**
Government Grants and Subsidies	**23**	72 364 342	53 489 945
Contributed Property, Plant and Equipment	**24**	1 210 000	-
Other Revenue		**34 476 244**	**54 740 469**
Availability Charges	**25**	287 668	275 418
Fines. Penalties and Forfeits	**M2**	33 765 412	54 128 341
Interest Earned - Non-exchange Transactions		423 163	336 710
Licences and Permits	**26**	-	-
Revenue from Exchange Transactions		**31 969 274**	**25 365 537**
Service Charges	**27**	27 390 132	22 017 848
Sales of Goods and Rendering of Services	**28**	294 883	119 534
Rent on Land	**29**	102 655	24 948
Rental from Fixed Assets	**30**	1 643 719	1 711 845
Interest Earned - External Investments	**31**	1 264 711	415 483
Interest Earned - Exchange Transactions	**32**	777 982	676 843
Licences and Permits	**26**	256 397	194 405
Agency Services	**64.2**	196 641	184 917
Operational Revenue	**33**	42 155	19 713
Total Revenue		**145 340 070**	**138 712 446**
EXPENDITURE			
Employee related costs	**34**	33 342 125	31 573 712
Remuneration of Councillors	**35**	3 606 532	3 318 112
Bad Debts Written Off		-	622 351
Contracted Services	**36**	5 205 268	5 068 194
Depreciation and Amortisation	**37**	13 371 821	12 257 598
Finance Costs	**38**	2 517 880	2 766 972
Bulk Purchases	**39**	11 873 369	10 737 433
Inventory Consumed	**11**	2 200 073	2 540 695
Operating Leases		744 852	622 710
Transfers and Subsidies	**40**	-	12 473
Operational Costs	**41**	14 509 018	13 876 341
Total Expenditure		**87 370 937**	**83 396 592**
Operating Surplus/(Deficit) for the Year		**57 969 132**	**55 315 855**
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	**9**	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	**48**	(33 069 872)	(48 622 618)
Gains/(Loss) on Sale of Fixed Assets	**49**	(248 845)	(4 830 853)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	**2.8**	10 934	(1 770 960)
Actuarial gain/(loss)	**14**	862 129	708 000
Water Losses	**50**	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		**25 523 478**	**799 424.43**

LAINGSBURG MUNICIPALITY

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

	Accumulated Surplus/ (Deficit)	Total
	R	R
Balance at 1 July 2022	**257 889 488**	**257 889 488**
Correction of Error - note	(732 815)	(732 815)
Change in Accounting Policy - note	-	-
Restated balance	257 156 673.01	257 156 673
Net Surplus/(Deficit) for the year	799 424	799 424
Net Surplus/(Deficit) previously reported	1 214 810	1 214 810
Effects of Correction of Errors - note	(415 385)	(415 385)
Effects of Change in Accounting Policy - note	-	-
Transfer to/from CRR	-	-
Property, Plant and Equipment purchased	-	-
Capital Grants used to purchase PPE	-	-
Transfer to Housing Development Fund	-	-
Asset Disposals	-	-
Offsetting of depreciation	-	-
Balance at 30 June 2023	**257 956 097.44**	**257 956 097**
Correction of Error - note	-	-
Change in Accounting Policy - note	-	-
Restated balance	**257 956 097**	**257 956 097**
Net Surplus/(Deficit) for the year	25 523 478	25 523 478
Transfer to/from CRR	-	-
Property, Plant and Equipment purchased	-	-
Capital Grants used to purchase PPE	-	-
Transfer to Housing Development Fund	-	-
Asset Disposals	-	-
Offsetting of depreciation	-	-
Balance at 30 June 2024	**283 479 576**	**283 479 576**

LAINGSBURG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R	2023 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		5 884 167	4 817 186
Service Charges		26 539 806	25 968 004
Other Revenue		5 689 540	277 783
Government - Operating and Capital		74 610 772	53 601 377
Interest		1 264 711	415 483
Dividends		-	-
Cash payments			
Suppliers of goods and services		(36 005 944)	(29 701 340)
Employee related cost		(35 948 336)	(34 280 104)
Finance Charges		(968 667)	(682 133)
Transfers and Grants		-	(12 473)
Net Cash from Operating Activities	**58**	**41 066 047**	**20 403 784**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(37 222 382)	(21 412 548)
Proceeds on Disposal of Fixed Assets		-	(419 370)
Purchase of Investment Properties		630 000	419 370
Purchase of Intangible Assets		-	-
Purchase of Heritage Assets		-	-
Purchase of Agricultural Assets		-	-
Net Cash from Investing Activities		**(36 592 382)**	**(21 412 548)**
CASH FLOW FROM FINANCING ACTIVITIES			
Short term Loans			-
Borrowing - Long term/Refinancing		-	-
Repayment of Borrowing		-	-
Repayment of Finance leases		-	-
Decrease / (Increase) in Long-term Receivables		38 222	95 026
Net Cash from Financing Activities		**38 222**	**95 026**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4 511 887	(913 738)
Cash and Cash Equivalents at the beginning of the year		2 479 086	3 041 002
Cash and Cash Equivalents at the end of the year	59	6 713 375	2 479 086
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**4 234 289**	**(561 916)**

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

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Approved Budget	Adjustments	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Reasons for Material variances
			R	R	R	R	R	R	R	R	R	
ASSETS												
Current Assets		62.2.1										
Cash and cash equivalents	Cash and cash equivalents		25 995 459		(761 553)	25 233 906			25 233 906	6 713 375	(18 520 531)	*Insert reason*
Trade and other receivables from exchange transactions	Receivables from Exchange Transactions		3 105 672		(683 328)	2 422 344			2 422 344	3 165 425	743 081	*Insert reason*
Receivables from non-exchange transactions	Receivables from Non-exchange Transactions		(17 905 052)		8 361 469	(9 543 583)			(9 543 583)	5 426 118	14 969 701	
Other current assets			2 233 328		99 407	2 332 735	-	-	2 332 735	70 529	(2 262 206)	*Insert reason*
	Unpaid Transfers and Subsidies									-		
	Operating Lease Asset									70 529		
	Finance lease assets									-		
	Construction contracts - assets									-		
Current Portion of non-current receivables	Current Portion of Non-Current Receivables		-		-	-			-	-	-	
VAT	VAT receivable		7 240 053		(1 479 614)	5 760 439			5 760 439	9 182 600	3 422 161	
Inventory	Inventory		306 290		(35 590)	270 700			270 700	143 433	(127 267)	
Total Current Assets			20 975 750	-	5 500 791	26 476 541	-	-	26 476 541	24 701 480	(1 775 061)	
Non-Current Assets		62.2.2										
Investments	Investments		-		-	-			-	-	-	*Insert reason*
Investment property	Investment Property		23 414 113		(1 261 427)	22 152 686			22 152 686	21 207 961	(944 725)	
Property, plant and equipment	Property, Plant and Equipment		232 960 707		75 029 719	307 990 426			307 990 426	302 810 358	(5 180 068)	
Biological assets	Agricultural Assets		-		-	-			-	-	-	
Living and non-living resources	Living Resources		-		-	-			-	-	-	
Heritage assets	Heritage Assets		43 354		-	43 354			43 354	43 354	-	
Intangible assets	Intangible Assets		611 122		(86 213)	524 909			524 909	155 515	(369 394)	
Trade and other receivables from exchange transactions	Non-Current Receivables from Exchange Transactions		18 135		507 303	525 438			525 438	483 248	(42 190)	
Non-current receivables from non-exchange transactions	Non-Current Receivables from Non-Exchange Transactions		-		-	-			-		-	
Other non-current assets	Operating Lease Asset		-		-	-			-		-	
Total Non-Current Assets			257 047 431	-	74 189 382	331 236 813	-	-	331 236 813	324 700 435	(6 536 378)	
TOTAL ASSETS			278 023 181	-	79 690 173	357 713 354	-	-	357 713 354	349 401 915	(8 311 439)	
LIABILITIES												
Current Liabilities		62.2.3										
Bank Overdraft	Cash and Cash Equivalents (Current Liability)		-	-	-	-			-	-		*Insert reason*
Financial liabilities			-	-	-	-			-	(0)		*Insert reason*
	Current Portion of Long-term Borrowings									(0)		
	Short-term Borrowings									-		
Consumer Deposits	Consumer Deposits		852 185		77 423	929 608			929 608	1 045 670		*Insert reason*
Trade and other payables from exchange transactions	Trade and Other Payables from Exchange Transactions		14 037 575		6 459 773	20 497 348			20 497 348	20 098 672		*Insert reason*
Trade and other payables from non-exchange transactions			1 710 919		(562 764)	1 148 155			1 148 155	1 995 140		
	Unspent Transfers and Subsidies									1 995 140		
	Transfers and Subsidies Payable									-		
Provisions			2 886 872		(2 608 872)	278 000			278 000	3 259 784		*Insert reason*
	Provisions									-		
	Current Employee Benefits									3 259 784		
VAT	VAT payable		1 064 223		(2 533 386)	(1 469 163)			(1 469 163)	-		
Other current liabilities			121 000		8 000	129 000			129 000	-		
	Construction contracts - liability									-		
	Operating Lease Liability									-		
Total Current Liabilities			20 672 774	-	840 174	21 512 948	-	-	21 512 948	26 399 266		
Non-Current Liabilities		62.2.4										
Borrowing	Long-term Borrowings		2 998		(696)	2 302			2 302	-		*Insert reason*
Provisions			24 794 166		1 302 387	26 096 553			26 096 553	39 527 042		*Insert reason*
	Non-current Provisions									33 723 042		
	Non-current Employee Benefits									5 804 000		
Long-term portion of trade payables	Trade and Other Payables from Exchange Transactions		-		-	-			-	-		
Other non-current liabilities	Operating Lease Liability		-		-	-			-	-		
Total Non-Current Liabilities			24 797 164	-	1 301 691	26 098 855	-	-	26 098 855	39 527 042		
TOTAL LIABILITIES			45 469 938		2 141 865	47 611 803	-	-	47 611 803	65 926 308		
NET ASSETS		62.2.5										
Accumulated Surplus/(Deficit)			232 499 822		82 719 924	315 219 746			315 219 746	283 479 576		*Insert reason*
Funds and reserves			-		-	-			-	-		*Insert reason*
	Capital Replacement Reserve											
	Compensation for Occupational Injuries and Diseases Reserve											
	Donations and Public Contribution Reserve											
	Employee Benefits Reserve											
	Housing Development Fund											
	Non-Current Provisions Reserve											
	Revaluation Reserve											
	Self Insurance Reserve											
	Social Contribution Reserve											
	Valuation Roll Reserve											
TOTAL NET ASSETS			232 499 822		82 719 924	315 219 746	-	-	315 219 746	283 479 576		
			53 421		(5 171 616)	(5 118 195)	-	-	(5 118 195)	(3 968)		

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

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Approved Budget	Adjustments	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Reasons for Material variances
			R	R	R	R	R	R	R	R	R	
REVENUE BY SOURCE		**62.2.6**										
Exchange Revenue												
Service Charges	Service Charges		29 496 040	-	4 396 187	33 892 227	-	-	33 892 227	27 390 132	(6 502 095)	
Service Charges - Electricity			19 471 221		784 823	20 256 044			20 256 044			
Service Charges - Water			5 407 678		(153 083)	5 254 595			5 254 595			
Service Charges - Waste water management			2 208 901		2 079 151	4 288 052			4 288 052			
Service Charges - Waste management			2 408 240		1 685 296	4 093 536			4 093 536			
Sales of Goods and Rendering of Services			191 040	#REF!	153 312	344 352			344 352	294 883	(49 469)	
Agency Services	Agency Services		221 172		-	221 172			221 172	196 641	(24 531)	
Interest			-		-	-			-		-	
Interest earned from receivables	Interest Earned - Exchange Transactions		541 128		44 304	585 432			585 432	777 982	192 550	
Interest Earned from current and non-current assets	Interest Earned - External Investments		454 224		430 440	884 664			884 664	1 264 711	380 047	
Dividends			-		-	-			-		-	*Insert reason*
Rent on land	Rent on Land		34 980		49 068	84 048			84 048	102 655	18 607	
Rental from Fixed Assets	Rental from Fixed Assets		1 806 360		(147 504)	1 658 856			1 658 856	1 643 719	(15 137)	
Licences and Permits	Licences and Permits		181 368		103 008	284 376			284 376	256 397	(27 979)	
Operational revenue			112 260	-	(42 480)	69 780			69 780	42 155	(27 625)	
	Operational revenue									42 155		
	Development charges									-		
	Construction revenue									-		
Non-Exchange Revenue												
Property Rates	Property Rates		5 473 892		(500 588)	4 973 304			4 973 304	5 024 646	51 342	
Surcharges and Taxes	Surcharges and Taxes		3 302 568		-	3 302 568			3 302 568	295 563	(3 007 005)	
Fines, penalties and forfeits	Fines, Penalties and Forfeits		28 289 748		224 268	28 514 016			28 514 016	33 765 412	5 251 396	*Insert reason*
Licences and Permits	Licences and Permits		-		-	-			-	-	-	*Insert reason*
Transfers and subsidies - operational	Government Grants and Subsidies (Operational only)		35 784 208		(50 068)	35 734 140			35 734 140	33 434 717	(2 299 423)	*Insert reason*
Interest	Interest Earned - Non-exchange Transactions		356 280		(78 180)	278 100			278 100	423 163	145 063	
Fuel levy	Fuel levy		-		-	-			-	-	-	
Operational revenue			-	-	-	-			-	287 668	287 668	
	Operational Revenue											
	Public Contributions and Donations											
	Availability charges									287 668		
Gains on disposal of assets	Gains on Sale of Fixed Assets		6 360		-	6 360			6 360	(248 845)	(255 205)	
Other gains			-	-	-	-			-	862 129	862 129	*Insert reason*
	Actuarial Gains									862 129		
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets											
	Inventories:(Write-down)/Reversal of Write-down to Net Realisable Value											
	Profit/(Loss) on Fair Value Adjustments											
	Profit/(Loss) from Discontinued Operations											
Discontinued operations			-		-	-			-		-	
Total Revenue (excluding capital transfers and contributions)			106 251 628	#REF!	4 581 767	110 833 395	-	-	110 833 395	105 813 729	(5 019 666)	

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Approved Budget	Adjustments	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Reasons for Material variances
			R	R	R	R	R	R	R	R	R	
EXPENDITURE		**62.2.7**										
Employee Related Costs			33 823 944		(800 748)	33 023 196			33 023 196	33 342 125	318 929	*Insert reason*
Remuneration of Councillors			3 527 340		(22 308)	3 505 032			3 505 032	3 606 532	101 500	*Insert reason*
Bulk purchases - electricity	Reversal of Impairment Loss/(Impairment Loss) on Receivables		13 604 040		(892 872)	12 711 168			12 711 168	11 873 369	(837 799)	*Insert reason*
Inventory consumed	Bad Debts Written Off		3 607 260		(636 156)	2 971 104			2 971 104	2 200 073	(771 031)	
Debt impairment	Depreciation and Amortisation		1 530 612		1 251 588	2 782 200			2 782 200	33 069 872	30 287 672	*Insert reason*
Depreciation and amortisation	Finance Costs		5 918 520		10 524	5 929 044			5 929 044	13 371 821	7 442 777	*Insert reason*
Interest	Bulk Purchases (Electricity only)		956 928		-	956 928			956 928	2 517 880	1 560 952	*Insert reason*
Contracted Services			7 315 140		(1 646 028)	5 669 112			5 669 112	5 205 268	(463 844)	*Insert reason*
Transfers and Subsidies			209 844		2 652	212 496			212 496	-	(212 496)	*Insert reason*
Irrecoverable debts written off			24 442 152		(10 048 440)	14 393 712			14 393 712	-	(14 393 712)	
Operational costs			17 926 924		(1 001 332)	16 925 592			16 925 592	15 253 870	(1 671 722)	*Insert reason*
	Operational Costs									14 509 018		
	Operating leases									744 852		
Losses on disposal of assets	(Loss) on Sale of Fixed Assets		-		-	-			-		-	*Insert reason*
Other losses			-		-	-			-		-	
	Actuarial Losses											
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets											
	Profit/(Loss) on Fair Value Adjustments											
	Inventories:(Write-down)/Reversal of Write-down to Net Realisable Value											
	Profit/(Loss) from Discontinued Operations											
	Water Losses											
Total Expenditure			112 862 704	-	(13 783 120)	99 079 584	-	-	99 079 584	120 440 809	21 361 225	
Surplus/(Deficit)			(6 611 076)		18 364 887	11 753 811	-	-	11 753 811	(14 627 080)	(26 380 890)	
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies (Capital only)		48 344 050		(3 251 950)	45 092 100			45 092 100	41 349 624	(3 742 476)	*Insert reason*
Transfers and subsidies - capital (in-kind - all)	Contributed Property, Plant and Equipment				-				-			*Insert reason*
Surplus/(Deficit) after Capital Transfers & Contributions			41 732 974		15 112 937	56 845 911	-	-	56 845 911	26 722 545	(30 123 366)	
Taxation					-				-			*Insert reason*
Surplus/(Deficit) after Taxation			41 732 974		15 112 937	56 845 911	-	-	56 845 911	26 722 545	(30 123 366)	
Attributable to Minorities					-				-			*Insert reason*
Surplus/(Deficit) Attributable to Municipality			41 732 974		15 112 937	56 845 911	-	-	56 845 911	26 722 545	(30 123 366)	
Share of Surplus/(Deficit) of Associate					-				-			*Insert reason*
Surplus/(Deficit) for the year			41 732 974		15 112 937	56 845 911	-	-	56 845 911	26 722 545	(30 123 366)	

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

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Approved budget	Adjustments	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Reasons for Material variances
			R	R	R	R	R	R	R	R	R	
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates	Taxation		5 378 180		(424 292)	4 953 888			4 953 888	5 884 167		*Insert reason*
Service Charges			28 128 563		1 790 653	29 919 216			29 919 216	26 539 806		*Insert reason*
	Service charges											
	Less:											
	Increase/(Decrease) in Consumer Deposits											
Other Revenue			34 131 864		1 217 940	35 349 804			35 349 804	5 689 540		*Insert reason*
Transfers and Subsidies - Operational	Government - Operating		35 784 198		(10 846 446)	24 937 752			24 937 752	74 610 772		*Insert reason*
Transfers and Subsidies - Capital	Government - Capital		48 344 050		(3 251 950)	45 092 100			45 092 100	-		*Insert reason*
Interest			454 224		430 440	884 664			884 664	1 264 711		*Insert reason*
Dividends			-		-	-			-	-		*Insert reason*
Payments												
Suppliers and Employees			(79 972 144)		5 024 152	(74 947 992)			(74 947 992)	(36 005 944)		*Insert reason*
	Suppliers of goods and services											
	Employee related cost											
Finance charges			(956 928)		-	(956 928)			(956 928)	(968 667)		*Insert reason*
Transfers and Subsidies	Transfers and Grants				-				-	-		*Insert reason*
Net Cash from/(used) Operating Activities		**62.2.8**	71 292 007		(6 059 503)	65 232 504	-	-	65 232 504	77 014 384		
CASH FLOW FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			-		-	-			-	-		*Insert reason*
Decrease (increase) in Non-Current Receivables			-		-	-			-			*Insert reason*
Decrease/(Increase) in Non-Current Investments			-		-	-			-			*Insert reason*
Payments												
Capital Assets			(48 344 052)		(88 068)	(48 432 120)			(48 432 120)	(36 592 382)		*Insert reason*
	Purchase of Property, Plant and Equipment											
	Purchase of Investment Properties											
	Purchase of Intangible Assets											
	Purchase of Heritage Assets											
	Purchase of Agricultural Assets											
Net Cash from/(used) Investing Activities		**62.2.9**	(48 344 052)		(88 068)	(48 432 120)	-	-	(48 432 120)	(36 592 382)		

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Note Ref	Approved budget	Adjustments	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Difference between Final Budget and Actual Outcome	Reasons for Material variances
			R	R	R	R	R	R	R	R	R	
CASH FLOW FROM FINANCING ACTIVITIES												
Receipts												
Short Term Loans			-		-	-			-	-		*Insert reason*
Borrowing long term/refinancing			-		-	-			-	-		*Insert reason*
Increase (decrease) in consumer deposits			-		-	-			-	-		*Insert reason*
Payments												
Repayment of Borrowing			-		-	-			-	-		*Insert reason*
	Repayment of Borrowing											
	Repayment of Finance leases											
Net Cash from/(used) Financing Activities		**62.2.10**	-		-	-	-	-	-	-		
NET INCREASE/(DECREASE) IN CASH HELD			22 947 955		(6 147 571)	16 800 384	-	-	16 800 384	40 422 001		
Cash and Cash Equivalents at the year begin:			3 089 852		(612 766)	2 477 086			2 477 086	2 479 086		
Cash and Cash Equivalents at the year end:			26 037 807		(6 760 337)	19 277 470	-	-	19 277 470	42 901 087		

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

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

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Municipal Manager	10101 - Mayoral Council - Council General Expences	Aggregated	Executive and Council	Supporting service departments
	10102 - Mayoral Council - Subsidies	Aggregated	Executive and Council	Supporting service departments
	11111 - Municipal Manager - Municipal Manager	Aggregated	Executive and Council	Supporting service departments
Vote 2 - Corporate Services	12121 - Corporate Services - Administration	Aggregated	Corporate Services	Supporting service departments
	12122 - Corporate Services - Fixed Property	Aggregated	Corporate Services	Supporting service departments
	12123 - Corporate Services - Matjiesfontein	Aggregated	Corporate Services	Supporting service departments
	13133 - Budget Treasury - Tourism	Aggregated	Corporate Services	Supporting service departments
	14141 - Planning and Development - Integrated Development (GOP)	Aggregated	Corporate Services	Supporting service departments
	17171 - Housing - Housing - Rental Schemes	Aggregated	Corporate Services	Supporting service departments
Vote 3 - Financial Services	13131 - Budget Treasury - Financial Services	Aggregated	Financial Services	Supporting service departments
	13132 - Budget Treasury - Property Rates	Aggregated	Financial Services	Supporting service departments
Vote 4 - Community Services	15151 - Community and Social Services - Health Services	Aggregated	Community and Public Safety	Community services, including cemetrery, library, parks and communinity facilities
	15152 - Community and Social Services - Cemetery	Aggregated	Community and Public Safety	
	15153 - Community and Social Services - Library	Aggregated	Community and Public Safety	
	16161 - Sports and Recreation - Airfield	Aggregated	Community and Public Safety	
	16162 - Sports and Recreation - Parks Recreation	Aggregated	Community and Public Safety	
	16163 - Sports and Recreation - Sport Facilities - Vleiland	Aggregated	Community and Public Safety	
	18181 - Public Safety - Fire Brigade	Aggregated	Community and Public Safety	Disaster management
	18182 - Public Safety - Traffic Services	Aggregated	Community and Public Safety	Traffic control and policing
Vote 5 - Infrastructure Services	19191 - Road Transport - Public Works - Administration	Aggregated	Technical Services	Management of roads and storm water
	19192 - Road Transport - Streets Stormwater	Aggregated	Technical Services	
	19193 - Road Transport - Main Roads	Aggregated	Technical Services	
	20201 - Waste Management - Cleaning Services - Refuse Removal	Aggregated	Technical Services	Water management, Electricity services, waste water management and waste management
	21211 - Waste Water Management - Sewerage Services	Aggregated	Technical Services	
	21221 - Waste Water Management - Water Supply	Aggregated	Technical Services	
	22221 - Water - Water Supply	Aggregated	Technical Services	
	23231 - Electricity - Electricity Supply	Aggregated	Technical Services	

SECONDARY SEGMENTS

Mscoa Functional Segments identified	Function	Aggregation	Reportable Segment	Types of Goods/Services delivered
Governance and Administration	Executive and council	Aggregated	Governance and Administration	Supporting service departments
	Finance and administration	Aggregated	Governance and Administration	Supporting service departments
Community and public safety	Community and social services	Aggregated	Community and public safety	Library services, Community halls rentals and recreation centers
	Sport and recreation	Aggregated	Community and public safety	
	Public safety	Aggregated	Governance and Administration	Disaster management and traffic control
	Health services	Aggregated	Governance and Administration	Community services
	Housing services	Aggregated	Governance and Administration	Housing
Economic and environmental services	Planning and development	Aggregated	Economic and environmental services	Integrated Development Planning (IDP)
	Road transport	Aggregated	Economic and environmental services	Management of roads and storm water
Trading services	Energy sources	Individually Reported	Energy sources	Electricity services
	Water management	Individually Reported	Water management	Water management
	Waste water management	Individually Reported	Waste water management	Waste water management
	Waste management service	Individually Reported	Waste management service	Waste management service
Other	Air Transport	Aggregated	Other	Airfield management
	Tourism	Aggregated	Other	Tourism

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

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

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

	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
SEGMENT REVENUE	**R**	**R**	**R**	**R**	**R**	**R**
External revenue from exchange transactions	**-**	**4 028 190**	**414 351**	**278 883**	**27 535 519**	**32 256 943**
Service Charges - Electricity	-	-	-	-	18 131 066	18 131 066
Service Charges - Water	-	-	-	-	3 936 094	3 936 094
Service Charges - Waste water management	-	62 628	-	-	2 780 940	2 843 569
Service Charges - Waste management	-	-	127 569	-	2 639 503	2 767 072
Sales of Goods and Rendering of Services	-	158 350	70 170	18 882	47 481	294 883
Agency Services	-	-	196 641	-	-	196 641
Interest Earned - Receivables - Exchange Transactions	-	593 685	-	-	-	593 685
Interest Earned - External Investments	-	1 264 711	-	-	-	1 264 711
Rent on land	-	102 655	-	-	-	102 655
Rental of Facilities and Equipment	-	1 639 681	-	3 604	435	1 643 719
Licences and Permits	-	-	-	256 397	-	256 397
Operational Revenue	-	22 183	19 972	-	-	42 155
External revenue from non-exchange transactions	**-**	**22 489**	**29 739 905**	**35 376 242**	**7 048 150**	**72 186 786**
Property rates	-	-	5 024 646	-	-	5 024 646
Fines, Penalties and Forfeits	-	8 300	-	33 757 112	-	33 765 412
Transfers Recognised - Operational	-	263 033	23 134 404	1 619 130	7 048 150	32 064 717
Interest Earned - Non-exchange Transactions	-	-	423 163	-	-	423 163
Gains on disposal of Assets	-	(248 845)	-	-	-	(248 845)
Total Segment Revenue (excluding capital transfers and contributions)	**-**	**4 050 679**	**30 154 256**	**35 655 126**	**34 583 669**	**104 443 729**
SEGMENT EXPENDITURE						
Employee Related Costs	4 309 464	3 293 314	7 293 593	5 015 333	13 430 421	33 342 125
Remuneration of Councillors	3 606 532	-	-	-	-	3 606 532
Bulk Purchases - Electricity	-	-	-	-	11 873 369	11 873 369
Inventory consumed	17 498	66 224	1 495	220 895	1 893 961	2 200 073
Debt Impairment	(10 934)	-	424 468	31 540 959	1 104 445	33 058 938
Depreciation and Amortisation	435 535	137 199	174 003	706 059	11 919 025	13 371 821
Interest	-	-	968 667	-	1 549 212	2 517 880
Contracted Services	40 361	848 668	2 812 874	357 349	1 146 017	5 205 268
Transfer and subsidies	-	-	-	-	-	-
Irrecoverable debt written off	-	-	-	-	-	-
Operational cost	600 557	2 596 884	9 797 059	594 098	1 665 272	15 253 870
Losses on disposal of Assets	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-
Total Segment Expenditure	**8 999 014**	**6 942 290**	**21 472 159**	**38 434 692**	**44 581 721**	**120 429 875**
Surplus/(Deficit)	**(8 999 014)**	**(2 891 611)**	**8 682 098**	**(2 779 567)**	**(9 998 052)**	**(15 986 146)**
Transfers and subsidies - capital (monetary allocations)	-	-	41 509 624	-	-	41 509 624
Surplus/(Deficit) after Capital Transfers & Contributions	**(8 999 014)**	**(2 891 611)**	**50 191 722**	**(2 779 567)**	**(9 998 052)**	**25 523 478**
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	**(8 999 014)**	**(2 891 611)**	**50 191 722**	**(2 779 567)**	**(9 998 052)**	**25 523 478**
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	**(8 999 014)**	**(2 891 611)**	**50 191 722**	**(2 779 567)**	**(9 998 052)**	**25 523 478**
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	**(8 999 014)**	**(2 891 611)**	**50 191 722**	**(2 779 567)**	**(9 998 052)**	**25 523 478**

LAINGSBURG MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

				Trading services					
	Governance and Administration	**Community and Public Safety**	**Economic and Environmental Services**	**Energy Sources**	**Water Management**	**Waste water management**	**Waste management services**	**Other**	**Total**
SEGMENT REVENUE	**R**	**R**	**R**	**R**	**R**	**R**	**R**	**R**	**R**
External revenue from exchange transactions	**4 304 147**	**289 708**	**37 296**	**18 131 066**	**3 936 094**	**2 780 940**	**2 777 692**	**-**	**32 256 943**
Service Charges - Electricity	-	-	-	18 131 066	-	-	-	-	18 131 066
Service Charges - Water	-	-	-	-	3 936 094	-	-	-	3 936 094
Service Charges - Waste water management	62 628	-	-	-	-	2 780 940	-	-	2 843 569
Service Charges - Waste management	-	-	-	-	-	-	2 767 072	-	2 767 072
Sales of Goods and Rendering of Services	228 520	18 882	36 861	-	-	-	10 620	-	294 883
Agency Services	196 641	-	-	-	-	-	-	-	196 641
Interest Earned - Receivables - Exchange Transactions	593 685	-	-	-	-	-	-	-	593 685
Interest Earned - External Investments	1 264 711	-	-	-	-	-	-	-	1 264 711
Rent on land	102 655	-	-	-	-	-	-	-	102 655
Rental of Facilities and Equipment	1 628 855	14 429	435	-	-	-	-	-	1 643 719
Licences and Permits	-	256 397	-	-	-	-	-	-	256 397
Operational Revenue	42 155	-	-	-	-	-	-	-	42 155
External revenue from non-exchange transactions	**29 762 394**	**35 376 242**	**1 223 000**	**2 062 120**	**1 457 555**	**1 218 687**	**1 086 788**	**-**	**72 186 786**
Property rates	5 024 646	-	-	-	-	-	-	-	5 024 646
Fines, Penalties and Forfeits	8 300	33 757 112	-	-	-	-	-	-	33 765 412
Transfers Recognised - Operational	23 397 437	1 619 130	1 223 000	2 062 120	1 457 555	1 218 687	1 086 788	-	32 064 717
Interest Earned - Non-exchange Transactions	423 163	-	-	-	-	-	-	-	423 163
Gains on disposal of Assets	(248 845)	-	-	-	-	-	-	-	(248 845)
Total Segment Revenue (excluding capital transfers and contributions)	**34 066 540**	**35 665 951**	**1 260 296**	**20 193 187**	**5 393 648**	**3 999 627**	**3 864 480**	**-**	**104 443 729**
SEGMENT EXPENDITURE									
Employee Related Costs	13 821 964	5 015 333	10 043 124	404 742	1 609 526	1 164 366	929 328	353 742	33 342 125
Remuneration of Councillors	3 606 532	-	-	-	-	-	-	-	3 606 532
Bulk Purchases - Electricity	-	-	-	11 873 369	-	-	-	-	11 873 369
Inventory consumed	62 884	220 895	850 460	45 624	519 349	152 594	326 286	21 982	2 200 073
Debt Impairment	413 535	31 540 959	-	23 070	436 217	254 298	390 860	-	33 058 938
Depreciation and Amortisation	729 333	706 059	3 890 162	669 495	2 402 038	2 131 985	2 825 345	17 404	13 371 821
Interest	968 667	-	-	-	-	-	1 549 212	-	2 517 880
Contracted Services	3 581 618	357 349	341 253	365 816	241 198	212 397	103 533	2 105	5 205 268
Transfer and subsidies	-	-	-	-	-	-	-	-	-
Irrecoverable debt written off	-	-	-	-	-	-	-	-	-
Operational cost	12 960 215	585 527	460 300	176 968	855 152	105 991	87 693	22 023	15 253 870
Total Segment Expenditure	**36 144 748**	**38 426 121**	**15 585 299**	**13 559 083**	**6 063 479**	**4 021 631**	**6 212 258**	**417 256**	**120 429 875**
Surplus/(Deficit)	**(2 078 207)**	**(2 760 171)**	**(14 325 004)**	**6 634 104**	**(669 831)**	**(22 004)**	**(2 347 778)**	**(417 256)**	**(15 986 146)**
Transfers and subsidies - capital (monetary allocations)	41 509 624	-	-	-	-	-	-	-	41 509 624
Surplus/(Deficit) after Capital Transfers & Contributions	**39 431 417**	**(2 760 171)**	**(14 325 004)**	**6 634 104**	**(669 831)**	**(22 004)**	**(2 347 778)**	**(417 256)**	**25 523 478**
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	**39 431 417**	**(2 760 171)**	**(14 325 004)**	**6 634 104**	**(669 831)**	**(22 004)**	**(2 347 778)**	**(417 256)**	**25 523 478**
Attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	**39 431 417**	**(2 760 171)**	**(14 325 004)**	**6 634 104**	**(669 831)**	**(22 004)**	**(2 347 778)**	**(417 256)**	**25 523 478**
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	**39 431 417**	**(2 760 171)**	**(14 325 004)**	**6 634 104**	**(669 831)**	**(22 004)**	**(2 347 778)**	**(417 256)**	**25 523 478**

LAINGSBURG MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
SEGMENT REVENUE	R	R	R	R	R	R
External revenue from exchange transactions	**-**	**2 882 291**	**249 001**	**214 524**	**22 295 139**	**25 640 955**
Service Charges - Electricity	-	-	-	-	14 739 213	14 739 213
Service Charges - Water	-	-	-	-	2 833 672	2 833 672
Service Charges - Waste water management	-	14 235	-	-	2 201 789	2 216 024
Service Charges - Waste management	-	-	7 806	-	2 496 552	2 504 358
Sales of Goods and Rendering of Services	-	39 221	36 831	19 570	23 913	119 534
Agency Services	-	-	184 917	-	-	184 917
Interest	-	96 853	-	-	-	96 853
Interest Earned - Receivables - Exchange Transactions	-	579 990	-	-	-	579 990
Interest Earned - External Investments	-	415 483	-	-	-	415 483
Rent on land	-	24 948	-	-	-	24 948
Rental of Facilities and Equipment	-	1 711 295	-	549	-	1 711 845
Licences and Permits	-	-	-	194 405	-	194 405
Operational Revenue	-	267	19 447	-	-	19 713
External revenue from non-exchange transactions	**-**	**147 799**	**30 935 043**	**55 502 101**	**3 308 047**	**89 892 991**
Property rates	-	-	5 116 496	-	-	5 116 496
Fines, Penalties and Forfeits	-	-	-	54 128 341	-	54 128 341
Transfers Recognised - Operational	-	147 799	24 773 838	1 373 760	3 308 047	29 603 445
Interest Earned - Non-exchange Transactions	-	-	336 710	-	-	336 710
Total Segment Revenue (excluding capital transfers and contributions)	**-**	**3 030 091**	**31 184 044**	**55 716 625**	**25 603 187**	**115 533 946**
SEGMENT EXPENDITURE						
Employee Related Costs	4 567 171	3 184 148	6 406 313	4 766 087	12 649 993	31 573 712
Remuneration of Councillors	3 318 112	-	-	-	-	3 318 112
Bulk Purchases - Electricity	-	-	-	-	10 737 433	10 737 433
Inventory consumed	16 938	108 418	567	194 975	2 219 797	2 540 695
Debt Impairment	-	-	2 665 471	46 947 802	780 305	50 393 578
Depreciation and Amortisation	347 028	182 447	86 213	641 106	11 000 806	12 257 598
Interest	-	-	682 133	-	2 084 840	2 766 972
Contracted Services	54 677	1 388 631	1 986 560	374 194	1 264 132	5 068 194
Transfer and subsidies	7 861	4 612	-	-	-	12 473
Irrecoverable debt written off	-	-	-	-	622 351	622 351
Operational cost	638 734	3 136 378	8 503 990	555 589	1 664 360	14 499 051
Losses on disposal of Assets	-	4 830 853	-	-	-	4 830 853
Total Segment Expenditure	**8 950 521**	**12 835 486**	**20 331 245**	**53 479 752**	**43 024 017**	**138 621 022**
Surplus/(Deficit)	**(8 950 521)**	**(9 805 396)**	**10 852 799**	**2 236 873**	**(17 420 830)**	**(23 087 076)**
Transfers Recognised - Capital	-	-	23 886 500	-	-	23 886 500
Surplus/(Deficit) after Capital Transfers & Contributions	**(8 950 521)**	**(9 805 396)**	**34 739 299**	**2 236 873**	**(17 420 830)**	**799 424**
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	**(8 950 521)**	**(9 805 396)**	**34 739 299**	**2 236 873**	**(17 420 830)**	**799 424**
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	**(8 950 521)**	**(9 805 396)**	**34 739 299**	**2 236 873**	**(17 420 830)**	**799 424**
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	**(8 950 521)**	**(9 805 396)**	**34 739 299**	**2 236 873**	**(17 420 830)**	**799 424**

LAINGSBURG MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading services				Other	Total
				Energy Sources	Water Management	Waste water management	Waste management services		
SEGMENT REVENUE	R	R	R	R	R	R	R	R	R
External revenue from exchange transactions	**3 112 296**	**225 714**	**22 453**	**14 739 213**	**2 833 672**	**2 201 789**	**2 505 818**	**-**	**25 640 955**
Service Charges - Electricity	-	-	-	14 739 213	-	-	-	-	14 739 213
Service Charges - Water	-	-	-	-	2 833 672	-	-	-	2 833 672
Service Charges - Waste water management	14 235	-	-	-	-	2 201 789	-	-	2 216 024
Service Charges - Waste management	-	-	-	-	-	-	2 504 358	-	2 504 358
Sales of Goods and Rendering of Services	76 051	19 570	22 453	-	-	-	1 460	-	119 534
Agency Services	184 917	-	-	-	-	-	-	-	184 917
Interest	96 853	-	-	-	-	-	-	-	96 853
Interest Earned - Receivables - Exchange Transactions	579 990	-	-	-	-	-	-	-	579 990
Interest Earned - External Investments	415 483	-	-	-	-	-	-	-	415 483
Rent on land	24 948	-	-	-	-	-	-	-	24 948
Rental of Facilities and Equipment	1 700 105	11 739	-	-	-	-	-	-	1 711 845
Licences and Permits	-	194 405	-	-	-	-	-	-	194 405
Operational Revenue	19 713	-	-	-	-	-	-	-	19 713
External revenue from non-exchange transactions	**26 251 990**	**55 502 101**	**1 117 478**	**609 118**	**569 204**	**540 077**	**472 170**	**-**	**85 062 138**
Property rates	5 116 496	-	-	-	-	-	-	-	5 116 496
Fines, Penalties and Forfeits	-	54 128 341	-	-	-	-	-	-	54 128 341
Transfers Recognised - Operational	24 921 637	1 373 760	1 117 478	609 118	569 204	540 077	472 170	-	29 603 445
Interest Earned - Non-exchange Transactions	336 710	-	-	-	-	-	-	-	336 710
Gains on disposal of Assets	(4 830 853)	-	-	-	-	-	-	-	(4 830 853)
Total Segment Revenue (excluding capital transfers and contributions)	**29 364 286**	**55 727 815**	**1 139 932**	**15 348 331**	**3 402 876**	**2 741 866**	**2 977 988**	**-**	**110 703 094**
SEGMENT EXPENDITURE									
Employee Related Costs	13 079 082	4 766 087	9 717 213	235 343	1 558 579	1 020 734	868 781	327 893	31 573 712
Remuneration of Councillors	3 318 112	-	-	-	-	-	-	-	3 318 112
Bulk Purchases - Electricity	-	-	-	10 737 433	-	-	-	-	10 737 433
Inventory consumed	70 798	194 975	674 422	275 927	810 099	78 075	381 274	55 126	2 540 695
Debt Impairment	2 665 471	46 947 802	-	(89)	399 373	212 108	168 913	-	50 393 578
Depreciation and Amortisation	615 687	641 106	3 818 946	662 280	2 316 611	1 977 137	2 225 832	-	12 257 598
Interest	682 133	-	-	-	-	-	2 084 840	-	2 766 972
Contracted Services	3 428 103	374 194	350 433	654 521	219 510	(151 983)	191 652	1 765	5 068 194
Transfer and subsidies	12 473	-	-	-	-	-	-	-	12 473
Irrecoverable debt written off	-	-	-	93 671	192 072	176 631	159 977	-	622 351
Operational cost	12 247 502	548 568	534 747	137 637	839 385	92 806	81 679	16 727	14 499 051
Total Segment Expenditure	**36 119 360**	**53 472 731**	**15 095 760**	**12 796 723**	**6 335 629**	**3 405 508**	**6 162 948**	**401 510**	**133 790 169**
Surplus/(Deficit)	**(6 755 074)**	**2 255 084**	**(13 955 828)**	**2 551 607**	**(2 932 752)**	**(663 642)**	**(3 184 959)**	**(401 510)**	**(23 087 076)**
Transfers Recognised - Capital	23 886 500	-	-	-	-	-	-	-	23 886 500
Surplus/(Deficit) after Capital Transfers & Contributions	**17 131 426**	**2 255 084**	**(13 955 828)**	**2 551 607**	**(2 932 752)**	**(663 642)**	**(3 184 959)**	**(401 510)**	**799 424**
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	**17 131 426**	**2 255 084**	**(13 955 828)**	**2 551 607**	**(2 932 752)**	**(663 642)**	**(3 184 959)**	**(401 510)**	**799 424**
Attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	**17 131 426**	**2 255 084**	**(13 955 828)**	**2 551 607**	**(2 932 752)**	**(663 642)**	**(3 184 959)**	**(401 510)**	**799 424**
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	**17 131 426**	**2 255 084**	**(13 955 828)**	**2 551 607**	**(2 932 752)**	**(663 642)**	**(3 184 959)**	**(401 510)**	**799 424**

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The Annual Financial Statements have been prepared in accordance with the historical cost convention, except where indicated otherwise.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner appropriate to the municipality's operations. The Cash Flow Statement has been prepared using the Direct Method.

1.1 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.2 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

1.2.1 Revenue Recognition

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). As far as Revenue from Non-exchange Transactions is concerned, and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

- Revenue for Traffic Fines:

There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue. Where a reliable estimate cannot be made of revenue from summonses, the revenue is recognised when the public prosecutor pays the cash collected over to the municipality.

1.2.2 Water Inventory

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

1.2.3 Impairment of Financial Assets

Accounting Policy 4.4 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

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

1.2.4 Impairment of Statutory Receivables

Accounting Policy 5.3 on Impairment of Statutory Receivables describes the process followed to determine the value at which Statutory Receivables should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality issatisfied that impairment of Statutory Receivables recorded during the year is appropriate.

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

- Impairment of Traffic Fines
  Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not to be made at the time of initial recognition.

1.2.5 Capitalisation of Capital Assets

Judgement by management is required to distinguish between expenses incurred to maintain and repair capital assets and expenses incurred that will increase the remaining useful life of capital assets and needs to be capitalised to capital assets.

1.2.6 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 6.3, 7.2 and 8.2, the municipality depreciates its Property, Plant & Equipment and Investment Property, and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

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

The useful lives of assets are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical, useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings, management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Management referred to the following when making assumptions regarding useful lives and residual values of assets:

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

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

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

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

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

1.2.7 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, and Inventories

Accounting Policy 10 on Impairment of Assets describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Value or Current Replacement Cost

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

1.2.8 Service Concession Arrangements

The municipality assesses whether it is a party to any service concession arrangements by considering the principlescontained in GRAP 32.Management has assessed all arrangements in place and concluded that there are no service concession arrangements towhich it was a party during this accounting period.

1.2.9 Defined Benefit Plan Liabilities

As described in Accounting Policy 15.2, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.2.10 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities.Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.2.11 Principals and Agent Arrangements

The municipality assesses whether it is a party to any principal-agent arrangements by considering the principles contained in GRAP 109.

The municipality is assessed to be the principal and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP. In order to assess that the municipality is the principal, the following factors were considered inapplying its judgement:

- The municipality acts as a principal for the service provider, Syntell, who acts municipality with the sale of prepaid electricity and water.

- The municipality acts as a principal for the service provider, the Provincial Department of Transport, who acts as an agent for the municipality with regards to the issuing of fines for various traffic violations within the Laingsburg Municipal Area.
- The municipality acts as a principal for the service provider, Central Karoo Traffic Systems (Pty) Ltd, who acts as an agent for the municipality with regards to the issuing and recovery of camera fines issued within the Laingsburg Municipal Area.

1.2.12 Provision for Landfill Sites

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

Management referred to the following when making assumptions regarding provisions:

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

1.2.13 Pre-paid electricity estimation

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year-end, which is still unused. The average pre-paid electricity sold per day during the year under review is used, and the estimate is calculated using between 5 and 10 days' worth of unused electricity.

1.2.14 Housing Arrangements

The municipality is not accredited to deliver housing under the national housing programme. However, it assesses its roles and responsibilities it undertakes for each project undertaken in terms of the national housing programme by assessing the terms and conditions agreed with the relevant Provincial Department of Human Settlements.

Management has assessed all arrangements in place and concluded that there are no housing arrangements to which it was a project manager or developer during this accounting period.

1.3 Going Concern Assumption

The Annual Financial Statements have been prepared on a Going Concern Assumption.

1.4 Standards, Amendments to Standards and Interpretations published but not yet Effective

The following GRAP Standards and Interpretations have been published but are not yet effective and have not been early adopted by the municipality. Additionally, these standards and interpretations are not always relevant to the municipality's operations and are indicated as such below:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 103	**Heritage assets** There are proposed amendments to the classification of mixed-use assets, cultural significance and the fair value accounting. The amendments to the Standard are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
GRAP 104	**Financial Instruments** The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. The Municipality might need to revise the categories of financial instruments and the impairment model. The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.	1 April 2025
GRAP 1: Going concern	**Presentation of Financial statements: Going concern** The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. Adjustments for going concern proposed to provide guidance on the preparation of AFS as going concern and the related disclosure. The transitional provisions are specified in the revised Standard. The amendments may not be applied. A by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
Improvement to GRAP standards (2023)	**Improvement to GRAP standards (2023)** The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The Improvements may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the Improvements once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
GRAP 105, GRAP 106 and GRAP 107	**Transfer of Functions and Mergers**	

REFERENCE	TOPIC	EFFECTIVE DATE
(amendments)	The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as Standards is not relevant to the operations of the Municipality.	
Guideline	**Application of Materiality of Financial Statements** The guideline is not authoritative but only encourage. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	No effective date as only encouraged
iGRAP 22	**Foreign Currency Transactions and Advanced Consideration** The interpretation is to provide guidance on determining the transaction date for purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. Early adoption of the Interpretation is encouraged. No significant impact is expected as the foreign currency transactions and advance consideration is not relevant to the operations of the Municipality.	1 April 2025

2. BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements. Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. Deviations between budget and actual amount are regarded as material differences when 10% deviations exists. Explanations is provided in the budget comparison regarding classification differences between the approved budget and the actual figures. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification.

The approved budget covers the period from 1 July 2023 to 30 June 2024.

3. INVENTORIES

3.1 Recognition and Initial Measurement

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. (can also include proportion of overhead costs).

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

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

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

3.2 Subsequent Measurement

3.2.1 Consumable and Material and Supplies

Subsequently, Consumables sold are valued at the lower of cost and net realisable value. Material and Supplies are held for own use and measured at the lower of cost and current replacement cost.

The cost is determined using the Weighted Average Method.

Consumable stores distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost.

3.2.2 Water Inventory

Water is regarded as Inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the Inventory to its present location and condition, net of trade discounts and rebates.

Water inventory is measured by telemetry readings and the calculated volume in the distribution network.

3.2.3 Other Arrangements

Redundant and slow-moving Inventories identified are written down from cost to current replacement cost, if applicable.

Differences arising on the measurement of such Inventory at the lower of cost and current replacement cost or net realisable value, are recognised in Surplus or Deficit in the year in which they arise. The amount of any reversal of any write-down of Inventories arising from an increase in current replacement cost or net realisable value is recognised as a reduction in the amount of Inventories recognised as an expense in the period in which the reversal occurs.

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

4. FINANCIAL INSTRUMENTS

Initial Recognition

Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Non-current receivables	Financial Assets at Amortised Cost
Receivables from Exchange transactions	Financial Assets at Amortised Cost
Receivables from Non-Exchange transactions (service charges)	Financial Assets at Amortised Cost
Cash and cash equivalents (Investments & Bank)	Financial Assets at Amortised Cost
Cash and Cash Equivalents (Cash on hand)	Financial Asset at Fair value

Financial Assets exclude Value Added Taxation, Prepayments and Operating Lease Receivables as it does not fall in the scope of GRAP 104.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

4.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Trade and other Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Consumer Deposits	Financial Liabilities at Amortised Cost
Unspent Transfers and Subsidies	Financial Liabilities at Amortised Cost

4.3 Initial and Subsequent Measurement

4.3.1 Financial Assets:

Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

4.3.2 Financial Liabilities:

Financial Liabilities held at Amortised Cost

Financial Liabilities are classified are initially measured at fair value, net of transaction costs. Financial Liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

4.4 Impairment of Financial Assets

Financial Assets at amortised cost are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated, and an impairment loss is recognised through the use of an allowance account.

4.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts 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. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

When a Consumer Debtor is considered uncollectible, it is written off and recognised in the Surplus or Deficit. Subsequent recoveries of amounts previously written off are credited against revenue.

4.5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or ittransfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except 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.

4.6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only 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 Surplus or Deficit.

5. STATUTORY RECEIVABLES

Statutory Receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset.

The municipality has the following Statutory Receivables:

- Property Rates
- Fines
- VAT receivable

5.1 Recognition and Initial Measurement

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or, if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be reliably measured.

The municipality recognises Statutory Receivables when they arise.

Statutory Receivables are initially measured at their transaction amount.

The transaction amounts of the Statutory Receivables of the municipality are determined as follows:

- Property Rates are levied in terms of the stipulations contained in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) at rates determined each year by Council.
- Fines are serviced in terms of the stipulations contained in the Criminal Procedures Act, 1977 (Act No. 51 of 1977) at rates published in the Government Gazette from time to time.
- VAT receivables are recognised in accordance with Value added Tax act no 89 of 1991.

5.2 Subsequent Measurement

Statutory Receivables are measured after initial recognition using the cost method.

Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable, where applicable
- Impairment losses; and

- Amounts derecognised.

5.3 Impairment

Statutory Receivables are assessed for indicators of impairment at the end of each reporting period or when there is any indication of impairment, such as the probability of insolvency or significant financial difficulties of the debtor. The assessment for impairment can be done for individually significant receivables; and/or groups of similar, individually insignificant, receivables are impaired.

The municipality groups together and assesses collectively for impairment those receivables that exhibit similar characteristics which provide information about the possible collectability of the amounts owing to the municipality. The municipality uses the following groupings:

- Assessment Rates
- Fines

For further detail on the assessment refer to policy 1.2.4 Impairment of Statutory Receivables.

No impairment assessment is done on VAT, as per statutory obligation, it is expected to be fully recoverable.

If there is such evidence the carrying amount is reduced to the estimated future cash flows, an impairment loss is recognised, directly or indirectly, through the use of an allowance account, with the amount of the impairment loss being recognised in Surplus or Deficit.

5.4 Derecognition

The municipality derecognises Statutory Receivables only when the rights to the cash flows from the receivable expires or it transfers the Statutory Receivable and substantially all the risks and rewards of ownership of the receivable to another municipality, except when council approves the write-off of the receivable due to non-recoverability.

The municipality derecognises a receivable if the municipality, despite having retained some significant risks and rewards of ownership, transfers control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality recognises separately any rights and obligations created or retained in the transfer. The carrying amount of and statutory receivables transferred is allocated between the rights and obligations retained and those transferred on the basis of the relative fair values at the transfer date. The municipality assesses whether any newly created rights and obligations are within the scope of GRAP 104 or another Standards of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

6. PROPERTY, PLANT AND EQUIPMENT

6.1 Initial Recognition and Measurement

Property, Plant and Equipment are initially recognised at cost. (including transaction costs).

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

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

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit.

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

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

6.2 Subsequent Measurement

Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

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

6.3 Depreciation and Impairment

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Asset Class	Years	Asset Class	Years
Buildings		**Community**	
Improvements	10 - 100	Community Facilities	15 - 100
		Recreational Facilities	20 - 100
Infrastructure			
Electricity	15 - 60	**Other**	
Roads and Paving	10 - 60	Computer Equipment	5 - 30
Sanitation / Sewerage	10 - 60	Furniture and Office Equipment	6 - 50
Solid Waste	15 - 60	Machinery and Equipment	5 - 40
Water	5 - 80	Transport Assets	[illegible]

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

For impairment considerations refer to policy 10: Impairment of Assets.

6.4 Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

6.5 Incomplete Construction Work

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

6.6 Infrastructure Assets

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

6.7 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.

6.8 Landfill site

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

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

- Changes in the liability, shall be added or deducted from the asset cost;
- The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with its impairment policy. Refer to policy 10: Impairment of assets,

7. INTANGIBLE ASSETS

7.1 Initial Recognition and Measurement

Identifiable non-monetary assets without physical substance are classified and recognized as Intangible Assets.

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

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

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

Intangible Assets are initially recognised at cost.(including transaction cost)

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

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost.

7.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists.

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

Asset Class	Years
Computer Software Purchased	5 -10

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

For impairment considerations refer to policy 10: Impairment of Assets.

7.3 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.

8. INVESTMENT PROPERTY

8.1 Initial Recognition and Measurement

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

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

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

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

At initial recognition, the municipality measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost.

8.2 Subsequent Measurement

Investment Property is measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on cost, using the Straight-line Method over the useful life of the property, which is estimated at 20 - 100 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

Land is not depreciated as it is deemed to have an indefinite useful life.

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

For impairment considerations refer to policy 10: Impairment of Assets.

8.3 Derecognition

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

8.4 Transfers

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

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

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

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

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

9. HERITAGE ASSETS

9.1 Initial Recognition and Measurement

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

Heritage Assets are initially recognised at cost.

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

9.2 Subsequent Measurement

Subsequently all Heritage Assets are measured at cost, less accumulated impairment losses. Heritage assets are not depreciated.

For impairment considerations refer to policy 10: Impairment of Assets.

9.3 Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits or service potential is 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.

10. IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets. All other assets are classified as Non-cash Generating Assets.

10.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

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.

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 and recognised in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

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

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

A reversal of an impairment loss is recognised immediately in Surplus or Deficit.

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

(a) External sources of information

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

(b) Internal sources of information

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

10.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

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

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

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

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss and recognised in Surplus or Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

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 service amounts of those assets are estimated.

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

A reversal of an impairment loss is recognised immediately in Surplus or Deficit.

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

(a) External sources of information

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

(b) Internal sources of information

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

11. CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

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.

12. PROVISIONS

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by thejudgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances.

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.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

12.1 Provision for Environmental Rehabilitation

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

13. LEASES

13.1 Operating Leases – Municipality as lessor

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

13.2 Operating Leases – Municipality as lessee

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

14. BORROWING COSTS

All borrowing costs are treated as an expense in the period in which they are incurred.

15. EMPLOYEE BENEFIT LIABILITIES

15.1 Short-term Employee Benefits

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

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

15.1.1 Provision for Staff Leave

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

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

Accumulated leave is vesting.

In terms of the Collective Agreement for Local Government annual leave shall only be accumulated to a maximum of forty-eight (48) working days. The provision for annual leave is limited to a maximum of 48 days per employee.

15.1.2 Staff Bonuses Accrued

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

15.1.3 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 accrues to Section 57 employees. Municipalities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

15.2 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors and has both defined benefit and defined contribution post-employment plans.

15.2.1 Defined Contribution Plans

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

15.2.2 Defined Benefit Plans

Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified. The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an independent actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Perfor benefits upon valuation.

Provincially-administered Defined Benefit Plans
The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

16. REVENUE RECOGNITION

16.1 General

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

16.2 Revenue from Non-exchange Transactions

16.2.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

16.2.2 Fines

Fines constitute both spot fines and summonses.

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

16.2.3 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in Surplus or Deficit in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded aspart of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

16.2.4 Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought intouse. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

16.2.5 Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

16.2.6 Interest Earned

Interest revenue is recognised using the effective interest rate method.

16.2.7 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered byapplying the relevant authorised tariff.

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

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

16.2.9 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 as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore, the substance of these transactions indicates that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognised 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.

16.2.10 Debt forgiveness

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

16.2.11 Service in-kind

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

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

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

16.3 Revenue from Exchange Transactions

16.3.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

16.3.2 Prepaid Electricity

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

16.3.3 Rentals Received

Revenue from the rental of facilities and equipment and land is recognised on a Straight-line Basis over the term of the lease agreement.

16.3.4 Income from Agency Services

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

16.3.5 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

Interest on outstanding customer receivables is calculated when the receivable is more than 30 days at prime rate plus 1% and recognised in surplus or deficit on the time-proportionate basis.

16.3.6 Tariff Charges

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

16.3.7 Sale of Goods

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

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

16.3.8 Services rendered

Revenue from the services rendered is recognised when:

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

17. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transferoccurred.

18. MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided inorder to comply to the legislative requirements governing Municipalities.

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance,purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the First-In-First-Out Method as defined by GRAP 12 (Inventories).

19. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, 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 the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003).

All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, itis subsequently accounted for as revenue in Surplus or Deficit.

20. 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 (Act No 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure.

Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it issubsequently accounted for as revenue in Surplus or Deficit.

21. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

22. COMMITMENTS

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awardedat the reporting date, where disclosure is required by a specific standard of GRAP;
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date;
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources;
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure Notes to the Annual Financial Statements; and
- Other commitments for contracts that are non-cancellable or only cancellable at significant cost, should relate tosomething other than the business of the municipality.

23. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Executive Mayor, Speaker, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager.

The following are regarded as related parties of the Municipality:

(a) A person or a close member of that person's family is related to the Municipality if that person:

- has control or joint control over the Municipality.
- has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
- is a member of the management of the Municipality or its controlling entity.

(b) An entity is related to the Municipality if any of the following conditions apply:

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

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.

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

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

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

Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

24. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

25. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. (those that provide evidence of conditions that existed at the reporting date)

The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements. (those are indicative of conditions that arose 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

26. SEGMENT REPORTING

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective and also considered separately for each of the towns within the municipal jurisdiction. The components described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18.

The following services are considered significant to the municipality and is accordingly managed separately:

Primary Segments:

- Executive and Council
- Corporate Services
- Financial Services
- Community and Social Services
- Technical Services

Secondary Segments:

- Governance and Administration
- Community and Public Safety
- Economic and Environmental Services
- Energy Sources
- Waste Management
- Waste water Management
- Water Management
- Other

All other sources of income and expenditure is aggregated through means of the administrative function as these services are not significant to the other services of the municipality as a whole.

The municipality only operates in a single geographical location and accordingly does not report separately on each location within its jurisdiction.

Intersegmental transfers are per the municipality's approved tariff policy. The reconciliation clearly describes the effects of all internal transfers between segments.

The accounting policies for segmental reporting in the management accounts are aligned to the requirements of GRAP asdescribed in these accounting policies.

No changes from were made from prior periods measurement methods used to determine reported segment surplus or deficit.

27. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991). Revenue, expenses, and assets are recognised net of the amounts of value-added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

28. COMPARATIVE FIGURES

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

29. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

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

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs. Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue received is driven from legislation. Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered a financial instrument.

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

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

30. ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

Identification

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

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

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

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

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2024

	Cost												Accumulated Impairment				Accumulated Depreciation								Carrying Value
	Opening Balance	Correction of Error	Re-classification	Additions	Other changes	Transfer WIP OB	Transfer WIP ADD	Under Construction	Transfers	Disposals	Impairment	Closing Balance	Opening Balance	Additions/ Reversal	Disposals	Closing Balance	Opening Balance	Correction of Error	Re-classification	Depreciation	Transfers	Disposals	Impairment	Closing Balance	
Infrastructure																									
Roads	59 226 640	-	-	-		3 314 057	3 959 141	-	-	-	-	66 499 838	-			-	27 012 891	-	-	1 465 373	-	-	-	28 478 264	38 021 574
Storm Water	90 700 031	-	-	-		1 225 823	1 464 430	165 796	-	-	-	93 556 080	2 246 630			2 246 630	58 150 416	-	-	1 850 872	-	-	-	60 001 288	31 308 162
Electricity	32 016 555	-	-	-				5 218 686	-	-	-	37 235 240	354 812			354 812	15 131 922	-	-	669 495	-	-	-	15 801 417	21 079 012
Water Supply	105 347 044	-	-	-				4 753 716	-	-	-	110 100 760	266 034			266 034	37 709 649	-	-	2 402 038	-	-	-	40 111 688	69 723 038
Sanitation	80 544 412	-	-	-				32 800 352	-	-	-	113 344 764	535			535	39 186 287	-	-	2 131 985	-	-	-	41 318 272	72 025 957
Solid Waste	7 479 250	-	-	-				-	-	-	-	7 479 250	12 688			12 688	3 166 346	-	-	132 417	-	-	-	3 298 763	4 167 798
Rail	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Coastal	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Information and Communicatio	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Landfill Sites	14 081 263				11 760 213							25 841 475	-			-	8 693 563			2 692 928				11 386 491	14 454 984
	389 395 194	**-**	**-**	**-**	**11 760 213**	**4 539 880**	**5 423 571**	**42 938 549**	**-**	**-**	**-**	**454 057 407**	**2 880 698**	**-**	**-**	**2 880 698**	**189 051 075**	**-**	**-**	**11 345 108**	**-**	**-**	**-**	**200 396 183**	**250 780 526**
Community Assets																									
Community Facilities																									
Land	6 521 534											6 521 534	-			-	-							-	6 521 534
Halls	3 215 919	-	-	-				-	-	-	-	3 215 919	-			-	2 368 845	-	-	28 084	-	-	-	2 396 929	818 990
Centres	7 319 996	-	-	-				-	-	-	-	7 319 996	-			-	4 041 628	-	-	158 171	-	-	-	4 199 799	3 120 197
Crèches	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Museums	2 523 132	-	-	-				-	-	-	-	2 523 132	-			-	1 670 714	-	-	26 121	-	-	-	1 696 835	826 297
Galleries	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Libraries	1 829 955	-	-	-				-	-	-	-	1 829 955	-			-	1 231 558	-	-	21 795	-	-	-	1 253 353	576 601
Cemeteries/Crematoria	1 567 411	-	-	-				-	-	-	-	1 567 411	-			-	1 128 516	-	-	24 365	-	-	-	1 152 881	414 530
Police	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Public Open Space	604 544	-	-	-				-	-	-	-	604 544	11 177			11 177	312 592	-	-	26 556	-	-	-	339 148	254 218
Nature Reserves	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Markets	4 016 759	-	-	-				-	-	-	-	4 016 759	-			-	1 115 979	-	-	57 696	-	-	-	1 173 676	2 843 083
Stalls	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminal	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-																						-
Indoor Facilities	4 874 355	-	-	-				-	-	-	-	4 874 355	106 431			106 431	3 245 809	-	-	41 286	-	-	-	3 287 095	1 480 829
Outdoor Facilities	8 060 239	-	-	-				6 906 172	-	-	-	14 966 411	49 223			49 223	4 550 748	-	-	256 070	-	-	-	4 806 817	10 110 371
Capital Spares	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
	40 533 842	**-**	**-**	**-**	**-**	**-**	**-**	**6 906 172**	**-**	**-**	**-**	**47 440 014**	**166 831**	**-**	**-**	**166 831**	**19 666 389**	**-**	**-**	**640 145**	**-**	**-**	**-**	**20 306 534**	**26 966 650**

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30 JUNE 2024 ***(Continue)***

	Cost/Revaluation												Accumulated Impairment				Accumulated Depreciation and Impairment Losses								Carrying Value
	Opening Balance	Correction of Error	Re-classification	Additions	Contributed	Transfer WIP OB	Transfer WIP ADD	Under Construction	Transfers	Disposals	Impairment	Closing Balance	Opening Balance	Additions/ Reversal	Disposals	Closing Balance	Opening Balance	Correction of Error		Depreciation	Transfers	Disposals	Impairment	Closing Balance	
Other Assets																									
Other Land	17 517 601	-	-	-				-	-		-	17 517 601	-			-	-	-	-	-	-	-	-	-	17 517 601
Operational Buildings																									
Municipal Offices	6 957 852	-	-	-				-	-	-	-	6 957 852	42 160			42 160	5 076 335	-	-	90 507	-	-	-	5 166 842	1 748 850
Pay/Enquiry Points	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Stores	4 098 892	-	-	-				-	-	-	-	4 098 892	292 562			292 562	3 211 715	-	-	25 691	-	-	-	3 237 406	568 924
Laboratories	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Housing																									
Staff Housing	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-				-	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-
Computer Equipment	1 199 572	-	-	663 639				-	-	-	-	1 863 211	60 756		(9 454)	51 302	772 493	-	-	225 974	-	-	-	998 467	813 442
Furniture and Office Equipmer	1 670 046	-	-	106 029				-	-	-	-	1 776 074	34 256		(452)	33 804	1 112 217	-	-	96 354	-	-	-	1 208 571	533 699
Machinery and Equipment	2 746 089	-	-	417 042	1 210 000			-	-	-	-	4 373 131	43 003		(1 028)	41 974	1 938 184	-	-	200 122	-	-	-	2 138 306	2 192 851
Transport Assets	6 419 746	-	-	-				-	-	-	-	6 419 746	284 651		-	284 651	3 873 363	-	-	573 917	-	-	-	4 447 280	1 687 815
	40 609 797	**-**	**-**	**1 186 710**	**1 210 000**			**-**	**-**	**-**	**-**	**43 006 507**	**757 387**	**-**	**(10 934)**	**746 454**	**15 984 305**	**-**	**-**	**1 212 566**	**-**	**-**	**-**	**17 196 871**	**25 063 182**
Leases																									
Computer Equipment	-	-	-	-				-	-	-	-	-					-	-	-	-	-	-	-	-	-
Furniture and Office Equipmer	-	-	-	-				-	-	-	-	-					-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-				-	-	-	-	-					-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-				-	-	-	-	-					-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**			**-**	**-**	**-**	**-**	**-**					**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**470 538 833**	**-**	**-**	**1 186 710**	**12 970 213**	**4 539 880**	**5 423 571**	**49 844 722**	**-**	**-**	**-**	**544 503 928**	**3 804 916**	**-**	**(10 934)**	**3 793 983**	**224 701 769**	**-**	**-**	**13 197 818**	**-**	**-**	**-**	**237 899 588**	**302 810 358**

2.2 30 JUNE 2023

	Cost/Revaluation											
	Opening Balance	Correction of Error	Re-classification	Additions	Other changes	Transfer WIP OB	Transfer WIP ADD	Under Construction	Transfers	Disposals	Impairment	Closing Balance
Infrastructure												
Roads	58 025 096	-	-			964 709	1 433 859	4 539 880	-	(1 197 024)	-	63 766 520
Storm Water	102 910 084	-	-			748 177		-	-	(12 958 230)	-	90 700 031
Electricity	32 832 800	-	-	-				5 218 686	-	(816 245)	-	37 235 240
Water Supply	102 026 676	-	-			4 942 968		-	-	(1 622 600)	-	105 347 044
Sanitation	77 825 094	-	-			2 303 778	1 303 418	14 013 935	-	(887 878)	-	94 558 347
Solid Waste	7 479 250	-	-	-				-	-	-	-	7 479 250
Rail	-	-	-	-				-	-	-	-	-
Coastal	-	-	-	-				-	-	-	-	-
Information and Communicatio	-	-	-	-				-	-	-	-	-
Landfill sites	14 985 758				(904 495)							14 081 263
	396 084 757	-	-	-	(904 495)	8 959 631	2 737 277	23 772 500	-	(17 481 977)	-	413 167 694
Community Assets												
Community Facilities												
Land	6 522 534									(1 000)		6 521 534
Halls	3 215 919	-	-	-				-	-	-	-	3 215 919
Centres	7 319 996	-	-	-				-	-	-	-	7 319 996
Crèches	-	-	-	-				-	-	-	-	-
Clinics/Care Centres	-	-	-	-				-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-				-	-	-	-	-
Testing Stations	-	-	-	-				-	-	-	-	-
Museums	2 548 745	-	-	-				-	-	(25 613)	-	2 523 132
Galleries	-	-	-	-				-	-	-	-	-
Theatres	-	-	-	-				-	-	-	-	-
Libraries	1 829 955	-	-	-				-	-	-	-	1 829 955
Cemeteries/Crematoria	1 567 411	-	-	-				-	-	-	-	1 567 411
Police	-	-	-	-				-	-	-	-	-
Parks	-	-	-	-				-	-	-	-	-
Public Open Space	604 544	-	-	-				-	-	-	-	604 544
Nature Reserves	-	-	-	-				-	-	-	-	-
Public Ablution Facilities	-	-	-	-				-	-	-	-	-
Markets	4 016 759	-	-	-				-	-	-	-	4 016 759
Stalls	-	-	-	-				-	-	-	-	-
Abattoirs	-	-	-	-				-	-	-	-	-
Airports	-	-	-	-				-	-	-	-	-
Taxi Ranks/Bus Terminal	-	-	-	-				-	-	-	-	-
Capital Spares	-	-	-	-				-	-	-	-	-
Sport and Recreation Facilities												
Indoor Facilities	4 874 355	-	-	-				-	-	-	-	4 874 355
Outdoor Facilities	8 060 239	-	-	-				-	-	-	-	8 060 239
Capital Spares	-	-	-	-				-	-	-	-	-
	40 560 456	-	-	-	-			-	-	(26 613)	-	40 533 842

	Accumulated Impairment				Accumulated Depreciation and Impairment Losses								Carrying Value
	Opening Balance	Additions/ Reversal	Disposals	Closing Balance	Opening Balance	Correction of Error	Re-classification	Depreciation	Transfers	Disposals	Impairment	Closing Balance	
Infrastructure													
Roads				-	26 604 163	-	-	1 437 176	-	(1 028 448)	-	27 012 891	36 753 629
Storm Water	1 200 554	1 046 076		2 246 630	66 310 411	-	-	2 029 239	-	(10 189 233)	-	58 150 416	30 302 984
Electricity	45 269	339 620	(30 077)	354 812	15 073 861	-	-	662 280	-	(604 219)	-	15 131 922	21 748 507
Water Supply	291 144	6 429	(31 539)	266 034	36 052 442	-	-	2 316 611	-	(659 404)	-	37 709 649	67 371 361
Sanitation	-	535		535	37 783 442	-	-	1 977 137	-	(574 292)	-	39 186 287	55 371 525
Solid Waste	12 688			12 688	3 035 999	-	-	130 347	-	-	-	3 166 346	4 300 216
Rail				-	-	-	-	-	-	-	-	-	-
Coastal				-	-	-	-	-	-	-	-	-	-
Information and Communicatio				-	-	-	-	-	-	-	-	-	-
Landfill sites				-	6 598 079			2 095 485				8 693 563	5 387 700
	1 549 655	1 392 660	(61 616)	2 880 698	191 458 397	-	-	10 648 275	-	(13 055 597)	-	189 051 075	221 235 921
Community Assets													
Community Facilities													
Land				-								-	6 521 534
Halls				-	2 340 761	-	-	28 084	-	-	-	2 368 845	847 074
Centres				-	3 883 456	-	-	158 171	-	-	-	4 041 628	3 278 368
Crèches				-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres				-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations				-	-	-	-	-	-	-	-	-	-
Testing Stations				-	-	-	-	-	-	-	-	-	-
Museums				-	1 663 112	-	-	26 536	-	(18 934)	-	1 670 714	852 417
Galleries				-	-	-	-	-	-	-	-	-	-
Theatres				-	-	-	-	-	-	-	-	-	-
Libraries				-	1 210 145	-	-	21 413	-	-	-	1 231 558	598 397
Cemeteries/Crematoria				-	1 104 152	-	-	24 365	-	-	-	1 128 516	438 895
Police				-	-	-	-	-	-	-	-	-	-
Parks				-	-	-	-	-	-	-	-	-	-
Public Open Space		11 177		11 177	285 108	-	-	27 484	-	-	-	312 592	280 775
Nature Reserves				-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities				-	-	-	-	-	-	-	-	-	-
Markets				-	1 058 283	-	-	57 696	-	-	-	1 115 979	2 900 780
Stalls				-	-	-	-	-	-	-	-	-	-
Abattoirs				-	-	-	-	-	-	-	-	-	-
Airports				-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminal				-	-	-	-	-	-	-	-	-	-
Capital Spares				-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities				-									-
Indoor Facilities	106 431			106 431	3 204 523	-	-	41 286	-	-	-	3 245 809	1 522 115
Outdoor Facilities	49 223			49 223	4 294 678	-	-	256 070	-	-	-	4 550 748	3 460 269
Capital Spares				-	-	-	-	-	-	-	-	-	-
	155 654	11 177	-	166 831	19 044 217	-	-	641 106	-	(18 934)	-	19 666 389	20 700 622

30 JUNE 2023 *(Continue)*

	Cost/Revaluation											
	Opening Balance	Correction of Error	Re-classification	Additions	Other changes	Transfer WIP OB	Transfer WIP ADD	Under Construction	Transfers	Disposals	Impairment	Closing Balance
Other Assets												
Other Land	17 556 641	-	-	-				-	-	(39 040)	-	17 517 601
Operational Buildings												
Municipal Offices	6 957 852	-	-	-				-	-	-	-	6 957 852
Pay/Enquiry Points	-	-	-	-				-	-	-	-	-
Building Plan Offices	-	-	-	-				-	-	-	-	-
Workshops	-	-	-	-				-	-	-	-	-
Yards	-	-	-	-				-	-	-	-	-
Stores	4 098 892	-	-	-				-	-	-	-	4 098 892
Laboratories	-	-	-	-				-	-	-	-	-
Training Centres	-	-	-	-				-	-	-	-	-
Manufacturing Plant	-	-	-	-				-	-	-	-	-
Depots	-	-	-	-				-	-	-	-	-
Capital Spares	-	-	-	-				-	-	-	-	-
Housing												
Staff Housing	-	-	-	-				-	-	-	-	-
Social Housing	-	-	-	-				-	-	-	-	-
Capital Spares	-	-	-	-				-	-	-	-	-
Computer Equipment	1 219 209	207	-	38 634				-	-	(58 478)	-	1 199 572
Furniture and Office Equipmer	1 759 187	31 724	-	5 808				-	-	(126 673)	-	1 670 046
Machinery and Equipment	2 761 585	16 801	-	18 502				-	-	(50 799)	-	2 746 089
Transport Assets	6 437 616	-	-	58 513				-	-	(76 383)	-	6 419 746
	40 790 982	48 732	-	121 457	-			-	-	(351 373)	-	40 609 797
Leases												
Computer Equipment	-	-	-	-				-	-	-	-	-
Furniture and Office Equipmer	-	-	-	-				-	-	-	-	-
Machinery and Equipment	-	-	-	-				-	-	-	-	-
Transport Assets	-	-	-	-				-	-	-	-	-
	-	-	-	-	-			-	-	-	-	-
Total	477 436 195	48 732	-	121 457	(904 495)			23 772 500	-	(17 859 963)	-	494 311 333

	Accumulated Impairment				Accumulated Depreciation and Impairment Losses								Carrying Value
	Opening Balance	Additions/ Reversal	Disposals	Closing Balance	Opening Balance	Correction of Error	Re-classification	Depreciation	Transfers	Disposals	Impairment	Closing Balance	
Other Assets													
Other Land				-	-	-	-	-	-	-	-	-	17 517 601
Operational Buildings													
Municipal Offices	42 160			42 160	4 985 828	-	-	90 507	-	-	-	5 076 335	1 839 357
Pay/Enquiry Points				-	-	-	-	-	-	-	-	-	-
Building Plan Offices				-	-	-	-	-	-	-	-	-	-
Workshops				-	-	-	-	-	-	-	-	-	-
Yards				-	-	-	-	-	-	-	-	-	-
Stores	292 562			292 562	3 186 024	-	-	25 691	-	-	-	3 211 715	594 615
Laboratories				-	-	-	-	-	-	-	-	-	-
Training Centres				-	-	-	-	-	-	-	-	-	-
Manufacturing Plant				-	-	-	-	-	-	-	-	-	-
Depots				-	-	-	-	-	-	-	-	-	-
Capital Spares				-	-	-	-	-	-	-	-	-	-
Housing													
Staff Housing				-	-	-	-	-	-	-	-	-	-
Social Housing				-	-	-	-	-	-	-	-	-	-
Capital Spares				-	-	-	-	-	-	-	-	-	-
Computer Equipment	23 097	55 856	(18 198)	60 756	653 747	38	-	158 988	-	(40 280)	-	772 493	366 323
Furniture and Office Equipmer	46 349	13 285	(25 378)	34 256	1 123 872	4 440	-	85 200	-	(101 295)	-	1 112 217	523 572
Machinery and Equipment	58 316	11 926	(27 240)	43 003	1 850 873	4 630	-	106 240	-	(23 560)	-	1 938 184	764 903
Transport Assets	30 299	284 651	(30 299)	284 651	3 566 916	-	-	352 531	-	(46 084)	-	3 873 363	2 261 732
	492 784	365 718	(101 115)	757 387	15 367 259	9 108	-	819 157	-	(211 218)	-	15 984 305	23 868 105
Leases													
Computer Equipment				-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipmer				-	-	-	-	-	-	-	-	-	-
Machinery and Equipment				-	-	-	-	-	-	-	-	-	-
Transport Assets				-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2 198 092	1 769 556	(162 731)	3 804 916	225 869 873	9 108	-	12 108 538	-	(13 285 749)	-	224 701 769	265 804 648

		2024 R	2023 R
2.	**PROPERTY, PLANT AND EQUIPMENT**		

		2024 R	2023 R
2.3	**Property, Plant and Equipment which is in the process of being constructed or developed:**		
	Infrastructure Assets	49 844 722	23 772 500
	Total Property, Plant and Equipment under construction	**49 844 722**	**23 772 500**

	2024 R	2023 R
The movements for the year can be reconciled as follows:		
Balance at beginning of year	23 772 500	14 178 317
Expenditure during the year	36 035 673	21 291 091
Assets unbundled during the year	(9 963 451)	(11 696 908)
Balance at end of year	**49 844 722**	**23 772 500**

		2024 R	2023 R
2.4	**Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:**		
	Infrastructure Assets	19 232 620	5 218 686
	Electricity	5 218 686	5 218 686
	Sanitation	14 013 935	
	Total	19 232 620	5 218 686

		2024 R	2023 R
2.5	**Expenditure incurred to repair and maintain Property, Plant and**		
	Contracted Services	1 290 437	1 579 123
	Total Repairs and Maintenance	**1 290 437**	**1 579 123**

		2024 R	2023 R
2.6	**Impairment losses of Property, Plant and Equipment**		
	Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:		
	Infrastructure		1 392 660
	Community Assets		11 177
	Other		365 718
	Total Impairment Losses	**-**	**1 769 556**

		2024 R	2023 R
2.7	**Reversal of Impairment losses of Property, Plant and Equipment**		
	Reversal of Impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:		
	Other	10 934	-
	Total Reversal of Impairment losses	**10 934**	**-**

		2024	2023
		R	R
2.8	**Effect of changes in accounting estimates**		

The remaining useful lives of assets were reviewed and it had no effect on the accumulated depreciation and the carrying values of assets.

		2024	2023
		R	R
2.9	**Contractual commitments for acquisition of Property, Plant and Equipment:**		
	Approved and contracted for:	26 020 350	10 308 128
	Infrastructure	26 020 350	10 308 128
	Total	**26 020 350**	**10 308 128**

	2024	2023
	R	R
This expenditure will be financed from:		
Government Grants	26 020 350	10 308 128
Total	**26 020 350**	**10 308 128**

		2024	2023
		R	R
2.10	**Retention incurred on Property, Plant and Equipment:**		
	Opening Balance	1 537 850	360 087
	Deposits	1 980 853	1 275 251
	Withdrawals	(1 399 238)	(97 488)
	Total	**2 119 465**	**1 537 850**

		2024	2023
		R	R
3.	**INVESTMENT PROPERTY**		
3.1	**Net Carrying amount at 1 July**	**22 152 686**	**22 638 304**
	Cost	23 919 317	24 338 687
	Accumulated Depreciation	(1 766 631)	(1 700 383)
	Disposals	(878 845)	(419 370)
	Cost	(978 000)	(419 370)
	Accumulated Depreciation	99 155	-
	Depreciation for the year	(65 880)	(66 248)
	Net Carrying amount at 30 June	**21 207 961**	**22 152 686.07**
	Cost	22 941 317	23 919 317
	Accumulated Depreciation	(1 733 356)	(1 766 631)

		2024	2023
		R	R
3.2	**Revenue from Investment Property**		
	Revenue derived from the rental of Investment Property		1 648 541

		2024	2023
		R	R
4.	**INTANGIBLE ASSETS**		
4.1	**Net Carrying amount at 1 July**	**263 637**	**621 646**
	Cost	1 425 715	1 697 511
	Accumulated Amortisation	(1 162 078)	(1 075 865)
	Amortisation	(108 123)	(86 213)
	Disposals	-	(271 796)
	Net Carrying amount at 30 June	**155 515**	**263 637.30**
	Cost	1 425 715	1 425 715
	Accumulated Amortisation	(1 270 200)	(1 162 078)

		2024	2023
		R	R
5.	**HERITAGE ASSETS**		
5.1	**Net Carrying amount at 1 July**	**43 354**	**43 354**
	Fair Value	43 354	43 354
	Net Carrying amount at 30 June	**43 354**	**43 354**
	Fair Value	43 354	43 354

	2024	2023
	R	R
Historical building	43 354	43 354
	43 354	**43 354**

There are no restrictions on the title and disposal of Heritage Assets

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

		2024	2023
		R	R
6.	**NON-CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Receivables with repay arrangements	666 643	654 380
	Electricity	63 288	30 494
	Water	78 779	47 872
	Property Rental	377 578	504 059
	Waste Management	72 233	34 400
	Waste Water Management	70 385	37 205
	Other Service Charges	4 379	350
	Less: Current portion transferred to Receivables from Exchange Transactions	(183 395)	(152 273)
	Total Non-Current Receivables from Exchange Transactions	**483 248**	**502 107**

		2024 R	2023 R
7.	**NON-CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Property rates	27 168	76 605
	Electricity Availability	453	-
	Water Availability	90	-
	Waste Water Availability	407	-
		28 117	76 605
	Less: Current portion transferred to Receivables from Non-Exchange Transactions	(24 149)	(53 274)
	Total Non-Current Receivables from Non-Exchange Transactions	**3 968**	**23 331**

		2024 R	2023 R
8.	**OPERATING LEASE ARRANGEMENTS**		
8.1	**The Municipality as Lessor**		
	Operating Lease Asset	**70 529**	**77 976**

	2024 R	2023 R
Disclosed as follows:		
Non-Current Operating Lease Asset		
Current Operating Lease Asset	70 529	77 976
	70 529	**77 976**

	2024 R	2023 R
Reconciliation		
Balance at the beginning of the year	77 976	29 341
Correction of Error - Note	-	37 668
Movement during the year	(7 447)	10 968
Balance at the end of the year	**70 529**	**77 976**

	2024 R	2023 R
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	93 842	194 199
1 to 5 Years	338 651	432 493
More than 5 Years	-	-
Total Operating Lease Arrangements	**432 493**	**626 692**

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

		2024 R	2023 R
8.2	**The Municipality as Lessee**		
	Operating Lease Liability	-	2 302

	2024 R	2023 R
Disclosed as follows:		
Non-Current Operating Lease Liability	-	-
Current Operating Lease Liability	-	2 302
	-	**2 302**

	2024 R	2023 R
Reconciliation		
Balance at the beginning of the year	2 302	2 998
Movement during the year	(2 302)	(696)
Balance at the end of the year	**-**	**2 302**

	2024 R	2023 R
At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:		
Up to 1 Year	-	2 302
1 to 5 Years	-	-
More than 5 Years	-	-
Total Operating Lease Arrangements	**-**	**2 302**

		2024 R	2023 R
9.	**INVENTORY**		
	Consumables	8 579	1 746
	Finished Goods	46 332	155 087
	Materials and Supplies	27 370	29 568
	Water	61 151	73 274
	Balance previously reported		84 299
	Plus: Corrections of error prior year		(11 025)
	Total Inventory	**143 433**	**259 675**

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

		2024 R	2023 R
9.1	**Inventories recognise as an expense during the year:**		
	Consumables	1 501 577	1 904 353
	Materials and Supplies	698 495	636 342
	Water	-	-
	Total	**2 200 073**	**2 540 695**

		2024 R	2023 R
10.	**RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Electricity	2 591 981.64	2 080 369
	Balance previously reported		620 650
	Plus: Corrections of error prior year		1 459 720
	Water	2 156 559.06	1 562 309
	Balance previously reported		1 211 577
	Plus: Corrections of error prior year		350 731
	Property Rentals	925 873.95	849 796
	Balance previously reported		1 331 680
	Plus: Corrections of error prior year		(481 884)
	Waste Management	1 509 496.41	1 142 778
	Balance previously reported		1 217 663
	Plus: Corrections of error prior year		(74 885)
	Waste Water Management	1 391 552.91	1 106 177
	Balance previously reported		503 546
	Plus: Corrections of error prior year		
	Housing Selling Scheme	83 071.77	53 038
	Balance previously reported		-
	Plus: Corrections of error prior year		53 038
	Other Service Charges		-
	Balance previously reported		1 492 963.57
	Less: Availability charges transferred to receivables from non-exchange transactions		(1 372 180.62)
	Less: Transferred to Other Arrears		(120 783)
	Other Arrears	179 334.15	130 559.64
	Balance previously reported		-
	Plus: Corrections of error prior year		130 560
	Merchandising, Jobbing and Contracts		-
	Balance previously reported		10 580
	Less: Transferred to Other Arrears		(10 580)
	Other Debtors		-
	Balance previously reported		(154 394)
	Less: Transferred to Water debtors		59 059
	Less: Transferred to Property Rental debtors		10 771
	Less: Transferred to Waste Management Debtors		38 747
	Less: Transferred to Waste Water Management Debtors		45 818
	Plus: Transferred to Other Arrears		(1)
	Control, Clearing and Interface Accounts	-	-
	Balance previously reported		39 889
	Less: Transferred to receivables from non-exchange transactions		(39 889)
	Deposits		-
	Balance previously reported		2 252 538
	Less: Transferred to receivables from non-exchange transactions		(2 252 538)

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS *(continue)*

		2024 R	2023 R
Prepayments and Advances		103 134	100 000
Balance previously reported			28 593
Less: Transferred to Housing Selling Schemes			(28 593)
Subscriptions		103 134	100 000
Balance previously reported			-
Less: Transferred to Housing Selling Schemes			100 000
Total: Receivables from exchange transactions (before provision)		**8 941 003**	**7 025 026**
Less:	Provision for Debt Impairment	(5 775 578)	(4 223 460)
	Balance previously reported		(3 537 719)
	Plus: Corrections of error prior year		(685 741)
Total: Receivables from exchange transactions (after provision)		**3 165 425**	**2 801 567**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

Debtors with a total outstanding balance of R666 643 (2023 - R654 380) have arranged to settle their account over an re-negotiated period. Total payments to the value of R483 248 (2023 - R502 107) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

(Electricity): Ageing	2024 R	2023 R
Current (0 - 30 days)	1 274 137	793 093.65
31 - 60 Days	108 572	86 776.19
61 - 90 Days	37 617	71 806.52
+ 90 Days	355 458	391 791.67
	1 775 784	**1 343 468.03**
Plus: Accrued revenue not included in age analysis	866 330	771 041
Less: Non-current portion transferred to non-current receivables	(44 845)	(4 265)
Less: Not included in debtors's sub-system	(5 288)	(5 288)
Less: Prior period adjustments		(24 587)
Total	**2 591 982**	**2 080 369**

(Water): Ageing	2024 R	2023 R
Current (0 - 30 days)	334 981	224 449
31 - 60 Days	128 984	102 866
61 - 90 Days	102 629	144 466
+ 90 Days	1 511 922	1 102 043
	2 078 515	**1 573 824**
Plus: Accrued revenue not included in age analysis	115 473	59 064
Less: Non-current portion transferred to non-current receivables	(37 430)	(18 884)
Less: Prior period adjustments		(51 695)
Total	**2 156 559**	**1 562 309**

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS *(continue)*

(Property Rentals): Ageing	2024 R	2023 R
Current (0 - 30 days)	61 387	101 417
31 - 60 Days	77 328	40 345
61 - 90 Days	23 282	35 947
+ 90 Days	1 093 701	1 099 858
	1 255 698	**1 277 568**
Less: Non-current portion transferred to non-current receivables	(329 824)	(450 775)
Plus: Prior period adjustments		334
Plus: Not included in debtors's sub-system		22 670
Total	**925 874**	**849 796**

(Waste Management): Ageing	2024 R	2023 R
Current (0 - 30 days)	259 305	226 208
31 - 60 Days	97 919	75 840
61 - 90 Days	75 406	65 981
+ 90 Days	1 118 071	810 886
	1 550 701	**1 178 915**
Less: Non-current portion transferred to non-current receivables	(41 205)	(13 108)
Plus: Prior period adjustments		(23 030)
Total	**1 509 496**	**1 142 778**

(Waste Water Management): Ageing	2024 R	2023 R
Current (0 - 30 days)	229 297	192 759
31 - 60 Days	86 469	73 084
61 - 90 Days	66 247	64 675
+ 90 Days	1 038 899	797 119
	1 420 912	**1 127 637**
Less: Non-current portion transferred to non-current receivables	(29 359)	(15 049)
Plus: Prior period adjustments		(6 412)
Total	**1 391 553**	**1 106 177**

(Housing Selling Scheme): Ageing	2024 R	2023 R
Current (0 - 30 days)	1 450	1 230
31 - 60 Days	1 357	1 167
61 - 90 Days	1 344	1 173
+ 90 Days	68 149	57 594
	72 300	61 163.72
Plus: Not included in debtors's sub-system	10 771	
Less: Not included in debtors's sub-system		(8 125)
Total	**83 072**	**53 038**

10. **RECEIVABLES FROM EXCHANGE TRANSACTIONS *(continue)***

(Other): Ageing

	2024 R	2023 R
Current (0 - 30 days)	43 139	9 823
31 - 60 Days	5 072	11 044
61 - 90 Days	3 949	1 928
+ 90 Days	117 180	97 989
Total	**169 339**	**120 784**
Less: Non-current portion transferred to non-current receivables	(585)	(27)
Plus: Not included in debtors's sub-system	10 580	9 803
	179 334	**130 560**

(Total): Ageing

	2024 R	2023 R
Current (0 - 30 days)	2 203 696	1 548 979
31 - 60 Days	505 701	391 122
61 - 90 Days	310 474	385 978
+ 90 Days	5 303 380	4 357 281
Total	**8 323 250**	**6 683 360**
Plus: Accrued revenue not included in age analysis	981 804	830 105
Less: Non-current portion transferred to non-current receivables	(483 248)	(502 107)
Plus: Prior period adjustments		(105 391)
Plus: Not included in debtors's sub-system	16 063	19 060
	8 837 870	**6 925 026**

Summary of Debtors by Customer Classification

	Residential	Industrial/ Commercial	National and Provincial Government	Other	Total
30 June 2024					
Current (0 - 30 days)	1 111 244	826 010	244 693	21 749	2 203 696
31 - 60 Days	363 242	113 139	29 316	4	505 701
61 - 90 Days	270 633	23 557	16 280	4	310 474
+ 90 Days	4 436 774	472 420	393 802	384	5 303 380
Sub-total	6 181 893	1 435 126	684 091	22 141	8 323 250
Plus: Accrued revenue not included in age analysis	323 648	532 747	114 436	10 973	981 804
Less: Non-current portion transferred to non-current receivables	(214 544)	(60 612)	(208 091)		(483 248)
Plus: Not included in debtors's sub-system					16 063
Plus: Pre-payments and advances					103 134
	6 290 997	1 907 261	590 435	33 113	8 941 003
Less: Provision for debt impairment	(4 950 143)	(559 222)	(261 467)	(4 747)	(5 775 578)
Total debtors by customer classification	**1 340 853**	**1 348 040**	**328 968**	**28 367**	**3 165 425**

Summary of Debtors by Customer Classification

	Residential	Industrial/ Commercial	National and Provincial Government	Other	Total
30 June 2023					
Current (0 - 30 days)	758 767	748 383	29 848	11 980	1 548 979
31 - 60 Days	299 279	69 534	19 995	2 314	391 122
61 - 90 Days	240 926	123 187	20 238	1 626	385 978
+ 90 Days	3 118 390	772 450	466 415	26	4 357 281
Sub-total	4 417 363	1 713 555	536 496	15 946	6 683 360
Plus: Accrued revenue not included in age analysis					830 105
transferred to non-current receivables					(502 107)
Less: Prior period adjustments					(105 391)
Plus: Not included in debtors's sub-system					19 060
Plus: Pre-payments and advances					100 000
	4 417 363	1 713 555	536 496	15 946	7 025 026
Less: Provision for debt impairment	(3 415 080)	(681 572)	(120 735)	(6 073)	(4 223 460)
Total debtors by customer classification	1 002 283	1 031 983	**415 760**	**9 873**	**2 801 567**

Reconciliation of Provision for Debt Impairment	**2024 R**	**2023 R**
Balance at beginning of year	4 223 460	4 181 742
Contribution to provision	1 552 119	487 598
Reversal of provision	-	(445 880)
Balance at end of year	**5 775 578**	**4 223 460**

The total amount of this provision is R5 775 578 and consist of:	**2024 R**	**2023 R**
Services	4 562 175	3 457 731
Other Debtors	1 213 403	765 729
Total Provision for Debt Impairment on Receivables from exchange	**5 775 578**	**4 223 460**

Ageing of amounts past due but not impaired:	**2024 R**	**2023 R**
1 month past due	505 701	391 122
2+ months past due	5 613 854	4 743 259
	6 119 555	**5 134 381**

	2024	2023
	R	R

11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

		2024 R	2023 R
Property rates by usage		4 016 106	4 156 900
Balance previously reported			4 220 063
Plus: Corrections of error prior year			(97 075)
Availability Charges - Electricity		442 481	391 691
Availability Charges - Water		390 162	349 852
Availability Charges - Waste Water		658 944	604 461
Fines		101 676 938	71 545 489
Deposits		2 436 835	2 252 540
Balance previously reported			-
Plus: Corrections of error prior year			2 252 540
Other Receivables		164 418	39 889
Balance previously reported			-
Plus: Corrections of error prior year			39 889
		109 785 884	79 306 910
Less:	Provision for Debt Impairment	(104 359 766)	(72 842 013)
	Balance previously reported		(72 828 087)
	Plus: Corrections of error prior year		(13 926)
Total Receivables from non-exchange transactions		**5 426 118**	**6 464 897**

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

	2024 R	2023 R
Current (0 - 30 days)	33 938	62 156
31 - 60 Days	64 024	67 923
61 - 90 Days	52 515	67 334
+ 90 Days	3 869 597	4 022 651
Total	**4 020 074**	**4 220 063**
Less: Non-current portion transferred to non-current receivables	(3 968)	(23 331)
Plus: Prior period adjustments		(39 833)
	4 016 106	**4 156 900**

(Availability Charges): Electricity - Ageing

	2024 R	2023 R
Current (0 - 30 days)	11 598	11 635
31 - 60 Days	7 224	8 157
61 - 90 Days	7 063	6 686
+ 90 Days	416 596	365 214
Total	**442 481**	**391 691**

	2024 R	2023 R
(Availability Charges): Water - Ageing		
Current (0 - 30 days)	8 626	8 882
31 - 60 Days	5 742	6 866
61 - 90 Days	5 668	5 593
+ 90 Days	370 127	328 510
Total	**390 162**	**349 852**

	2024 R	2023 R
(Availability Charges): Waste Water - Ageing		
Current (0 - 30 days)	13 569	14 089
31 - 60 Days	9 653	11 173
61 - 90 Days	9 110	8 843
+ 90 Days	626 613	570 355
Total	**658 944**	**604 461**

Summary of Debtors by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government
30 June 2024				
Current (0 - 30 days)	1 522	35 220	26 458	4 530
31 - 60 Days	1 513	45 323	35 657	4 149
61 - 90 Days	1 502	41 681	28 303	2 870
+ 90 Days	62 832	2 214 118	2 739 093	266 890
Sub-total	67 369	2 336 342	2 829 511	278 440
Less: Provision for Debt Impairment	(65 951)	(2 268 299)	(2 743 195)	(231 886)
Total debtors by customer classification	**1 418**	**68 043**	**86 317**	**46 553**

Summary of Debtors by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government
30 June 2023				
Current (0 - 30 days)	1 208	18 977	68 445	8 132
31 - 60 Days	1 203	31 307	45 373	16 236
61 - 90 Days	1 195	27 385	43 733	16 143
+ 90 Days	47 825	1 226 639	3 312 209	700 492
Sub-total	51 431	1 304 309	3 469 760	741 003
Less: Provision for Debt Impairment	(45 139)	(1 250 646)	(3 316 819)	(720 864)
Total debtors by customer classification	**6 292**	**53 662**	**152 941**	**20 139**

	2024 R	2023 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	72 842 013	127 972 448
Contribution to provision	31 685 912	54 144 515
Reversal of provision	(168 160)	(109 274 949)
Balance at end of year	**104 359 766**	**72 842 013**

	2024 R	2023 R
The total amount of this provision is R104 359 766 (2022/23: R72 842 013) and consist of:		
Taxes - Rates	3 837 896	4 006 056
Availability Charges	1 471 434	1 326 481
Fines	99 050 435	67 509 476
Other		
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	**104 359 766**	**72 842 013**

	2024 R	2023 R
Ageing of amounts past due but not impaired:		
1 month past due	64 024	67 923
2+ months past due	3 922 112	4 089 985
	3 986 136	**4 157 907**

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

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

The outstanding fine receivable balance at year end is reduced to its recoverable amount by recognising a provision for impairment against the receivable raised. This is considered to be a subsequent event. The provision for impairment is based on current and past collection rates applicable to fines.

12. BANK ACCOUNTS

12.1 Cash and Cash Equivalents

	2024 R	2023 R
Current Accounts	6 198 935	2 000 006
Call Deposits and Investments	510 639	476 180
Cash On-hand	3 801	2 900
Total Cash and Cash Equivalents - Assets	**6 713 375**	**2 479 086**

	2024 R	2023 R
The municipality has the following bank accounts:		
Current Accounts		
Laingsburg Municipality ABSA Bank Limited - Account Number 2540140874		
(Primary Bank Account):	6 010 790	2 000 006
(Secondary Account):	-	-
	6 010 790	**2 000 006**

	2024 R	2023 R
Call Deposits and Investments		
Laingsburg Municipality ABSA Bank - Account Number 5064314329 (Cash	506 320	471 861
Laingsburg Municipality Standard Bank - Account Number 288704800	4 319	4 319
	510 639	**476 180**

Details of current accounts are as follow:

	2024 R	2023 R
Laingsburg Municipality ABSA Bank Limited - Account Number 2540140874 (Primary Bank Account):		
Cash book balance at beginning of year	2 000 006	2 586 119
Cash book balance at end of year	6 010 790	2 000 006
Bank statement balance at beginning of year	1 403 464	1 842 723
Bank statement balance at end of year	3 912 275	1 403 464

	2024 R	2023 R
Laingsburg Municipality Standard Bank - Account Number 203247663		
Bank statement balance at beginning of year	553 785	847 244
Bank statement balance at end of year	2 188 092	553 785

Details of call investment accounts are as follow:

	2024 R	2023 R
Laingsburg Municipality ABSA Bank - Account Number 5064314329		
Cash book balance at beginning of year	471 861	447 664
Cash book balance at end of year	506 320	471 861
Bank statement balance at beginning of year	471 861	447 664
Bank statement balance at end of year	506 320	471 861

	2024 R	2023 R
Laingsburg Municipality Standard Bank - Account Number 288704800		
Cash book balance at beginning of year	4 319	4 319
Cash book balance at end of year	4 319	4 319
Bank statement balance at beginning of year	4 319	4 319
Bank statement balance at end of year	4 319	4 319

	2024 R	2023 R
13. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	31 936 127	18 626 702
Insurance Workmen's Compensation Act	1 786 915	1 548 851
Total Non-current Provisions	**33 723 042**	**20 175 553**

		2024	2023
		R	R

13.1 *Landfill Sites*

	2024 R	2023 R
Balance 1 July	18 626 702	17 446 357
Increase/(Decrease) due to discounting	1 549 212	2 084 840
Increase/(Decrease) due to re-measurement	-	(904 495)
Capitalizing increase or decrease -cost	11 760 213	-
Total provision 30 June	**31 936 127**	**18 626 702**
Balance 30 June	**31 936 127**	**18 626 702**

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

	Laingsburg
Rehabilitation area (m²)	35 331
Costs for rehabilitation and closure:	
Preliminary and general	3 659 878
Site clearance and preparation	51 937
Storm water control measures	2 433 564
Capping	19 836 383
Leachate management	784 605
Fencing	13 397
Other:	
Environmental authorisation (closure license)	460 688
Technical ROD	232 968
Install groundwater monitoring boreholes with lockable caps	159 323
Landscape architects	162 630
Water use license	39 000
Topographical survey	13 000
Contingencies (10% of total construction costs)	2 677 976
Engineering: Professional fees	2 844 215
Site supervision (Engineer's representative)	476 785
Site supervision (Environmental control officer & OHS agent)	126 560
Total (Excl VAT)	**33 972 908**
Cost per rehab (m²)	962

In terms of the licensing of the landfill sites, the municipality will incur licensing and rehabilitation costs of R31 936 127 (2023: R18 626 702) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using the year-end spot rate of borrowing. (change according to rate used)

Location	**Estimated decommission date**	**2024 R**
Laingsburg	2030	473 978
		473 978

		2024	2023
13.2	**Insurance Workmen's Compensation Act**	**R**	**R**
	Balance 1 July	1 548 851	1 333 809
	Increase in provision (discounting)	238 064	215 042
	Total provision 30 June	1 786 915	1 548 851
	Balance 30 June	1 786 915	1 548 851

The provision for WCA insurance is made in terms of the Workmen's Compensation Act. The provision is calculated based on the Compensation Commissioner returns submitted and the amount is payable on assessment by the Workmen's Compensation Commissioner.

		2024	2023
		R	**R**
14.	**NON-CURRENT EMPLOYEE BENEFITS**		
	Provision for Post Retirement Health Care Benefits	4 390 000	4 427 000
	Provision for Long Service Awards	1 414 000	1 494 000
	Total Non-current Employee Benefits	**5 804 000**	**5 921 000**

	2024	2023
	R	**R**
Post Retirement Health Care Benefits		
Balance 1 July	4 556 000	4 760 000
Current Service Cost	169 000	198 000
Interest Cost	563 000	542 000
Expenditure for the year	(84 849)	(121 000)
Actuarial Loss/(Gain)	(642 151)	(823 000)
Total provision 30 June	**4 561 000**	**4 556 000**
Less: Transfer of Current Portion to Current Provisions - Note 16	(171 000)	(129 000)
Balance 30 June	**4 390 000**	**4 427 000**

	2024	2023
	R	**R**
Long Service Awards		
Balance 1 July	1 772 000	1 496 000
Current Service Cost	127 000	125 000
Interest Cost	190 000	157 000
Expenditure for the year	(190 022)	(121 000)
Actuarial Loss/(Gain)	(219 978)	115 000
Total provision 30 June	**1 679 000**	**1 772 000**
Less: Transfer of Current Portion to Current Provisions - Note 16	(265 000)	(278 000)
Balance 30 June	**1 414 000**	**1 494 000**

		2024	2023
		R	R

14.1 Provision for Post Retirement Health Care Benefits

CHARATERISCTICS

Nature of the plan

Eligible employees will receive a post-employment subsidy of 60% of the contributions payable should they be a member of a medical scheme at retirement.

Continuation members and their eligible dependants receive a 70% subsidy. At this valuation, there were not yet any continuation members entitled to a 60% subsidy.

Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

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

Bonitas
LA Health
SAMWU Medical Aid
Sizwe Hosmed

Regulatory framework

ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.

It applies to institutions falling within the ambit of the Finance Management Act.

Risks of the plan

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 DBO: The risk that the DBO 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 DBO for the Municipality.

There are no curtailments or settlement to reflect.

VALUATION METHOD

The Projected Unit Credit Method has been used to value the defined benefit obligation.

	2024	2023
	R	R
Post Retirement Benefits (PEMA)	4 561 000	4 556 000
Total Net defined benefit liability	**4 561 000**	**4 556 000**

	2024 R	2023 R
Post Retirement Health Care Benefits		
Balance 1 July	4 556 000	4 760 000
Contribution for the year	732 000	740 000
Expenditure for the year	(84 849)	(121 000)
Actuarial Loss/(Gain)	(642 151)	(823 000)
Net defined benefit liability	4 561 000	**4 556 000**
Less: Transfer of Current Portion to Current Provisions - Note 16	(171 000)	(129 000)
Non-current portion: Net defined benefit liability	**4 390 000**	**4 427 000**

The total Defined Benefit Obligation has increased by less than 1% (or R5 000) since the last valuation.

The main reasons for the actual movement in the DBO are listed below.

In-Service Members

The **average in-service member DBO** has increased by 11% since the last valuation due to:

an increase in the average age which means members are closer to retirement (less discounting) and less likely to leave before retirement; and

an increase in the average past service; and

an increase in the average post-employment subsidy.

These impacts were partially offset by an increase in the net discount rate.

The **total in-service member DBO** has decreased by 7% due to the above being more than offset by a decrease in the number of in-service members.

In-Service Non-Members

The **average in-service non-member DBO** has increased by 2% since the last valuation due to:

an increase in the average age

an increase in the average past service; and

an increase in the net discount rate.

These impacts were partially offset by an increases in the net discount rate

The **total in-service non-member DBO** has increased by 20% due to the above, combined with an increase in thenumber of in-service non-members

Continuation Members

The **average continuation member DBO** has increased by 3% since the last valuation due to an increase in the average subsidy. The impact was partially offset by increases in the net discount rates and an increase in the above, and because there was no change in the number of continuation members.

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

	2024	2023
In-service (employee) members	21	25
In-service (employee) non-members	47	40
Continuation members (e.g. Retirees, widows, orphans)	2	2
Total Members	**70**	**67**

	2024 R	2023 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	2 313 000	2 476 000
In-service non-members	763 000	635 000
Continuation members	1 485 000	1 445 000
Total Liability	**4 561 000**	**4 556 000**

Key actuarial assumptions used:

Financial assumptions

		2024	2023
i)	**Rate of interest**	%	%
	Discount rate	12.25%	12.54%
	CPI inflation rate	6.22%	6.76%
	Medical Aid Contribution Inflation Rate	7.72%	8.26%
	Net discount rate	**4.21%**	**3.95%**

Demographic assumptions

ii)	**Mortality during employment**	SA 85 - 90
iii)	**Mortality post-employment**	PA(90) -1 with a 1% mortality improvement p.a. from 2010
iv)	**Normal retirement age**	The normal retirement age is 65 for males and 60 for females
v)	**Average retirement age**	62
vi)	**Proportion with a spouse dependant at retirement**	60%
vii)	**Continuation of membership at retirement**	75%
viii)	**Termination of service (resignation and retrenchment):**	

Termination rates per annum	Age	Rate
	20 - 24	9%
	25 - 29	8%
	30 - 34	6%
	35 - 39	5%
	40 - 44	5%
	45 - 49	4%
	50 - 54	3%
	55+	0%

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

	2024	2023
Present value of fund obligations	4 390 000	4 427 000
Net defined benefit liability	**4 390 000**	**4 427 000**

There are currently no long-term assets set aside off-balance sheet in respect of the DBO, thus plan assets is zero.

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

Reconciliation of present value of fund obligation:

	2024	2023
Present value of fund obligation at the beginning of the year	4 556 000	4 760 000
Service cost	169 000	198 000
Interest cost	563 000	542 000
Expenditure for the year	(84 849)	(121 000)
Actuarial (gains)/losses	(642 151)	(823 000)
Financial assumptions: increase in net discount rate	(141 000)	(542 000)
Demographic assumptions: none	-	-
Experience:		
Subsidy inflationary increases lower than assumed	33 000	35 000
Changes to membership profile different from assumed	(480 000)	(564 000)
Actual benefits vested, lower than expected	(10 000)	248 000

	2024 R	2023 R
Present value of fund obligation at the end of the year	**4 561 000**	**4 556 000**
Less:	(171 000)	(129 000)
Net defined benefit liability	**4 390 000**	**4 427 000**

Sensitivity Analysis

Sensitivity Analysis on the defined benefit obligation

Assumption	Change	Eligible Employees	Continuation members	Total DBO	% Change
Central Assumptions		3 076 000	1 485 000	4 561 000	
Medical aid contribution inflation rate	+1%	3 402 000	1 618 000	5 020 000	10%
	-1%	2 723 000	1 369 000	4 092 000	-10%
Discount rate	+1%	2 673 000	1 375 000	4 048 000	-11%
	-1%	3 577 000	1 614 000	5 191 000	14%
Post-employment mortality	+1 yr	3 005 000	1 438 000	4 443 000	-3%
	-1 yr	3 146 000	1 532 000	4 678 000	3%
Average retirement age	-1 yr	3 357 000	1 485 000	4 842 000	6%
Membership continuation	-10%	2 679 000	1 485 000	4 164 000	-9%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2024

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		169 000	563 000	732 000	
Medical aid contribution inflation rate	+1%	186 000	622 000	808 000	10%
	-1%	147 000	503 000	650 000	-11%
Discount rate	+1%	144 000	536 000	680 000	-7%
	-1%	200 000	595 000	795 000	9%
Post-employment mortality	+1 yr	165 000	549 000	714 000	-2%
	-1 yr	172 000	578 000	750 000	2%
Average retirement age	-1 yr	188 000	600 000	788 000	8%
Membership continuation	-10%	147 000	513 000	660 000	-10%

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

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		158 000	549 000	707 000	
Medical aid contribution inflation rate	+1%	175 000	605 000	780 000	10%
	-1%	141 000	491 000	632 000	-11%
Discount rate	+1%	136 000	525 000	661 000	-7%
	-1%	190 000	575 000	765 000	8%
Post-employment mortality	+1 yr	155 000	534 000	689 000	-3%
	-1 yr	162 000	563 000	725 000	3%
Average retirement age	-1 yr	167 000	582 000	749 000	6%
Membership continuation	-10%	140 000	500 000	640 000	-9%

Future cashflows

The Service Cost for the ensuing year is estimated to be R158 000, whereas the Interest Cost for the next year is estimated to be R549 000.

Maturity analaysis

Year	Future Year	Expected benefits vesting
2025	1	171 000
2026	2	224 000
2027	3	285 000
2028	4	307 000
2029	5	348 000
2030 - 2034	6 - 10	2 672 000
2035 - 2039	11 - 15	4 303 000
2040 - 2044	16 - 20	6 134 000
2045 - 2049	21 - 25	8 414 000
2050 - 2054	26 - 30	11 964 000
2055 - 2064	31 - 40	31 239 000
2065 - 2074	41 - 50	33 052 000
2075 - 2084	51 - 60	25 181 000
2085 - 2094	61 - 70	11 286 000
2095 - 3004	71 - 80	2 006 000

14.2 Provision for Long Service Bonuses

CHARATERISCTICS

Nature of the plan

The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service, inclusive.

In the month that each "completed service" milestone is reached, the employee is granted an LSA. Working days awarded are valued at 1/250th of annual earnings per day.

Employees' basic salaries are used to determine the Rand value of LSA.
The Municipality does not pay any pro-rata LSA.

Regulatory framework

ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.

It applies to institutions falling within the ambit of the Finance Management Act.

Risks of the plan

Inflation: The risk that future CPI inflation and earnings 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 DBO: The risk that the DBO 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 long service awards may increase the DBO for the Municipality.

There are no curtailments or settlements to reflect.

VALUATION METHOD

The Projected Unit Credit Method has been used to value the defined benefit obligation.

	2024 R	2023 R
Long Service Awards (LSA)	1 679 000	1 772 000
Total Net defined benefit liability	**1 679 000**	**1 772 000**

There are currently no long-term assets set aside off-balance sheet in respect of the DBO, thus plan assets is zero.
As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

Long Service Awards

Balance 1 July	1 772 000	1 496 000
Contribution for the year	317 000	282 000
Expenditure for the year	(190 022)	(121 000)
Actuarial Loss/(Gain)	(219 978)	115 000
Net defined benefit liability	**1 679 000**	**1 772 000**
Less:	(265 000)	(278 000)
Non-current portion: Net defined benefit liability	**1 414 000**	**1 494 000**

The **average** DBO has decreased by 9% since the last valuation due to:
- a decrease in the average past service; and
- an increase in the net discount rate.

These impacts were partially offset by an increase in the average earnings.
The **total** DBO has decreased by 5% (or R 93 000), due to the above, partially offset by the fact that there are three more eligible employees than at the last valuation.

There were 68 employees entitled to a Long service awards at this valuation.

Key actuarial assumptions used:

Financial assumptions

Rate of interest	%	**%**
Discount rate	11.29%	11.58%
CPI inflation rate	5.42%	5.91%
General earnings inflation rate	6.42%	6.91%
Net discount rate	**4.58%**	**4.37%**

Demographic assumptions

Average retirement age	62	
Mortality during employment	SA 85 - 90	
Withdrawal from service	Age	%
	20	9%
	30	6%
	40	5%
	50	3%
	55	0%

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 772 000	1 496 000
Service cost	127 000	125 000
Interest cost	190 000	157 000
Expenditure for the year	(190 022)	(121 000)
Actuarial (gains)/losses	(219 978)	115 000
Financial assumptions: increase in net discount rate	(18 000)	(91 000)
Demographic assumptions: none	-	-
Experience:		
Earnings increases higher than assumed	-	(3 000)
Changes to employee profile different from assumed	(31 000)	209 000
Actual benefits vesting, greater than expected	-	-
Changes to a number of employees' dates of employment	(83 000)	-
Present value of fund obligation at the end of the year	1 679 000	1 772 000
Less:	(265 000)	(278 000)
Net defined benefit liability	1 414 000	1 494 000

Sensitivity Analysis

Sensitivity Analysis on the defined benefit obligation

Assumption	Change	DBO	% Change
Central Assumptions		1 679 000	
General earnings inflation rate	+1%	1 776 000	6%
	-1%	1 592 000	-5%
Discount rate	+1%	1 588 000	-5%
	-1%	1 781 000	6%
Average retirement age	+2 yrs	1 884 000	12%
	-2 yrs	1 245 000	-26%
Rates of termination of service	x2	1 389 000	-17%
	x0.5	1 884 000	12%

Sensitivity analysis on current service and interest costs for year ending 30/06/2024

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central assumptions		127 000	190 000	317 000	
General earnings inflation rate	+1%	137 000	202 000	339 000	7%
	-1%	119 000	179 000	298 000	-6%
Discount rate	+1%	119 000	194 000	313 000	-1%
	-1%	136 000	185 000	321 000	1%
Average retirement age	+2 yrs	138 000	210 000	348 000	10%
	-2 yrs	103 000	136 000	239 000	-25%
Rates of termination of service	x2	95 000	154 000	249 000	-21%
	x0.5	151 000	216 000	367 000	16%

Sensitivity analysis on current service and interest costs for year ending 30/06/2025

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central assumptions		122 000	175 000	297 000	
General earnings inflation rate	+1%	132 000	186 000	318 000	7%
	-1%	114 000	165 000	279 000	-6%
Discount rate	+1%	115 000	179 000	294 000	-1%
	-1%	131 000	170 000	301 000	1%
Average retirement age	+2 yrs	134 000	198 000	332 000	12%
	-2 yrs	101 000	126 000	227 000	-24%
Rates of termination of service	x2	91 000	143 000	234 000	-21%
	x0.5	146 000	198 000	344 000	16%

The method used to prepare the sensitivity analysis remained unchanged from the previous period. The assumptions used would be based on the market conditions and demographic inputs as at 30 June 2024.

Future cashflows

The Service Cost for the ensuing year is estimated to be R122 000, whereas the Interest Cost for the next year is estimated to be R175 000.

Maturity analaysis

Year	Future Year	Expected benefits vesting
2025	1	265 000
2026	2	364 000
2027	3	206 000
2028	4	188 000
2029	5	389 000
2030 - 2034	6 - 10	1 233 000
2035 - 2039	11 - 15	1 648 000
2040 - 2044	16 - 20	2 025 000
2045 - 2054	21 - 30	3 001 000
2055 - 2064	31 - 40	314 000

	2024 R	2023 R
15. CONSUMER DEPOSITS		
Electricity	218 566	222 676
Rental Properties	181 677	162 540
Water	582 920	535 862
Building Plans	50 978	-
Posters	6 000	3 000
Hiring of Decorative Items	5 530	5 530
Total Consumer Deposits	**1 045 670**	**929 608**

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

		2024 R	2023 R
16.	**CURRENT EMPLOYEE BENEFITS**		
	Performance Bonuses	6 007	-
	Staff Bonuses	913 032	797 956
	Staff Leave	1 904 746	1 799 636
	Current Portion of Non-Current Provisions	436 000	407 000
	Current Portion of Post Retirement Benefits - Note 14	171 000	129 000
	Current Portion of Long-Service Provisions - Note 14	265 000	278 000
	Total Provisions	**3 259 784**	**3 004 592**

The movement in current provisions are reconciled as follows:

		2024 R	2023 R
16.1	***Performance Bonuses***		
	Balance at beginning of year	-	
	Transfer from non-current		
	Contribution to current portion	190 885	
	Expenditure incurred	(184 878)	
	Balance at end of year	**6 007**	**-**

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.

		2024 R	2023 R
16.1	***Staff Bonuses***		
	Balance at beginning of year	797 956	878 822
	Contribution to current portion	1 690 148	1 264 689
	Expenditure incurred	(1 575 072)	(1 345 555)
	Balance at end of year	**913 032**	**797 956**

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represents the portion of the bonus that has already vested for the current salary cycle. There is no possibility of reimbursement.

		2024 R	2023 R
16.2	***Staff Leave***		
	Balance at beginning of year	1 799 636	1 887 050
	Contribution to current portion	144 302	95 755
	Expenditure incurred	(39 192)	(183 169)
	Balance at end of year	**1 904 746**	**1 799 636**

Staff leave is accrued to employees according to the collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

		2024 R	2023 R
17.	**TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**		
	Trade Payables	822 118	5 527 994
	Balance previously reported		5 333 102
	Plus: Corrections of error prior year		94 891
	Advance Payments	321 488	118 427
	Balance previously reported		4 315 608
	Less: Unallocated traffic fines transferred to unallocated deposits		(4 380 846)
	Plus: Corrections of error prior year		183 665
	Control, Clearing and Interface Accounts	(191 503)	120 425
	Balance previously reported		134 189
	Less: Corrections of error prior year		(13 764)
	Retentions	2 119 465	1 537 850
	Leave accrual		-
	Balance previously reported		1 799 636
	Less: Transferred to current employee benefits (Comaf 12/2023)		(1 799 636)
	Bonus		-
	Balance previously reported		797 956
	Less: Transferred to current employee benefits (Comaf 12/2023)		(797 956)
	Electricity bulk purchase	1 295 693	-
	Auditor General	9 034 643	6 472 629
	Unallocated Deposits	6 588 212	4 387 223
	Balance previously reported		6 377
	Plus: Unallocated traffic fines transferred from advance payments		4 380 846
	Inventory	108 556	(0)
	Total Trade Payables	**20 098 672**	**18 164 549**

Payables are being recognised net of any discounts.

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

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

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

A SCA (Service concession arrangement) Performance obligation shall be as the same value at which the receivable interest is recognised at the commencement of the service concession arrangement. Refer to note 10 for details on the receivable.

		2024 R	2023 R
18.	**UNSPENT TRANSFERS AND SUBSIDIES**		
	Unspent Transfers and Subsidies	1 995 140	1 161 351
	National Government Grants	-	547 968
	Provincial Government Grants	1 995 140	613 383
	Balance previously reported		600 187
	Plus: Corrections of error prior year		13 197
	Total Unspent Transfers and Subsidies	**1 995 140**	**1 161 351**

See appendix "E" for reconciliation of grants from other spheres of government.

The Unspent Grants are not cash-backed by short-term deposits, but are in the primary bank account of the municipality.

The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

No grants were delayed or withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

		2024 R	2023 R
19.	**VAT Receivable/(Payable)**		
19.1	VAT Payable	5 679 246	684 989
	Balance previously reported		1 469 163
	Plus: Corrections of error prior year		(784 174)
	Total VAT Payable	**5 679 246**	**684 989**

		2024 R	2023 R
19.2	VAT Receivable	3 503 354	5 760 439
	Total VAT Receivable	**3 503 354**	**5 760 439**
19.3	**Net VAT (Payable)/Receivable**	9 182 600	6 445 428

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

		2024 R	2023 R
22.	**PROPERTY RATES**		
	Actual		
	Rateable Land and Buildings	5 613 882	5 580 372
	Business and Commercial Property	826 281	713 549
	Balance transferred from Property Rates Levies		763 324
	Less: Corrections of error prior year		(49 775)
	Agricultural Properties	2 783 191	2 502 253
	Municipal Properties	-	93 256
	Public Benefit Organisations	156 655	-
	Residential Properties	1 265 649	1 283 677
	Balance transferred from Property Rates Levies		1 283 575
	Plus: Corrections of error prior year		103
	State-owned Properties	-	988 137
	Public Service Purposes Properties	569 076	-
	Vacant land	13 030	(500)
	Balance transferred from Property Rates Levies		11 848
	Less: Corrections of error prior year		(12 349)

Property Rates Levies		-
Balance previously reported		5 642 393
Less: Transfer to Business and Commercial Property		(763 324)
Less: Transfer to Agricultural Properties		(2 502 253)
Less: Transfer to Municipal Properties		(93 256)
Less: Transfer to Residential Properties		(1 283 575)
Less: Transfer to State-owned Properties		(988 137)
Less: Transfer to Vacant		(11 848)
Less: **Revenue Forgone**	(589 236)	(463 876)
Balance previously reported		(462 871)
Plus: Corrections of error prior year		(1 005)
Total Property Rates	**5 024 646**	**5 116 496**

	2024 R	2023 R
Valuations - 1 July 2023		
Rateable Land and Buildings	1 270 044 000	1 271 344 000
Business and Commercial Property	69 372 000	72 842 000
Farm Properties	948 791 500	941 047 500
Industrial Property	271 000	1 000
Municipal Properties	31 227 000	31 226 000
Public Service Infrastructure Properties (PSI)	667 500	666 500
Residential Properties	137 682 000	137 987 000
State-owned Properties	21 423 000	22 423 000
Other Categories	59 502 000	64 043 000
Vacant land	1 108 000	1 108 000
Total Assessment Rates	**1 270 044 000**	**1 271 344 000**

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2017. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate	**2024**	**2023**
Agricultural Properties	0.2940c/R	0.2720c/R
Business and Commercial Properties	1.1760c/R	1.0890c/R
Public Benefit Organisation Properties	0.2940c/R	0.2720c/R
Residential Properties	1.1760c/R	1.0890c/R
State-owned Properties		2.1780c/R
Public Service Purposes Properties	2.3520c/R	
Vacant land	1.1760c/R	1.0890c/R

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

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

Residential - The first R15 000 on the valuation is exempted.

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

	2024 R	2023 R
23. GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants and Subsidies - Operating - Monetary allocations	27 266 981	25 132 005
Equitable Share	21 520 000	20 139 000
Expanded Public Works Programme Integrated Grant (EPWP)	1 173 000	1 074 000
Local Government Financial Management Grant	2 045 514	2 010 467
Municipal Infrastructure Grant - PMU	436 303	343 500
Libraries, Archives and Museums	1 619 130	1 373 760
Balance previously reported		1 595 000
Less: VAT payable on Library allocation		(208 043)
Less: Correction of prior period error		(13 197)
Community Development Workers Grant (CDW)	76 000	95 297
Main Roads	50 000	43 478
CKDM Community Safety Grant	160 000	
Sector Education and Training Authority (SETA)	51 380	52 502
Human Settlements Accelleration Grant	135 652	-
Government Grants and Subsidies - Operating - Allocations in kind	4 957 737	4 471 440
National Treasury contribution to external audit fees	3 747 737	4 471 440
Contributed assets	1 210 000	-
Government Grants and Subsidies - Capital - Monetary allocations	41 349 624	23 886 500
Municipal Infrastructure Grant	13 781 910	6 526 500
Water Services Infrastructure Grant	25 832 000	17 360 000
WC - Water Resilience Grant (WCWRG)	1 650 000	-
CKDM War on Leaks Grant	85 714	-
Total Government Grants and Subsidies	**73 574 342**	**53 489 945**

	2024 R	2023 R
Included in above are the following grants and subsidies received:		
Unconditional	21 520 000	20 139 000
Equitable Share	21 520 000	20 139 000
Conditional	52 054 342	33 350 945
Local Government Financial Management Grant (FMG)	2 045 514	2 010 467
Expanded Public Works Programme Integrated Grant (EPWP)	1 173 000	1 074 000
Municipal Infrastructure Grant (MIG) - operational	436 303	343 500
Municipal Infrastructure Grant (MIG) - capital	13 781 910	6 526 500
Water Services Infrastructure Grant (WSIG)	25 832 000	17 360 000
Community Development Workers	76 000	95 297
Library	1 619 130	1 373 760
Human Settlement Acceleration Grant	135 652	-
Western Cape Water Resilience Grant (WCWRG)	1 650 000	
Main Roads	50 000	43 478
Sector Education and Training Authority (SETA)	51 380	52 502
CKDM War on Leaks Grant	85 714	-
CKDM Community Safety Grant	160 000	
National Treasury contribution to external audit fees - Allocation in-kind	3 747 737	4 471 440
Contributed assets - Allocation in-kind	1 210 000	
Total Government Grants and Subsidies	**73 574 342**	**53 489 945**

	2024 R	2023 R
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	21 520 000	20 139 000
Finance and Administration	49 212 211	30 859 706
Community & Social Services	1 619 130	1 373 760
Road Transport	1 223 000	1 117 478
Total Government Grants and Subsidies	**73 574 342**	**53 489 945**

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

23.1 Equitable Share

	2024 R	2023 R
Opening balance	-	-
Grants received	21 520 000	20 139 000
Conditions met - Operating	(21 520 000)	(20 139 000)
Conditions still to be met	-	-

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

23.2 Local Government Financial Management Grant (FMG)

	2024 R	2023 R
Opening balance	287 755	598 222
Grants received	1 800 000	1 750 000
Repaid to National Revenue Fund	(174 670)	(50 000)
Conditions met - Operating	(1 913 085)	(2 010 467)
Conditions still to be met	-	287 755

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

23.3 Water Services Infrastructure Grant (WSIG)

	2024 R	2023 R
Opening balance	-	-
Grants received	25 832 000	17 360 000
Conditions met - Capital	(25 832 000)	(17 360 000)
Conditions still to be met	-	-

The Water Services Infrastructure Grant is paid by National Treasury to facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities.

		2024 R	2023 R
23.4	**Municipal Infrastructure Grant (MIG)**		
	Opening balance	260 213	611 213
	Grants received	13 521 697	7 130 000
	Repaid to National Revenue Fund	-	(611 000)
	Conditions met - Capital	(13 781 910)	(6 870 000)
	Conditions still to be met	-	260 213

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

		2024 R	2023 R
23.5	**Sector Education and Training Authority (SETA)**		
	Opening balance	-	-
	Grants received	51 380	52 502
	Conditions met - Operating	(51 380)	(52 502)
	Conditions still to be met	-	-

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes.

		2024 R	2023 R
23.6	**Community Development Workers (CDW)**		
	Opening balance	27 972	29 268
	Grants received	76 000	94 000
	Repaid to National Revenue Fund	(27 971)	-
	Conditions met - Operating	(76 000)	(95 297)
	Conditions still to be met	-	27 972

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes.

		2024 R	2023 R
23.7	**Library Grant**		
	Opening balance	-	(13 197)
	Grants received	1 619 130	1 386 957
	Conditions met - Operating	(1 619 130)	(1 373 760)
	Conditions still to be met	-	-

To transform urban and rural public library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.

		2024	2023
		R	R
23.8	**Municipal Infrastructure Grant (MIG) - PMU**		
	Opening balance	-	-
	Grants received	436 303	-
	Conditions met - Operating	(436 303)	-
	Conditions still to be met	-	-

The Municipal Infrastructure Grant aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of basic services susch as water, sanitation, roads and community lighting.

		2024	2023
		R	R
23.9	**Expanded Public Works Programme Integrated Grant (EPWP)**		
	Opening balance	-	-
	Grants received	1 173 000	1 074 000
	Conditions met - Operating	(1 173 000)	(1 074 000)
	Conditions still to be met	-	-

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure, tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; community safety programmes.

		2024	2023
		R	R
23.10	**Western Cape Financial Management Support Grant**		
	Opening balance	463 197	363 197
	Grants received	400 000	100 000
	Conditions met - Operating	(10 214)	-
	Conditions still to be met	852 982	463 197

The bursary grant is there to encourage local scholars to further their education.

		2024	2023
		R	R
23.11	**Human Settlements Accelaration Grant**		
	Opening balance	-	-
	Grants received	277 810	-
	Conditions met - Operating	(135 652)	-
	Conditions still to be met	142 158	-

To accelerate transfer of houses to beneficiaries.

		2024 R	2023 R
23.12	**External Bursary Programme**		
	Opening balance	122 215	122 215
	Grants received	-	-
	Conditions met - Operational	(122 215)	-
	Conditions still to be met	-	122 215

To encourage local scholars to further their education.

		2024 R	2023 R
23.12	**Western Cape Municipal Financial Recovery Services Grant**		
	Opening balance	-	-
	Grants received	1 000 000	-
	Conditions met - Operational	-	-
	Conditions still to be met	1 000 000	-

To assist municipalities to perform their functions effectively, including the co-ordination and integrated functions and support related to improving on overall financial governance and financial sustainability within municipalities when there is a municipal intervention.

		2024 R	2023 R
23.13	**Western Cape Water Resilience Grant (WCWRG)**		
	Opening balance	-	-
	Grants received	1 650 000	-
	Conditions met - Capital	(1 650 000)	-
	Conditions still to be met	-	-

To provide financial assistance to municipalities to enhance water resilience through water supply augmentation, infrastructure capacity upgrades, water source management and water demand management across the Province.

		2024 R	2023 R
23.14	**Main Roads**		
	Opening balance	-	-
	Grants received	50 000	43 478
	Conditions met - Operational	(50 000)	(43 478)
	Conditions still to be met	-	-

Grant received to work on roads on behalf of SANRAL.

		2024 R	2023 R
23.15	**Total Grants**		
	Opening balance	1 161 351	1 710 918
	Correction of Error	-	-
	Grants received	69 407 321	49 129 937
	Interest received	-	-
	Repaid to National Revenue Fund	(202 641)	(661 000)
	Conditions met - Operating	(27 106 981)	(24 788 505)
	Conditions met - Capital	(41 263 910)	(24 230 000)
	Conditions met - Capital Retention	-	
	Conditions met - Own revenue	-	
	Conditions still to be met/(Grant expenditure to be recovered)	1 995 140	1 161 351

	2024 R	2023 R
Disclosed as follows:		
Unspent Conditional Government Grants and Receipts	1 995 140	1 161 351
Unpaid Conditional Government Grants and Receipts	-	-
Total	**1 995 140**	**1 161 351**

		2024 R	2023 R
24.	**CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT**		
	Provincial government	1 210 000	-
	Total Contributed Property, Plant and Equipment	**1 210 000**	**-**

		2024 R	2023 R
25.	**AVAILABILITY CHARGES**		
	Electricity	102 619	94 451
	Water	68 688	64 966
	Waste Management	-	-
	Waste Water Management	116 361	116 001
	Total Availability Charges	**287 668**	**275 418**

		2024 R	2023 R
26.	**LICENCES AND PERMITS**		
	Road and Transport	256 397	194 405
	Total Licences and Permits	**256 397**	**194 405**

	2024 R	2023 R
Disclosed as follows:		
Revenue from Exchange Transactions	256 397	194 405
Total Licences and Permits	**256 397**	**194 405**

	2024 R	2023 R
27. SERVICE CHARGES		
Electricity	**18 028 447**	**14 644 761**
Service Charges	19 899 912	15 983 362
Less: Revenue Forgone	(1 871 465)	(1 338 601)
Water	**3 867 405**	**2 768 706**
Service Charges	5 384 024	4 108 081
Less: Revenue Forgone	(1 516 618)	(1 339 375)
Waste Management	**2 767 072**	**2 504 358**
Service Charges	3 853 860	3 609 290
Less: Revenue Forgone	(1 086 788)	(1 104 932)
Waste Water Management	**2 727 208**	**2 100 023**
Service Charges	3 945 895	3 355 552
Less: Revenue Forgone	(1 218 687)	(1 255 530)
Total Service Charges	**27 390 132**	**22 017 848**

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of

	2024 R	2023 R
28. SALES OF GOODS AND RENDERING OF SERVICES		
Building Plan Approval	86 941	12 075
Cemetery and Burial	18 123	19 570
Cleaning and Removal	10 620	1 460
Clearance Certificates	28 430	17 742
Encroachment Fees	66	68
Photocopies and Faxes	7 091	3 693
Removal of Restrictions	63 120	21 584
Sale of Goods	(755)	-
Pest Control	1 514	-
Tender Documents	41 740	19 088
Stone and Gravel	36 861	22 453
Valuation Services	1 132	1 801
Total Sales of Goods and Rendering of Services	**294 883**	**119 534**

	2024 R	2023 R
29. RENT ON LAND		
Land	102 655	24 948
Undeveloped Land	102 655	24 948
Total Rent on Land	**102 655**	**24 948**

	2024 R	2023 R
30. RENTAL FROM FIXED ASSETS		
Investment Property	(7 447)	10 527
Property, Plant and Equipment	1 651 165	1 701 318
Total Rental from Fixed Assets	**1 643 719**	**1 711 845**

31. INTEREST EARNED - EXTERNAL INVESTMENTS

	2024 R	2023 R
Bank accounts	1 230 251	391 287
Short-term investment and call accounts	34 460	24 197
Total Interest Earned - External Investments	**1 264 711**	**415 483**

32. INTEREST EARNED - RECEIVABLES

	2024 R	2023 R
Non-current receivables	6 467	3 711
Other Interest	184 298	96 853
Trade Receivables - exchange	587 218	576 279
Trade Receivables - non-exchange	423 163	336 710
Total Interest Earned - Outstanding Receivables	**1 201 146**	**1 013 553**

33. OPERATIONAL REVENUE

	2024 R	2023 R
Commission	19 972	19 447
Development Charges	21 983	-
Request for Information	200	267
Total Operational Revenue	**42 155**	**19 713**

Disclosed as follows:

	2024 R	2023 R
Revenue from Exchange Transactions	42 155	19 713
Total Operational Revenue	**42 155**	**19 713**

M2. FINES, PENALTIES, FORFEITS

	2024 R	2023 R
Fines	33 765 412	54 128 341
Law Enforcement	8 300	-
Overdue Books Fine	1 128	336
Traffic	33 755 984	54 128 005
	33 765 412	54 128 341

		2024	2023
		R	R
34.	**EMPLOYEE RELATED COSTS**		
	Basic Salaries and Wages	23 337 194	22 346 654
	Pension and UIF Contributions	3 183 394	3 100 781
	Medical Aid Contributions	909 318	652 789
	Overtime	801 123	746 874
	Bonuses	1 846 823	1 455 990
	Motor Vehicle Allowance	1 389 267	1 043 750
	Cell Phone Allowance	3 240	45 940
	Housing Allowances	78 914	68 659
	Other benefits and allowances	22 500	36 000
	Standby allowance	518 693	400 771
	Acting allowance	47 647	236 669
	Bargaining council	10 711	9 893
	Payments in lieu of leave	144 302	95 755
	Post-retirement Benefit Obligations	1 049 000	1 333 187
	Medical - Note 14.1	732 000	1 104 445
	Current Service Cost	169 000	405 445
	Interest Cost	563 000	699 000
	Long Service Awards - Note 14.1	317 000	228 742
		33 342 125	31 573 712
	Total Employee Related Costs	**33 342 125**	**31 573 712**

KEY MANAGEMENT PERSONNEL

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

	2024	2023
	R	R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager - Mr J Booysen		
Basic Salary	1 369 472	1 359 553
Pension and UIF Contributions	2 125	17 782
Performance Bonus	184 878	182 188
Cell Phone Allowance	42 000	42 000
Other benefits and allowances	137	145 658
Total	**1 598 612**	**1 747 181**

	2024	2023
	R	R
Remuneration of the Chief Financial Officer - Ms A Groenewald		
Basic Salary	1 046 844	993 216
Pension and UIF Contributions	190 558	192 870
Medical Aid Contributions	20 300	19 166
Service Bonus	87 237	82 768
Motor Vehicle Allowance	245 120	203 160
Housing Allowances	12 797	12 141
Other benefits and allowances	137	130
Total	**1 602 992**	**1 503 451**

	2024 R	2023 R
Remuneration of Manager : Corporate Services - Ms N Gouws		
Basic Salary	699 468	648 084
Pension and UIF Contributions	128 029	126 943
Medical Aid Contributions	24 761	22 406
Service Bonus	58 289	54 007
Motor Vehicle Allowance	217 536	158 747
Housing Allowances	12 797	12 141
Other benefits and allowances	137	130
Long service awards	53 806	-
Total	**1 194 823**	**1 022 458**

	2024 R	2023 R
Remuneration of Manager : Community Services - Mr N Hendriks		
Basic Salary	716 256	663 636
Pension and UIF Contributions	131 051	129 956
Medical Aid Contributions	56 735	40 126
Service Bonus	59 688	55 303
Motor Vehicle Allowance	245 120	158 747
Other benefits and allowances	137	130
Total	**1 208 987**	**1 047 897**

	2024 R	2023 R
Remuneration of Manager : Infrastructure - Mr J Komanisi		
Basic Salary	865 908	802 284
Pension and UIF Contributions	157 988	156 633
Medical Aid Contributions	57 031	51 588
Service Bonus	72 159	66 857
Motor Vehicle Allowance	245 120	196 725
Other benefits and allowances	137	130
Total	**1 398 343**	**1 274 217**

	2024 R	2023 R
Remuneration of Director : Community Services - Mr C Moses (Acting)		
Basic Salary - Acting Allowance	25 255	10 244
Total	**25 255**	**10 244**

	2024 R	2023 R
Remuneration of Director : Community Services - Mr G Bothma		
Basic Salary	751 056	712 584
Pension and UIF Contributions	137 315	139 480
Medical Aid Contributions	-	-
Service Bonus	62 588	59 382
Motor Vehicle Allowance	245 120	202 073
Other benefits and allowances	137	130
Long service awards	-	27 408
Total	1 196 216	1 141 057

	2024 R	2023 R
Remuneration of Director : Community Services - Mr K Gertse		
Basic Salary - Acting Allowance	377 556	349 836
Pension and UIF Contributions	70 085	69 108
Medical Aid Contributions	61 166	47 740
Service Bonus	31 463	29 153
Housing Allowances	1 066	-
Other benefits and allowances	137	130
	541 473	495 966

	2024 R	2023 R
Total Key Management Remuneration		
Basic Salary	5 851 815	5 539 437
Pension and UIF Contributions	817 151	832 772
Medical Aid Contributions	219 993	181 026
Performance Bonus	184 878	182 188
Service Bonus	371 424	347 470
Motor Vehicle Allowance	1 198 016	919 452
Cell Phone Allowance	42 000	42 000
Housing Allowances	26 660	24 282
Other benefits and allowances	956	146 436
Long service awards	53 806	27 408
	8 766 699	**8 242 471**

35. REMUNERATION OF COUNCILLORS

	2024 R	2023 R
A Kleinbooi (Executive Mayor)	913 286	111 252
S Laban (Deputy Executive Mayor)	448 412	422 174
M Gouws (Speaker)	764 465	725 736
J Botha	351 634	819 194
A Theron (MPAC Chair)	410 171	331 009
J Pieterse	332 401	312 398
L Potgieter	332 640	317 564
G McKenzie	11 571	270 800
M Smith	-	7 899
Total Councillors' Remuneration	**3 564 578**	**3 318 026**

Remuneration paid to Councillors can be summarised as follow:

	Salary	Allowances/ Contributions	Total
Executive Mayor / Mayor	896 601	49 925	946 526
Executive Deputy-Mayor / Deputy-Mayor	404 659	49 625	454 284
Speaker	671 154	49 625	720 779
Councillors	1 233 120	251 824	1 484 944
Total Councillors' Remuneration	**3 205 535**	**400 998**	**3 606 532**

In-kind Benefits

The Executive Mayor and Speaker are full-time Councillors. Each is provided with an office and secretarial support at the cost of the Municipality.

		2024 R	2023 R
36.	**CONTRACTED SERVICES**		
	Outsourced Services	1 080 166	1 677 908
	Burial Services	2 250	-
	Business and Advisory	599 805	393 191
	Catering Services	39 076	63 228
	Internal Auditors	84 620	50 155
	Security Services	-	521 829
	Electrical	354 414	649 505
	Consultants and Professional Services	3 169 192	2 470 588
	Business and Advisory	2 484 990	1 944 614
	Accounting and Auditing	2 366 810	1 943 310
	Medical Examinations	-	1 304
	Research and Advisory	118 179	-
	Legal Cost	684 202	525 974
	Legal Advice and Litigation	451 202	270 774
	Issue of Summons	233 000	255 200
	Contractors	955 910	919 698
	Building	65 587	171 692
	Electrical	4 871	122 202
	Maintenance of Buildings and Facilities	91 698	14 504
	Maintenance of Equipment	22 873	39 458
	Maintenance of Unspecified Assets	750 993	571 842
	Pest Control and Fumigation	667	-
	Plants, Flowers and Other Decorations	1 221	-
	Transportation	18 000	-
	Total Contracted Services	**5 205 268**	**5 068 194**

		2024 R	2023 R
37.	**DEPRECIATION AND AMORTISATION**		
	Property, Plant and Equipment	13 197 818	12 108 538
	Balance previously reported		12 171 386
	Less: Correction of error		(62 848)
	Intangible Assets	108 123	86 213
	Investment Property	65 880	66 248
	Balance previously reported		-
	Less: Correction of error		66 248
	Total Depreciation and Amortisation	**13 371 821**	**12 260 999**

		2024 R	2023 R
38.	**FINANCE COSTS**		
	Non-current Provisions	1 549 212	2 084 840
	Payables	968 667	682 133
	Total Finance Costs	**2 517 880**	**2 766 972**

		2024 R	2023 R
39.	**BULK PURCHASES**		
	Electricity	11 873 369	10 737 433
	Total Bulk Purchases	**11 873 369**	**10 737 433**

		2024 R	2023 R
40.	**TRANSFERS AND SUBSIDIES**		
	Capital	-	-
	Operational	-	12 473
	Monetary Allocations	-	12 473
	Households	-	12 473
	Total Transfers and Subsidies	**-**	**12 473**

		2024 R	2023 R
41.	**OPERATIONAL COSTS**		
	Achievements and Awards	-	-
	Advertising, Publicity and Marketing	142 622	95 653
	Assets less than the Capitalisation Threshold	16 115	6 483
	External Audit Fees	7 253 169	6 609 906
	Bank Charges, Facility and Card Fees	404 036	382 471
	Commission	145 534	244 825
	Communication	258 606	252 265
	Deeds	14 870	11 602
	Drivers Licences and Permits	60 040	52 590
	Entrance Fees	4 000	-
	External Computer Service	2 399 346	2 007 590
	Insurance Underwriting	336 510	279 651
	Learnerships and Internships	5 175	-
	Levies Paid - Water Resource Management Charges	111 626	110 905
	Licences	101 088	132 868
	Municipal Services	1 355 880	1 214 816
	Printing, Publications and Books	267 547	246 214
	Professional Bodies, Membership and Subscription	3 933	500 000
	Registration Fees	12 496	14 608
	Remuneration to Ward Committees	233 396	262 182
	Skills Development Fund Levy	257 076	244 034
	Toll Gate Fees	1 050	-
	Travel and Subsistence	811 508	737 617
	Uniform and Protective Clothing	62 997	231 210
	Wet Fuel	12 335	23 810
	Workmen's compensation	238 064	215 042
	Total Operational Costs	**14 509 018**	**13 876 341**

		2024 R	2023 R
48.	**REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES**		
	Receivables from Exchange Transactions - Note 12	(1 552 119)	(927 273)
	Balance previously reported		-
	Plus: Correction of error		(927 273)
	Receivables from Non-exchange Receivables - Note 13	(31 517 753)	(47 695 345)
	Balance previously reported		-
	Plus: Correction of error		(47 695 345)
	Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	**(33 069 872)**	**(48 622 618)**

		2024 R	2023 R
49.	**GAINS/ (LOSS) ON SALE OF FIXED ASSETS**		
	Investment Property	(248 845)	(4 830 853)
	Total Gains/ (Loss) on Sale of Fixed Assets	**(248 845)**	**(4 830 853)**

		2024 R	2023 R
50.	**WATER LOSSES**		
	Apparent Losses	2 200 009	1 283 368
	Total Water Losses	2 200 009	1 283 368

		2024 R	2023 R

53. CORRECTION OF ERROR IN TERMS OF GRAP 3

annual financial statements of the Municipality arising from the implementation of GRAP:

53.1 Property, Plant and Equipment

	2023 R
Balance previously reported	**265 748 621**
Cost	65 134
Property, Plant and Equipment recognised for the first time - Note 2	48 732
Reversal of impairment losses - Note 2	16 403
Accumulated Depreciation	(9 108)
Accumulated depreciation on Property, Plant and Equipment recognised for the first time - Note 2	(9 108)
Restated Balance	**265 804 648**

53.2 Non-Current Receivables from Exchange Transactions

	2023 R
Balance previously reported	525 438
Non-current property rates transferred to non-current receivables from non-exchange transactions	(23 331)
Restated Balance	**502 107**

53.3 Non-Current Receivables from Non-Exchange Transactions

	2023 R
Balance previously reported	-
Non-current property rates transferred from non-current receivables from exchange transactions	23 331
Restated Balance	**23 331**

53.4 Inventory

	2023 R
Balance previously reported	270 700
Correction of water stock. Expenditure captured incorrectly - refer Comaf 99 of 2022/23	(11 025)
Restated Balance	**259 675**

		2023 R
53.5	**Receivables from Exchange Transactions**	
	Balance previously reported	5 017 566
	building transferred to receivables from non-exchange transactions	(2 252 538)
	Uncleared balanced iro control, clearing and interface accounts transferred to receivables from non-exchange transactions	(39 889)
	Reversal of adjustment made in prior year impairment calculations duplicated	(685 741)
	Adjustments iro incorrect levies during 2022/23	(1 124 185)
	Transfer of availability charges incorrectly calculated	(435)
	Adjustments iro incorrect levies during 2022/23	929 579
	Non-current receivables iro property rates transferred to receivables from non-exchange transactions	23 331
	Reversal of accrued revenue for 2021/22 duplicated during 2022/23	830 105
	Amount payable iro SALGA membership transferred to payables from exchange transactions	100 000
	Transferred from receivables from non-exchange transactions	3 774
	Restated Balance	**2 801 567**

		2023 R
53.6	**Receivables from Non-exchange Transactions**	
	Balance previously reported	4 283 469
	Reversal of adjustment made in prior year impairment calculations duplicated	(13 926)
	Adjustments iro incorrect levies during 2022/23	(97 075)
	building transferred from receivables from exchange transactions	2 252 538
	Uncleared balanced iro control, clearing and interface accounts transferred from receivables from exchange transactions	39 889
	Transfer of availability charges incorrectly calculated	435
	Transferred to receivables from exchange transactions	(3 774)
	Restated Balance	**6 461 557**

		2023 R
53.7	**Operating Lease Asset**	
	Balance previously reported	40 308
	Smoothing of operating leases not included in prior year calculations	38 108
	Movement in smoothing of operating leases incorrectly calculated	(440)
	Restated Balance	**77 976**

		2023 R
53.8	**VAT receivable**	
	Balance previously reported	**7 229 602**
	VAT payable iro incorrect treatment of VAT on library allocations	(784 174)
	Restated Balance	**6 445 428**

	2023 R
53.9 Current Employee Benefits	
Balance previously reported	**407 000**
Leave provision transferred from trade and other payables	1 799 636
Bonus provision transferred from trade and other payables	797 956
Restated Balance	**3 004 592**

	2023 R
53.10 Trade and Other Payables from Exchange Transactions	
Balance previously reported	**20 397 348**
Leave provision transferred to current employee benefits	(1 799 636)
Bonus provision transferred to current employee benefits	(797 956)
Prior period corrections	264 793
Amount payable iro SALGA membership transferred from receivables from exchange transactions	100 000
Restated Balance	**18 164 549**

	2023 R
53.11 Unspent Transfers and Subsidies	
Balance previously reported	**1 148 155**
Expenditure on library allocation recognised	13 197
Restated Balance	**1 161 351**

		2023 R
53.12	**Accumulated Surplus/(Deficit) - 1 July 2022**	
	Balance previously reported	**259 073 502**
	Plus: Smoothing of operating leases incorrectly calculated prior years	38 108
	Plus: Assets recognised for the first time	48 732
	Plus: Legal costs recovered	19 225
	Plus: Creditors overpaid	404
	Plus: Reversal of impairment losses on fixed assets	16 403
	Less: Depreciation on assets recognised for the first time	(9 108)
	Less: Retention not captured in prior years	(217 626)
	Less: Repayment of grant	(42 239)
	Less: Reduce debtors due to incorrect levies charged	(10 580)
	Less: Creditors underpaid	(4)
	Less: VAT on library allocations not recognised	(576 130)
	Re-stated balance on 30 June 2022	**258 340 687**
	Plus: Salaries and wages overpaid	8 890
	Plus: Medical aid contributions overpaid	4 874
	Plus: Contracted services overpaid	9 921
	Plus: Inventory consumed overstated	1 326
	Plus: Operational costs overpaid	10 455
	Plus: Oproperty rates undercharged	138
	Plus: Rent on land undercharged	22 111
	Plus: Service charges undercharged	172 562
	Plus: traffic fines not recognised	36 250
	Plus: Reversal of accrued revenue for 2022/23 duplicated	830 105
	Plus: Reversal of accrued revenue for 2021/22 duplicated	741 487
	Less: Contracted services accrued during prior period	(1 158)
	Less: Operating leases accrued during prior period	(3 520)
	Less: Operational costs accrued during prior period	(91 371)
	Less: Interest on property rentals overcharged	(800)
	Less: Interest on rent on land overcharged	(1 748)
	Less: Rental from fixed assets overcharged	(19 230)
	Less: Service charges overcharged	(1 109 345)
	Less: Property rates overcharged	(63 164)
	Less: Expenditure on grant not recognised	(13 197)
	Less: Reversal of impairment on receivables duplicated	(699 667)
	Less: Inventory adjustment iro Comaf 99 of 2022/23	(11 025)
	Less: VAT on library allocations not recognised	(208 043)
	Less: Smoothing of operating leases incorrectly calculated	(440)
	Total	**257 956 097**

2023
R

53.22 Changes to Statement of Financial Performance

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

	Balance previously reported	Adjustments	Restated Balance
Revenue			
Property Rates	5 179 522	(63 026)	5 116 496
Government Grants and Subsidies	53 711 185	(221 240)	53 489 945
Availability Charges	275 418	-	275 418
Fines. Penalties and Forfeits	54 092 091	36 250	54 128 341
Interest Earned - Non-exchange Transactions	336 710	-	336 710
Licences and Permits from Non-Exchange Transactions	-	-	-
Service Charges	22 124 527	(106 678)	22 017 848
Sales of Goods and Rendering of Services	119 534	-	119 534
Rent on Land	4 584	20 364	24 948
Rental from Fixed Assets	1 731 515	(19 670)	1 711 845
Interest Earned - External Investments	415 483	-	415 483
Interest Earned - Exchange Transactions	677 643	(800)	676 843
Licences and Permits from Exchange Transactions	194 405	-	194 405
Agency Services	184 917	-	184 917
Operational Revenue	19 713	-	19 713
Total	**139 067 247**	**(354 801)**	**138 712 446**
Expenditure			
Employee related costs	31 587 476	(13 764)	31 573 712
Remuneration of Councillors	3 318 112	-	3 318 112
Bad Debts Written Off	49 244 969	(48 622 618)	622 351
Contracted Services	5 076 957	(8 762)	5 068 194
Depreciation and Amortisation	12 257 598	-	12 257 598
Finance Costs	2 766 972	-	2 766 972
Bulk Purchases	10 737 433	-	10 737 433
Inventory Consumed	2 542 020	(1 326)	2 540 695
Operating Leases	619 190	3 520	622 710
Transfers and Subsidies	12 473	-	12 473
Operational Costs	13 795 425	80 916	13 876 341
Total	**131 958 625**	**(48 562 033)**	**83 396 592**
Gains and Losses			
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	708 000	(49 330 618)	(48 622 618)
Gains/(Loss) on Sale of Fixed Assets	(4 830 853)	-	(4 830 853)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	(1 770 960)	-	(1 770 960)
Profit/(Loss) on Fair Value Adjustments	-	-	-
Actuarial gain/(loss)	-	708 000	708 000
Profit/(Loss) from Discontinued Operations	-	-	-
Water Losses	-	-	-
Total	**(5 893 812)**	**(48 622 618)**	**(54 516 430)**
Net Surplus/(Deficit) for the year	**1 214 810**	**(415 385)**	**799 424**

		2024 R	2023 R
54.	**RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS**		
	Surplus/(Deficit) for the year	25 523 478	799 424
	Adjustments for:		
	Depreciation and Amortisation	13 371 821	12 257 598
	Loss/(Gain) on Sale of Fixed Assets	248 845	4 830 853
	Impairment Loss/(Reversal of Impairment Loss)	33 058 938	50 393 578
	Contributed Property, Plant and Equipment	(1 210 000)	-
	Government Grants and Subsidies received	74 610 772	53 601 377
	Government Grants and Subsidies recognised as revenue	(72 364 342)	(53 489 945)
	Repayment of unspent grants	(202 641)	(661 000)
	Contribution from/to provisions - Non-Current Employee Benefits	774 129	780 000
	Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gain	(862 129)	(708 000)
	Contribution from/to - Current Employee Benefits	226 192	(168 280)
	Bad Debts written off	-	622 351
	Operating lease income accrued	7 447	10 527
	Operating lease expenses accrued	(2 302)	(696)
	Operating Surplus/(Deficit) before changes in working capital	73 180 207	68 267 789
	Changes in working capital	(32 384 080)	(47 513 483)
	Increase/(Decrease) in Provisions	-	
	Increase/(Decrease) in Trade and Other Payables	2 515 738	5 944 706
	Increase/(Decrease) in Employee Benefits	-	
	Increase/(Decrease) in Taxes	(2 737 172)	169 858
	(Increase)/Decrease in Inventory	116 243	46 690
	(Increase)/Decrease in Trade Receivables from Exchange Transactions	(1 915 977)	1 846 566
	(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(30 478 974)	(55 601 138)
	(Increase)/Decrease in Repay Arrangements	-	-
	(Increase)/Decrease in Consumer Deposits	116 063	79 835
	Cash generated/(absorbed) by operations	40 796 127	20 754 306

		2024 R	2023 R
55.	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow statement comprise the		
	Current Accounts - Note 12	6 198 935	2 000 006
	Call Deposits and Investments - Note 12	510 639	476 180
	Cash on hand - Note 12	3 801	2 900
	Total cash and cash equivalents	**6 713 375**	**2 479 086**

		2024 R	2023 R
56.	**RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**		
	Cash and Cash Equivalents - Note 56	6 713 375	2 479 086
	Less:	(7 674 386)	(1 846 340)
	Unspent Transfers and Subsidies - Note 18	(1 995 140)	(1 161 351)
	VAT - Note 19	(5 679 246)	(684 989)
	Net cash resources available for internal distribution	(961 011)	632 746
	Resources available for working capital requirements	**(961 011)**	**632 746**

	2024 R	2023 R

58. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

58.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

	2024 R	2023 R
Opening balance	68 634 986	30 535 254
Correction of prior period error		
Restated opening balance	68 634 986	30 535 254
Unauthorised expenditure current year - operational	24 943 825	38 099 732
Unauthorised expenditure current year - capital	91 529	
Approved by Council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	**93 670 339**	**68 634 986**

Unauthorised expenditure current year - operating

	Actual R	Final Budget R	2024 Variance R	2024 Unauthorised R
Vote 1 - Mayor and Council	5 147 240	5 238 588	91 348	-
Vote 2 - Municipal Manager	3 851 774	3 347 496	(504 278)	504 278
Vote 3 - Corporate Services	6 187 130	6 265 776	78 646	-
Vote 4 - Budget and Treasury	21 528 959	22 410 708	881 749	-
Vote 5 - Planning and Development	860 029	827 136	(32 893)	32 893
Vote 6 - Community and Social Services	1 902 700	1 821 600	(81 100)	81 100
Vote 7 - Sports and Recreation	910 565	347 016	(563 549)	563 549
Vote 8 - Housing	6 490	7 428	938	-
Vote 9 - Public Safety	35 621 428	18 288 912	(17 332 516)	17 332 516
Vote 10 - Road Transport	14 725 270	13 074 456	(1 650 814)	1 650 814
Vote 11 - Waste Management	6 212 258	2 719 932	(3 492 326)	3 492 326
Vote 12 - Waste Water Management	4 021 631	3 153 792	(867 839)	867 839
Vote 13 - Water	6 063 479	5 644 968	(418 511)	418 511
Vote 14 - Electricity	13 559 083	15 931 776	2 372 693	-
	120 598 035	99 079 584	(21 518 451)	24 943 825

Unauthorised expenditure current year - capital

	Actual	Final Budget	2024 Variance R	2024 Unauthorised R
Vote 17 -Budget and Treasury	-	399 996	399 996	-
Vote 18 - Community and Social Services	117 042	230 004	112 962	-
Vote 19 - Sports and Recreation	6 906 172	7 680 048	773 876	-
Vote 10 - Road Transport	5 589 367	5 580 060	(9 307)	9 307
Vote 23 - Waste Water Management	18 971 217	18 888 996	(82 221)	82 221
Vote 24 - Water	4 753 716	15 057 012	10 303 296	-
Vote 25 - Electricity	-	596 004	596 004	-
		48 432 120	12 094 605	91 529

		2024 R	2023 R
58.2	**Fruitless and wasteful expenditure**		

Reconciliation of fruitless and wasteful expenditure:

	2024 R	2023 R
Opening balance	2 240 411	1 558 278
Correction of prior period error	-	-
Restated opening balance	2 240 411	1 558 278
Fruitless and wasteful expenditure current year	968 667	682 133
Fruitless and wasteful expenditure awaiting further action	**3 209 078**	**2 240 411**

Fruitless and wasteful expenditure can be summarised as follow:

Incident		Disciplin	2024 R	2023 R
Interest on overdue accounts		*None*	3 209 078	2 240 411
			3 209 078	2 240 411

		2024 R	2023 R
58.3	**Irregular expenditure**		

Reconciliation of irregular expenditure:

	2024 R	2023 R
Opening balance	64 964 565	101 846 995
Correction of prior period error:	41 391 434	-
Restated opening balance	106 355 999	101 846 995
Irregular expenditure current year	3 733 229	3 721 284
Written off as supported by council		(40 603 714)
Current	-	-
Prior Period	-	(40 603 714)
Irregular expenditure awaiting further action	**110 089 228**	**64 964 565**

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2024 R	2023 R
Non–compliance with Municipal SCM Regulations:	*None*		
- Regulation 16 - Request for Quotations processes not followed	*None*	3 445	218 686
- Regulation 17(2) - Formal Written Price Quotations processes not followed	*None*	61 496	-
- Regulation 19 - Continuation of historical irregular contracts not procured through competitive bidding process	*None*	3 668 288	3 229 531
Non–compliance with Preferential Procurement Regulations 2022	*None*	-	28 000
Non-compliance with MFMA in contract variation not approved	*None*	-	469 938
		3 733 229	3 946 155

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

59. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

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

	2024 R	2023 R
Opening balance	-	(100 000)
Council subscriptions	500 000	500 000
Amount paid - current year	(500 000)	(400 000)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	**-**	**-**

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

	2024 R	2023 R
Opening balance	6 472 630	6 445 940
Correction of prior period error	-	-
Restated opening balance	6 472 630	6 445 940
Current year audit fee	7 253 169	8 283 374
External Audit - Auditor-General	7 253 169	8 283 374
Internal Audit	-	-
Audit Committee	-	-
Amount paid - current year	(1 450 000)	(3 198 391)
Amount paid - previous year	(1 550 000)	(5 058 293)
Balance unpaid (included in creditors)	**10 725 799**	**6 472 630**

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

	2024 R	2023 R
Opening balance	468 957	
Correction of prior period error		
Restated opening balance	468 957	-
VAT Input	2 983 828	890 182
VAT Output	(432 524)	(421 225)
Amount paid		-
Amount received		
Closing balance	**3 020 261**	**468 957**

debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.

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

	2024 R	2023 R
Opening balance	-	-
Restated opening balance	-	-
Current year payroll deductions	5 370 685	5 062 998
Amount paid - current year	(5 370 685)	(5 062 998)
Balance unpaid (included in creditors)	**-**	**-**

		2024 R	2023 R
59.5	**Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]**		
	Opening balance	-	-
	Restated opening balance	-	-
	Current year payroll deductions and Council Contributions	1 800 463	6 180 614
	Amount paid - current year	(1 800 463)	(6 180 614)
	Balance unpaid (included in creditors)	**-**	**-**

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

Non of the councillors had arrear accounts for more than 90 days as at 30 June 2024.

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

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

30 June 2024

		Type of Deviation		
	Amount	**Sole supplier**	**Impractical/ Impossible**	**Emergency**
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
October	-	-	-	-
November	-	-	-	-
December	159 685	11 507	148 177	-
January	-	-	-	-
February	3 000	-	3 000	-
March	47 438	-	47 438	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
	210 122	11 507	198 615	-

30 June 2023

		Type of Deviation		
	Amount	**Sole supplier**	**Impractical/ Impossible**	**Emergency**
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
October	10 755	-	10 755	-
November	147 942	-	147 942	-
December	-	-	-	-
January	-	-	-	-
February	-	-	-	-
March	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	5 500	-	-	5 500
	164 196	-	158 696	5 500

59.7.2 Regulation 45 - Details of Awards to close family members of persons in the service of the state:

No awards were made to close family members of persons in the service of the state during the financial year.

		2024	2023
59.8	**Material losses [MFMA 125 (2)(d)]**	**R**	**R**

Electricity distribution losses

	2024	2023
Units purchased (Kwh)	6 514 826	6 115 875
Units lost during distribution (Kwh)	650 558	621 463
Percentage lost during distribution	9.99%	10.16%
Distribution loss (Rand Value)	1 261 182	1 283 368
Balance previously reported		1 298 617
Less: Corrections of error prior year (COMAF 99 of 2023)		(15 249)

paid meters. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

Water distribution losses

	2024	2023
Units purchased (kl)	442 590	384 160
Units lost during distribution (kl)	169 651	38 152
Units previously reported		94 243
Less: Corrections of error prior year (COMAF 99 of 2023)		(56 091)
Percentage lost during distribution	38.33%	9.93%
Distribution loss (Rand Value)	2 200 009	569 993
Balance previously reported		1 603 339
Less: Corrections of error prior year (COMAF 99 of 2023)		(1 033 346)

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

		2024	2023
		R	**R**

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

Non-compliance with MFMA Section 126 (1) (a)

The municipality did not comply with MFMA section 126 (1) (a) as they did not submit their financial statements by the legislated due date.

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

relevant invoice or statement from the supplier, due to cashflow challenges caused by low revenue collection rates.

Non-compliance with MFMA Section 9 (b)

year, the name of each bank where the municipality holds a bank account, and the type and number of each account should be submitted to the relevant provincial treasury and the Auditor-General in writing. The municipality did not adhere to this section in the current year.

Non-compliance with MFMA Section 71

The monthly report for July 2019 was not timeously submitted to provincial treasury.

Non-compliance with MFMA Section 75 (2)

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

Non-compliance with MFMA Section 165(2)(b)

The municipality did not adhere to the provisions of section 165(2)(b) of the MFMA that requires an adequately resourced internal audit unit that executes its plan in an effective and timely manner.

Non-compliance with Municipal Supply Chain Management Regulations

The municipality entered into transactions with suppliers that were not listed on the municipality's list of prospective suppliers as required by regulation 17 of the Municipal Supply Chain Management Regulations, 2005.

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

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

	2024 R	2023 R

60. FINANCIAL RISK MANAGEMENT

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

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

entity's income and operating cash flows are substantially dependent on changes in market interest rates.

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

The municipality did not hedge against any interest rate risks

	2024 R	2023 R
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
0.25% (2023: 0.25%) Increase in interest rates	16 774	6 190
1% (2023: 0.25%) Decrease in interest rates	(67 096)	(6 190)

(d) Credit Risk

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

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

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

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on

All services are payable within 30 days from invoice date. Refer to note 10 and 11 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 8 for balances included in receivables that were re-negotiated for the period under review.

	2024 %	2023 R
Non-Current Receivables		
Repay Arrangements	100.00%	654 380
Non-exchange receivables		
Other Receivables	9.93%	164 418
Availability fees	90.07%	1 491 587
	100.00%	1 656 005
Exchange Receivables		
Electricity	30.04%	2 080 369
Water	22.56%	1 562 309
Property Rentals	12.27%	849 796
Waste Management	16.50%	1 142 778
Waste Water Management	15.97%	1 106 177
Housing Selling Scheme	0.77%	53 038
Other	1.89%	130 560
	100.00%	6 925 026

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 10 and 11 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

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

	2024 %	2024 R
<u>Non-Current Receivables</u>		
Repay Arrangements	0.00%	-
<u>Non-exchange receivables</u>		
Availability fees	20.30%	1 471 434
<u>Exchange Receivables</u>		
Services	79.70%	5 775 578
	100.00%	7 247 013

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

	2024 %	2024 R
Government	4.03%	493 353
Industrial	27.00%	3 302 416
Residential	68.39%	8 365 223
Other	0.58%	70 697
	100.00%	12 231 690

<u>Ageing of amounts past due but not impaired are as follow:</u>	**Exchange Receivables**	**Non-exchange Receivables**
2024		
1 month past due	505 701	64 024
2+ months past due	5 613 854	3 922 112
	6 119 555	3 986 136
2023		
1 month past due	391 122	67 923
2+ months past due	4 743 259	4 089 985
	5 134 381	4 157 907

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

investments are all listed on the JSE (First National Bank, Standard Bank, ABSA). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the

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

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

	2024	2023
	R	R
Financial assets exposed to credit risk at year end are as follows:		
Non-Current Receivables from Exchange Transactions	666 643	654 380
Non-Current Receivables from Non-Exchange Transactions	28 117	76 605
Receivables from exchange transactions	8 941 003	7 025 026
Receivables from non-exchange transactions	109 785 884	79 306 910
Cash and Cash Equivalents	6 709 574	2 476 186
	126 131 221	89 539 107

(e) Liquidity Risk

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

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

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

	2024	2023
	R	R

61. FINANCIAL INSTRUMENTS

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

61.1 <u>Financial Assets</u> <u>Classification</u>

		2024	2023
		R	R
Non-Current Receivables			
Receivables with repay arrangements: exhange	Financial Instruments at amortised cost	666 643	654 380
Receivables with repay arrangements: non-exchange	Financial Instruments at amortised cost	3 968	23 331

		2024 R	2023 R
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	2 591 982	2 080 369
Water	Financial Instruments at amortised cost	2 156 559	1 562 309
Property Rentals	Financial Instruments at amortised cost	925 874	849 796
Waste Management	Financial Instruments at amortised cost	1 509 496	1 142 778
Waste Water Management	Financial Instruments at amortised cost	1 391 553	1 106 177
Housing Selling Scheme	Financial Instruments at amortised cost	83 072	53 038
Other Arrears	Financial Instruments at amortised cost	179 334	130 560

		2024 R	2023 R
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	6 198 935	2 000 006
Call Deposits	Financial Instruments at amortised cost	510 639	476 180
Cash-on-hand	Financial Instruments at fair value	3 801	2 900
Total Financial Assets		**16 221 856**	**10 081 823**

		2024 R	2023 R
Financial Instruments at amortised cost:			
Non-Current Receivables from Exchange Transactions	repay arrangements: exhange	666 643	654 380
Non-Current Receivables from Non-Exchange Transactions	Receivables with repay arrangements: non-exchange	3 968	23 331
Receivables from Exchange Transactions	Electricity	2 591 982	2 080 369
Receivables from Exchange Transactions	Water	2 156 559	1 562 309
Receivables from Exchange Transactions	Property Rentals	925 874	849 796
Receivables from Exchange Transactions	Waste Management	1 509 496	1 142 778
Receivables from Exchange Transactions	Waste Water Management	1 391 553	1 106 177
Receivables from Exchange Transactions	Housing Selling Scheme	83 072	53 038
Receivables from Exchange Transactions	Other Arrears	179 334	130 560
Cash and Cash Equivalents	Bank Balances	6 198 935	2 000 006
Cash and Cash Equivalents	Call Deposits	510 639	476 180
Cash and Cash Equivalents	Cash-on-hand	3 801	2 900
Total Financial Assets		**16 221 856**	**10 081 823**

		2024 R	2023 R
61.2 Financial Liabilities	**Classification**		

Long-term Liabilities

The municipality has no long-term liabilities

		2024 R	2023 R
Trade and Other Payables from Exchange Transactions			
Trade Payables	Financial Instruments at amortised cost	822 118	5 527 994
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	(191 503)	120 425
Retentions	Financial Instruments at amortised cost	2 119 465	1 537 850
Electricity bulk purchases	Financial Instruments at amortised cost	1 295 693	-
Auditor General	Financial Instruments at amortised cost	9 034 643	6 472 629
Other liabilities			
Consumer deposits	Financial instruments at amortised c	1 045 670	929 608
Unspent Transfers and Subsidies	Financial instruments at amortised c	1 995 140	1 161 351
		16 121 227	**15 749 857**

		2024 R	2023 R
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Trade and Other Payables	Trade Payables	822 118	5 527 994
Trade and Other Payables	Control, Clearing and Interface Acco	(191 503)	120 425
Trade and Other Payables	Retentions	2 119 465	1 537 850
Trade and Other Payables	Electricity bulk purchases	1 295 693	-
Trade and Other Payables	Auditor General	9 034 643	6 472 629
Other liabilities	Consumer deposits	1 045 670	929 608
Other liabilities	Unspent Transfers and Subsidies	1 995 140	1 161 351
		16 121 227	**15 749 857**

	2024 R	2023 R
62. STATUTORY RECEIVABLES		

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

	2024 R	2023 R
Taxes		
VAT Receivable	3 503 354	5 760 439
Receivables from Non-Exchange Transactions	105 693 044	75 702 389
Rates	4 016 106	4 156 900
Fines	101 676 938	71 545 489
Availability Charges	1 471 434	1 326 481
Total Statutory Receivables (before provision)	**109 196 398**	**81 462 828**
Less: Provision for Debt Impairment	(104 359 766)	(72 842 013)
Total Statutory Receivables (after provision)	**4 836 632**	**8 620 815**

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)
Fines	- Criminal Procedures Act
Availability charges	- *insert Municipal by-law reference*

Statutory receivables are initially measured at transaction value, and

(Rates): Ageing	**2024** **R**	**2023** **R**
Current (0 - 30 days)	33 938	62 156
31 - 60 Days	64 024	67 923
61 - 90 Days	52 515	67 334
+ 90 Days	3 869 597	4 022 651
Total	**4 020 074**	**4 220 063**

(Fines): Ageing	**2024** **R**	**2023** **R**
Current (0 - 30 days)	7 224	8 157
31 - 60 Days	7 063	6 686
61 - 90 Days	416 596	365 214
+ 90 Days	-	-
Total	**430 883**	**380 056**

(Availability fees): Ageing	**2024** **R**	**2023** **R**
Current (0 - 30 days)	35 657	4 149
31 - 60 Days	28 303	2 870
61 - 90 Days	2 739 093	266 890
+ 90 Days	-	-
Total	**2 803 053**	**273 910**

Reconciliation of Provision for Debt Impairment	**2024** **R**	**2023** **R**
Balance at beginning of year	72 842 013	127 972 448
Contribution to provision	31 685 912	54 144 515
Reversal of provision	(168 160)	(109 274 949)
Balance at end of year	**104 359 766**	**72 842 013**

Ageing of amounts past due and impaired:	**2024** **R**	**2023** **R**
1 month past due		
2+ months past due	104 359 766	72 842 013
	104 359 766	**72 842 013**

	2024 R	2023 R
Ageing of amounts past due but not impaired:		
1 month past due	4 759 813	8 546 352
2+ months past due	76 819	74 462
	4 836 632	**8 620 815**

Disclose factors of impairment (thus provide description how determine past due & impaired and past due not impaired)

	2024 R	2023 R
Interest Received from Statutory Receivables		
Receivables from Non-Exchange Transactions	423 163	336 710
	423 163	336 710

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

Exemptions taken for Statutory Receivables according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.

	2024 R	2023 R

63. PRIVATE PUBLIC PARTNERSHIPS

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

	2024 R	2023 R

64. PRINCIPAL - AGENT ARRANGEMENTS

64.1 Principal in Principal-Agent Arrangement (Material)

Principal arrangement: Syntell
Prepaid
The municipality has a service provider, Syntell who acts as an agent for the municipality with the sale of prepaid electricity and water.

All payments are received directly by the municipality and the service provider invoices the municipality for commission payable.

The municipality determines the significant terms and conditions and receives the benefit from electricity sold.

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

There is no cost implication to the muncipality if the arrangement is terminated.

	2024 R	2023 R
As no resources of the municipality is held by the service provider, no significant risks has been transferred.	153 008	97 679

Principal arrangement: Provincial Department of Transport and Public Works
Issuing of Traffic fines for various traffic violations

The municipality has an arrangement with the Provincial Department of Transport and Public Works who acts as an agent for the municipality with regards to the issuing of fines for various traffic violations within the Laingsburg Municipality area. There is no charge for the services and all fines issued to third parties are on behalf of the municipality.

Principal arrangement: Traffic services
Issuing of traffic fines

The municipality has a service provider Central Karoo Traffic Systems (Pty) Ltd who acts as an agent for the municipality with the issuing and recovery of camera fines within the Laingsburg Municipality area

All payments are received directly by the municipality and the service provider issue invoices to the municipality for commission payable

The municipality determines the significant terms and conditions and receives the benefit from traffic fines issues.

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

As no resources of the municipality is held by the service provider, no significant risks has been transferred.	-	-

	2024 R	2023 R
Compensation paid for agency activities		
Commission	153 008	97 679
Total Compensation paid	**153 008**	**97 679**

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

	2024 R	2023 R

64.2 Agent in arrangement

Laingsburg Municipality is the Agent in the Principle/Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

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

	2024 R	2023 R
Compensation received for agency activities		
Commission	196 641	184 917
Total Compensation received	**196 641**	**184 917**

Reconciliation of payable	2024 R	2023 R
Opening balance	(39 889)	(48 302)
Amount of expenses incurred behalf of principle	1 373 272	1 441 192
Amount of cash paid on behalf of principle	(1 385 115)	(1 432 779)
Closing balance	**(51 731)**	**(39 889)**

	2024 R	2023 R

65. CONTINGENT LIABILITY AND CONTINGENT ASSET

CONTINGENT LIABILITIES

Claims against Council

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

Laingsburg Municipality / Active Phambile Civils
The Applicant brought a High Court application for Condonation in terms of Uniform Rule 27. In this application, the applicant seeks an order in the following terms:
- Condoning its failure to serve and file its third party notice and annexure thereto with the dies induciae prescribed by uniform rule 13
- In the event of any respondent opposing this condonation application, such respondent is to pay the costs of this condonation application

That the only matter in dispute is the amount of R298 240.84 is payable by the defendent by virtue of what is either a payment of Certificate 13 or credit note 13 issued by the Third party

The above amount was paid over to the Respondent to the Applicant's attorney to be kept in their trust account in terms of S86 until the matter is resolved

Pleading still need to be filed by the parties in this matter and it is not yet trial-ready. Parties attempted numerous settlement negotiations, but to no avail

	2024	2023
	80 000	585 671

Laingsburg Municipality / PJ & QD Lukas
During 2019 the Municipality and the Respondent entered into a written sale agreement for the Respondent to purchase Erf2041 Laingsburg. The written sale agreement did not correctly include all the terms of the sale agreement, in that it fails to include the Suspensive Condition that the Purchasers as the registered owners in all material aspects must cause and effectively transfer their immovable property described as Erf1291 Laingsburg, most commonly known as 47 10Th Avenue Goldnerville Laingsburg.

The Plaintiff has demanded the rectification of the written sale agreement to confirm the common intention of the plaintiff and the purchasers

Parties are in the midst of settlement negotiations and we foresee that this matter will be amicably settled between the parties

	2024	2023
	100 000	-

Cancom Camfleet (Pty) Ltd

The Municipality (4th respondent) is cited together with various other local municipalities within the Western Cape Province by the applicants.

The local municipalities are joined in this applicant, because they are the responsible entities tasked to enforce the national legislation, ie The National Road Traffic Act 93 of 199, of which the Applicants seek to challenge in this applicant.

The applicants selectively only joined some of the municipalities in the Western Cape excluding 14 others.

Hearing took place August 2023 in Cape Town High Court and the municipality still await judgment

	80 000	-

Laingsburg Ratepayer's Association

The Ratepayer's Association submitted a High Court application for the relief of the following:

(i)

- A Declaration order for property rates levied by the Municipality for the financial year 2009/2010 to 2022/23 that were unlawfully levied due to non-compliance with the provisions of the Local Government: Municipal Property Rates Act (Act 6 of 2024) in that for the year 2009/2010 to 2014/2015 the Municipality failed to promulgate resolutions levying rates in terms of S14(2).

- From 2015/2026 to 2022/2023 the Municipality failed to adopt a rates policy in compliance with S3 and S4 of the act

(ii) The costs of the application for leave to appeal will be costs in the appeal

The Municipality filed an application for leave to appeal which was granted against the whole of the judgment that was handed down on 08/08/2024

	250 000	-
Laingsburg Landfill site	-	-

The landfill site license expired due to the maximum height exceeding the permit conditions. Thus, the site is currently operated illegally. A new application is yet to be submitted to the Department of Environmental Affairs.

The municipality is exposed to a possible fine, imprisonment or both. This will only be determined once a communication is issued by the Department.

Laingsburg Municipality / SARS

The separation of funding and implementation responsibilities often results in unfunded mandates being imposed on municipalities. Laingsburg Municipality is not assigned a library function and is also not acting formally in terms of an SLA as agent of the Western Cape Provincial Government (WCPG), but it is also expected to contribute financially to the provision of library services.

The municipality became aware during the 2022/23 financial year that it may have a VAT liability due to a technical interpretation of the treatment of VAT on library funding.

SARS issued a binding general ruling that determine, in terms of the agreement between WCPG and the municipality, that output VAT is payable on the full amount of the allocation made to the municipality.

The VAT on the allocations for the past 5 years was captured as a liability. It is unclear if penalties and interest will be payable on the outstanding amounts.

The possible levying of interest is disclosed as a contigent liability. The calculation is based on interest on all receipts for the past 5 years as per the latest rates of SARS.

	224 545	292 803
	734 545	**878 474**

66. RELATED PARTIES

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

Related party relationship

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

- Accounting officer
- Other spheres of government
- Members of key management
- Councillors

66.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date.

66.2 Compensation of related parties

The compensation of key management personnel and councillors is set out in note 34 & 35 to the Annual Financial Statements.

67. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the high cost of fuel and other essentials coupled with the social-economic profile (high unemployment rate) of Laingsburg communities resulted in a serious risk for Laingsburg Municipality's going concern.

Furthermore the municipality's revenue base is limited and the current situation in the municipal area is not favourable to increase the revenue.

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

68. EVENTS AFTER REPORTING PERIOD

Since the end of the 2023/24 financial year the CFO has indicated that she will retire at the end of November 2024,

The deputy financial manager, which is regarded as part of key management personel will be retiring at the end of January 2025.

Both these positions will leave a huge vacuum and Laingsburg Municipality must ensure that suitable candidates are appointed.