

# Overberg

## District Municipality

ANNUAL REPORT  
2023/24



## Annual Financial Statements

### Volume II

*In terms of section 121 of the Municipal Finance Management Act (Act 56 of 2003)*

# OVERBERG DISTRICT MUNICIPALITY



## AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2024



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

29 NOVEMBER 2024

# OVERBERG DISTRICT MUNICIPALITY

## INDEX

<b>Content</b>	<b>Page</b>
General Information	1 - 2
Approval of Financial Statements	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
Statement of comparison of budget and actual amounts	
- Statement of Financial Position	8 - 9
- Statement of Financial Performance	10 - 11
- Cash Flow Statement	12 - 13
Accounting Policies	14 - 47
Notes to the Financial Statements	48 - 110
<b>APPENDICES - Unaudited</b>	
A Schedule of External Loans	111
B Segmental Statement of Financial Performance (Municipal Votes and GFS)	112
C Segmental Statement of Financial Performance (Municipal Departments)	113
D Disclosure of Grants and Subsidies	114
E National Treasury Appropriation Statements	
- Revenue and Expenditure (Standard Classification)	115 - 116
- Revenue and Expenditure (Municipal Vote Classification)	117
- Revenue and Expenditure (Revenue by Source and Expenditure by Type)	118 - 119
- Capital Expenditure by Vote, Standard Classification and Funding	120 - 121
- Cash Flows	122 - 123



# OVERBERG DISTRICT MUNICIPALITY

## GENERAL INFORMATION

### NATURE OF BUSINESS

Overberg District Municipality (DC03) performs the functions as set out in the Constitution. (Act no 105 of 1996)

### LEGAL FORM

South African Category C Municipality (District Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998). The municipality has a grading of level 4 for staff under the Collective Wage Agreement (SALGBC) and a grading of level 2 for Senior Managers Upper Limits.

### JURISDICTION

The Overberg District Municipality includes the following areas:

Cape Agulhas Local Municipality  
Overstrand Local Municipality  
Swellendam Local Municipality  
Theewaterskloof Local Municipality

### MEMBERS OF THE COUNCIL ON REPORTING DATE

Councillor	Ward/Area	Designation
AE Franken	Proportional	Executive Mayor
HD Coetzee	Proportional	Deputy Executive Mayor
LM de Bruyn	Proportional	Speaker
AG Klaas	Proportional	Mayoral Committee Member
SH Fourie	Overstrand	Mayoral Committee Member
JG Nieuwoudt	Cape Agulhas	Mayoral Committee Member
T Els	Overstrand	Councillor
M Nomatiti	Overstrand	Councillor
JA van Staden	Overstrand	Councillor
CC Tafu-Nwonkwo	Overstrand	Councillor
MR Mokotwana	Cape Agulhas	Councillor
MA Nomkoko	Theewaterskloof	Councillor
BB Mkhwibiso	Theewaterskloof	Councillor
ML Mathews	Theewaterskloof	Councillor
YM van Tonder	Theewaterskloof	Councillor
D Julius	Swellendam	Councillor
CC Clayton	Proportional	Councillor
R Brinkhuys	Proportional	Councillor
NM Sapepa	Proportional	Councillor
UN Mabulu	Proportional	Councillor
RT Olivier	Proportional	Councillor
CHJ Elgin	Proportional	Councillor
MG Du Plessis	Proportional	Councillor

### ACCOUNTING OFFICER

RG Bosman

### CHIEF FINANCIAL OFFICER

NL Kruger



# OVERBERG DISTRICT MUNICIPALITY

## GENERAL INFORMATION

### REGISTERED OFFICE

26 Long Street, Bredasdorp, 7280

### POSTAL ADDRESS

Private Bag X22, Bredasdorp, 7280

### AUDITORS

Office of the Auditor General (WC)

### PRIMARY BANKER

Nedbank Ltd (South Africa)

### LIST OF APPROVED ATTORNEYS

A. Adriaans Incorporated t/a Adriaans Attorneys  
AA Solwandle Attorneys  
Bradley Conradie Halton Cheadle  
Brasika Consulting (Pty) Ltd  
Enderstein Van Der Merwe Incorporated  
Fairbridges Arderne and Lawton t/a Fairbridge Wertheim  
Becker  
John Macrobert Attorneys  
Kruger & Blignaut Attorneys  
Le Minnie Attorneys  
Levendal Attorneys

Lizel Venter Attorneys  
Maserumule Attorneys  
N. Maharaj Attorneys  
Rossouw & Du Plessis  
Schoeman Law Incorporated  
Siyathemba Sokutu Attorneys  
Ukuqedwa Consultants (Pty) Ltd  
Van Der Spuy & Partners  
Webber Wentzel  
Yvette Cloete t/a Yvette Cloete & Associates

This list is based on the appointments made as per Tender T08-2020/21 which lapsed on 31 January 2024. The adjudication of the new Tender T26-2023/24 was still in process and had not been finalized by 30 June 2024.

### AUDIT COMMITTEE MEMBERS

#### Up to 28 November 2023

P Strauss (Chair person)  
T Blok  
C Pieterse  
D Smith

#### From 29 November 2023

D Smith (Chair person)  
T Blok  
J Steyl  
J Fairbairn

### CONTACT DETAILS

Website <https://odm.org.za/>  
Email address [Info@odm.org.za](mailto:Info@odm.org.za)

### MAIN RELEVANT LEGISLATION

Income Tax Act  
Value Added Tax Act  
Skills Development Levies Act, 1999. (Act no 9 of 1999)  
Employment Equity Act, 1998. (Act no 55 of 1998)  
Unemployment Insurance Act, 1966. (Act no 30 of 1966)  
Basic Conditions of Employment Act, 1997. (Act no 75 of 1997)  
All other relevant collective agreements and regulations  
Municipal Finance Management Act, 2003. (Act no 56 of 2003) and all relevant regulations  
Municipal Structures Act, 1998. (Act no 117 of 1998) and all relevant regulations  
Municipal Systems Act, 2000. (Act no 32 of 2000) and relevant regulations



AUDITOR - GENERAL  
SOUTH AFRICA

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29 NOVEMBER 2024

# OVERBERG DISTRICT MUNICIPALITY

## APPROVAL OF FINANCIAL STATEMENTS

### APPROVAL OF ACCOUNTING OFFICER

I am responsible for the preparation of these annual financial statements year ended 30 June 2024, which are set out on pages 1 to 123 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

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 current financial position and I am satisfied that the Municipality remains a going concern 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.



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**RG Bosman**  
Accounting Officer

29 November 2024  
**Date**



# OVERBERG DISTRICT MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>ASSETS</b>			
<b>Current Assets</b>		<b>91 454 919</b>	<b>97 928 937</b>
Cash and Cash Equivalents	2	77 584 843	87 936 406
Receivables from exchange transactions	3	9 502 858	5 484 578
Receivables from non-exchange transactions	4	559 828	548 149
Taxes	6	-	525 557
Inventory	7	1 767 390	1 571 247
Employee Benefits	11	2 040 000	1 863 000
<b>Non-Current Assets</b>		<b>115 311 373</b>	<b>107 685 298</b>
Investment Property	8	12 796 600	12 796 600
Property, Plant and Equipment	9	81 620 372	74 586 712
Intangible Assets	10	74 401	4 986
Employee Benefits	11	20 820 000	20 297 000
<b>Total Assets</b>		<b>206 766 292</b>	<b>205 614 235</b>
<b>Current Liabilities</b>		<b>33 211 493</b>	<b>44 409 948</b>
Current Portion of Long-term Liabilities	12	4 703 994	5 364 871
Consumer Deposits	13	8 160	8 160
Payables from exchange transactions	14	6 939 875	19 045 785
Unspent Conditional Government Grants	15	3 584 624	3 921 834
Taxes	6	384 320	-
Current Employee benefits	16	17 590 520	16 069 298
<b>Non-Current Liabilities</b>		<b>56 522 025</b>	<b>61 073 555</b>
Long-term Liabilities	12	6 518 731	11 224 503
Employee benefits	17	48 541 000	48 601 000
Non-Current Provisions	18	1 462 293	1 248 052
<b>Total Liabilities</b>		<b>89 733 518</b>	<b>105 483 503</b>
<b>NET ASSETS</b>		<b>117 032 774</b>	<b>100 130 732</b>
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus	19	117 032 774	100 130 732
<b>TOTAL COMMUNITY WEALTH</b>		<b>117 032 774</b>	<b>100 130 732</b>

# OVERBERG DISTRICT MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>REVENUE</b>			
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		<b>96 388 280</b>	<b>99 383 194</b>
<b>Transfer Revenue</b>		<b>93 124 912</b>	<b>91 539 001</b>
Government Grants and Subsidies - Capital	20	1 961 332	1 219 439
Government Grants and Subsidies - Operating	20	91 146 581	90 234 463
Contributed Assets	21	16 999	85 099
<b>Other Revenue</b>		<b>3 263 368</b>	<b>7 844 192</b>
Actuarial Gains	22	3 261 410	7 153 559
Other Income	27	1 958	690 633
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		<b>189 053 011</b>	<b>170 018 324</b>
<b>Operating Activities</b>		<b>189 053 011</b>	<b>170 018 324</b>
Roads Maintenance Services	23	123 762 703	116 243 175
Service Charges	24	16 576 247	12 335 228
Rental of Facilities and Equipment	25	18 039 380	16 117 314
Interest Earned - External investments		8 162 624	5 904 072
Interest Earned - Outstanding Debtors		221 887	-
Licences and Permits		758 489	745 741
Agency Services	26	12 909 317	12 005 981
Insurance Receipts		614 797	6 526
Other Income	27	8 007 569	6 660 286
<b>TOTAL REVENUE</b>		<b>285 441 291</b>	<b>269 401 517</b>
<b>EXPENDITURE</b>			
Employee related costs	28	141 018 055	129 582 704
Remuneration of Councillors	29	6 763 179	6 195 418
Debt Impairment	30	853 253	76 239
Depreciation and Amortisation	31	4 263 281	3 679 502
Impairment	32	200 415	325 704
Finance Charges	33	7 653 385	8 583 583
Bulk Purchases	34	494 822	455 555
Contracted services	35	27 884 944	27 933 826
Transfers and Grants	36	2 300 343	1 811 325
Other Expenditure	37	76 483 745	76 959 983
Stock Adjustments	7	-	4 088
Loss on disposal of Assets	38	623 825	526 142
<b>TOTAL EXPENDITURE</b>		<b>268 539 249</b>	<b>256 134 068</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>16 902 042</b>	<b>13 267 449</b>



# OVERBERG DISTRICT MUNICIPALITY

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

	ACCUMULATED SURPLUS R	TOTAL R
<b>Balance on 30 June 2022</b>	<b>86 863 283</b>	<b>86 863 283</b>
Net Surplus for the Year	13 267 449	13 267 449
<b>Balance on 30 June 2023</b>	<b>100 130 732</b>	<b>100 130 732</b>
Net Surplus for the Year	16 902 042	16 902 042
<b>Balance on 30 June 2024</b>	<b>117 032 774</b>	<b>117 032 774</b>



# OVERBERG DISTRICT MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Service charges		15 289 834	12 132 482
Other revenue		36 882 190	36 125 449
Roads Maintenance Services		112 285 703	131 225 714
Transfers and Subsidies - Operational		92 416 634	90 046 613
Transfers and Subsidies - Capital		1 619 764	2 063 065
Interest		8 404 634	5 448 711
<b>Payments</b>			
Suppliers and employees		(256 085 546)	(228 274 991)
Finance charges		(1 595 921)	(2 172 329)
Transfers and Grants		(2 300 343)	(1 811 325)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>41</b>	<b>6 916 948</b>	<b>44 783 389</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on the Disposal of Properties		-	10 434 783
<b>Payments</b>			
Purchase of Property, Plant and Equipment		(11 901 863)	(7 582 937)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(11 901 863)</b>	<b>2 851 846</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Repayment of Borrowing		(5 366 648)	(4 630 732)
<b>NET CASH USED FINANCING ACTIVITIES</b>		<b>(5 366 648)</b>	<b>(4 630 732)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(10 351 563)</b>	<b>43 004 503</b>
Cash and Cash Equivalents at the beginning of the year		87 936 406	44 931 903
Cash and Cash Equivalents at the end of the year	<b>42</b>	77 584 843	87 936 406
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(10 351 563)</b>	<b>43 004 503</b>

# OVERBERG DISTRICT MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

### STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	2024 R (Actual)	2024 R (Final Budget)	2024 R (Variance)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	77 584 843	74 783 398	2 801 444
Trade and other receivables from exchange transactions	9 502 858	5 484 578	4 018 280
Receivables from non-exchange transactions	559 828	548 149	11 679
Current portion of non-current receivables	2 040 000	2 007 000	33 000
Inventory	1 767 390	1 571 247	196 143
VAT	-	525 557	(525 557)
<b>Total current assets</b>	<b>91 454 919</b>	<b>84 919 930</b>	<b>6 534 989</b>
<b>Non current assets</b>			
Investment property	12 796 600	12 782 600	14 000
Property, plant and equipment	81 620 372	85 271 427	(3 651 054)
Intangible assets	74 401	2 586	71 815
Non-current receivables from non-exchange transactions	20 820 000	21 356 000	(536 000)
<b>Total non current assets</b>	<b>115 311 373</b>	<b>119 412 613</b>	<b>(4 101 240)</b>
<b>TOTAL ASSETS</b>	<b>206 766 292</b>	<b>204 332 543</b>	<b>2 433 749</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities	4 703 994	4 705 771	(1 777)
Consumer deposits	8 160	8 160	-
Trade and other payables from exchange transactions	5 406 790	6 735 699	(1 328 909)
Trade and other payables from non-exchange transactions	5 117 709	13 576 397	(8 458 688)
Provisions	17 590 520	17 033 456	557 064
VAT	384 320	-	384 320
<b>Total current liabilities</b>	<b>33 211 493</b>	<b>42 059 484</b>	<b>(8 847 990)</b>
<b>Non current liabilities</b>			
Borrowing	6 518 731	6 518 731	-
Provisions	50 003 293	53 018 288	(3 014 994)
<b>Total non current liabilities</b>	<b>56 522 025</b>	<b>59 537 019</b>	<b>(3 014 994)</b>
<b>TOTAL LIABILITIES</b>	<b>89 733 518</b>	<b>101 596 503</b>	<b>(11 862 985)</b>
<b>NET ASSETS</b>	<b>117 032 774</b>	<b>102 736 040</b>	<b>14 296 734</b>
<b>COMMUNITY WEALTH/EQUITY</b>			
Accumulated Surplus	96 032 774	81 736 040	14 296 734
Funds and Reserves	21 000 000	21 000 000	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>117 032 774</b>	<b>102 736 040</b>	<b>14 296 734</b>

Refer to note 43.2 for further details relating to material variances.



# OVERBERG DISTRICT MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

### STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

#### ADJUSTMENTS TO APPROVED BUDGET

	2024 R (Approved Budget)	2024 R (Adjustments)	2024 R (Final Budget)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	74 783 398	-	74 783 398
Trade and other receivables from exchange transactions	5 484 578	-	5 484 578
Receivables from non-exchange transactions	548 149	-	548 149
Current portion of non-current receivables	2 007 000	-	2 007 000
Inventory	1 571 247	-	1 571 247
VAT	525 557	-	525 557
<b>Total current assets</b>	<b>84 919 930</b>	<b>-</b>	<b>84 919 930</b>
<b>Non current assets</b>			
Investment property	12 782 600	-	12 782 600
Property, plant and equipment	85 271 427	-	85 271 427
Intangible assets	2 586	-	2 586
Non-current receivables from non-exchange transactions	21 356 000	-	21 356 000
<b>Total non current assets</b>	<b>119 412 613</b>	<b>-</b>	<b>119 412 613</b>
<b>TOTAL ASSETS</b>	<b>204 332 543</b>	<b>-</b>	<b>204 332 543</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities	4 705 771	-	4 705 771
Consumer deposits	8 160	-	8 160
Trade and other payables from exchange transactions	6 735 699	-	6 735 699
Trade and other payables from non-exchange transactions	13 576 397	-	13 576 397
Provisions	17 033 456	-	17 033 456
<b>Total current liabilities</b>	<b>42 059 484</b>	<b>-</b>	<b>42 059 484</b>
<b>Non current liabilities</b>			
Borrowing	6 518 731	-	6 518 731
Provisions	53 018 288	-	53 018 288
<b>Total non current liabilities</b>	<b>59 537 019</b>	<b>-</b>	<b>59 537 019</b>
<b>TOTAL LIABILITIES</b>	<b>101 596 503</b>	<b>-</b>	<b>101 596 503</b>
<b>NET ASSETS</b>	<b>102 736 040</b>	<b>-</b>	<b>102 736 040</b>
<b>COMMUNITY WEALTH/EQUITY</b>			
Accumulated Surplus	81 736 040	-	81 736 040
Funds and Reserves	21 000 000	-	21 000 000
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>102 736 040</b>	<b>-</b>	<b>102 736 040</b>

Refer to note 43.2 for further details relating to material variances.



# OVERBERG DISTRICT MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2024

#### COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2024 R (Actual)	2024 R (Final Budget)	2024 R (Variance)
<b>REVENUE BY SOURCE</b>			
<b>Exchange Revenue</b>			
Service charges - Electricity	812 375	800 000	12 375
Service charges - Water	39 821	35 000	4 821
Service charges - Waste Water Management	659 695	900 000	(240 305)
Service charges - Waste Management	15 064 355	14 800 000	264 355
Sale of Goods and Rendering of Services	10 001 075	9 971 130	29 945
Agency services	12 909 317	12 769 565	139 752
Interest earned from Receivables	221 887	270 000	(48 113)
Interest earned from Current and Non Current Assets	8 162 624	7 800 000	362 624
Rental from Fixed Assets	13 812 262	12 844 000	968 262
Licence and permits	758 489	750 000	8 489
Operational Revenue	2 848 408	2 421 638	426 770
<b>Non-Exchange Revenue</b>			
Transfer and subsidies - Operational	214 909 284	216 500 824	(1 591 540)
Operational Revenue	1 958	-	1 958
Other Gains	3 261 410	-	3 261 410
<b>TOTAL OPERATING REVENUE</b>	<b>283 462 961</b>	<b>279 862 157</b>	<b>3 600 804</b>
<b>EXPENDITURE BY TYPE</b>			
Employee related costs	145 557 849	141 017 119	4 540 730
Remuneration of councillors	6 763 179	6 339 757	423 422
Bulk purchases - electricity	494 822	350 000	144 822
Inventory consumed	47 783 102	55 658 790	(7 875 688)
Debt impairment	853 253	100 000	753 253
Depreciation and amortisation	4 463 697	3 653 586	810 111
Interest	2 255 385	2 753 186	(497 801)
Contracted services	28 650 328	33 421 000	(4 770 673)
Transfers and subsidies	2 300 343	2 174 000	126 343
Operational costs	28 793 465	34 333 037	(5 539 572)
Losses on disposal of Assets	623 825	-	623 825
<b>TOTAL OPERATING EXPENDITURE</b>	<b>268 539 249</b>	<b>279 800 475</b>	<b>(11 261 226)</b>
<b>OPERATING SURPLUS FOR THE YEAR</b>	<b>14 923 711</b>	<b>61 682</b>	<b>14 862 029</b>
Transfers and subsidies - capital	1 961 332	2 543 626	(582 294)
Transfers and subsidies - capital (In-Kind)	16 999	-	16 999
<b>NET SURPLUS FOR THE YEAR</b>	<b>16 902 042</b>	<b>2 605 308</b>	<b>14 296 734</b>

Refer to note 43.2 for further details relating to material variances.



# OVERBERG DISTRICT MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2024

#### ADJUSTMENTS TO APPROVED BUDGET

	2024 R (Approved Budget)	2024 R (Adjustments)	2024 R (Final Budget)
<b>REVENUE BY SOURCE</b>			
<b>Exchange Revenue</b>			
Service charges - Electricity	800 000	-	800 000
Service charges - Water	35 000	-	35 000
Service charges - Waste Water Management	900 000	-	900 000
Service charges - Waste Management	14 800 000	-	14 800 000
Sale of Goods and Rendering of Services	9 971 130	-	9 971 130
Agency services	12 769 565	-	12 769 565
Interest earned from Receivables	270 000	-	270 000
Interest earned from Current and Non Current Assets	7 800 000	-	7 800 000
Rental from Fixed Assets	12 844 000	-	12 844 000
Licence and permits	750 000	-	750 000
Operational Revenue	2 421 638	-	2 421 638
<b>Non-Exchange Revenue</b>			
Transfer and subsidies - Operational	216 500 824	-	216 500 824
<b>TOTAL OPERATING REVENUE</b>	<b>279 862 157</b>	<b>-</b>	<b>279 862 157</b>
<b>EXPENDITURE BY TYPE</b>			
Employee related costs	141 017 119	-	141 017 119
Remuneration of councillors	6 339 757	-	6 339 757
Bulk purchases - electricity	350 000	-	350 000
Inventory consumed	55 758 290	(99 500)	55 658 790
Debt impairment	100 000	-	100 000
Depreciation and amortisation	3 653 586	-	3 653 586
Interest	2 753 186	-	2 753 186
Contracted services	33 508 015	(87 015)	33 421 000
Transfers and subsidies	2 174 000	-	2 174 000
Operational costs	34 146 522	186 515	34 333 037
<b>TOTAL OPERATING EXPENDITURE</b>	<b>279 800 475</b>	<b>-</b>	<b>279 800 475</b>
<b>OPERATING SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>61 682</b>	<b>-</b>	<b>61 682</b>
Transfers and subsidies - capital	2 543 626	-	2 543 626
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>2 605 308</b>	<b>-</b>	<b>2 605 308</b>

Refer to note 43.2 for further details relating to material variances.



# OVERBERG DISTRICT MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

### CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2024

#### COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2024 R (Actual)	2024 R (Final Budget)	2024 R (Variance)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Service charges	15 289 834	16 535 000	(1 245 166)
Other revenue	36 882 190	38 656 333	(1 774 143)
Transfers and Subsidies - Operational	204 702 337	214 688 927	(9 986 590)
Transfers and Subsidies - Capital	1 619 764	1 700 000	(80 236)
Interest	8 404 634	8 070 000	334 634
<b>Payments</b>			
Suppliers and Employees	(256 085 546)	(269 108 545)	13 022 999
Finance charges	(1 595 921)	(1 833 950)	238 029
Transfers and Subsidies	(2 300 343)	(2 174 000)	(126 343)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>6 916 948</b>	<b>6 533 765</b>	<b>383 184</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Capital assets	(11 901 863)	(14 321 901)	2 420 038
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(11 901 863)</b>	<b>(14 321 901)</b>	<b>2 420 038</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Repayment of borrowing	(5 366 648)	(5 364 871)	(1 777)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(5 366 648)</b>	<b>(5 364 871)</b>	<b>(1 777)</b>
<b>NET DECREASE IN CASH HELD</b>	<b>(10 351 563)</b>	<b>(13 153 007)</b>	<b>2 801 444</b>
Cash/cash equivalents at the year begin	87 936 406	87 936 406	-
Cash/cash equivalents at the year end	77 584 843	74 783 399	2 801 444
<b>NET DECREASE IN CASH HELD</b>	<b>(10 351 563)</b>	<b>(13 153 007)</b>	<b>2 801 444</b>

Refer to note 43.2 for further details relating to material variances.



# OVERBERG DISTRICT MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

### CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2024

#### ADJUSTMENTS TO APPROVED BUDGET

	2024 R	2024 R	2024 R
	(Approved Budget)	(Adjustments)	(Final Budget)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Service charges	16 535 000	-	16 535 000
Other revenue	38 656 333	-	38 656 333
Transfers and Subsidies - Operational	214 688 927	-	214 688 927
Transfers and Subsidies - Capital	1 700 000	-	1 700 000
Interest	8 070 000	-	8 070 000
<b>Payments</b>			
Suppliers and Employees	(269 108 545)	-	(269 108 545)
Finance charges	(1 833 950)	-	(1 833 950)
Transfers and Grants	(2 174 000)	-	(2 174 000)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>6 533 765</b>	<b>-</b>	<b>6 533 765</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Capital assets	(14 321 901)	-	(14 321 901)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(14 321 901)</b>	<b>-</b>	<b>(14 321 901)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Repayment of borrowing	(5 364 871)	-	(5 364 871)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(5 364 871)</b>	<b>-</b>	<b>(5 364 871)</b>
<b>NET DECREASE IN CASH HELD</b>	<b>(13 153 007)</b>	<b>-</b>	<b>(13 153 007)</b>
Cash/cash equivalents at the year begin	87 936 406	-	87 936 406
Cash/cash equivalents at the year end	74 783 399	-	74 783 399
<b>NET DECREASE IN CASH HELD</b>	<b>(13 153 007)</b>	<b>-</b>	<b>(13 153 007)</b>

Refer to note 43.2 for further details relating to material variances.



# OVERBERG DISTRICT MUNICIPALITY

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

### 1 ACCOUNTING POLICIES

#### 1.01 BASIS OF PREPARATION

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

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

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

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

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

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

#### 1.02 TRANSITIONAL PROVISIONS

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

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

#### 1.03 PRESENTATION CURRENCY

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

#### 1.04 GOING CONCERN ASSUMPTION

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.05 COMPARATIVE INFORMATION

#### 1.05.1 Prior year comparatives

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

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

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

#### 1.05.2 Amended Accounting Policies

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. No significant amendments were made to the accounting policy in the current year.

### 1.06 MATERIALITY

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

### 1.07 BUDGET INFORMATION

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

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

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

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

#### 1.08.1 Effective dates determined

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

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

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

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

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

- (a) Changes in the classification of instruments for subsequent measurement – financial assets are measured at either amortised cost or fair value based on the reason why they are held and their economic characteristics. Specific liabilities are measured at fair value, and all others are measured at amortised cost.
- (b) The approach to impairing financial assets changed from an incurred loss to an expected loss model. As indicated in the name, expected losses estimate the expected default of financial assets over a period of time rather than only recognising an impairment loss when an event occurs.
- (c) Loan commitments and financial guarantee contracts are recognised and measured differently. They are no longer in the scope of GRAP 19 on Provisions, Contingent Liabilities and Contingent Assets. When entering into these transactions there is an economic consequence that exposes an entity to risk. Accounting for them as financial instruments best captures this risk exposure.
- (d) With the changes in the classification of instruments and impairment approach, there is new information that GRAP 104 requires entities to disclose.

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

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

#### 1.08.2 Effective dates not yet determined

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

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

##### 1.08.2.1 GRAP 103 (Revised 2022) - Heritage Assets

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

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

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

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

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

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

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

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

##### 1.08.2.4 GRAP 107 (Revised 2023) - Mergers

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

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



# OVERBERG DISTRICT MUNICIPALITY

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

### **1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)**

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

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

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

#### *1.08.2.6 Improvements to the Standards of GRAP (2023)*

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

### **1.09 RESERVES**

#### **1.09.1 Accumulated Surplus**

The accumulated surplus/deficit represents the net difference between the total assets and the total liabilities of the Municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

#### **1.09.2 Capital Replacement Reserve (CRR)**

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR. The CRR is ring-fenced within Accumulated Surplus.

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

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.10 INVESTMENT PROPERTY

#### 1.10.1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) which earn rentals and/or being held for capital appreciation. These properties are not held to meet service delivery objectives, the production or supply of goods or services for administration purposes nor for the sale of an asset in the ordinary course of operations. Property with a currently undetermined use is also classified as investment property.

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

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

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

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

#### 1.10.2 Subsequent Measurement – Cost Model

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

#### 1.10.3 Depreciation – Cost Model

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

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

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

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

# OVERBERG DISTRICT MUNICIPALITY

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

### 1.10 INVESTMENT PROPERTY (CONTINUED)

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

	YEARS
Land	Indefinite

#### 1.10.4 Impairment

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

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

#### 1.10.5 Derecognition

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

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

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

### 1.11 PROPERTY, PLANT AND EQUIPMENT

#### 1.11.1 Initial Recognition

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

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

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

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

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

# OVERBERG DISTRICT MUNICIPALITY

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

### 1.11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

#### 1.11.2 Subsequent Measurement - Cost Model

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

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

#### 1.11.3 Depreciation

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

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

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

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

	YEARS
Land	Indefinite
Buildings	15 - 100
Infrastructure	10 - 120
Community	30 - 100
Leased Assets	3 - 5
Landfill Site Rehabilitation (Per Cell)	4 - 5
Landfill Site Rehabilitation (Post Monitoring)	104
Computer Equipment	5 - 15
Furniture and fittings	3 - 50
Machinery and equipment	8 - 32
Office equipment	10 - 100
Vehicles	5 - 37
Specialised Vehicles	5 - 37



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 1.11.4 Impairment

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

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

#### 1.11.5 Derecognition

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

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

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

### 1.12 INTANGIBLE ASSETS

#### 1.12.1 Initial Recognition

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

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

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

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition.

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.12 INTANGIBLE ASSETS (CONTINUED)

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

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

#### 1.12.2 Subsequent Measurement - Cost Model

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

#### 1.12.3 Amortisation

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

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

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

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

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

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

	Years
Computer Software	10
Computer Software Licences	10

#### 1.12.4 Impairment

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

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

# OVERBERG DISTRICT MUNICIPALITY

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

### 1.12 INTANGIBLE ASSETS (CONTINUED)

#### 1.12.5 Derecognition

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

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

### 1.13 IMPAIRMENT OF NON-MONETARY ASSETS

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

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

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

#### 1.13.1 Recoverable amount of Cash-generating assets

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

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

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

#### 1.13.2 Recoverable amount of Non-cash-generating assets

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

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

#### 1.13.3 Impairment loss

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

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.13 IMPAIRMENT OF NON-MONETARY ASSETS (CONTINUED)

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

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

#### 1.13.4 Reversal of an impairment loss

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

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

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

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

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

### 1.14 INVENTORIES

#### 1.14.1 Initial Recognition

Inventories are assets:

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

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

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

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.14 INVENTORIES (CONTINUED)

#### 1.14.2 Subsequent Measurement

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

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

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

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

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

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

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

### 1.15 EMPLOYEE BENEFITS

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

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

#### 1.15.1 Post-Retirement Benefits

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.15 EMPLOYEE BENEFITS (CONTINUED)

#### 1.15.1.1 Multi-employer defined contribution plans

The municipality contributes to various defined-contribution 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 recognised in the Statement of Financial Performance in the year they become payable.

#### 1.15.1.2 Post Retirement Medical Obligations

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

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

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

Actuarial gains and losses are recognised on the face of the statement of financial performance, while current service cost and interest cost are included as part of employee related cost and finance charges respectively.

### 1.15.2 Long-term Benefits

#### 1.15.2.1 Long Service Awards

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

# OVERBERG DISTRICT MUNICIPALITY

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

### 1.15 EMPLOYEE BENEFITS (CONTINUED)

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

Actuarial gains and losses are recognised on the face of the statement of financial performance, while current service cost and interest cost are included as part of employee related cost and finance charges respectively.

#### 1.15.3 Short-term Benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- Wages, salaries and social security contributions;
- Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise 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; or
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

##### 1.15.3.1 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 reporting date, calculate as follows for purposes of the leave provision:

Permanent employed staff (based on conditions in collective agreement):

Compulsory (annual) leave at Total cost of employment - Leave balance but capped at maximum 12 days

Non-compulsory (accumulated) leave at Basic salary - Leave balance but capped at maximum 48 days

Total leave balance - All available leave but capped at maximum 60 days

Contracted employed staff (based on contract conditions)

Balance of leave not taken at Total cost of employment - All leave days available but not capped

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

##### 1.15.3.2 Staff Bonuses Accrued

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.15 EMPLOYEE BENEFITS (CONTINUED)

#### 1.15.3.3 Provision for Performance Bonuses

A provision, if any, 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. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

### 1.16 PROVISIONS

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

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

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

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

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

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.





# OVERBERG DISTRICT MUNICIPALITY

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

### 1.16 PROVISIONS (CONTINUED)

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

### 1.17 LEASES

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

#### 1.17.1 Municipality as Lessee

##### 1.17.1.1 Finance Leases

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

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

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

##### 1.17.1.2 Operating leases

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

#### 1.17.2 Municipality as Lessor

##### 1.17.2.1 Operating Leases

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.18 FINANCIAL INSTRUMENTS

#### 1.18.1 Initial Recognition

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

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

#### 1.18.2 Subsequent Measurement

Financial instruments are categorised as follows:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.
- (c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:
  - (i) derivatives;
  - (ii) combined instruments that are designated at fair value;
  - (iii) instruments held for trading;
  - (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
  - (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.18 FINANCIAL INSTRUMENTS (CONTINUED)

#### 1.18.3 Impairment and uncollectability of financial assets

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

##### 1.18.3.1 *Financial assets measured at amortised cost*

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

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

##### 1.18.3.2 *Financial assets measured at cost*

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

#### 1.18.4 Derecognition of financial instruments

##### 1.18.4.1 *Financial assets*

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

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.18 FINANCIAL INSTRUMENTS (CONTINUED)

#### 1.18.4.2 *Financial liabilities*

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

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

#### 1.18.5 **Offsetting of financial instruments**

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

### 1.19 STATUTORY RECEIVABLES

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

#### 1.19.1 **Initial Recognition**

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

#### 1.19.2 **Subsequent Measurement**

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

#### 1.19.3 **Impairment and uncollectability of statutory receivables**

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.19 STATUTORY RECEIVABLES (CONTINUED)

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

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

#### 1.19.4 Derecognition

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

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

### 1.20 CASH AND CASH EQUIVALENTS

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

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

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

### 1.21 RECEIVABLES

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

# OVERBERG DISTRICT MUNICIPALITY

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

### 1.21 RECEIVABLES (CONTINUED)

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

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

### 1.22 TAXES (VALUE ADDED TAX)

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

### 1.23 PAYABLES AND ANNUITY LOANS

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

### 1.24 CONSUMER DEPOSITS

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

### 1.25 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND UNSPENT PUBLIC CONTRIBUTIONS

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

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.25 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND UNSPENT PUBLIC CONTRIBUTIONS (CONTINUED)

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

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

### 1.26 REVENUE

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

#### 1.26.1 Revenue from Non-Exchange Transactions

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

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

##### 1.26.1.1 *Transfer Revenue*

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

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

##### 1.26.1.2 *Unclaimed deposits*

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.26 REVENUE (CONTINUED)

#### 1.26.1.3 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

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

#### 1.26.1.4 Services in-kind

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

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

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

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

#### 1.26.1.5 Contributed Assets

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

#### 1.26.1.6 Actuarial Gains

Actuarial gains are considered exchange in nature and its recognition is guided by the principles included in 1.15 above.

### 1.26.2 Revenue from Exchange Transactions

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

#### 1.26.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.





# OVERBERG DISTRICT MUNICIPALITY

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

### 1.26 REVENUE (CONTINUED)

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

#### 1.26.2.2 Roads Maintenance Service

Transfers (specifically relating to the roads functions performed) received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the transfer is conditional. The liability is transferred to revenue as and when the conditions attached to the transfer is met.

#### 1.26.2.3 Investment income

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

#### 1.26.2.4 Insurance Receipts

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

#### 1.26.2.5 Rental income

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

#### 1.26.2.6 Income from Agency Services

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

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

#### 1.26.2.7 Other Tariffs

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.26 REVENUE (CONTINUED)

#### 1.26.2.8 *Sale of goods*

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

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

#### 1.26.2.9 *Deferred payment*

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

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

### 1.27 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset.

The amount of borrowing costs that the Municipality capitalises during a period does not exceed the amount of borrowing costs it incurred during that period. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

### 1.28 UNAUTHORISED EXPENDITURE

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.29 IRREGULAR EXPENDITURE

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

### 1.30 FRUITLESS AND WASTEFUL EXPENDITURE

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

### 1.31 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

### 1.32 CAPITAL COMMITMENTS

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

### 1.33 REPAIRS AND MAINTENANCE

Repairs and Maintenance, which relates to Property, Plant and Equipment, is based on Management's own judgement of costs incurred in cost centres responsible for the maintenance and repair of Municipal owned assets. The municipality does not recognise these costs, which relates to the day-to-day servicing of the item to restore or maintain the originally assessed performance, in the carrying amount of an item of property, plant and equipment. These costs are recognised in surplus and deficit when incurred.

The repairs and maintenance relating to the Karwyderskraal Waste Facility relates to the prime costs directly linked to the infrastructure (if any) as well as municipal services (which includes leachate removal from site to maintain the facility). Removing hazardous waste (ie chemical, toxic and explosive waste) causing health and danger risk on the landfill site is also included.

Refer to note 39 for required disclosure relating to repairs and maintenance costs identified by management.



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.34 EVENTS AFTER REPORTING DATE

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

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

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

### 1.35 RELATED PARTIES

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

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

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

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

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

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

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.35 RELATED PARTIES (CONTINUED)

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

### 1.36 ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

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

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

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

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

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

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

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.36 ACCOUNTING BY PRINCIPAL AND AGENTS (CONTINUED)

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

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

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

### 1.37 LIVING AND NON-LIVING RESOURCES

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

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

The Municipality has assessed that it does not control any living resources.

### 1.38 SEGMENT REPORTINGS

A segment is an activity of the Municipality:

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

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

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

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.38 SEGMENT REPORTINGS (CONTINUED)

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

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

### 1.39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

#### 1.39.1 Application of Directive 7

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

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

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

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

#### 1.39.2 Impairment of Receivables

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

#### 1.39.3 Useful lives and residual values

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

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

#### 1.39.4 Impairment of non-monetary assets

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

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

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

#### 1.39.5 Post-Retirement and Long-term Benefits

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

#### 1.39.6 Provisions and Contingent Liabilities

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

Also refer to note 1.39.12

#### 1.39.7 Distinguishing between Financial Instruments and Statutory Receivables

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

#### 1.39.8 Financial assets and liabilities

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

#### 1.39.9 Revenue Recognition

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

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

#### 1.39.10 Recognition and Derecognition of Land

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

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

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

#### 1.39.11 Applying materiality

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

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 1.39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

#### 1.39.12 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 net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are recognised in the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- (a) 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;
- (b) The discount rate used to calculate the effect of time value of money is linked to the index for earthworks as published by Statistics South Africa;
- (c) The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site; and
- (d) Refer to note 18 for other major assumptions utilised

#### 1.39.13 Provision for Staff leave

Staff leave is accrued to employees according to collective or contractual agreements. Provision is made for the cost of accrued leave at reporting date as calculated as per 1.15.3.1 of the accounting policy. This provision will be realised as employees take leave or when employment is terminated.

#### 1.39.14 Componentisation of Infrastructure assets

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



# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>2 CASH AND CASH EQUIVALENTS</b>		
Bank Accounts	2 160 545	2 101 328
Call Investments and Other Deposits	75 423 698	85 834 478
Cash Floats	600	600
<b>Total</b>	<b>77 584 843</b>	<b>87 936 406</b>

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

Cash and Cash Equivalents are held to support the following commitments:

Unspent Conditional Grants	3 584 624	3 921 834
Unspent Annuity Loans	265 147	4 548 017
Roads Maintenance Services Payable	1 533 085	12 310 086
Rehabilitation Costs	5 191 732	3 772 375
Capital Replacement Reserve	21 000 000	21 000 000
Working Capital Requirements	46 010 255	42 384 094
<b>Total</b>	<b>77 584 843</b>	<b>87 936 406</b>

The Committed Rehabilitation Costs amounting to R 5 191 732 (2023 - R 3 772 375) are ring-fenced in a separate investment account and can only be utilised against future rehabilitation cost incurred by the municipality on landfill sites. The current balance only relates to the rehabilitation of Cell 4, but the commitment could be extended to further cells that are yet to be developed.

Refer to note 18 for more detail relating to provisions raised in relation to the rehabilitation of Landfill Sites.

	2024 R	2023 R
<b>Primary Bank Account</b>		
Bredasdorp Nedbank- Account number 11 7652 44 96		
Bank Statement Balance - Opening Balance	1 940 485	1 846 607
Bank Statement Balance - Closing Balance	1 925 309	1 940 485
<b>Other Bank Accounts</b>		
Bredasdorp ABSA - Account number 17 8000 00 62		
Bank Statement Balance - Opening Balance	160 844	78 264
Bank Statement Balance - Closing Balance	235 235	160 844
The municipality does not have an overdraft facility		
<b>Cashbook Balances (All Current Accounts)</b>		
Cashbook Balance - Opening Balance	2 101 328	1 926 550
Cashbook Balance - Closing Balance	2 160 545	2 101 328

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>2 CASH AND CASH EQUIVALENTS (CONTINUED)</b>		
<b>Call and Notice Deposits</b>		
Call and Notice Deposits consist out of the following accounts:		
ABSA Depositor Plus - Account Number 92 8755 0641	-	3 772 375
ABSA Investment Tracker - Account Number 93 5889 2970	27 126 989	39 465 054
ABSA Investment Tracker - Account Number 93 7458 5345	30 759 230	24 877 837
Nedbank Call Account - Account Number 03 788 171 4042	9 014 608	17 719 211
Nedbank Call Account - Account Number 03 788 118 3454	5 191 732	-
Nedbank Call Account - Account Number 03 788 118 5767	3 331 139	-
<b>Total</b>	<b>75 423 698</b>	<b>85 834 478</b>

Interest of between 8.15 % and 8.90 % (2023 - 7.70 % and 8.90%) is attracted by these short term deposits.

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

30 JUNE 2024	Gross Balance R	Allowance for impairment R	Net Receivable R
<b>Service Receivables</b>	<b>9 149 607</b>	<b>1 269 538</b>	<b>7 880 069</b>
Electricity	12 300	2 544	9 755
Water	81 844	33 200	48 644
Housing rental	114	57	57
Sundry Debtors	9 055 349	1 233 737	7 821 612
Local Municipalities - Fire Services	2 298 661	-	2 298 661
Local Municipalities - Waste Disposal	1 877 163	-	1 877 163
Other	4 879 526	1 233 737	3 645 789
<b>Other Receivables</b>	<b>1 622 789</b>	<b>-</b>	<b>1 622 789</b>
Accrued Interest	618 607	-	618 607
Payments in Advance	1 004 182	-	1 004 182
<b>Total</b>	<b>10 772 396</b>	<b>1 269 538</b>	<b>9 502 858</b>
<b>30 JUNE 2023</b>			
<b>Service Receivables</b>	<b>4 421 202</b>	<b>495 107</b>	<b>3 926 095</b>
Electricity	6 694	1 671	5 023
Water	37 527	10 139	27 388
Housing rental	25 086	12 542	12 543
Sundry Debtors	4 351 895	470 755	3 881 141
Local Municipalities - Waste Disposal	640 673	-	640 673
Other	3 711 223	470 755	3 240 468



# OVERBERG DISTRICT MUNICIPALITY

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

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

30 JUNE 2023	Gross Balance	Allowance for impairment	Net Receivable
<b>Other Receivables</b>	<b>1 558 483</b>	-	<b>1 558 483</b>
Accrued Interest	642 927	-	642 927
Payments in Advance	915 556	-	915 556
<b>Total</b>	<b>5 979 685</b>	<b>495 107</b>	<b>5 484 578</b>

Included in Sundry Debtors - Other on 30 June 2024 is an outstanding amount of R 1 235 122 (2023 - R 1 111 852) from the Western Cape Department of Public Works. The receivable relates to an fire incident where the municipality provided the fire services to extinguish a fire that originated from their property (Akkedisberg).

Ageing of service receivables:	2024 R	2023 R
<b>Electricity Ageing</b>		
Current (0 - 30 days)	4 149	2 632
Past Due (31 - 60 Days)	1 798	76
Past Due (61 - 90 Days)	1 137	476
Past Due (90 Days +)	5 216	3 509
<b>Total</b>	<b>12 300</b>	<b>6 694</b>
<b>Water Ageing</b>		
Current (0 - 30 days)	4 808	-
Past Due (31 - 60 Days)	4 809	4 122
Past Due (61 - 90 Days)	4 922	9 360
Past Due (90 Days +)	67 305	24 046
<b>Total</b>	<b>81 844</b>	<b>37 527</b>
<b>Housing Rental Ageing</b>		
Current (0 - 30 days)	-	-
Past Due (31 - 60 Days)	-	-
Past Due (61 - 90 Days)	-	-
Past Due (90 Days +)	114	25 086
<b>Total</b>	<b>114</b>	<b>25 086</b>
<b>Sundry Debtors Ageing</b>		
Current (0 - 30 days)	2 434 242	1 714 229
Past Due (31 - 60 Days)	759 335	1 450 678
Past Due (61 - 90 Days)	2 739 328	217 759
Past Due (90 Days +)	3 122 444	969 230
<b>Total</b>	<b>9 055 349</b>	<b>4 351 895</b>

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)</b>		
<b>Total Service Receivables Ageing</b>		
Current (0 - 30 days)	2 443 199	1 716 861
Past Due (31 - 60 Days)	765 941	1 454 876
Past Due (61 - 90 Days)	2 745 388	227 594
Past Due (90 Days +)	3 195 080	1 021 871
<b>Total</b>	<b>9 149 607</b>	<b>4 421 202</b>
<b>Reconciliation of Allowance for impairment</b>		
Balance at the beginning of the year	495 107	449 843
Contribution to the provision	850 962	79 470
Electricity	874	1 376
Water	23 060	7 044
Housing rental	12 486	340
Sundry Debtors	814 542	70 710
Bad Debts Written off	(76 531)	(34 206)
Housing rental	(24 972)	(2 520)
Sundry Debtors	(51 559)	(31 686)
Balance at the end of the year	<b>1 269 538</b>	<b>495 107</b>

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

#### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

30 JUNE 2024	Gross Balance R	Allowance for impairment R	Net Receivable R
<b>Service Receivables</b>	<b>10 164</b>	<b>5 082</b>	<b>5 082</b>
Legal fees Recovered	10 164	5 082	5 082
<b>Other Receivables</b>	<b>554 746</b>	<b>-</b>	<b>554 746</b>
Deposits	462 891	-	462 891
Other Debtors	91 856	-	91 856
<b>Total</b>	<b>564 910</b>	<b>5 082</b>	<b>559 828</b>



# OVERBERG DISTRICT MUNICIPALITY

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

### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

30 JUNE 2023	Gross Balance R	Allowance for impairment R	Net Receivable R
<b>Service Receivables</b>	<b>13 973</b>	<b>6 987</b>	<b>6 986</b>
Legal fees Recovered	13 973	6 987	6 986
<b>Other Receivables</b>	<b>541 163</b>	<b>-</b>	<b>541 163</b>
Deposits	449 307	-	449 307
Other Debtors	91 856	-	91 856
<b>Total</b>	<b>555 135</b>	<b>6 987</b>	<b>548 149</b>

Deposits includes Eskom, Municipal and Rental Deposits.

	2024 R	2023 R
<b>Ageing of service receivables:</b>		
<b>Legal Fees Ageing</b>		
Current (0 - 30 days)	-	-
Past Due (31 - 60 Days)	-	-
Past Due (61 - 90 Days)	-	-
Past Due (90 Days +)	10 164	13 973
<b>Total</b>	<b>10 164</b>	<b>13 973</b>

#### Reconciliation of Allowance for impairment

Balance at the beginning of the year	6 987	10 218
Contribution to/(Reduction of) the provision	2 291	(3 232)
Legal Fees	2 291	(3 232)
Bad Debts Written off	(4 195)	-
Legal Fees	(4 195)	-
Balance at the end of the year	<b>5 082</b>	<b>6 987</b>

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



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29 NOVEMBER 2024

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>5 OPERATING LEASES</b>		
<b>5.1 Operating Lease Asset</b>	-	-
<p>The municipality will receive the following lease payments from contracts that have defined lease payments and terms.</p>		
Within 1 Year	13 027 033	12 355 350
Between 1 and 5 Years	6 559 769	17 103 199
Over 5 Years	413 421	1 589 417
<b>Total</b>	<b>20 000 223</b>	<b>31 047 965</b>

The prior year disclosure was updated from R 33 227 985 to R 31 047 965 due to the incorrect tariffs used to calculate the lease payments.

Leases includes the following 2 types of lease agreements:

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

Contracts entered into at Die Dam and Uilenkraalsmond where properties are rented on a semi-permanent basis for a period of 9 years and 11 months. Rent payable is determined by council on an annual basis.

The lease payments are in respect of properties being leased out over a period ranging up to 2032 (2023: 2032)

	2024 R	2023 R
<b>5.2 Operating Lease Liability</b>	-	-
<p>The operating lease liability is derived from contracts where the municipality acts as the lessee in the agreement.</p>		
<p>The municipality will incur the following lease expenditure from contracts that have defined lease payments and terms:</p>		
Within 1 Year	1 266 745	1 098 694
Between 1 and 5 Years	661 233	1 017 670
<b>Total</b>	<b>1 927 978</b>	<b>2 116 363</b>

The prior year disclosure was updated from R 2 136 840 to R 2 116 363 due to the contract end date of the Grail Centre Trust being corrected from 31 January 2025 to 30 June 2024.

The operating lease liability relates to the following lease arrangements:

The Municipality entered into a lease agreement with the Grail Centre Trust for additional office space (Health). The lease agreement commenced on 1 February 2022 and will run up to 30 June 2024. The initial monthly rental is R 2 780.22 (VAT inclusive) and the lease is subject to an annual increase of 10%. The municipality has the option to renew the lease after 30 June 2024. The lease was extended on 28 June 2024 for a 2 month period up to 31 August 2024 on a deviation in order to finalise the lease renewal process.



# OVERBERG DISTRICT MUNICIPALITY

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

### 5 OPERATING LEASES (CONTINUED)

The Municipality renewed its lease agreement with Theewaterskloof Local Municipality for additional office space for municipal health services in Grabouw. The renewed lease agreement commenced on 1 April 2023 and will run up to 31 March 2026. The initial monthly rental is R 7 014.88 (VAT inclusive) and the lease is subject to an annual increase of 7%.

The Municipality continued with an addendum to the lease agreement with Mr Johannes de Villiers De Kock for additional office space in Hermanus for Health Services. The lease addendum as per deviation commenced on 1 March 2023 and will run up to 29 February 2024. The monthly rental is R 19 175 (VAT inclusive). A new contract was entered into from 1 March 2024 up to 28 February 2027. The monthly rental is R 30 000 (VAT Inclusive) per month and will increase to R 31 800 (VAT Inclusive) and R 33 708 (VAT Inclusive) in year 2 and 3 of the contract respectively.

The Municipality entered into a lease agreement with the Two a Day Group (Pty) Ltd for property to be utilised by the fire department in Grabouw. The lease agreement commenced on 1 August 2022 and will run up to 31 July 2025. The initial monthly rental is R 24 230 (VAT inclusive) and the lease is subject to an annual increase of 6%.

The Municipality entered into a lease agreement with the Seeff Country for property to be utilised by the fire department in Barrydale. The lease agreement commenced on 1 July 2022 and will run up to 31 May 2025. The initial monthly rental is R 12 800 (VAT inclusive) and the lease is subject to an annual increase of 10%.

The Municipality entered into a lease agreement with the SPFT Beleggings (Edms) Bpk for property to be utilised by the fire department in Caledon. The lease agreement commenced on 1 April 2022 and will run up to 31 March 2025. The initial monthly rental is R 50 485 (VAT inclusive) and the lease is subject to an annual increase of 7%. The municipality has the option to renew the lease after 31 March 2025

### 6 TAXES

	2024 R	2023 R
VAT Receivable	<u>(384 320)</u>	<u>525 557</u>
The VAT balance is made up as follows:		
VAT Output in Suspense	(1 045 981)	(471 552)
VAT Input in Suspense	358 266	516 113
VAT Receivable from SARS	<u>303 395</u>	<u>480 996</u>
<b>Total</b>	<u><b>(384 320)</b></u>	<u><b>525 557</b></u>

VAT is accounted for on the payment basis.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies

#### VAT - Roads Function

The municipality relied on a shared legal opinion obtained by West Coast District Municipality concerning the output VAT treatment of the roads funding received from the Western Cape Department of Transport and Public Works (now called the Department of Infrastructure). The objective of the opinion obtained was to confirm if the municipality must declare output VAT at 15% or zero % on the funding received from the Western Cape Department of Transport and Public Works.

# OVERBERG DISTRICT MUNICIPALITY

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

### 6 TAXES (CONTINUED)

The municipality was directed by the Auditor-General (during 2022/23 Audit cycle) to obtain a VAT ruling from SARS relating to the roads funding. The municipality duly requested the ruling. However, SARS indicated, in an informal response to the municipality, that no VAT ruling will be issued at this stage and that they are in process of preparing guidance that will be issued to affected municipalities in due course. The guidance was not yet available, nor was any ruling issued by SARS to date. Accordingly, there is still uncertainty about the obligation the municipality has, if any.

7 INVENTORY	2024 R	2023 R
Consumables	1 767 390	1 571 247
Printing & Stationery	26 446	39 031
Fuel & Oil	1 352 243	1 107 686
Spare Parts	37 546	34 682
Grader Blades	269 532	320 255
Cleaning Materials	40 912	24 583
Other	40 711	45 012
<b>Total</b>	<b>1 767 390</b>	<b>1 571 247</b>
Inventory written off due to losses identified during the annual stores counts (including obsolete items).	-	4 088
Inventory recognised as an expense during the year.	22 187 034	23 543 605
Inventory is disclosed at the lower of cost or net realisable value.		
No inventory was pledged as security for liabilities.		

### 8 INVESTMENT PROPERTY

Investment Property - Carrying Value	<b>12 796 600</b>	<b>12 796 600</b>
The movement in Investment Property is reconciled as follows:		
Investment Property - Opening Carrying Value	<b>12 796 600</b>	<b>12 796 600</b>
Cost	12 796 600	12 796 600
Investment Property - Closing Carrying Value	<b>12 796 600</b>	<b>12 796 600</b>
Cost	12 796 600	12 796 600

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

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

No rental revenue was earned from Investment Properties

No repairs and maintenance cost were incurred on any investment properties in the current period.



# OVERBERG DISTRICT MUNICIPALITY

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

### 9 PROPERTY PLANT AND EQUIPMENT

30 JUNE 2024	Cost					Accumulated Depreciation					Accumulated Impairment				Carrying Value
	Opening Balance	Additions	Disposals	Transfers	Closing Balance	Opening Balance	Additions	Disposals	Transfers	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	
Land	4 999 177	-	-	-	4 999 177	-	-	-	-	-	-	-	-	-	4 999 177
Buildings	19 262 295	401 117	(233 992)	-	19 429 421	7 028 736	339 325	(200 252)	-	7 167 809	313 006	-	-	313 006	11 948 606
Capitalised Restoration Cost	8 094 312	67 682	-	-	8 161 993	6 106 058	-	-	-	6 106 058	1 988 254	65 528	-	2 053 782	2 153
Infrastructure	40 021 872	4 225 983	(414 098)	-	43 833 758	11 365 856	863 695	(376 263)	-	11 853 288	-	-	-	-	31 980 470
Community Assets	14 800	2 834	-	-	17 634	4 545	523	-	-	5 068	-	-	-	-	12 566
Leased Assets	2 948 000	-	(58 000)	-	2 890 000	939 591	487 281	(24 100)	-	1 402 772	-	-	-	-	1 487 228
Computer Equipment	3 164 379	1 195 465	(383 425)	-	3 976 419	1 239 989	310 472	(307 942)	-	1 242 519	1 219	-	-	1 219	2 732 682
Furniture and fittings	3 538 704	380 990	(68 061)	-	3 851 633	2 065 364	185 954	(52 592)	-	2 198 725	32 652	-	-	32 652	1 620 256
Machinery and equipment	7 471 831	1 359 169	(140 166)	-	8 690 835	1 823 948	529 495	(83 351)	-	2 270 093	38 140	4 551	-	42 690	6 378 052
Office equipment	1 416 468	377 688	(53 341)	-	1 740 814	792 235	104 613	(43 556)	-	853 293	18 777	-	-	18 777	868 745
Vehicles	7 650 813	1 306 437	(673 487)	-	8 283 763	2 534 626	521 984	(346 979)	-	2 709 630	175 797	108 382	(271 831)	12 348	5 561 785
Specialised Vehicles	17 351 318	2 777 092	(601 396)	-	19 527 014	4 684 704	893 214	(273 319)	-	5 304 598	193 762	21 954	(21 954)	193 762	14 028 654
<b>Total</b>	<b>115 933 968</b>	<b>12 094 457</b>	<b>(2 625 965)</b>	<b>-</b>	<b>125 402 460</b>	<b>38 585 651</b>	<b>4 236 556</b>	<b>(1 708 355)</b>	<b>-</b>	<b>41 113 852</b>	<b>2 761 605</b>	<b>200 415</b>	<b>(293 785)</b>	<b>2 668 235</b>	<b>81 620 372</b>

  

30 JUNE 2023	Cost					Accumulated Depreciation					Accumulated Impairment				Carrying Value
	Opening Balance	Additions	Disposals	Transfers	Closing Balance	Opening Balance	Additions	Disposals	Transfers	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	
Land	4 999 177	-	-	-	4 999 177	-	-	-	-	-	-	-	-	-	4 999 177
Buildings	18 690 408	571 888	-	-	19 262 295	6 718 140	310 596	-	-	7 028 736	313 006	-	-	313 006	11 920 554
Capitalised Restoration Cost	8 094 312	-	-	-	8 094 312	6 106 058	-	-	-	6 106 058	1 988 254	-	-	1 988 254	-
Infrastructure	39 655 108	366 764	-	-	40 021 872	10 492 688	873 168	-	-	11 365 856	-	-	-	-	28 656 017
Community Assets	14 800	-	-	-	14 800	4 052	493	-	-	4 545	-	-	-	-	10 255
Leased Assets	3 047 992	-	(99 992)	-	2 948 000	548 250	491 333	(99 992)	-	939 591	-	-	-	-	2 008 409
Computer Equipment	2 360 533	860 586	(56 740)	-	3 164 379	1 026 261	242 662	(28 935)	-	1 239 989	-	1 219	-	1 219	1 923 171
Furniture and fittings	3 191 704	403 307	(56 307)	-	3 538 704	1 929 328	177 467	(41 431)	-	2 065 364	-	32 652	-	32 652	1 440 688
Machinery and equipment	6 282 846	1 370 212	(159 004)	(22 222)	7 471 831	1 475 372	438 812	(85 115)	(5 120)	1 823 948	-	38 140	-	38 140	5 609 744
Office equipment	1 392 245	56 239	(32 016)	-	1 416 468	715 384	98 548	(21 697)	-	792 235	-	18 777	-	18 777	605 455
Vehicles	6 604 672	1 145 725	(121 807)	22 222	7 650 813	2 217 779	370 465	(58 738)	5 120	2 534 626	74 171	125 938	(24 313)	175 797	4 940 390
Specialised Vehicles	15 079 129	2 896 183	(623 994)	-	17 351 318	4 275 281	672 921	(263 498)	-	4 684 704	84 783	108 979	-	193 762	12 472 852
<b>Total</b>	<b>109 412 926</b>	<b>7 670 904</b>	<b>(1 149 862)</b>	<b>-</b>	<b>115 933 968</b>	<b>35 508 593</b>	<b>3 676 465</b>	<b>(599 407)</b>	<b>-</b>	<b>38 585 651</b>	<b>2 460 214</b>	<b>325 704</b>	<b>(24 313)</b>	<b>2 761 605</b>	<b>74 586 712</b>

  

Balance Previously Reported	109 412 926	7 670 904	(1 466 461)	-	115 617 369	35 508 593	3 676 465	(854 972)	-	38 330 086	2 460 214	240 356	-	2 700 571	74 586 712
Prior Period Adjustment	-	-	316 600	-	316 600	-	-	255 565	-	255 565	-	85 348	(24 313)	61 035	-
<b>Restated Balance on 30 June 2023</b>	<b>109 412 926</b>	<b>7 670 904</b>	<b>(1 149 862)</b>	<b>-</b>	<b>115 933 968</b>	<b>35 508 593</b>	<b>3 676 465</b>	<b>(599 407)</b>	<b>-</b>	<b>38 585 651</b>	<b>2 460 214</b>	<b>325 704</b>	<b>(24 313)</b>	<b>2 761 605</b>	<b>74 586 712</b>

# OVERBERG DISTRICT MUNICIPALITY

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

### 9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

- 9.1 There is no property, plant and equipment where title is restricted.
- 9.2 Leased assets are pledged as security for outstanding finance lease liabilities included in note 12.
- 9.3 The following Work in Progress balances were included in closing balances. No depreciation charges are recognised against these balances:

	2024 R	2023 R
Buildings	157 952	129 043
Infrastructure	-	366 764
<b>Total</b>	<b>157 952</b>	<b>495 808</b>

The Infrastructure work in progress on 30 June 2023 relates to the upgrading of the access road and installation of borehole pump, pipeline and switchgear at the Karwyderskraal facility which was completed in the current year.

Included in work in progress are buildings (30 June 2023 and 30 June 2022) amounting to R 313 006 which relates to the construction of a new fire station. The municipality failed to attract proposals from prospective contractors that are within the proposed budget limits approved by Council. Consequently, a decision was taken to rather rent a building. This decision casts doubt over the future benefits to be derived from the expenditure incurred to date and accordingly the balance of R 313 006 was impaired in full during 2020/21 until more certainty is provided by council on the completion of the project.

The other Work in progress in buildings relates to the upgrading of Chalets at the Uilenkraalsmond Resort which was not yet completed at year-end as well as fencing projects that are ongoing at the municipality.

- 9.4 The following borrowing cost were capitalised in terms of GRAP 5 and included in the closing balance of the following asset classes.

	2024 R	2023 R
Infrastructure - Opening Balance	1 176 716	1 176 716
Capitalised during the year	204 055	2 868
<b>Infrastructure - Closing Balance</b>	<b>1 380 771</b>	<b>1 176 716</b>

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



# OVERBERG DISTRICT MUNICIPALITY

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

### 9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

9.6 Infrastructure assets can broadly be classified in the following 2 categories:

	2024 R	2023 R
Service Delivery Infrastructure Assets at Resorts	3 789 414	4 063 609
Infrastructure at Karwyderskraal Solid Waste Facility	28 191 056	24 592 408
<b>Total Carrying Value</b>	<b>31 980 470</b>	<b>28 656 017</b>

9.7 Refer to note 39 for maintenance related expenditure incurred on property, plant and equipment.

9.8 The impairments raised in the current year and prior year (other than the capitalised restoration cost asset) relates to assets that are obsolete or where the cost of repairs exceeds the value of the relevant assets. The impairment on the capitalised restoration cost asset relates to additions made to cell rehabilitation cost where the cell have no future economic benefits, other than the storage of waste.

### 10 INTANGIBLE ASSETS

	2024 R	2023 R
Intangible Assets - Carrying Value	<b>74 401</b>	<b>4 986</b>

The movement in intangible assets is reconciled as follows:

<b>Opening Carrying Value</b>	4 986	8 023
Cost	89 538	89 538
Accumulated Amortisation	(84 552)	(81 515)
Additions	96 140	-
Amortisation for the year	(26 726)	(3 037)
<b>Closing Carrying Value</b>	<b>74 401</b>	<b>4 986</b>
Cost	185 678	89 538
Accumulated Amortisation	(111 277)	(84 552)

Intangible Assets consist only of software.

No intangible asset was assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets where title is restricted.

There are no intangible assets pledged as security for liabilities

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

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>11 EMPLOYEE BENEFITS</b>		
Employee Benefits (Roads)	22 860 000	22 160 000
Less Current Portion	(2 040 000)	(1 863 000)
<b>Total</b>	<b>20 820 000</b>	<b>20 297 000</b>

The movement in Employee Benefits (Roads) is reconciled as follows:

Opening Balance	22 160 000	24 123 000
Contribution during the year	3 066 000	3 164 000
Current Service Cost	501 000	503 000
Interest Cost	2 565 000	2 661 000
Claimable from Department of Roads	(1 709 537)	(1 675 117)
Actuarial Gain	(656 463)	(3 451 883)
<b>Total</b>	<b>22 860 000</b>	<b>22 160 000</b>

The Employee Benefits: Roads Receivable relates to the provision for post-retirement health benefits and long service awards made in respect of employees directly appointed for Roads Function performed on behalf of the Provincial Administration: Western Cape.

In terms of the agreement between the Western Cape Provincial Government and based on the past experience of the relationship between the municipality and the provincial department, Provincial Government funds will be made available to maintain the approved organogram of the Roads department, including all post retirement health and long service awards. The unpaid claim for the provision of these benefits has therefore been raised as a long term debtor. The carrying amount of these assets approximates their fair value.

Refer to note 17 for more detail relating to this receivable.

	2024 R	2023 R
<b>12 LONG-TERM LIABILITIES</b>		
Annuity Loans	11 112 157	15 232 032
Finance Lease Liabilities	110 568	1 357 342
<b>Sub-Total</b>	<b>11 222 726</b>	<b>16 589 374</b>
Less: Current portion of Long-term Liabilities	4 703 994	5 364 871
Annuity Loans	4 593 426	4 119 875
Finance Lease Liabilities	110 568	1 244 997
<b>Total</b>	<b>6 518 731</b>	<b>11 224 503</b>



# OVERBERG DISTRICT MUNICIPALITY

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

### 12 LONG-TERM LIABILITIES (CONTINUED)

Annuity Loans were fully utilised to purchase property plant and equipment in accordance with the Municipal Finance Management Act. The following Loans were unspent on 30 June:

	2024 R	2023 R
Opening Balance - Unspent Loans	4 548 017	4 911 913
Assets purchased	(4 282 870)	(363 896)
<b>Closing Balance - Unspent Loans</b>	<b>265 147</b>	<b>4 548 017</b>

The municipality is in process to spend the unspent loan and it is expected that the loan will be fully spent during 2024/2025.

#### Annuity Loans

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

Standard Bank	11 112 157	15 232 032
---------------	------------	------------

Interest is calculated at an interest rate of 11.17% and the loan will be fully redeemed on 30 September 2026. The liability is not secured.

<b>11 112 157</b>	<b>15 232 032</b>
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Annuity loans are payable as follows:

Payable within one year	5 611 160	5 611 160
Payable within two to five years	7 013 951	12 625 111
Payable after five years	-	-

<b>Total amount payable</b>	<b>12 625 111</b>	<b>18 236 271</b>
<b>Less:</b> Outstanding Future Finance Charges	<b>(1 512 953)</b>	<b>(3 004 239)</b>

<b>Present value of annuity loans</b>	<b>11 112 157</b>	<b>15 232 032</b>
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#### Finance Lease Liabilities

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

Nr	Institution	Interest Rate	Lease Term
2	Nashua (Copiers)	13.15% (2023 - 12.97%)	1 Augustus 2021 to 31 July 2024

The municipality entered into a new finance lease with Nashua agreement during 2021/22. This agreement commenced on 1 August 2021. The instalments associated with this agreement will escalate by 15.05% and 13.09% respectively at the end of the first and second year of the agreement.

# OVERBERG DISTRICT MUNICIPALITY

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

### 12 LONG-TERM LIABILITIES (CONTINUED)

Assets and liabilities associated with finance lease contracts:

Nr	Carrying Value of Asset		Carrying Value of Liability	
	2024 R	2023 R	2024 R	2023 R
2	1 487 228	2 008 409	110 568	1 357 342
	<b>1 487 228</b>	<b>2 008 409</b>	<b>110 568</b>	<b>1 357 342</b>

The carrying value of assets, which are pledged as security for outstanding liabilities, are included in the property, plant and equipment carrying value in note 9.

	2024 R	2023 R
Finance Lease Liabilities are payable as follows:		
Payable within one year	111 780	1 349 580
Payable within two to five years	-	113 560
<b>Total amount payable</b>	<b>111 780</b>	<b>1 463 140</b>
<b>Less:</b> Outstanding Future Finance Charges	(1 212)	(105 798)
<b>Present value of finance lease liabilities</b>	<b>110 568</b>	<b>1 357 342</b>

### 13 CONSUMER DEPOSITS

	2024 R	2023 R
Electricity	8 160	8 160
<b>Total</b>	<b>8 160</b>	<b>8 160</b>
Guarantees held in lieu of Electricity Deposits	-	-

The carrying value of consumer deposits are in line with its fair value. Outstanding balances do not attract any interest.

### 14 PAYABLES FROM EXCHANGE TRANSACTIONS

	2024 R	2023 R
Trade Payables	3 567 452	5 168 656
Retentions	206 811	-
Payments received in advance	629 923	595 110
Rent Deposits	210 176	173 440
Sundry Payables	792 427	798 493
Roads Maintenance Services	1 533 085	12 310 086
<b>Total</b>	<b>6 939 875</b>	<b>19 045 785</b>



# OVERBERG DISTRICT MUNICIPALITY

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

### 14 PAYABLES FROM EXCHANGE TRANSACTIONS

Payables are recognised net of any discounts received.

As prescribed by the MFMA, all payables are payable within 30 days. This credit period granted is considered to be in line with industry norms. The carrying value of payables is in line with its fair value.

Payables are not secured and the municipality did not default on any payables during the year.

The significant roads maintenance payable on 30 June 2023 can mainly be attributed to substantial advances received from the Provincial Roads Department before year-end. Refer to note 23 for reconciliation of the Roads Maintenance Payable.

Sundry payables mainly consist of Unidentified deposits and Employee Related Accruals/Payables.

	2024 R	2023 R
<b>15 UNSPENT CONDITIONAL GOVERNMENT GRANTS</b>		
National Government	1 926 563	101 630
Provincial Government	1 658 061	3 820 204
<b>Total</b>	<b>3 584 624</b>	<b>3 921 834</b>

Detail reconciliations of all grants received and grant conditions met are included in note 20. Unspent grant balances are recognised to the extent that conditions are not yet met.

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

	2024 R	2023 R
<b>16 CURRENT EMPLOYEE BENEFITS</b>		
Post Retirement Medical Benefits	3 517 000	3 368 000
Long Service Awards	758 000	663 000
Bonuses	3 569 476	3 274 525
Staff Leave	9 746 044	8 763 773
<b>Total</b>	<b>17 590 520</b>	<b>16 069 298</b>

The movement in current employee benefits is reconciled as follows:

#### Bonuses

Opening Balance	3 274 525	2 904 710
Contribution during the year	7 241 944	6 563 227
Payments made	(6 946 993)	(6 193 412)
<b>Closing Balance</b>	<b>3 569 476</b>	<b>3 274 525</b>



# OVERBERG DISTRICT MUNICIPALITY

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

### 16 CURRENT EMPLOYEE BENEFITS (CONTINUED)

Bonuses are paid to all municipal staff, excluding section 57 Managers. 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
<b>Staff Leave</b>		
Opening Balance	8 763 773	7 165 604
Contribution during the year	1 678 223	2 009 848
Payments made	(695 952)	(411 679)
<b>Closing Balance</b>	<b>9 746 044</b>	<b>8 763 773</b>

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

	2024 R	2023 R
<b>17 EMPLOYEE BENEFITS</b>		
Post Retirement Medical Benefits	46 242 000	46 324 000
Long Service Awards	6 574 000	6 308 000
<b>Sub-Total</b>	<b>52 816 000</b>	<b>52 632 000</b>
Less: Current portion of Employee Benefits	4 275 000	4 031 000
Post Retirement Medical Benefits	3 517 000	3 368 000
Long Service Awards	758 000	663 000
<b>Total</b>	<b>48 541 000</b>	<b>48 601 000</b>

The total liability can be attributed to the following:

Roads Function - also refer to receivable raised in note 11	22 860 000	22 160 000
Other municipal functions	29 956 000	30 472 000
<b>Total</b>	<b>52 816 000</b>	<b>52 632 000</b>

# OVERBERG DISTRICT MUNICIPALITY

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

### 17 EMPLOYEE BENEFITS (CONTINUED)

	2024 R	2023 R
<b>17.1 Post Retirement Medical Benefits</b>		
The movement in Post Retirement Medical Benefits is reconciled as follows:		
Opening Balance of defined benefit obligation	46 324 000	50 163 000
Contribution during the year	6 033 000	6 304 000
Current Service Cost	635 000	726 000
Interest Expense	5 398 000	5 578 000
Payments made	(3 128 838)	(3 217 445)
Actuarial Gain	(2 986 162)	(6 925 555)
Change in Financial Assumptions	(1 159 000)	(4 561 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(1 827 162)	(2 364 555)
<b>Total balance at year-end</b>	<b>46 242 000</b>	<b>46 324 000</b>
Less Current Portion	3 517 000	3 368 000
<b>Total</b>	<b>42 725 000</b>	<b>42 956 000</b>

The liability has been estimated to be as follows:

	2023 R	2022 R
In-service employees	13 545 000	12 807 000
Continuation members	32 697 000	33 517 000
<b>Total Unfunded Liability</b>	<b>46 242 000</b>	<b>46 324 000</b>

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

	2024	2023
In-service members	68	77
Continuation members	69	71
<b>Total</b>	<b>137</b>	<b>148</b>

At year-end there were also 85 (2023 - 87) eligible In-service non-members.

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

Refer to note 11 for the reconciliation of reimbursement rights associated with this obligation.

#### Last Valuation and Actuarial Valuation Method

The last valuation was performed on 13 July 2024. The Projected Unit Credit Method has been used to value the liabilities.

# OVERBERG DISTRICT MUNICIPALITY

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

### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Characteristics of defined benefit plans and risks associated with them

The municipality provides post employment medical benefits as follows:

- Employees appointed on or before 30 June 2016 will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement.
- Employees appointed after 30 June 2016 are not eligible for a post-employment subsidy.
- Continuation members and their eligible dependants receive either a 60% or 70% subsidy, depending on the individual's entitlement.
- The post-employment subsidies are not limited to a maximum Rand value/subsidy.
- Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

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

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

#### Significant Actuarial Assumptions

	2024	2023
<b>Interest Rates</b>		
Discount rate	11.56%	12.08%
Medical aid contribution inflation rate	7.11%	7.85%

The discount rate reflects the time value of money and is approximated with reference to the market yields at reporting date on government bonds.

#### Mortality Rates

The SA 85-90 is utilised as reference for mortality during employment. The PA 90 -1 with a 1% mortality improvement per annum from 2010 is utilised as reference for mortality post-employment.

#### Average Retirement Age

It has been assumed that in-service members will retire at age 62 for all employees (2023 - 62), which then implicitly allows for expected rates of early and ill-health retirement. Normal retirement is set at age 65.

# OVERBERG DISTRICT MUNICIPALITY

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

### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Member Continuation

The continuation of membership at retirement is estimated at 75% (2023 - 75%).

#### Other Assumptions

##### Interest Rates

CPI Inflation	5.61%	6.35%
Net Discount Rate	4.15%	3.92%

##### Replacement Ratio

A Replacement Ratio (expected pension as a percentage of final salary, at retirement) of 65% (2023 - 65%) was used.

##### Termination of Service

If an eligible employee leaves due to resignation or retrenchment, the employer's Defined-Benefit Obligation in respect of that employee ceases. The termination rates are as follows:

	2024	2023
Age: 20 - 24	9.00%	9.00%
Age: 25 - 29	8.00%	8.00%
Age: 30 - 34	6.00%	6.00%
Age: 35 - 39	5.00%	5.00%
Age: 40 - 44	5.00%	5.00%
Age: 45 - 49	4.00%	4.00%
Age: 50 - 54	3.00%	3.00%
Age: 55 +	0.00%	0.00%

#### Other Assumptions

The proportion with a spouse dependant at retirement is estimated at 60% (2023 - 60%). The proportion of eligible in-service non-members joining a scheme by retirement and continuing with the subsidy at and after retirement is estimated at 15% (2023 - 15%). It has been assumed that female spouses will be five years younger than their male counterparts. Furthermore, it is assumed that 60% (2023 - 60%) of eligible employees on a health care arrangement at retirement will have a subsidised spouse dependant. For current retiree members, actual subsidised spouse dependants were used and the potential for remarriage was ignored.

#### Medical Schemes

The municipality contributes to the following medical schemes on a monthly basis:

Bonitas	Keyhealth	Samwumed	LA Health	Sizwe-Hosmed
---------	-----------	----------	-----------	--------------

It is assumed that the continuation members and in service members will remain on the same medical scheme and option. In-service non-members were assumed to join Samwumed B, should they join a scheme by retirement and continue to receive the post-employment subsidy

# OVERBERG DISTRICT MUNICIPALITY

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

### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Sensitivity Analysis - Defined Benefit Obligation at year-end

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

Assumption	In-service members R m	Continuation members R m	Total liability R m	% change
Liability	13.545	32.697	46.242	
Medical aid contribution inflation rate				
+ 1%	16.017	35.388	51.405	11%
- 1%	11.553	30.325	41.878	-9%
Discount rate				
+ 1%	11.640	30.434	42.074	-9%
- 1%	15.932	35.299	51.231	11%
Post-employment mortality				
+ 1 year	13.221	31.550	44.771	-3%
- 1 year	13.866	33.850	47.716	3%
Average retirement age				
- 1 year	14.727	32.697	47.424	3%
Membership continuation				
- 10%	11.816	32.697	44.513	-4%

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

#### Expected contributions and maturity analysis

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

The municipality also has a reimbursement right for contributions made towards employees in the roads department as disclosed in note 11

The municipality expects to make contributions to the various medical schemes amounting to R 3 517 000 in the next financial year.

# OVERBERG DISTRICT MUNICIPALITY

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

### 17 EMPLOYEE BENEFITS (CONTINUED)

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

Future years	Expected Benefit Payments R m	% contribution of bracket
Future year 1 to 10	45.835	8%
Future year 11 to 20	71.810	13%
Future year 21 to 30	103.550	19%
Future year 31 to 40	119.538	22%
Future year 41 to 50	106.055	20%
Future year 51 to 60	66.584	12%
Future year 61 to 70	24.180	4%
Future year 71 to 80	3.151	1%
<b>Total</b>	<b>540.703</b>	<b>100%</b>

The contributions subsequent 80 years (relating to current eligible employees and continuation member) is considered insignificant to be included in the analysis.

### 17.2 Long Service Awards

The movement in Long Service Awards is reconciled as follows:

	2024 R	2023 R
Opening Balance	6 308 000	6 073 000
Contribution during the year	1 293 000	1 189 000
Current Service Cost	578 000	545 000
Interest Expense	715 000	644 000
Payments made	(751 751)	(725 996)
Actuarial Gain	(275 249)	(228 004)
Change in Financial Assumptions	(85 000)	(359 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(666 751)	130 996
<b>Total balance at year-end</b>	<b>6 574 000</b>	<b>6 308 000</b>
Less Current Portion	758 000	663 000
<b>Total</b>	<b>5 816 000</b>	<b>5 645 000</b>

The following members are eligible for long service bonuses:

	2024	2023
In-service members	376	360

# OVERBERG DISTRICT MUNICIPALITY

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

### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Last Valuation and Actuarial Valuation Method

The last valuation was performed on 13 July 2024. The Projected Unit Credit Method has been used to value the liabilities.

#### Characteristics of Plan and Associated Risks

The municipality provides a long service award benefits as follows:

- The Municipality offers employees Long Service Awards 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 a Long Service Award.
- The award ranges from 4% of total earnings for the first "Completed Service" milestone reached (ie 10 years) up to 26.3% of total annual earnings for the last "Completed Service" milestone reached (ie 45 years)
- Earnings relates to the officials basic salary.
- The Municipality does not pay any pro-rata Long Service Awards

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

- Inflation: The risk that future CPI inflation and 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 Defined-Benefit Obligation: The risk that the Defined-Benefit Obligation may be volatile which is exacerbated by its long-term nature.
- Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- Future changes in legislation: The risk that changes to legislation with respect to long service awards may increase the Defined-Benefit Obligation for the Municipality.

	2024	2023
Key Actuarial Assumptions used are as follows:		
<b>Interest Rates</b>		
Discount rate	11.56%	11.95%
CPI inflation rate	5.65%	6.25%
General earnings inflation rate	6.65%	7.25%
Net Discount Rate	4.61%	4.38%

The discount rate reflects the time value of money and is approximated with reference to the market yields at reporting date on government bonds.

#### Normal and Average Retirement Age

It has been assumed that in-service members will retire at age 62 for all employees (2023 - 62), which then implicitly allows for expected rates of early and ill-health retirement. Normal retirement is set at age 65.



# OVERBERG DISTRICT MUNICIPALITY

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

### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Mortality Rates

The SA 85-90 is utilised as reference for mortality during employment.

#### Termination of Service

If an eligible employee leaves due to resignation or retrenchment, the employer's Defined-Benefit Obligation in respect of that employee ceases. The following termination rates are as follows:

	2024	2023
Age: 20 - 24	9.00%	9.00%
Age: 25 - 29	8.00%	8.00%
Age: 30 - 34	6.00%	6.00%
Age: 35 - 39	5.00%	5.00%
Age: 40 - 44	5.00%	5.00%
Age: 45 - 49	4.00%	4.00%
Age: 50 - 54	3.00%	3.00%
Age: 55 +	0.00%	0.00%

#### Sensitivity Analysis - Defined Benefit Obligation at year-end

The Defined-Benefit Obligation are based on a number of assumptions as indicated above. The extent to which the actual Defined-Benefit Obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The assumptions which tends to have the greatest impact on the results are as follows:

- the general earnings inflation rate assumption;
- the discount rate assumption;
- the average retirement age of employees; and
- assumed service termination rates.

The impact of the aforementioned assumptions are disclosed below:

#### Sensitivity Analysis - Liability at year-end

Assumption	Total liability R m	% change
Liability	6.574	
General earnings inflation rate		
+ 1%	7.000	6%
- 1%	6.191	-6%



# OVERBERG DISTRICT MUNICIPALITY

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

### 17 EMPLOYEE BENEFITS (CONTINUED)

Assumption	Total liability R m	% change
Discount rate		
+ 1%	6.187	-6%
- 1%	7.011	7%
Average retirement age		
+ 2 years	7.556	15%
- 2 years	5.686	-14%
Rates of terminaton of service		
x 200 %	5.265	-20%
x 50 %	7.512	14%

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

#### Expected contributions and maturity analysis

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

The municipality also has a reimbursement right for contributions made towards employees in the roads department as disclosed in note 11

The municipality expects to make long service awards payments amounting to R 758 000 in the next financial year.

Maturity analysis of expected benefits to be paid in respect of the current eligible employees can be illustrated as follows (Undiscounted):

Future years	Expected Benefit Payments R m	% contribution of bracket
Future year 1 to 10	11.358	21%
Future year 11 to 20	18.759	34%
Future year 21 to 30	20.322	37%
Future year 31 to 40	4.192	8%
<b>Total</b>	<b>54.631</b>	<b>100%</b>

The benefits vesting subsequent 40 years (relating to current eligible employees) is considered insignificant to be included in the analysis.



# OVERBERG DISTRICT MUNICIPALITY

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

17	EMPLOYEE BENEFITS (CONTINUED)	2024 R	2023 R
<b>17.3 Defined Contribution Plans</b>			
Council contributes to the following defined contribution plans:			
	Municipal Councillors Pension Fund	-	84 082
	SAMWU National Provident Fund	1 036 409	976 108
	LA Retirement Fund	533 649	538 083
	Consolidated Retirement Fund	14 110 099	12 750 534
	<b>Total</b>	<b>15 680 156</b>	<b>14 348 808</b>

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

The municipality previously assessed the LA Retirement Fund and Consolidated Retirement Fund to be Multi-Employer Defined-Benefit Plans. This assessment was incorrect as the municipality is only liable for the required contributions to the fund and will not be liable for any shortfall in the fund (if any). This is in contrast to the former funds (Cape Joint Retirement Fund and Cape Joint Pension Fund) which were deemed to be Defined-Benefit Plans. Accordingly, all contributions previously disclosed as Defined-Benefit Plan contributions are now included as part of the Defined Contributions Plan contributions. All disclosures previously made in relation to Defined-Benefit Plans were also removed.

	2023 R
Defined-Benefit Plan contributions previously disclosed	13 288 617
Defined-Benefit Plan contributions reallocated to Defined Contribution Plans contributions	(13 288 617)
<b>Restated disclosure relating to Defined-Benefit Plan contributions</b>	<b>-</b>

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>18 NON-CURRENT PROVISIONS</b>		
Rehabilitation Provision - Landfill Sites	<u>1 462 293</u>	<u>1 248 052</u>
The movement in Rehabilitation Provision - Landfill Sites is reconciled as follows:		
Opening Balance	1 248 052	1 746 563
Contribution during the year	214 242	(498 511)
Increase/(Decrease) in estimate	65 723	(690 633)
Interest Cost	148 518	192 122
<b>Total balance at year-end</b>	<b>1 462 293</b>	<b>1 248 052</b>
Less Current Portion	-	-
<b>Total</b>	<b><u>1 462 293</u></b>	<b><u>1 248 052</u></b>

There is no current portion associated with this provision as the municipality does not intend to rehabilitate any landfill sites in the next financial year.

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

	Expected Decommissioning Date	2024 R	2023 R
Site			
Karwyderskraal - Cell 1 and 2	2084	614 932	492 036
Karwyderskraal - Cell 3	2084	289 782	257 907
Karwyderskraal - Cell 4	2084	495 727	441 085
<b>Sub-Total</b>		<b><u>1 400 442</u></b>	<b><u>1 191 028</u></b>
Post Monitoring and Inspection		61 851	57 024
<b>Total</b>		<b><u>1 462 293</u></b>	<b><u>1 248 052</u></b>

Time value of money (discounting) is considered to be material. The discount rate is the rate associated with a liability of a similar risk and maturity as the provision. Due to the long term nature of this provision, which is estimated to be settled in 2084, the Long-Term Government Bond Yield as published by the Reserve Bank is deemed to be both an appropriate assessment of current market rates as well as the timeframes linked to the expected cash flows associated with the liability. The discount rate used was stated at 11.70 % (2023 – 11.90%).

# OVERBERG DISTRICT MUNICIPALITY

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

### 18 NON-CURRENT PROVISIONS (CONTINUED)

	2024	2023
Estimated area to be rehabilitated (m <sup>2</sup> )		
- Cell 1 and 2	46 050	46 050
- Cell 3	23 600	23 600
- Cell 4	42 200	42 200

The cost of rehabilitation per square meter is based on the current cost of construction at each reporting period. The cost per square meter for Karwyderskraal is (R/m<sup>2</sup>):

- Cell 1 and 2	390	368
- Cell 3	399	376
- Cell 4	382	360

Based on current cost of construction (ie before any discounting due to time value of money) at each reporting period, the following rehabilitation estimates could be attributed to each site:

	2024	2023
	R	R
Karwyderskraal - Cell 1 and 2	17 947 876	16 938 594
Karwyderskraal - Cell 3	9 416 120	8 878 599
Karwyderskraal - Cell 4	16 108 071	15 184 591
<b>Total</b>	<b>43 472 067</b>	<b>41 001 784</b>

Environmental Specialists were utilised to determine the current cost of rehabilitation of landfill sites.

Refer to note 2 for investment ring fenced specifically for the future rehabilitation of Cell 4.

The post monitoring and inspection cost is estimated to occur for a period of 30 years subsequent to the decommissioning date of the facility. Karwyderskraal is expected to be decommissioned in 2084. The post monitoring and inspection cost is expected to be incurred over the period ranging from 2085 to 2114.

### 19 RESERVES

	2024	2023
	R	R
Accumulated Surplus	117 032 774	100 130 732
<b>Total</b>	<b>117 032 774</b>	<b>100 130 732</b>

The Capital Replacement reserve is included in the Accumulated Surplus balance and can be reconciled as follows:

Opening Balance	21 000 000	13 000 000
Transfers to Reserves	5 929 397	14 002 469
Capital Assets Purchased	(5 929 397)	(6 002 469)
<b>Closing Balance</b>	<b>21 000 000</b>	<b>21 000 000</b>

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>20 GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b>Unconditional Grants - National Government</b>	<b>84 437 000</b>	<b>81 486 000</b>
Equitable Share	84 437 000	81 486 000
<b>Conditional Grants - National Government</b>	<b>3 213 067</b>	<b>4 944 950</b>
Financial Management Grant (FMG)	1 000 000	1 000 000
Expanded Public Works Program (EPWP)	1 192 000	1 123 000
Rural Roads Asset Management System	1 021 067	2 821 950
<b>Conditional Grants - Provincial Government</b>	<b>4 975 170</b>	<b>4 668 595</b>
Health Subsidy	167 658	156 645
Other Provincial Allocations	4 807 512	4 511 950
<b>Conditional Grants - National Departmental Agencies</b>	<b>482 676</b>	<b>354 357</b>
Education, Training and Development Practices SETA	482 676	354 357
<b>Total</b>	<b>93 107 913</b>	<b>91 453 902</b>
Disclosed as:		
Revenue from Non-Exchange Transactions (Operating)	91 146 581	90 234 463
Revenue from Non-Exchange Transactions (Capital)	1 961 332	1 219 439
<b>Total</b>	<b>93 107 913</b>	<b>91 453 902</b>
Grants per Vote (MFMA Sec 123 (c)):		
Equitable share	84 437 000	81 486 000
Finance	7 311 255	8 688 257
Community Services	1 359 658	1 279 645
<b>Total</b>	<b>93 107 913</b>	<b>91 453 902</b>

The movements per grant can be summarised as follows:

### 20.1 Equitable Share

Grants Received	84 437 000	81 486 000
Transferred to Revenue - Operating	(84 437 000)	(81 486 000)
<b>Closing Unspent Balance</b>	<b>-</b>	<b>-</b>

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.

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>20.2 Financial Management Grant (FMG)</b>		
Grants Received	1 000 000	1 000 000
Transferred to Revenue - Operating	(1 000 000)	(1 000 000)
<b>Closing Unspent Balance</b>	<b>-</b>	<b>-</b>
The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant is also utilised to cover expenditure relating to the Financial Management Internship Programme.		
<b>20.3 Expanded Public Works Program (EPWP)</b>		
Grants Received	1 192 000	1 123 000
Transferred to Revenue - Operating	(1 192 000)	(1 123 000)
<b>Closing Unspent Balance</b>	<b>-</b>	<b>-</b>
The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.		
<b>20.4 Rural Roads Asset Management System</b>		
Opening Unspent Balance	101 630	88 580
Grants Received	2 846 000	2 835 000
Transferred to Revenue - Operating	(1 021 067)	(2 821 950)
<b>Closing Unspent Balance</b>	<b>1 926 563</b>	<b>101 630</b>
The purpose of the grant is to assist rural district municipalities to set up rural road asset management systems (RRAMS), collect road data, traffic data and road classification in line with the Road Infrastructure Strategic Framework South African (RISFSA).		
<b>20.5 Health Subsidy</b>		
Grants Received	167 658	156 645
Transferred to Revenue - Operating	(167 658)	(156 645)
<b>Closing Unspent Balance</b>	<b>-</b>	<b>-</b>
Health subsidies were used to fund expenditure incurred for continued benefits of primary health care personnel previously employed by the municipality.		



# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>20.6 Other Provincial Allocations and SETA</b>		
Opening Unspent Balance	3 820 205	3 184 751
Grants Received	4 393 740	5 509 033
Transferred to Revenue - Capital	(1 961 332)	(1 219 439)
Transferred to Revenue - Operating	(3 328 856)	(3 646 867)
Returned to Provincial Treasury	(1 265 695)	(7 273)
<b>Closing Unspent Balance</b>	<b>1 658 062</b>	<b>3 820 205</b>
Other Provincial Allocations includes grants such as:		
- Provincial Finance Management Support Grant		
- SETA Training Fund		
- Safety Initiative Implementation - WOSA		
- Fire Services Capacity Building Grant		
- Human Capacity Building Grant		
- Joint District and Metro Approach Grant		
- Load Shedding Mitigation Grant		
- Municipal Intervention Grant		
- Local Government Public Employment Support Grant		
- Municipal Water Resilience Grant		
Refer to Appendix D for more detail relating to Other Provincial Allocations		
<b>20.7 Total Grants</b>		
Opening Unspent Balance	3 921 834	3 273 331
Grants Received	94 036 398	92 109 678
Transferred to Revenue - Capital	(1 961 332)	(1 219 439)
Transferred to Revenue - Operating	(91 146 581)	(90 234 463)
Returned to Provincial Treasury	(1 265 695)	(7 273)
<b>Closing Unspent Balance</b>	<b>3 584 624</b>	<b>3 921 834</b>
<b>21 CONTRIBUTED ASSETS</b>		
Private Institutions and Individuals	-	85 099
Western Cape Disaster Management, Fire and Rescue	16 999	-
<b>Total</b>	<b>16 999</b>	<b>85 099</b>
<b>22 ACTUARIAL GAINS</b>		
Post Retirement Medical Benefits	2 986 162	6 925 555
Long Service Awards	275 249	228 004
<b>Total</b>	<b>3 261 410</b>	<b>7 153 559</b>





# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>23 ROADS MAINTENANCE SERVICES</b>		
Roads Maintenance Services	123 762 703	116 243 175
<b>Total</b>	<b>123 762 703</b>	<b>116 243 175</b>
<b>Details of roads maintenance services:</b>		
Payable/(Receivable) at the beginning of the year	12 310 086	(709 454)
Funds Received	112 285 703	131 225 714
Transferred to Revenue - Operating	(123 762 703)	(116 243 175)
Increase/(Decrease) in Non-Current Employee Benefit Receivable	700 000	(1 963 000)
<b>Payable at the end of the year</b>	<b>1 533 085</b>	<b>12 310 086</b>

The roads funding received is utilised to upgrade and maintain the provincial roads network in the municipal area.

	2024 R	2023 R
<b>24 SERVICE CHARGES</b>		
Landfill Revenue	14 959 406	10 884 386
Electricity	812 375	711 287
Sewerage	659 695	704 427
Water	39 821	35 128
Refuse	104 949	-
<b>Total</b>	<b>16 576 247</b>	<b>12 335 228</b>

The Landfill Revenue raised relates to the Karwyderskraal dumping site where landfill services are mainly rendered to the Theewaterskloof - and Overstrand Local Municipalities.

	2024 R	2023 R
<b>25 RENTAL OF FACILITIES AND EQUIPMENT</b>		
Resorts	18 001 655	16 057 252
Equipment	-	27 662
Other	37 724	32 400
<b>Total</b>	<b>18 039 380</b>	<b>16 117 314</b>

	2024 R	2023 R
<b>26 AGENCY SERVICES</b>		
Roads	12 909 317	12 005 981
<b>Total</b>	<b>12 909 317</b>	<b>12 005 981</b>

The Roads agency fee relates to the roads function being performed by the municipality on behalf of the Western Cape Provincial Government.



# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>27 OTHER INCOME</b>		
Fire Services	4 997 670	5 543 643
Inspection Fees	320 271	301 653
Legal Costs Recovered	650 000	241 422
Discount Received	13 140	144 090
Roads Services	1 451 445	-
Project Management Fee	72 572	-
Reduction in Rehabilitation Provision	1 958	690 633
Sundry Income	502 470	429 479
<b>Total</b>	<b>8 009 527</b>	<b>7 350 920</b>
<b>Disclosed as:</b>		
Revenue From Non-Exchange Transactions	1 958	690 633
Revenue From Exchange Transactions	8 007 569	6 660 286
<b>Total</b>	<b>8 009 527</b>	<b>7 350 920</b>

The Roads Services and Project Management Fee relates to the regravelling of the Hermitage road for the Swellendam Municipality.

Sundry income represents a wide range of revenue items (such as payroll commission, tender deposits, copies and faxes, entrance fees, scrap sales) which is not considered material to warrant separate disclosure in the financial statements.

	2024 R	2023 R
<b>28 EMPLOYEE RELATED COSTS</b>		
Basic Salaries and Wages	90 315 961	81 912 651
Bonus	7 241 944	6 563 227
Performance Bonus	313 427	173 731
Pension Fund Contributions	15 612 732	14 208 617
Medical Aid Contributions	5 523 169	4 938 783
Motor Vehicle Allowance	4 849 261	4 654 653
Overtime	2 355 174	2 714 532
UIF Contributions	741 775	703 865
Cellphone Allowance	499 153	472 530
Housing Allowances	285 873	264 989
Standby Allowance	4 352 300	3 897 838
Group Life Insurance	4 754 746	4 320 714
Acting Allowance	372 005	683 602
Bargaining Council Levy	51 106	46 224
Workmen's Compensation Contributions	858 206	745 901
Leave Contributions	1 678 223	2 009 848
Long service awards	578 000	545 000
Post Retirement Medical Benefits	635 000	726 000
<b>Total</b>	<b>141 018 055</b>	<b>129 582 704</b>

# OVERBERG DISTRICT MUNICIPALITY

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

28	EMPLOYEE RELATED COSTS (CONTINUED)	2024 R	2023 R
	<b>Remuneration of Key Personnel</b>		
	Key personnel are appointed on fixed term contracts.		
	<b>Remuneration of the Municipal Manager - RG Bosman (Appointed 1 June 2022)</b>		
	Basic Salary	1 146 050	1 110 998
	Performance Bonus	125 454	-
	Pension and UIF Contributions	188 425	182 313
	Motor Vehicle Allowance	72 000	72 000
	Housing Allowance	515	687
	Cellphone Allowance	24 000	24 000
	<b>Total</b>	<b>1 556 444</b>	<b>1 389 998</b>
	The prior year disclosure includes back pay relating to the 2022 financial year amounting to R 3 300. The back pay was only approved in December 2022 by Council after a notice was published in the Government Gazette on 18 November 2022 to increase the upper limits and a non-pensionable cash gratuity payable effectively as from 1 July 2021.		
	<b>Remuneration of the Chief Financial Officer - NL Kruger (Appointed on 1 July 2021)</b>		
	Basic Salary	1 049 220	1 049 584
	Performance Bonus	109 354	96 517
	Pension and UIF Contributions	2 125	2 125
	Motor Vehicle Allowance	67 200	67 200
	Housing Allowance	611	668
	Cellphone Allowance	18 000	18 000
	<b>Total</b>	<b>1 246 510</b>	<b>1 234 094</b>
	The prior year disclosure includes back pay relating to the 2022 financial year amounting to R 35 520. The back pay was only approved in December 2022 by Council after a notice was published in the Government Gazette on 18 November 2022 to increase the upper limits and a non-pensionable cash gratuity payable effectively as from 1 July 2021.		
	<b>Remuneration of the Director Community Services - MS Boyce (Appointed 1 February 2024)</b>		
	Basic Salary	378 421	-
	Pension and UIF Contributions	62 086	-
	Motor Vehicle Allowance	25 000	-
	Housing Allowance	804	-
	Cellphone Allowance	7 500	-
	<b>Total</b>	<b>473 811</b>	<b>-</b>

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>28 EMPLOYEE RELATED COSTS (CONTINUED)</b>		
<b>Remuneration of the Director Community Services - DJ Adonis (1 January 2023 to 30 April 2023)</b>		
Basic Salary	-	320 727
Pension and UIF Contributions	-	50 892
Motor Vehicle Allowance	-	20 800
Housing Allowance	-	96
Cellphone Allowance	-	6 000
<b>Total</b>	<b>-</b>	<b>398 515</b>
<b>Total Cost - Director Community Services</b>	<b>473 811</b>	<b>398 515</b>
<b>Remuneration of the Director Corporate Services - VS Zeeman (Appointed on 1 July 2022)</b>		
Basic Salary	910 996	881 132
Performance Bonus	78 619	
Pension and UIF Contributions	149 653	144 685
Motor Vehicle Allowance	45 600	45 600
Housing Allowance	323	455
Cellphone Allowance	18 000	18 000
<b>Total</b>	<b>1 203 192</b>	<b>1 089 872</b>
<b>29 REMUNERATION OF COUNCILLORS</b>		
Annual Remuneration	4 772 927	4 301 531
Pension Contributions	63 129	140 191
Motor Vehicle Allowance	1 434 006	1 309 696
Cellphone Allowance	493 118	444 000
<b>Total</b>	<b>6 763 179</b>	<b>6 195 418</b>

The Minister for local government In terms of section 7 of the Remuneration of Public Office Bearers Act, 1998 is responsible to determine the upper limits of salaries of different members of Municipal Councils by notice in the gazette after consultation with the Member of Executive Councils (MECs) responsible for local government in each province and after, inter alia, taking into consideration the recommendations of the Commission.

The determination of the upper limits of salaries, allowances and benefits of the different members of municipal councils for the 2022/2023 financial year was only gazetted per Government Notice No. 3807 in Government Gazette No. 49142 on dated 18 August 2023. It was submitted to Council on 21 August 2023 where it was resolved that the new upper limits as gazetted be approved and implemented with effect 1 July 2022, subjected to the concurrence of the MEC responsible for Local Government in the Province. Approval from the MEC was only received on 4 September 2023 and consequently, the current financial year includes back pay amounting to R 332 788.

# OVERBERG DISTRICT MUNICIPALITY

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

### 29 REMUNERATION OF COUNCILLORS (CONTINUED)

#### In-kind Benefits

The Executive Mayor and all the committee members are full-time positions. The Mayoral Committee Members are provided with secretarial support and an office at the cost of the Council.

		2024	2023
		R	R
<b>Remuneration detail of Councillors</b>			
Mayor	AE Franken	1 053 638	951 672
Deputy Mayor	HD Coetzee	852 836	770 208
Speaker	LM De Bruyn	448 404	770 208
Mayoral Committee	SH Fourie	447 000	403 944
Mayoral Committee	AG Klaas	786 893	429 858
Mayoral Committee	JG Nieuwoudt	447 000	403 944
Mayoral Committee	AM Pokwas	-	2 860
Direct	R Brinkhuys	367 340	331 524
Direct	UN Mabulu	344 645	-
Direct	NM Sapepa	367 340	331 524
Direct	M Mathews	163 505	331 524
Direct	RT Olivier	367 340	331 524
Direct	CC Clayton	186 603	-
Direct	CHJ Elgin	367 785	331 524
Direct	MG Du Plessis	367 785	331 524
Part Time	M Nomatiti	27 446	305 610
Part Time	T Els	11 716	10 608
Part Time	JA van Staden	11 716	10 608
Part Time	MR Mokotwana	11 716	10 608
Part Time	MA Nomkoko	17 439	16 766
Part Time	BB Mkhwibiso	18 652	16 733
Part Time	J Mc Kenzie	9 395	20 093
Part Time	PJ Stander	3 583	22 366
Part Time	YM van Tonder	32 383	31 310
Part Time	ML Mathews	9 436	-
Part Time	CC Tafu-Nwonkwo	11 353	3 664
Part Time	D Julius	30 230	2 142
Part Time	S Silo	-	3 536
Part Time	F Kees	-	19 536
<b>Total</b>		<b>6 763 179</b>	<b>6 195 418</b>

### 30 DEBT IMPAIRMENT

Receivables from exchange transactions	850 962	79 470
Receivables from non-exchange transactions	2 291	(3 232)
<b>Total</b>	<b>853 253</b>	<b>76 239</b>

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>31 DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	4 236 556	3 676 465
Intangible Assets	26 726	3 037
<b>Total</b>	<b>4 263 281</b>	<b>3 679 502</b>
<b>32 IMPAIRMENT</b>		
Property, Plant and Equipment	200 415	325 704
<b>Total</b>	<b>200 415</b>	<b>325 704</b>
<b>33 FINANCE CHARGES</b>		
Annuity Loans	1 491 286	1 927 565
Finance Lease Liabilities	104 636	244 763
Rehabilitation Provision - Landfill Sites	148 518	192 122
Post Retirement Medical Benefits	5 398 000	5 578 000
Long Service Awards	715 000	644 000
<b>Sub-Total</b>	<b>7 857 439</b>	<b>8 586 451</b>
Less Finance Charges Capitalised	(204 055)	(2 868)
<b>Total</b>	<b>7 653 385</b>	<b>8 583 583</b>
<b>34 BULK PURCHASES</b>		
Electricity	494 822	455 555
<b>Total</b>	<b>494 822</b>	<b>455 555</b>
<b>35 CONTRACTED SERVICES</b>		
Accounting, Business and Financial Management	1 769 298	1 855 095
Administrative Support	-	59 750
Audit Committee	154 164	169 391
Burial Services	47 461	11 543
Contractors - Maintenance of Buildings and Facilities	1 063 492	815 044
Contractors - Maintenance of Equipment	5 173 984	6 558 634
Fire and Community Safety Services	1 132 960	870 165
Human Resources and Training	1 490 479	975 301
Laboratory Services	661 037	479 516
Landfill site operational & maintenance	5 922 549	5 951 847
Legal Cost	824 132	695 186
Occupational Health and Safety	36 256	29 566
Outsourced Labour and Personnel	5 719 218	3 735 773
Project Management	879 787	2 471 262
Security Services	2 732 665	2 724 684
Sewerage Services	-	308 805
Other	277 462	222 262
<b>Total</b>	<b>27 884 944</b>	<b>27 933 826</b>

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>36 TRANSFERS AND GRANTS</b>		
Bursaries	200 000	300 000
Other Municipalities and Organisations	1 225 200	859 389
Fencing Subsidy	875 143	651 936
<b>Total</b>	<b>2 300 343</b>	<b>1 811 325</b>
<b>37 OTHER EXPENDITURE</b>		
Advertising, Publicity and Marketing	458 312	389 392
Audit Fees	4 015 001	3 548 145
Alien Vegetation Control	891 588	518 445
Bank Charges, Facility and Card Fees	159 789	154 883
Blades	849 346	950 616
Bursaries	181 055	453 831
Catering and Refreshments	107 197	75 552
Cleaning materials	74 512	75 360
Equipment Rental	4 880 993	4 293 050
Freight Services	18 482	41 015
Fuel Cost	23 319 089	24 909 150
Hire Charges	45 931	75 914
Insurance	931 713	1 771 182
IT Services and Software Licences	2 884 745	2 483 565
Materials	23 419 645	22 031 820
Management Fee	9 380	5 502
Membership Fees	1 312 032	1 171 575
Motor Vehicle Licence and Registrations	122 749	103 157
Municipal services	5 374 129	6 457 861
Office rental	1 395 910	1 251 988
Oil and Tyres	30 196	215 330
Printing, Publications and Stationery	271 765	233 497
Resettlement Cost	-	29 688
Safety clothes	785 883	1 003 090
Skills development levy	1 380 474	1 252 994
Telephone and Postage	1 438 987	1 613 761
Training and Workshops	205 700	14 609
Travel and subsistence	1 742 199	1 715 600
General Expenses	176 943	119 412
<b>Total</b>	<b>76 483 745</b>	<b>76 959 983</b>
<b>38 LOSS ON DISPOSAL OF ASSETS</b>		
Property Plant and Equipment	623 825	526 142
<b>Total</b>	<b>623 825</b>	<b>526 142</b>

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>39 REPAIRS AND MAINTENANCE</b>		
The following expenditure relating to repairs and maintenance projects were identified by the municipality:		
Contracted Services	5 455 682	4 945 778
Other Expenditure	365 011	431 117
<b>Total</b>	<b>5 820 693</b>	<b>5 376 895</b>
In line with the requirements of GRAP 17, the repairs and maintenance related expenditure can be attributed to the following asset classes:		
Land and Buildings (Including Resorts)	1 771 185	1 666 048
Land and Buildings (Karwyderskraal Facility)	1 457 091	1 372 400
Machinery and Equipment	311 374	362 382
Vehicles	2 281 043	1 976 065
<b>Total</b>	<b>5 820 693</b>	<b>5 376 895</b>

Refer to note 40.4 for restatements relating to repairs and maintenance

	2023 R
<b>40 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR IN TERMS OF GRAP 3</b>	
<b>40.1 PROPERTY PLANT AND EQUIPMENT</b>	
<b>Balance Previously Reported</b>	<b>74 586 712</b>
Accumulated Impairment relating to asset disposals (Vehicles), incorrectly recognised as part of Accumulated Depreciation	-
Effect on Accumulated Impairment	24 313
Effect on Accumulated Depreciation	(24 313)
Disposals incorrectly recorded on 30 June 2023 - Refer to note 40.3	<b>85 348</b>
Effect on Computer Equipment (Cost)	8 061
Effect on Furniture and fittings (Cost)	89 908
Effect on Machinery and equipment (Cost)	150 671
Effect on Office equipment (Cost)	39 221
Effect on Vehicles (Cost)	28 739
Effect on Computer Equipment (Accumulated Depreciation)	(6 842)
Effect on Furniture and fittings (Accumulated Depreciation)	(72 481)
Effect on Machinery and equipment (Accumulated Depreciation)	(112 531)
Effect on Office equipment (Accumulated Depreciation)	(20 444)
Effect on Vehicles (Accumulated Depreciation)	(18 953)



# OVERBERG DISTRICT MUNICIPALITY

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

		2023 R
<b>40</b>	<b>PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)</b>	
	Impairments incorrectly not recognised on 30 June 2023 - Refer to note 40.3	<b>(85 348)</b>
	Effect on Computer Equipment (Accumulated Impairment)	(1 219)
	Effect on Furniture and fittings (Accumulated Impairment)	(17 428)
	Effect on Machinery and equipment (Accumulated Impairment)	(38 140)
	Effect on Office equipment (Accumulated Impairment)	(18 777)
	Effect on Vehicles (Accumulated Impairment)	(9 785)
	<b>Restated Balance on 30 June 2023</b>	<b>74 586 712</b>
	<b>40.2 ACCUMULATED SURPLUS</b>	
	<b>Balance Previously Reported</b>	<b>100 130 732</b>
	Prior Period adjustments relating to 2022/23 - Refer to note 40.3	-
	<b>Restated Balance on 30 June 2023</b>	<b>100 130 732</b>
	<b>40.3 STATEMENT OF FINANCIAL PERFORMANCE</b>	
	<b>Surplus Previously Reported</b>	<b>13 267 449</b>
	<b>Employee Related Costs</b>	-
	Acting allowances incorrectly included as part of Basic Salaries and Wages - Effect on Basic Salaries and Wages	683 602
	Acting allowances incorrectly included as part of Basic Salaries and Wages - Effect on Acting Allowances	(683 602)
	<b>Impairment</b>	<b>(85 348)</b>
	Impairments incorrectly not recognised on 30 June 2023 - Refer to note 40.1	(85 348)
	<b>Contracted Services</b>	<b>(4 407 978)</b>
	Tyre related expenditure incorrectly included as part of Other Expenditure instead of Contracted Services. Entire service performed by contractor.	(2 444 219)
	Correction of allocation error between Other Expenditure (Materials) and Contracted Services	(1 963 759)
	<b>Transfers and Grants</b>	<b>(651 936)</b>
	Fencing Subsidy incorrectly included as part of Other Expenditure	(651 936)

# OVERBERG DISTRICT MUNICIPALITY

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

		2023 R
40	<b>PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)</b>	
	<b>Other Expenditure</b>	<b>5 059 914</b>
	Fencing Subsidy incorrectly included as part of Other Expenditure	651 936
	Correct allocation between stationery and materials - Effect on Printing, Publications and Stationery	258 875
	Correct allocation between stationery and materials - Effect on Materials	(258 875)
	Tyre related expenditure incorrectly included as part of Other Expenditure instead of Contracted Services. Entire service performed by contractor.	2 444 219
	Correction of allocation error between Other Expenditure (Materials) and Contracted Services	1 963 759
	<b>Loss on Disposal of Assets</b>	<b>85 348</b>
	Disposals incorrectly recorded on 30 June 2023 - Refer to note 40.1	85 348
	<b>Restated Surplus on 30 June 2023</b>	<b>13 267 449</b>

#### 40.4 REPAIRS AND MAINTENANCE

	<b>Disclosure Previously Reported</b>	<b>9 733 458</b>
	Remove all cost relating to the Karwyderskraal Waste Facility previously included as part of Land and Buildings (Including Resorts)	(5 951 848)
	Include all qualifying repairs and maintenance cost associated with the Karwyderskraal Waste Facility as a separate disclosure item	1 372 400
	Tyre related expenditure removed from other expenditure	(190 953)
	Tyre related expenditure allocated to Contracted Services	190 953
	Land and Buildings related expenditure incorrectly excluded from disclosure (Materials)	176 331
	Vehicle related expenditure incorrectly excluded from disclosure (Materials)	36 409
	Machinery and Equipment related expenditure incorrectly excluded from disclosure (Materials)	10 144
	<b>Restated Disclosure on 30 June 2023</b>	<b>5 376 895</b>

#### 40.5 OTHER DISCLOSURES

Refer to note 5 for corrections made on disclosures for operating lease assets and liabilities.

Refer to note 57 for correction on contributed assets incorrectly excluded from the segment disclosure.

# OVERBERG DISTRICT MUNICIPALITY

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

41	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
	Net Surplus for the year - Before adjustments below	16 902 042	13 267 449
	Non-Cash Revenue	(3 280 367)	(7 929 291)
	Actuarial Gains	(3 261 410)	(7 153 559)
	Reduction in Landfill Site Provision	(1 958)	(690 633)
	Contributed Assets	(16 999)	(85 099)
	Non-Cash Expenditure	11 998 239	11 022 929
	Debt Impairment	853 253	76 239
	Depreciation and Amortisation	4 263 281	3 679 502
	Impairment	200 415	325 704
	Finance Charges	6 057 464	6 411 254
	Stock Adjustments	-	4 088
	Loss on disposal of Assets	623 825	526 142
	Contributions - Provisions and Employee Benefits	10 133 167	9 844 074
	Post Retirement Medical Benefits	635 000	726 000
	Long Service Awards	578 000	545 000
	Bonuses	7 241 944	6 563 227
	Staff Leave	1 678 223	2 009 848
	Expenditure - Provisions and Employee Benefits	(11 523 535)	(10 548 531)
	Post Retirement Medical Benefits	(3 128 838)	(3 217 445)
	Long Service Awards	(751 751)	(725 996)
	Bonuses	(6 946 993)	(6 193 412)
	Staff Leave	(695 952)	(411 679)
	Non-Cash Movement in Employee Benefit Receivable	(700 000)	1 963 000
	Other adjustments	(1 346 422)	(41 479)
	Bad Debts Written Off	(80 726)	(34 206)
	Grants Returned to Provincial Treasury	(1 265 695)	(7 273)
	Operating Surplus before changes in working capital	22 183 124	17 578 150
	Movement in working capital	(15 266 176)	27 205 239
	Receivables from exchange and non-exchange transactions	(4 802 486)	650 893
	Inventory	(196 143)	297 575
	Payables from exchange transactions	(12 105 910)	14 145 011
	Unspent Conditional Government Grants	928 485	655 776
	Taxes	909 877	11 455 984
	<b>Cash Flow from Operating Activities</b>	<b>6 916 948</b>	<b>44 783 389</b>

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>42 CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents comprise out of the following:		
Primary Bank Account	2 160 545	2 101 328
Call and Notice Deposits	75 423 698	85 834 478
Cash Floats	600	600
<b>Total</b>	<b>77 584 843</b>	<b>87 936 406</b>

Refer to note 2 for more details relating to cash and cash equivalents. There are no reconciling items to report on in terms of GRAP 2 paragraph 46.

### 43 BUDGET COMPARISONS

#### 43.1 COMPARABLE BASIS

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

The following items are affected by these classification differences:

#### Statement of Financial Position

The Statement of Financial Position is comparable on a line by line basis except for the following items:

Employee Benefits (Current Assets) are disclosed as Current portion of non-current receivables in the budget statement. Employee Benefits (Non-Current Assets) are disclosed as Non-current receivables from non-exchange transactions in the budget statement.

Taxes are disclosed as VAT in the budget statement under current receivables or current assets depending on the consolidated closing balance of VAT.

Current Portion of Long-Term Liabilities are disclosed as Financial liabilities (Current), while Long-Term Liabilities are disclosed as Borrowing (Non-Current).

Unspent Conditional Government Grants as well as payable relating to Roads Services (Exchange) are disclosed as Trade and other payables from non-exchange transactions in the budget statement.

Current Employee Benefits are disclosed Provisions (current) in the budget statement.

Employee Benefits (Non-Current) and Non-Current Provisions are disclosed as Provisions (Non-Current) in the budget statement.

The Capital Replacement Reserve are budgeted for separately as part of Reserves while it is disclosed as part of Accumulated Surplus in the Statement of Financial Position.

#### Statement of financial performance

In order to ensure that the actual results for the year is compared to the final budget on a comparable basis, the following reclassifications are done on the actuals to ensure alignment (Where applicable, the budget title is disclosed in brackets, where both the actuals and budgets figures are similar in nature, but the naming of the item differs between the two statements):

# OVERBERG DISTRICT MUNICIPALITY

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

### 43 BUDGET COMPARISONS (CONTINUED)

Revenue	Statement of Financial Performance R	Reclassification due to mSCOA/NT versus GRAP classification R	Per Budget Comparison R
<b>Revenue from Non-Exchange Transactions</b>			
Government Grants and Subsidies - Operating / (Transfer and subsidies - Operational)	91 146 581	123 762 703	214 909 284
Actuarial Gains / (Other Gains)	3 261 410	-	3 261 410
Other Income / (Operational Revenue)	1 958	-	1 958
<b>Revenue from Exchange Transactions</b>			
Roads Maintenance Services	123 762 703	(123 762 703)	-
Service Charges	16 576 247	(16 576 247)	-
Service charges - Electricity	-	812 375	812 375
Service charges - Water	-	39 821	39 821
Service charges - Waste Water Management	-	659 695	659 695
Service charges - Waste Management	-	15 064 355	15 064 355
Sale of Goods and Rendering of	-	10 001 075	10 001 075
Rental of Facilities and Equipment / (Rental from Fixed Assets)	18 039 380	(4 227 117)	13 812 262
Interest Earned - External Investments / (Interest earned from Current and Non Current Assets)	8 162 624	-	8 162 624
Interest Earned - Outstanding Debtors / (Interest earned from Receivables)	221 887	-	221 887
Licences and Permits	758 489	-	758 489
Agency Services	12 909 317	-	12 909 317
Other Income	8 007 569	(8 007 569)	-
Insurance Receipts	614 797	(614 797)	-
Operational Revenue	-	2 848 408	2 848 408
<b>Capital Revenue</b>			
Government Grants and Subsidies - Capital / (Transfers and subsidies - Capital)	1 961 332	-	1 961 332
Contributed Assets/ (Transfers and subsidies - capital (In-Kind))	16 999	-	16 999
<b>Total Revenue</b>	<b>285 441 291</b>	<b>-</b>	<b>285 441 291</b>

# OVERBERG DISTRICT MUNICIPALITY

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

### 43 BUDGET COMPARISONS (CONTINUED)

Significant reclassifications relating to revenue are as follows:

Roads Maintenance Services are disclosed separately as an exchange revenue of the face of the statement of financial performance, while budgeted for as part of Transfer and subsidies - Operational.

Service Charges are consolidated on the face of the Statement of Financial Performance, while being disclosed per service in the budget statements. In total there are no reconciling item on service charges.

Camping Fees are recorded as part of rental of Rental of Facilities and Equipment while budgeted for as part of Sale of Goods and Rendering of Services.

Insurance Receipts are disclosed as part of Operational revenue in the budget statement.

Other income is included in Sale of Goods and Rendering of Services and Operational Revenue in the budget statement.

#### Expenditure

Employee Related Costs	141 018 055	4 539 794	145 557 849
Remuneration of Councillors	6 763 179	-	6 763 179
Debt Impairment	853 253	-	853 253
Depreciation and Amortisation	4 263 281	200 415	4 463 697
Impairments	200 415	(200 415)	-
Finance Charges / (Interest)	7 653 385	(5 398 000)	2 255 385
Bulk Purchases / (Bulk purchases - electricity)	494 822	-	494 822
Inventory Consumed	-	47 783 102	47 783 102
Contracted Services	27 884 944	765 383	28 650 328
Transfers and Grants / (Transfers and Subsidies)	2 300 343	-	2 300 343
Other Expenditure / (Operational Costs)	76 483 745	(47 690 279)	28 793 465
Loss on Disposal of Assets	623 825	-	623 825
<b>Total Expenditure</b>	<b>268 539 249</b>	<b>-</b>	<b>268 539 249</b>

Significant reclassifications relating to expenditure are as follows:

Workmens Compensation is included as part of Employee Related Cost, while budgeted for as part of Operational Costs. Finance Charges relating to Post Retirement Medical Benefits are budgeted as part of Employee Related Costs, while disclosed as part o Finance Charges in the Statement of Financial Performance.

Inventory Consumed is included as part of Other Expenditure in the statement of financial performance, while being separated for disclosure in the budget statements.

Inventory Consumed is included as part of Other Expenditure in the statement of financial performance, while being separated for disclosure in the budget statements.

The difference on Contracted Services relates to minor discrepancies between Contracted Services and Other Expenditure/Operational Costs (i.e. Alien Vegetation Control)



# OVERBERG DISTRICT MUNICIPALITY

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

### 43 BUDGET COMPARISONS (CONTINUED)

#### Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis, except for the following:

The budget statement does not provide for all the different receipt classifications as per the cash flow statement. Roads Maintenance Services is separately disclosed on the cash flow statement, while it is budgeted for and included as part of Transfers and Subsidies - Operational in the budget comparisons.

Transfers and Grants are referred to as Transfers and Subsidies in the budget statement.

Capital assets under investing activities correlate to Purchase of Property, Plant and Equipment in the Cash Flow Statement.

### 43.2 MATERIAL VARIANCES

#### Statement of financial position - Budget Adjustments

None

#### Statement of financial position - Budget versus Actual

Cash and cash equivalents	Improved position largely due to grants not fully spent at year end (specifically the Rural Roads Asset Management System grant)
Trade and other receivables from exchange transactions	Variance mainly due to outstanding fire services from Theewaterskloof Local Municipality and Western Cape Department of Public Works that was not foreseen in budget.
Property, plant and equipment	Variance due to insufficient budget for depreciation combined with capital budget not fully spent in current year.
Trade and other payables from non-exchange transactions	Decrease in Roads maintenance payable from the prior year partially offset by grants not fully spent in current year.
Provisions (Non-Current)	Variance due to actuarial gains not foreseen during budget process.
Accumulated Surplus	Variance due to improved operating performance. Refer to reasons disclosed in Statement of Financial Performance.

#### Statement of financial performance - Budget Adjustments

No Material Adjustments

#### Statement of financial performance - Budget versus Actual

Other Gains	Variance due to actuarial gains not foreseen during budget process.
Employee related costs	Budget in roads department for employee related costs insufficient to cover current year expenditure. The overspending is however offset by under performance on Inventory Consumed.
Inventory consumed	Refer to Employee Related Costs above.
Contracted services	Cost containment measures contributing to a reduction in the use of contractors.
Operational costs	VAT claims on Roads expenditure contributing to positive result.



# OVERBERG DISTRICT MUNICIPALITY

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

### 43 BUDGET COMPARISONS (CONTINUED)

#### Cash Flow Statement - Budget Adjustments

None

#### Cash Flow Statement - Budget versus Actual

Transfers and Subsidies - Operational	Cash flow budget did not take into account the significant Roads Maintenance payable that were spent in the current year, but not physically received in the current year.
Suppliers and Employees	The budgeted cash flow did not account for the significant decrease in Roads Maintenance payable that resulted in higher cash outflow than anticipated in the budget.
Cash/cash equivalents at the year end	Refer to reasons above

Refer to Appropriations Statement in note 58 for details relating to the original approved budget.

### 44 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

#### 44.1 UNAUTHORISED EXPENDITURE

Unauthorised expenditure consist out of the following:

Opening balance	-	1 416 437
Unauthorised expenditure current year - operating	-	-
Unauthorised expenditure current year - capital	-	-
Approved by Council	-	(1 416 437)
<b>Unauthorised expenditure awaiting approval</b>	<b>-</b>	<b>-</b>

	2024 (Actual) R	2024 (Final Budget) R	2024 (Unauthorised) R
<b>Unauthorised expenditure - Operating</b>			
Municipal Manager	15 971 843	16 286 670	-
Corporate Services	15 592 635	17 107 085	-
Finance	26 840 850	30 508 840	-
Community Services	210 133 921	215 897 880	-
<b>Total</b>	<b>268 539 249</b>	<b>279 800 475</b>	<b>-</b>
<b>Unauthorised expenditure - Capital</b>			
Municipal Manager	2 005	26 855	-
Corporate Services	2 087 410	2 258 901	-
Finance	18 155	18 156	-
Community Services	10 083 027	12 017 989	-
<b>Total</b>	<b>12 190 598</b>	<b>14 321 901</b>	<b>-</b>



# OVERBERG DISTRICT MUNICIPALITY

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

### 44 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

#### 44.2 FRUITLESS AND WASTEFUL EXPENDITURE

None

#### 44.3 IRREGULAR EXPENDITURE

Irregular expenditure consist out of the following:

	2024 R	2023 R
Opening balance	6 369 820	4 746 483
Irregular expenditure incurred	11 425 466	4 154 517
Approved by Council	(3 746 457)	(2 531 180)
<b>Irregular expenditure awaiting approval</b>	<b>14 048 830</b>	<b>6 369 820</b>
Details of Irregular expenditure incurred :		
Invalid Deviation - Karwyderskraal Annuity Loan (Interest)	1 491 286	1 927 565
Invalid Deviations - Non-Compliance with Regulation 36 (1) Of the Municipal Supply Chain Management Regulations	972 809	-
Non-compliance with PPPFA and the regulations of PPR 2022	5 446 213	1 818 892
Non-compliance with section 112(1) of the MFMA - utilisation of a panel	2 925 229	-
Non-compliance with Regulation 19(a) of the Municipal Supply Chain Management Regulations	391 284	408 060
Out of scope work performed on tender (Karwyderskraal Upgrade)	198 646	-
<b>Total</b>	<b>11 425 466</b>	<b>4 154 517</b>

The Invalid Deviation resulting in the irregular expenditure will be included in the financial statements up to the 2026/2027 financial year when the related long term loan is fully repaid.

Non-compliance with Regulation 19(a) of the Municipal Supply Chain Management Regulations was identified by the municipality due to fact that no competitive bidding or alternative processes were followed in the appointment of Telkom SA SOC Ltd with effect from 6 December 2018. The prior year figures were restated to include irregular expenditure amounting to R 2 215 304 up to 30 June 2022 with the comparative year being updated to include R 408 060.

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

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>45.1 Salga Contributions [MFMA 125 (1)(b)]</b>		
Opening balance	(915 556)	(816 639)
Expenditure incurred	1 250 283	1 121 824
Payments	(1 338 910)	(1 220 741)
<b>Payments in advance</b>	<b>(1 004 182)</b>	<b>(915 556)</b>
<b>45.2 Audit Fees [MFMA 125 (1)(c)]</b>		
Opening balance	-	-
Expenditure incurred	4 015 001	3 548 145
External Audit - Auditor-General	4 015 001	3 548 145
Payments	(4 015 001)	(3 548 145)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>
<b>45.3 VAT [MFMA 125 (1)(c)]</b>		
Opening balance	480 996	13 370 088
Amounts received during the year	(5 602 246)	(18 289 006)
Amounts paid during the year	444 242	2 128 966
Net Amount claimable from SARS	4 980 403	3 270 949
<b>Outstanding Balance</b>	<b>303 395</b>	<b>480 996</b>
<b>VAT in suspense due to cash basis of accounting</b>	<b>(687 715)</b>	<b>44 561</b>
VAT is accounted for on the cash basis. All VAT returns have been submitted by the due date throughout the year.		
<b>45.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]</b>		
Payments due to SARS	22 954 328	20 430 026
Payments	(22 954 328)	(20 430 026)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>
<b>45.5 PENSION AND MEDICAL AID CONTRIBUTIONS [MFMA 125 (1)(c)]</b>		
Payments due to pension fund and medical aid	32 837 784	29 850 539
Payments	(32 837 784)	(29 850 539)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>

# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)</b>		
<b>45.6 COUNCILLORS ARREAR ACCOUNTS [MFMA 124 (1)(b)]</b>		
No Councillor had any arrear account outstanding for more than 90 days during the year or at year end (Same applies to previous financial year).		
<b>45.7 QUOTATIONS AWARDED - DEVIATIONS FROM SCM</b>		
Approved deviations from Supply Chain Management Regulations were identified on the following financial categories:		
Between R 0 and R 2 000	-	-
Between R 2 000 and R 10 000	42 051	4 290
Between R 10 000 and R 30 000	66 695	-
Between R 30 000 and R 200 000	1 341 652	546 268
Above R 200 000	2 464 715	2 123 486
<b>Total</b>	<b>3 915 114</b>	<b>2 674 043</b>
Deviations by Nature:		
Sole Supplier	1 564 483	1 897 675
Emergency	737 855	196 018
Exceptional Case	1 612 776	580 350
<b>Total</b>	<b>3 915 114</b>	<b>2 674 043</b>

### 45.8 TRADING WITH EMPLOYEES IN SERVICE OF THE STATE

During the period under review, the municipality did not engage with employees in service of the state (SCM 44).

During the year under review, the municipality engaged with the following entities where family members of suppliers are in service of the state (SCM 45):

#### 30 JUNE 2024

Supplier	Full name of family member	Capacity of family member	Award Value R
Metsy Motors CC	Gary Jones	Technologist	Rate Based
			5 262
			4 701
	Judy Jones	Educator	29 988
			21 448
			7 114
			3 002

# OVERBERG DISTRICT MUNICIPALITY

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

45

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

Car Boat and Truck Spares (Pty) Ltd	Brenda Brighton	Principal Clerk: SCM	14 000
			26 150
			26 640
			6 500
			14 000
			26 640
			2 000
			2 430
			9 113
			Rate Based
Crawford & Pheiffers t/a Uyathembeka Services & Supplies (Pty) Ltd	Mignon Crawford	Assistant Librarian	465 391
Vuka Construction	Shauneen Pieterse	Chief Clerk Cashier Enquiries	24 500
			25 300
			29 000
			29 900
			29 330
FG Jacobs Transport	Herman Poole	Educator	Rate Based
	Kaylyn Flagg	Educator	
Brima Logistics (Pty) Ltd	Matsietsi Meloa	DDG - The Presidency	Rate Based
Donny Jurgens Development Services (Pty) Ltd	Earieda Jurgens	Educator	25 200
Groenland Motor Truck Bakkie (pty) Ltd	Hilton Snyders	Traffic Officer	2 812
Emeline October	Magnique October	Educator	18 500
			25 700
			12 000

### 30 JUNE 2023

Supplier	Full name of family member	Capacity of family member	Award Value R
Aluminium Designs	Vanessa Zeeman	Director: Corporate Services	13 910
			8 156
			20 582
Car Boat and Truck Spares (Pty) Ltd	Brenda Brighton	Principal Clerk: SCM	27 740
Grants Contracting (Pty) Ltd	Shaneen Gertze	Sergeant	34 775
	Keshia Gertze	Traffic Officer	
Groenland Motor Truck Bakkie (pty) Ltd	Hilton Snyders	Traffic Officer	Rate based
Ian Dickie & Co (Pty) Ltd	Deon Samuels	Warrant Officer	199 668

# OVERBERG DISTRICT MUNICIPALITY

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

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

JPCE (Pty) Ltd	Johan Minnie	Head: Operations Centre and Systems Integration	184 000
			1 207 500
Metsy Motors	Gary Jones	Technologist	Rate based
	Judy Jones	Educator	
NCC Environmental Services (Pty) Ltd	Chandre Rhoda	Head of Invasive Species - Westlake Biodiversity Centre	Rate based
Tracey Lee Dennis	Michael Dennis	Housing Manager	49 840
Tune Up Centre	Carlene Swart	Station Commander - Captain	Rate based

Rate based - A "rate-based tender" refers to a procurement or bidding process where the pricing is based on specific rates for items or services rather than a fixed award amount. In a rate-based tender, bidders provide unit prices or rates for different tasks, materials, or goods and services.

	2024 R	2023 R
<b>46 CAPITAL COMMITMENTS</b>		
<b>Commitments in respect of Capital Expenditure:</b>	<b>1 694 375</b>	<b>6 674 137</b>
Approved and contracted for per asset class:		
Buildings	-	199 525
Infrastructure	-	4 473 615
Furniture and fittings	114 471	-
Machinery and Equipment	1 579 904	1 658 019
Vehicles	-	214 416
Intangible Assets (Software)	-	128 562
<b>Total</b>	<b>1 694 375</b>	<b>6 674 137</b>
This expenditure will be financed from:		
Internally Generated Funds	1 194 375	1 455 374
Provincial Grant Funding	500 000	745 148
Borrowing	-	4 473 615
<b>Total</b>	<b>1 694 375</b>	<b>6 674 137</b>

All commitments are disclosed inclusive of VAT.



# OVERBERG DISTRICT MUNICIPALITY

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

### 47 FINANCIAL RISK MANAGEMENT

The municipality is potentially exposed to the following risks:

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

#### 47.1 Credit Risk

The following financial assets are exposed to credit risk:

	2024	2023
	R	R
Cash and Cash Equivalents	77 584 843	87 936 406
Receivables from exchange transactions	8 498 676	4 569 022
Receivables from non-exchange transactions	559 828	548 149
<b>Total</b>	<b>86 643 347</b>	<b>93 053 577</b>

There were no changes in the approach how credit risk is managed during the period under review.

#### Cash and Cash Equivalents

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

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

Credit risk is further managed and guided by the Cash Management and Investment Policy.

#### Receivables from Exchange and Non-Exchange Transactions

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

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

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

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

# OVERBERG DISTRICT MUNICIPALITY

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

### 47 FINANCIAL RISK MANAGEMENT (CONTINUED)

No impairment charge is raised against current receivables which are not considered to be past due. The credit risk relating to these receivables are considered low. This is due to the fact that the outstanding balance mainly relates to outstanding monies from local municipalities in the municipal area.

There are no individual material debtors that are assessed individually for impairment

Also refer to note 3 and 4 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted. No debt was renegotiated during the period under review.

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

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

	2024 R	2023 R
Electricity	5 606	2 391
Water	43 837	27 388
Housing rental	57	12 543
Sundry Debtors	5 387 370	2 166 912
Legal Fees Recovered	5 082	6 986
<b>Total</b>	<b>5 441 952</b>	<b>2 216 220</b>

These receivables can be aged as follows:

1 Month Past due	765 941	1 454 876
2 Months Past due	2 730 914	204 835
3 Months Past due	56 106	53 987
> 3 Months Past due	1 888 991	502 521
<b>Total</b>	<b>5 441 952</b>	<b>2 216 220</b>

#### 47.2 Currency risk (Market Risk)

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

The financial instruments of the municipality are not directly exposed to any currency risk.

#### 47.3 Interest rate risk (Market Risk)

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

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (Excluding Cash on Hand)	77 584 243	87 935 806
Long-term Liabilities (Including Current Portion)	(11 222 726)	(16 589 374)
<b>Net balance exposed</b>	<b>66 361 517</b>	<b>71 346 432</b>

# OVERBERG DISTRICT MUNICIPALITY

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

### 47 FINANCIAL RISK MANAGEMENT (CONTINUED)

Potential effect (which is based on management's assessment of the potential interest rate spread during the next financial year based on current market conditions) of changes in interest rates on surplus and deficit for the year:

	2024 R	2023 R
0.5% (2023 - 0.5%) increase in interest rates	331 808	356 732
0.5% (2023 - 0.5%) decrease in interest rates	(331 808)	(356 732)

Management does not foresee significant interest rate movements during the next 12 months.

#### 47.4 Liquidity risk

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

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

The following balances are exposed to liquidity risk:

#### 30 JUNE 2024

	Within 1 Year	PAYABLE (R) Two to five years	After five years
Annuity Loans	5 611 160	7 013 951	-
Finance Lease Liabilities	111 780	-	-
Payables from exchange transactions	6 309 952	-	-
<b>Total</b>	<b>12 032 892</b>	<b>7 013 951</b>	<b>-</b>

#### 30 JUNE 2023

	Within 1 Year	PAYABLE (R) Two to five years	After five years
Annuity Loans	5 611 160	12 625 111	-
Finance Lease Liabilities	1 349 580	113 560	-
Payables from exchange transactions	18 450 675	-	-
<b>Total</b>	<b>25 411 415</b>	<b>12 738 671</b>	<b>-</b>

The liquidity risk is further managed and guided by the Liquidity Policy.

There were no changes to the exposure to liquidity risk and how the risk is managed during the period under review.

#### 47.5 Other price risk (Market Risk)

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

The municipality is not exposed to any other price risk.



# OVERBERG DISTRICT MUNICIPALITY

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

	2024 R	2023 R
<b>48 FINANCIAL INSTRUMENTS</b>		
The municipality recognised the following financial instruments (All balances are recognised at amortised cost.)		
<u>Financial Assets</u>		
Cash and Cash Equivalents	77 584 843	87 936 406
Receivables from exchange transactions	8 498 676	4 569 022
Receivables from non-exchange transactions	559 828	548 149
<b>Total</b>	<b>86 643 347</b>	<b>93 053 577</b>
<u>Financial Liabilities</u>		
Current Portion of Long-term Liabilities	4 703 994	5 364 871
Payables from exchange transactions	6 309 952	18 450 675
Long-term Liabilities	6 518 731	11 224 503
<b>Total</b>	<b>17 532 678</b>	<b>35 040 049</b>

### 49 STATUTORY RECEIVABLES

#### Taxes

VAT Refundable from SARS	303 395	480 996
<b>Total</b>	<b>303 395</b>	<b>480 996</b>

VAT receivable from SARS is considered to be Statutory Receivable. Input Vat in Suspense is not included in the disclosure as there are no transaction to “settle” with a specific counterparty (SARS) at year-end.

### 50 EVENTS AFTER REPORTING DATE

The Minister for local government In terms of section 7 of the Remuneration of Public Office Bearers Act, 1998 is responsible to determine the upper limits of salaries of different members of Municipal Councils by notice in the gazette after consultation with the Member of Executive Councils (MECs) responsible for local government in each province and after, inter alia, taking into consideration the recommendations of the Commission.

The determination of the upper limits of salaries, allowances and benefits of the different members of municipal councils has been gazetted after the financial year (2023/24) reporting date per Government Notice No. 5435 in Government Gazette No. 51407, dated 17 October 2024. It was submitted to Council on 22 October 2024 where it was resolved that the new upper limits as gazetted be approved and implemented with effect 1 July 2023, subjected to the concurrence of the MEC responsible for Local Government in the Province. The impact is calculated at R 179 396 if the upper limits is approved by the MEC. MEC approval was obtained on 29 October 2024.

# OVERBERG DISTRICT MUNICIPALITY

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

### 51 IN-KIND DONATIONS AND ASSISTANCE

The Municipality received the following services in kind:

The Municipality is providing a project service to Community Development Workers in the Swellendam Municipal area. The project leads deployed in the district are remunerated by the Western Cape Provincial Administration (2022/2023 and 2023/2024).

The National Department of Environmental Affairs is providing the Municipality with the Working of Fire Team, a helicopter for fire fighting and the Working for the Coast team for the clearing of Alien vegetation.

The Municipality is operating a resort (Uilenkraalsmond) on land owned by the National Government of the Republic of South Africa.

None of the abovementioned is considered significant to the operations of the Municipality

### 52 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

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

### 53 CONTINGENT LIABILITIES

The municipality was exposed to the following contingent liabilities at year end:

#### 53.1 LABOUR COURT – Matter between OVERBERG DISTRICT MUNICIPALITY and IMATU OBO SPANGENBERG & OTHERS and 2 other Respondents

Judgement was handed down on 19 December 2022 and the arbitration award reviewed was set aside. The court further ordered that by 15 February 2023, the Grievants, singly or jointly, and the Applicant must submit any written representations they wish to make to the Western Province Provincial Audit Committee, mentioned in clause 2.7 of the TASK Job Evaluation Policy adopted by the Overberg District Municipal Council on 3 December 2013, on why any of the initial or revised evaluations are correct. Furthermore, by 30 March 2023, the Western Province Provincial Audit Committee ('PAC'), shall decide which of the initial or revised evaluations are correct after considering any such representations by the Grievants and the Applicant, which decision shall be final. Also that the decision of the PAC under paragraph 3.2 shall be implemented by the Applicant with retrospective effect to May 2015, within 30 days of the decision being made. Submissions were made by both parties to the PAC and the outcome of the PAC was received on 30 March 2023. The PAC resolved that it is not within the responsibilities and powers of the PAC which of the initial or revised evaluations are correct. The PAC cannot decide for any municipality what the content of the job descriptions should be unless the content is not in line with the approved structure. It was therefore not possible for the PAC to decide which set of evaluations is correct as both set of results was found to be correct at the time of their evaluation. Both results were the products of implementation of the TASK evaluation processes in 2015 and 2016 and cannot be invalidated in this manner.

IMATU applied for leave to appeal the judgment to the Labour Appeal Court, LAC) which ODM has opposed. However, Judge La Grange of the Cape Town Labour Court (LC), granted leave to appeal to the LAC, which ODM is opposing. It is important to note that the appeal is limited only to the relief granted by Judge La Grange in the LC Judgment, and not the merits of ODM's success in the LC judgment in reviewing and setting aside the arbitration award of the SALGBC. The appeal process is a lengthy one and it is doubtful that it will be heard and determined before the end of the 2023-2024 Financial year.



# OVERBERG DISTRICT MUNICIPALITY

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

### 53 CONTINGENT LIABILITIES (CONTINUED)

Thus, anticipated costs and contingent liabilities will be limited, in the foreseeable future, to the legal costs incurred by John MacRobert Attorneys (JMA) and related service providers such as Counsel, Justine Quince, Prof Alan Rycroft, disbursements etc in opposing the appeal. ODM, based on legal advice received from JMA, is cautiously optimistic that IMATU's appeal will fail and be dismissed, (although the Labour Courts seldom grant adverse orders as to costs), and that there will thus be no further monetary contingent liability to ODM in respect of this litigious matter other than further legal costs, which we anticipate will be in the range, all-in, disbursements included, to be in the region of R150,000.00. If the appeal succeeds in whole or in part, it is simply impossible at this point to predict what relief the LAC may award to IMATU, and what the financial implications of that may contain. The PAC's ruling/assessment of 2016, has been implemented in full. IMATU has not disclosed in its appeal precisely what relief it is seeking.

On 29 August 2023, the appeal record was served by the Labour Appeal Court, where both the appellant (IMATU & Others) and the respondent (ODM) are required to deliver their Heads of Arguments, respectively on 29 September 2023 and 27 October 2023.

The Head of Argument was filed on 27 October 2023 and appeal has been set down for hearing in the Labour Appeal Court on 17 September 2024 at 10:00.

#### 53.2 Carel Hendrik Benson and 22 Others (Plaintiffs) versus Overstrand Municipality, Overberg District Municipality and 3 Others (Defendants) Betty's Bay Fire

The second matter is in respect of the case Carel Hendrik Benson and 21 Others (Plaintiffs) versus Overstrand Municipality, Overberg District Municipality and 2 Others (four Defendants) relating to the Betty's Bay Fire that occurred in the Overstrand jurisdictional area. ODM is the 2nd Defendant. The joint claim amounts to R15 372 632.42. A plea to the summons and a plea to a 3rd party notice by Overstrand Municipality was filed, together with a counterclaim based on an indemnity agreement between Overstrand and ODM. Overstrand Municipality pleaded thereto. Pleadings will continue to be exchanged and the Attorneys are currently busy with their discovery process in preparation for trial. It is expected that the indemnity provision by Overstrand Municipality in favour of ODM will prevail.

### 54 RELATED PARTIES

Related parties are defined in note 1.35

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

All charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

Remuneration of Key Personnel and Councillors are disclosed in notes 28 and 29

No purchases were made during the year where Councillors, Management or Employees have an interest.

### 55 B-BBEE PERFORMANCE

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

# OVERBERG DISTRICT MUNICIPALITY

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

### 56 NON-LIVING RESOURCES

Management identified the following non-living resources (other than land):

- None

### 57 SEGMENT REPORTING

#### 57.1 General information

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

The Municipality has 26 departments/functional areas and accordingly the segments were aggregated for reporting purposes as follows:

No	Reportable Segment	Goods and/or services delivered
1	Executive and Council	Provide overall governance and oversight to the municipality as a whole.
2	Finance and administration	Supply administrative and related support to all segments
3	Internal audit	Independent segment to strengthen the governance of the municipality
4	Sport and recreation	Maintenance and operation of holiday resorts, LED and Tourism.
5	Public safety	Firefighting and emergency services
6	Health	Municipal Health services
7	Planning and development	Corporate wide Strategic planning
8	Road transport	Maintenance of provincial roads
9	Environmental protection	Environmental services
10	Waste management	Refuse Dumping Services (Karwyderskraal)



# OVERBERG DISTRICT MUNICIPALITY

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

### 57 SEGMENT REPORTING

#### 57.2 Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment are not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

#### 57.3 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas, the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

#### 57.4 Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes to the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments are disclosed as follows:



# OVERBERG DISTRICT MUNICIPALITY

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

### 57 SEGMENT REPORTING (CONTINUED)

30 JUNE 2024	Executive and Council	Finance and administration	Internal audit	Sport and recreation	Public safety	Health	Planning and development	Road transport	Environmental protection	Waste management	Total
	R	R	R	R	R	R	R	R	R	R	R
<b>REVENUE</b>											
<b>External Revenue from Non-Exchange Transactions</b>	-	94 353 203	-	1 192 000	16 999	167 658	-	656 463	-	1 958	96 388 280
Government Grants and Subsidies - Capital	-	1 961 332	-	-	-	-	-	-	-	-	1 961 332
Government Grants and Subsidies - Operating	-	89 786 923	-	1 192 000	-	167 658	-	-	-	-	91 146 581
Contributed Assets	-	-	-	-	16 999	-	-	-	-	-	16 999
Actuarial Gains	-	2 604 948	-	-	-	-	-	656 463	-	-	3 261 410
Other Income	-	-	-	-	-	-	-	-	-	1 958	1 958
<b>External Revenue from Exchange Transactions</b>	13 631 889	9 118 787	-	20 049 190	5 308 442	758 489	-	125 217 308	9 500	14 959 406	189 053 011
Roads Maintenance Services	-	-	-	-	-	-	-	123 762 703	-	-	123 762 703
Service Charges	-	-	-	1 616 841	-	-	-	-	-	14 959 406	16 576 247
Rental of Facilities and Equipment	-	37 724	-	18 001 655	-	-	-	-	-	-	18 039 380
Interest Earned - external investments	-	8 162 624	-	-	-	-	-	-	-	-	8 162 624
Interest Earned - Outstanding Debtors	-	-	-	221 887	-	-	-	-	-	-	221 887
Licences and Permits	-	-	-	-	-	758 489	-	-	-	-	758 489
Agency Services	12 909 317	-	-	-	-	-	-	-	-	-	12 909 317
Insurance Receipts	-	614 797	-	-	-	-	-	-	-	-	614 797
Other Income	722 572	303 643	-	208 808	5 308 442	-	-	1 454 605	9 500	-	8 007 569
<b>TOTAL REVENUE</b>	13 631 889	103 471 990	-	21 241 190	5 325 441	926 146	-	125 873 771	9 500	14 961 364	285 441 291
<b>EXPENDITURE</b>	11 273 139	45 242 969	1 736 964	17 191 433	40 726 971	18 048 962	1 586 223	120 626 682	3 209 747	8 896 158	268 539 249
Employee related costs	2 305 547	23 540 282	1 701 766	5 839 470	27 609 445	15 755 587	1 536 986	59 847 847	2 881 125	-	141 018 055
Remuneration of Councillors	6 763 179	-	-	-	-	-	-	-	-	-	6 763 179
Debt Impairment	-	-	-	853 253	-	-	-	-	-	-	853 253
Depreciation and Amortisation	53 024	753 079	3 515	647 481	1 803 855	164 609	9 209	162 382	36 481	629 648	4 263 281
Impairment	-	-	-	-	134 887	-	-	-	-	65 528	200 415
Finance Charges	-	3 639 642	-	-	-	-	-	2 577 994	-	1 435 749	7 653 385
Bulk Purchases	-	-	-	494 822	-	-	-	-	-	-	494 822
Contracted services	851 417	5 573 566	-	4 069 306	5 912 826	848 460	-	4 095 077	117 230	6 417 061	27 884 944
Transfers and Grants	-	1 425 200	-	-	-	-	-	875 143	-	-	2 300 343
Other Expenditure	1 299 972	9 687 374	31 684	5 287 101	5 265 958	1 280 306	40 027	53 068 240	174 911	348 171	76 483 745
Stock Adjustments	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of Assets	-	623 825	-	-	-	-	-	-	-	-	623 825
<b>TOTAL EXPENDITURE</b>	11 273 139	45 242 969	1 736 964	17 191 433	40 726 971	18 048 962	1 586 223	120 626 682	3 209 747	8 896 158	268 539 249
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	2 358 750	58 229 021	(1 736 964)	4 049 757	(35 401 530)	(17 122 816)	(1 586 223)	5 247 088	(3 200 247)	6 065 206	16 902 042
Less: Government Grants and Subsidies - Capital	-	(1 961 332)	-	-	-	-	-	-	-	-	(1 961 332)
Less: Contributed Assets	-	-	-	-	(16 999)	-	-	-	-	-	(16 999)
<b>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	2 358 750	56 267 689	(1 736 964)	4 049 757	(35 418 529)	(17 122 816)	(1 586 223)	5 247 088	(3 200 247)	6 065 206	14 923 711
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	-	2 105 565	-	375 868	5 111 213	36 843	2 005	-	4 497	4 554 606	12 190 598



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29 NOVEMBER 2024

# OVERBERG DISTRICT MUNICIPALITY

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

### 57 SEGMENT REPORTING (CONTINUED)

30 JUNE 2023	Executive and Council R	Finance and administration R	Internal audit R	Sport and recreation R	Public safety R	Health R	Planning and development R	Road transport R	Environmental protection R	Waste management R	Total R
<b>REVENUE</b>											
<b>External Revenue from Non-Exchange Transactions</b>	-	93 875 933	-	1 163 000	45 099	156 645	-	3 451 883	-	690 633	99 383 194
Government Grants and Subsidies - Capital	-	1 219 439	-	-	-	-	-	-	-	-	1 219 439
Government Grants and Subsidies - Operating	-	88 954 817	-	1 123 000	-	156 645	-	-	-	-	90 234 463
Contributed Assets	-	-	-	40 000	45 099	-	-	-	-	-	85 099
Actuarial Gains	-	3 701 676	-	-	-	-	-	3 451 883	-	-	7 153 559
Other Income	-	-	-	-	-	-	-	-	-	690 633	690 633
<b>External Revenue from Exchange Transactions</b>	12 247 403	6 296 651	-	17 725 721	5 808 776	745 741	-	116 273 115	36 530	10 884 386	170 018 324
Roads Maintenance Services	-	-	-	-	-	-	-	116 243 175	-	-	116 243 175
Service Charges	-	-	-	1 450 842	-	-	-	-	-	10 884 386	12 335 228
Rental of Facilities and Equipment	-	32 400	-	16 057 252	-	-	-	27 662	-	-	16 117 314
Interest Earned - external investments	-	5 904 072	-	-	-	-	-	-	-	-	5 904 072
Licences and Permits	-	-	-	-	-	745 741	-	-	-	-	745 741
Agency Services	12 005 981	-	-	-	-	-	-	-	-	-	12 005 981
Insurance Receipts	-	6 526	-	-	-	-	-	-	-	-	6 526
Other Income	241 422	353 654	-	217 627	5 808 776	-	-	2 278	36 530	-	6 660 286
<b>TOTAL REVENUE</b>	12 247 403	100 172 584	-	18 888 721	5 853 875	902 387	-	119 724 999	36 530	11 575 019	269 401 517
<b>EXPENDITURE</b>	10 437 592	43 736 371	1 595 177	16 601 100	37 739 869	17 484 327	1 415 253	114 790 581	3 050 981	9 282 818	256 134 068
Employee related costs	2 015 509	21 628 809	1 559 386	5 455 455	26 125 235	15 366 561	1 328 966	53 431 113	2 671 670	-	129 582 704
Remuneration of Councillors	6 195 418	-	-	-	-	-	-	-	-	-	6 195 418
Debt Impairment	-	-	-	76 239	-	-	-	-	-	-	76 239
Depreciation and Amortisation	49 416	642 610	3 307	537 565	1 480 103	164 816	6 997	156 664	36 172	601 853	3 679 502
Impairment	-	15 224	-	-	310 480	-	-	-	-	-	325 704
Finance Charges	-	3 775 448	-	-	-	-	-	2 691 315	-	2 116 819	8 583 583
Bulk Purchases	-	-	-	455 555	-	-	-	-	-	-	455 555
Contracted services	915 802	6 457 889	-	3 791 560	3 842 123	675 667	-	5 881 542	68 096	6 301 146	27 933 826
Transfers and Grants	-	1 159 389	-	-	-	-	-	651 936	-	-	1 811 325
Other Expenditure	1 261 447	9 526 772	32 484	6 284 726	5 981 928	1 277 282	79 290	51 978 010	275 044	262 999	76 959 983
Stock Adjustments	-	4 088	-	-	-	-	-	-	-	-	4 088
Loss on disposal of Assets	-	526 142	-	-	-	-	-	-	-	-	526 142
<b>TOTAL EXPENDITURE</b>	10 437 592	43 736 371	1 595 177	16 601 100	37 739 869	17 484 327	1 415 253	114 790 581	3 050 981	9 282 818	256 134 068
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	1 809 811	56 436 212	(1 595 177)	2 287 622	(31 885 994)	(16 581 940)	(1 415 253)	4 934 418	(3 014 451)	2 292 201	13 267 449
Less: Government Grants and Subsidies - Capital	-	(1 219 439)	-	-	-	-	-	-	-	-	(1 219 439)
Less: Contributed Assets	-	-	-	(40 000)	(45 099)	-	-	-	-	-	(85 099)
<b>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	1 809 811	55 216 773	(1 595 177)	2 247 622	(31 931 093)	(16 581 940)	(1 415 253)	4 934 418	(3 014 451)	2 292 201	11 962 911
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	6 999	1 469 900	-	1 742 930	3 953 485	55 756	13 035	-	62 034	366 764	7 670 904

Less Contributed previously not disclosed amounting to R 85 099 was incorrectly not disclosed in the prior year. This error did not impact on other areas in the financial statements

# OVERBERG DISTRICT MUNICIPALITY

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

### 58 NATIONAL TREASURY APPROPRIATION STATEMENT

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>Financial Performance</b>						
Service charges	15 800 000	735 000	16 535 000	16 576 247	41 247	12 335 228
Investment revenue	4 000 000	3 800 000	7 800 000	8 162 624	362 624	5 904 072
Transfers recognised - operational	214 388 927	2 111 897	216 500 824	214 909 284	(1 591 540)	206 477 638
Other own revenue	39 290 311	(263 978)	39 026 333	43 814 806	4 788 473	43 380 041
<b>Total Operating Revenue</b>	<b>273 479 238</b>	<b>6 382 919</b>	<b>279 862 157</b>	<b>283 462 961</b>	<b>3 600 804</b>	<b>268 096 979</b>
Employee costs	138 697 327	2 319 792	141 017 119	145 557 849	4 540 730	134 414 802
Remuneration of councillors	6 339 757	-	6 339 757	6 763 179	423 422	6 195 418
Depreciation & asset impairment	3 753 586	(0)	3 753 586	5 316 950	1 563 364	4 081 445
Finance charges	2 753 186	-	2 753 186	2 255 385	(497 801)	3 005 583
Inventory Consumed and Bulk Purchases	62 521 200	(6 512 410)	56 008 790	48 277 924	(7 730 866)	48 334 390
Transfers and grants	-	2 174 000	2 174 000	2 300 343	126 343	1 811 325
Other expenditure	62 745 504	5 008 533	67 754 037	58 067 618	(9 686 419)	58 291 105
<b>Total Expenditure</b>	<b>276 810 561</b>	<b>2 989 914</b>	<b>279 800 475</b>	<b>268 539 249</b>	<b>(11 261 226)</b>	<b>256 134 068</b>
<b>Surplus/(Deficit)</b>	<b>(3 331 323)</b>	<b>3 393 005</b>	<b>61 682</b>	<b>14 923 711</b>	<b>14 862 029</b>	<b>11 962 911</b>
Transfers and subsidies - capital	500 000	2 043 626	2 543 626	1 961 332	(582 294)	1 219 439
Transfers and subsidies - capital (In-Kind)	-	-	-	16 999	16 999	85 099
<b>Surplus/(Deficit) for the year</b>	<b>(2 831 323)</b>	<b>5 436 631</b>	<b>2 605 308</b>	<b>16 902 042</b>	<b>14 296 734</b>	<b>13 267 449</b>

Debt Impairment previously disclosed separately in 2022/2023 (R 76 239) is now included as part of Depreciation & Asset Impairment, in line with current year.



# OVERBERG DISTRICT MUNICIPALITY

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

### 58 NATIONAL TREASURY APPROPRIATION STATEMENT (CONTINUED)

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	<b>6 355 000</b>	<b>7 966 901</b>	<b>14 321 901</b>	<b>12 190 598</b>	<b>(2 131 303)</b>	<b>7 670 904</b>
Transfers recognised - capital	500 000	2 043 626	2 543 626	1 961 332	(582 294)	1 219 439
Borrowing	-	4 536 100	4 536 100	4 282 870	(253 230)	363 896
Contributed Assets	-	-	-	16 999	16 999	85 099
Internally generated funds	5 855 000	1 387 175	7 242 175	5 929 397	(1 312 778)	6 002 469
<b>Total sources of capital funds</b>	<b>6 355 000</b>	<b>7 966 901</b>	<b>14 321 901</b>	<b>12 190 598</b>	<b>(2 131 303)</b>	<b>7 670 904</b>
<b>Cash flows</b>						
Net cash from (used) operating	1 826 113	4 707 652	6 533 765	6 916 948	383 184	44 783 389
Net cash from (used) investing	(4 355 000)	(9 966 901)	(14 321 901)	(11 901 863)	2 420 038	2 851 846
Net cash from (used) financing	(5 364 871)	-	(5 364 871)	(5 366 648)	(1 777)	(4 630 732)
Net Cash Movement for the year	<b>(7 893 758)</b>	<b>(5 259 249)</b>	<b>(13 153 007)</b>	<b>(10 351 563)</b>	<b>2 801 445</b>	<b>43 004 503</b>
Cash/cash equivalents at beginning of year	43 585 239	44 351 167	87 936 406	87 936 406	-	44 931 903
<b>Cash/cash equivalents at the year end</b>	<b>35 691 481</b>	<b>39 091 917</b>	<b>74 783 399</b>	<b>77 584 843</b>	<b>2 801 445</b>	<b>87 936 406</b>

Refer to Appendix E for more detail relating to the National Treasury Appropriation Statements

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX A (UNAUDITED)

### SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2024

INSTITUTION	RATE	REDEMPTION DATE	OPENING BALANCE 1 JULY 2023 R	RECEIVED DURING YEAR R	REDEEMED DURING YEAR R	CLOSING BALANCE 30 JUNE 2024 R
<b><u>ANNUITY LOANS</u></b>						
STANDARD BANK (KARWYDERSKRAAL)	11.17%	2026/09/30	15 232 032	-	(4 119 875)	11 112 157
<b>Total Annuity Loans</b>			<b>15 232 032</b>	<b>-</b>	<b>(4 119 875)</b>	<b>11 112 157</b>
<b><u>FINANCE LEASES</u></b>						
NASHUA BREEDEVALLEI (OFFICE PRINTERS)	12.97%	2024/07/31	1 357 342	-	(1 246 774)	110 568
<b>Total Finance Leases</b>			<b>1 357 342</b>	<b>-</b>	<b>(1 246 774)</b>	<b>110 568</b>
<b>Total Long-Term Liabilities</b>			<b>16 589 374</b>	<b>-</b>	<b>(5 366 648)</b>	<b>11 222 726</b>

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX B (UNAUDITED)

### SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE (MUNICIPAL VOTES AND GFS CLASSIFICATION) FOR THE YEAR ENDING 30 JUNE 2024

MUNICIPAL VOTES	30 JUNE 2024			30 JUNE 2023		
	REVENUE	EXPENDITURE	SURPLUS/ (DEFICIT)	REVENUE	EXPENDITURE	SURPLUS/ (DEFICIT)
	R	R	R	R	R	R
Municipal Manager	13 631 889	(15 971 843)	(2 339 954)	12 247 403	(14 591 997)	(2 344 594)
Corporate Services	101 020	(15 592 635)	(15 491 614)	32 509	(13 512 630)	(13 480 121)
Finance	103 370 970	(26 840 850)	76 530 120	100 140 075	(27 629 933)	72 510 141
Community Services	168 337 412	(210 133 921)	(41 796 509)	156 981 531	(200 399 508)	(43 417 977)
<b>Total</b>	<b>285 441 291</b>	<b>(268 539 249)</b>	<b>16 902 042</b>	<b>269 401 517</b>	<b>(256 134 068)</b>	<b>13 267 449</b>

  

GFS CLASSIFICATION	30 JUNE 2024			30 JUNE 2023		
	REVENUE	EXPENDITURE	SURPLUS/ (DEFICIT)	REVENUE	EXPENDITURE	SURPLUS/ (DEFICIT)
	R	R	R	R	R	R
Executive and Council	13 631 889	(11 273 139)	2 358 750	12 247 403	(10 437 592)	1 809 811
Internal audit	-	(1 736 964)	(1 736 964)	-	(1 595 177)	(1 595 177)
Finance and administration	103 471 990	(45 242 969)	58 229 021	100 172 584	(43 736 371)	56 436 212
Planning and Development	-	(1 586 223)	(1 586 223)	-	(1 415 253)	(1 415 253)
Public Safety	5 325 441	(40 726 971)	(35 401 530)	5 853 875	(37 739 869)	(31 885 994)
Environmental Protection	9 500	(3 209 747)	(3 200 247)	36 530	(3 050 981)	(3 014 451)
Waste Management	14 961 364	(8 896 158)	6 065 206	11 575 019	(9 282 818)	2 292 201
Sport and Recreation	21 241 190	(17 191 433)	4 049 757	18 888 721	(16 601 100)	2 287 622
Health	926 146	(18 048 962)	(17 122 816)	902 387	(17 484 327)	(16 581 940)
Road Transport	125 873 771	(120 626 682)	5 247 088	119 724 999	(114 790 581)	4 934 418
<b>Total</b>	<b>285 441 291</b>	<b>(268 539 249)</b>	<b>16 902 042</b>	<b>269 401 517</b>	<b>(256 134 068)</b>	<b>13 267 449</b>

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX C (UNAUDITED)

### SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE (MUNICIPAL DEPARTMENT) FOR THE YEAR ENDING 30 JUNE 2024

MUNICIPAL DEPARTMENTS	30 JUNE 2024			30 JUNE 2023		
	REVENUE R	EXPENDITURE R	SURPLUS/ (DEFICIT) R	REVENUE R	EXPENDITURE R	SURPLUS/ (DEFICIT) R
Committee, Records & Councillor Support	-	(3 463 989)	(3 463 989)	-	(3 185 618)	(3 185 618)
Community Services Support	-	(495 728)	(495 728)	-	(431 270)	(431 270)
Comprehensive Health	167 658	(170 174)	(2 516)	156 645	(152 586)	4 059
Council Expenditure	12 981 889	(8 129 773)	4 852 116	12 005 981	(7 546 169)	4 459 812
Emergency Services	5 325 441	(40 726 971)	(35 401 530)	5 853 875	(37 739 869)	(31 885 994)
Environmental Management	9 500	(3 209 747)	(3 200 247)	36 530	(3 050 981)	(3 014 451)
Executive (Community Services)	-	(938 239)	(938 239)	-	(1 018 563)	(1 018 563)
Executive (Corporate Services)	101 020	(4 909 178)	(4 808 157)	32 509	(3 065 779)	(3 033 270)
Executive (Finance)	-	(1 310 683)	(1 310 683)	-	(1 295 297)	(1 295 297)
Executive (Municipal Manager)	650 000	(2 376 299)	(1 726 299)	241 422	(2 264 881)	(2 023 459)
Executive Support	-	(767 067)	(767 067)	-	(626 542)	(626 542)
Expenditure	32 231	(1 946 213)	(1 913 981)	29 493	(1 594 675)	(1 565 182)
Financial Services	103 282 469	(19 793 141)	83 489 328	100 087 629	(21 278 784)	78 808 846
Financial Support	-	(417 979)	(417 979)	-	(390 411)	(390 411)
Human Resources	-	(4 527 535)	(4 527 535)	-	(3 857 618)	(3 857 618)
IDP & Communication	-	(1 586 223)	(1 586 223)	-	(1 415 253)	(1 415 253)
Information Services	-	(2 691 934)	(2 691 934)	-	(3 403 615)	(3 403 615)
Internal Audit	-	(1 736 964)	(1 736 964)	-	(1 595 177)	(1 595 177)
Led, Tourism, Resorts & EPWP	21 241 190	(17 191 433)	4 049 757	18 888 721	(16 601 100)	2 287 622
Municipal Health	758 489	(17 878 789)	(17 120 300)	745 741	(17 331 740)	(16 585 999)
Performance & Risk Management	-	(1 375 518)	(1 375 518)	-	(1 143 975)	(1 143 975)
Revenue	56 270	(19 236)	37 034	22 952	(2 179)	20 773
Solid Waste	14 961 364	(8 896 158)	6 065 206	11 575 019	(9 282 818)	2 292 201
Supply Chain Management	-	(3 353 598)	(3 353 598)	-	(3 068 588)	(3 068 588)
Roads Function	125 873 771	(120 626 682)	5 247 088	119 724 999	(114 790 581)	4 934 418
<b>Total</b>	<b>285 441 291</b>	<b>(268 539 249)</b>	<b>16 902 042</b>	<b>269 401 517</b>	<b>(256 134 068)</b>	<b>13 267 449</b>

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX D (UNAUDITED)

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

	OPENING BALANCE	GRANTS RECEIVED	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	GRANTS RETURNED TO NT/PT	CLOSING BALANCE
	R	R	R	R	R	R
<b>NATIONAL GOVERNMENT</b>						
Equitable Share	-	84 437 000	(84 437 000)	-	-	-
Financial Management Grant (FMG)	-	1 000 000	(1 000 000)	-	-	-
Expanded Public Works Program (EPWP)	-	1 192 000	(1 192 000)	-	-	-
Rural Roads Asset Management System	101 630	2 846 000	(1 021 067)	-	-	1 926 563
<b>Total</b>	<b>101 630</b>	<b>89 475 000</b>	<b>(87 650 067)</b>	<b>-</b>	<b>-</b>	<b>1 926 563</b>
<b>PROVINCIAL GOVERNMENT AND OTHER</b>						
SETA Training Fund	205 936	276 740	(482 676)	-	-	-
Health Subsidy	-	167 658	(167 658)	-	-	-
CDW Operational Support Grant	-	57 000	(53 922)	-	-	3 078
Human Capacity Building Grant	617	-	(617)	-	-	-
Financial Management Capacity Grant	112 012	700 000	(445 657)	-	-	366 355
Safety Initiative Implementation - WOSA	216 755	1 560 000	(1 667 609)	-	-	109 146
Fire Services Capacity Building Grant	-	500 000	-	-	-	500 000
Joint District and Metro Approach Grant (Sanitation)	2 229 611	-	(500 000)	-	(1 229 611)	500 000
Joint District and Metro Approach Grant (Animal Pound)	36 085	-	-	-	(36 085)	-
Load Shedding Mitigation Grant	843 626	-	(2 058)	(841 568)	-	-
Municipal Intervention Grant	175 564	100 000	(96 082)	-	-	179 482
Municipal Water Resilience Grant	-	1 200 000	(80 236)	(1 119 764)	-	-
<b>Total</b>	<b>3 820 204</b>	<b>4 561 398</b>	<b>(3 496 514)</b>	<b>(1 961 332)</b>	<b>(1 265 695)</b>	<b>1 658 061</b>
<b>ALL SPHERES GOVERNMENT</b>	<b>3 921 834</b>	<b>94 036 398</b>	<b>(91 146 581)</b>	<b>(1 961 332)</b>	<b>(1 265 695)</b>	<b>3 584 624</b>

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX E (1) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATE D OUTCOME 2023 R
<b>REVENUE</b>						
<b>Governance and administration</b>	<b>110 540 765</b>	<b>6 992 917</b>	<b>117 533 682</b>	<b>117 103 879</b>	<b>(429 803)</b>	<b>112 419 987</b>
Executive and Council	15 269 565	(1 774 416)	13 495 149	13 631 889	136 740	12 247 403
Finance and administration	95 271 200	8 767 333	104 038 533	103 471 990	(566 543)	100 172 584
<b>Community and public safety</b>	<b>26 639 473</b>	<b>(103 500)</b>	<b>26 535 973</b>	<b>27 492 778</b>	<b>956 805</b>	<b>25 644 983</b>
Sport and recreation	20 129 500	101 500	20 231 000	21 241 190	1 010 190	18 888 721
Public safety	5 308 046	60 000	5 368 046	5 325 441	(42 605)	5 853 875
Health	1 201 927	(265 000)	936 927	926 146	(10 781)	902 387
<b>Economic and environmental services</b>	<b>122 499 000</b>	<b>1 033 128</b>	<b>123 532 128</b>	<b>125 883 271</b>	<b>2 351 143</b>	<b>119 761 529</b>
Road transport	122 375 000	1 033 128	123 408 128	125 873 771	2 465 643	119 724 999
Environmental protection	124 000	-	124 000	9 500	(114 500)	36 530
<b>Trading services</b>	<b>14 300 000</b>	<b>504 000</b>	<b>14 804 000</b>	<b>14 961 364</b>	<b>157 364</b>	<b>11 575 019</b>
Waste management	14 300 000	504 000	14 804 000	14 961 364	157 364	11 575 019
<b>Total Revenue - Standard</b>	<b>273 979 238</b>	<b>8 426 545</b>	<b>282 405 783</b>	<b>285 441 291</b>	<b>3 035 508</b>	<b>269 401 517</b>

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX E (1) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>EXPENDITURE</b>						
<b>Governance and administration</b>	<b>63 895 885</b>	<b>136 692</b>	<b>64 032 577</b>	<b>58 253 073</b>	<b>(5 779 504)</b>	<b>55 769 140</b>
Executive and Council	10 751 287	387 388	11 138 675	11 273 139	134 464	10 437 592
Finance and administration	51 160 644	(247 951)	50 912 693	45 242 969	(5 669 724)	43 736 371
Internal audit	1 983 954	(2 745)	1 981 209	1 736 964	(244 245)	1 595 177
<b>Community and public safety</b>	<b>75 550 225</b>	<b>2 412 933</b>	<b>77 963 158</b>	<b>75 967 367</b>	<b>(1 995 791)</b>	<b>71 825 295</b>
Sport and recreation	17 120 061	652 380	17 772 441	17 191 433	(581 008)	16 601 100
Public safety	39 670 924	1 889 000	41 559 924	40 726 971	(832 953)	37 739 869
Health	18 759 240	(128 447)	18 630 793	18 048 962	(581 831)	17 484 327
<b>Economic and environmental services</b>	<b>127 397 531</b>	<b>1 068 192</b>	<b>128 465 723</b>	<b>125 422 652</b>	<b>(3 043 071)</b>	<b>119 256 815</b>
Planning and development	1 620 557	(16 000)	1 604 557	1 586 223	(18 334)	1 415 253
Road transport	122 375 000	1 033 128	123 408 128	120 626 682	(2 781 446)	114 790 581
Environmental protection	3 401 974	51 064	3 453 038	3 209 747	(243 291)	3 050 981
<b>Trading services</b>	<b>9 966 919</b>	<b>(627 902)</b>	<b>9 339 017</b>	<b>8 896 158</b>	<b>(442 859)</b>	<b>9 282 818</b>
Waste management	9 966 919	(627 902)	9 339 017	8 896 158	(442 859)	9 282 818
<b>Total Expenditure - Standard</b>	<b>276 810 561</b>	<b>2 989 914</b>	<b>279 800 475</b>	<b>268 539 249</b>	<b>(11 261 226)</b>	<b>256 134 068</b>
<b>Surplus/(Deficit) for the year</b>	<b>(2 831 323)</b>	<b>5 436 631</b>	<b>2 605 308</b>	<b>16 902 042</b>	<b>14 296 734</b>	<b>13 267 449</b>

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX E (2) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATE D OUTCOME 2023 R
<b>REVENUE</b>						
Municipal Manager	15 269 565	(1 774 416)	13 495 149	13 631 889	136 740	12 247 403
Corporate Services	25 200	15 000	40 200	101 020	60 820	32 509
Finance	95 246 000	8 752 333	103 998 333	103 370 970	(627 363)	100 140 075
Community Services	163 438 473	1 433 628	164 872 101	168 337 412	3 465 311	156 981 531
<b>Total Revenue by Vote</b>	<b>273 979 238</b>	<b>8 426 545</b>	<b>282 405 783</b>	<b>285 441 291</b>	<b>3 035 508</b>	<b>269 401 517</b>
<b>EXPENDITURE</b>						
Municipal Manager	15 847 027	439 643	16 286 670	15 971 843	(314 827)	14 591 997
Corporate Services	17 484 568	(377 483)	17 107 085	15 592 635	(1 514 450)	13 512 630
Finance	30 014 652	494 188	30 508 840	26 840 850	(3 667 990)	27 629 933
Community Services	213 464 313	2 433 567	215 897 880	210 133 921	(5 763 959)	200 399 508
<b>Total Expenditure by Vote</b>	<b>276 810 561</b>	<b>2 989 914</b>	<b>279 800 475</b>	<b>268 539 249</b>	<b>(11 261 226)</b>	<b>256 134 068</b>
<b>Surplus/(Deficit) for the year</b>	<b>(2 831 323)</b>	<b>5 436 631</b>	<b>2 605 308</b>	<b>16 902 042</b>	<b>14 296 734</b>	<b>13 267 449</b>



# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX E (3) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### REVENUE AND EXPENDITURE

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATE D OUTCOME 2023 R
<b>REVENUE BY SOURCE</b>						
<b>Exchange Revenue</b>						
Service charges - Electricity	200 000	600 000	800 000	812 375	12 375	711 287
Service charges - Water	-	35 000	35 000	39 821	4 821	35 128
Service charges - Waste Water Management	600 000	300 000	900 000	659 695	(240 305)	704 427
Service charges - Waste Management	15 000 000	(200 000)	14 800 000	15 064 355	264 355	10 884 386
Sale of Goods and Rendering of Services	9 223 046	748 084	9 971 130	10 001 075	29 945	9 115 774
Agency services	12 769 565	-	12 769 565	12 909 317	139 752	12 005 981
Interest earned from Receivables	50 000	220 000	270 000	221 887	(48 113)	-
Interest earned from Current and Non Current	4 000 000	3 800 000	7 800 000	8 162 624	362 624	5 904 072
Rental from Fixed Assets	13 825 000	(981 000)	12 844 000	13 812 262	968 262	12 849 334
Licence and permits	1 000 000	(250 000)	750 000	758 489	8 489	745 741
Operational Revenue	422 700	1 998 938	2 421 638	2 848 408	426 770	819 018
<b>Non-Exchange Revenue</b>						
Transfer and subsidies - Operational	214 388 927	2 111 897	216 500 824	214 909 284	(1 591 540)	206 477 638
Operational Revenue	-	-	-	1 958	1 958	690 633
Gains on disposal of Assets	2 000 000	(2 000 000)	-	-	-	-
Other Gains	-	-	-	3 261 410	3 261 410	7 153 559
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>273 479 238</b>	<b>6 382 919</b>	<b>279 862 157</b>	<b>283 462 961</b>	<b>3 600 804</b>	<b>268 096 979</b>

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX E (3) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### REVENUE AND EXPENDITURE

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>EXPENDITURE BY TYPE</b>						
Employee related costs	138 697 327	2 319 792	141 017 119	145 557 849	4 540 730	134 414 802
Remuneration of councillors	6 339 757	-	6 339 757	6 763 179	423 422	6 195 418
Bulk purchases - electricity	200 000	150 000	350 000	494 822	144 822	455 555
Inventory consumed	62 321 200	(6 662 410)	55 658 790	47 783 102	(7 875 688)	47 878 835
Debt impairment	100 000	-	100 000	853 253	753 253	76 239
Depreciation and amortisation	3 653 586	-	3 653 586	4 463 697	810 111	4 005 206
Interest	2 753 186	-	2 753 186	2 255 385	(497 801)	3 005 583
Contracted services	30 073 918	3 347 082	33 421 000	28 650 328	(4 770 673)	28 321 503
Transfers and subsidies	-	2 174 000	2 174 000	2 300 343	126 343	1 811 325
Operational costs	32 671 586	1 661 451	34 333 037	28 793 465	(5 539 572)	29 443 460
Losses on disposal of Assets	-	-	-	623 825	623 825	526 142
<b>Total Expenditure</b>	<b>276 810 561</b>	<b>2 989 915</b>	<b>279 800 475</b>	<b>268 539 249</b>	<b>(11 261 226)</b>	<b>256 134 068</b>
<b>Surplus/(Deficit)</b>	<b>(3 331 323)</b>	<b>3 393 004</b>	<b>61 682</b>	<b>14 923 711</b>	<b>14 862 029</b>	<b>11 962 911</b>
Transfers and subsidies - capital	500 000	2 043 626	2 543 626	1 961 332	(582 294)	1 219 439
Transfers and subsidies - capital (In-Kind)	-	-	-	16 999	16 999	85 099
<b>Surplus/(Deficit) for the year</b>	<b>(2 831 323)</b>	<b>5 436 630</b>	<b>2 605 308</b>	<b>16 902 042</b>	<b>14 296 734</b>	<b>13 267 449</b>

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX E (4) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### CAPITAL EXPENDITURE

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>CAPITAL EXPENDITURE (VOTE)</b>						
<b>Multi-year expenditure</b>						
Corporate Services	-	654 455	654 455	468 493	(185 962)	579 728
Community Services	-	4 536 100	4 536 100	4 486 925	(49 175)	366 764
<b>Single-year expenditure</b>						
Municipal Manager	30 000	(3 145)	26 855	2 005	(24 850)	13 035
Corporate Services	1 339 000	265 446	1 604 446	1 618 917	14 471	887 238
Finance	20 000	(1 844)	18 156	18 155	(1)	2 934
Community Services	4 966 000	2 515 889	7 481 889	5 596 103	(1 885 786)	5 821 204
<b>Total Capital Expenditure by Vote</b>	<b>6 355 000</b>	<b>7 966 901</b>	<b>14 321 901</b>	<b>12 190 598</b>	<b>(2 131 303)</b>	<b>7 670 904</b>

#### CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)

<b>Governance and administration</b>	<b>1 359 000</b>	<b>918 057</b>	<b>2 277 057</b>	<b>2 105 565</b>	<b>(171 492)</b>	<b>1 476 899</b>
Executive and council	-	-	-	-	-	6 999
Finance and administration	1 359 000	918 057	2 277 057	2 105 565	(171 492)	1 469 900
<b>Community and public safety</b>	<b>4 960 000</b>	<b>2 517 389</b>	<b>7 477 389</b>	<b>5 523 924</b>	<b>(1 953 465)</b>	<b>5 752 171</b>
Sport and recreation	920 000	(279 970)	640 030	375 868	(264 162)	1 742 930
Public safety	4 000 000	2 800 516	6 800 516	5 111 213	(1 689 303)	3 953 485
Health	40 000	(3 157)	36 843	36 843	(0)	55 756
<b>Economic and environmental services</b>	<b>36 000</b>	<b>(4 645)</b>	<b>31 355</b>	<b>6 502</b>	<b>(24 853)</b>	<b>75 069</b>
Planning and development	30 000	(3 145)	26 855	2 005	(24 850)	13 035
Environmental protection	6 000	(1 500)	4 500	4 497	(3)	62 034

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX E (4) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### CAPITAL EXPENDITURE

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATE D OUTCOME 2023 R
Trading services	-	4 536 100	4 536 100	4 554 606	18 506	366 764
Waste management	-	4 536 100	4 536 100	4 554 606	18 506	366 764
<b>Total Capital Expenditure - Standard</b>	<b>6 355 000</b>	<b>7 966 901</b>	<b>14 321 901</b>	<b>12 190 598</b>	<b>(2 131 303)</b>	<b>7 670 904</b>

#### CAPITAL EXPENDITURE (FUNDING SOURCES)

Provincial Government	500 000	2 043 626	2 543 626	1 961 332	(582 294)	1 219 439
<b>Transfers recognised - capital</b>	<b>500 000</b>	<b>2 043 626</b>	<b>2 543 626</b>	<b>1 961 332</b>	<b>(582 294)</b>	<b>1 219 439</b>
Borrowing	-	4 536 100	4 536 100	4 282 870	(253 230)	363 896
Contributed Assets	-	-	-	16 999	16 999	85 099
Internally generated funds	5 855 000	1 387 175	7 242 175	5 929 397	(1 312 778)	6 002 469
<b>Total Capital Funding</b>	<b>6 355 000</b>	<b>7 966 901</b>	<b>14 321 901</b>	<b>12 190 598</b>	<b>(2 131 303)</b>	<b>7 670 904</b>

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX E (5) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### CASH FLOWS

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATE D OUTCOME 2023 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Service charges	15 800 000	735 000	16 535 000	15 289 834	(1 245 166)	12 132 482
Other revenue	37 140 311	1 516 022	38 656 333	36 882 190	(1 774 143)	36 125 449
Transfers and Subsidies - Operational	214 388 927	300 000	214 688 927	204 702 337	(9 986 590)	221 272 328
Transfers and Subsidies - Capital	500 000	1 200 000	1 700 000	1 619 764	(80 236)	2 063 065
Interest	4 050 000	4 020 000	8 070 000	8 404 634	334 634	5 448 711
<b>Payments</b>						
Suppliers and employees	(268 219 175)	(889 370)	(269 108 545)	(256 085 546)	13 022 999	(228 274 991)
Finance charges	(1 833 950)	-	(1 833 950)	(1 595 921)	238 029	(2 172 329)
Transfers and Subsidies	-	(2 174 000)	(2 174 000)	(2 300 343)	(126 343)	(1 811 325)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1 826 113</b>	<b>4 707 652</b>	<b>6 533 765</b>	<b>6 916 948</b>	<b>383 184</b>	<b>44 783 389</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	2 000 000	(2 000 000)	-	-	-	10 434 783
<b>Payments</b>						
Capital assets	(6 355 000)	(7 966 901)	(14 321 901)	(11 901 863)	2 420 038	(7 582 937)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4 355 000)</b>	<b>(9 966 901)</b>	<b>(14 321 901)</b>	<b>(11 901 863)</b>	<b>2 420 038</b>	<b>2 851 846</b>

# OVERBERG DISTRICT MUNICIPALITY

## APPENDIX E (5) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### CASH FLOWS

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Payments</b>						
Repayment of borrowing	(5 364 871)	-	(5 364 871)	(5 366 648)	(1 777)	(4 630 732)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(5 364 871)</b>	<b>-</b>	<b>(5 364 871)</b>	<b>(5 366 648)</b>	<b>(1 777)</b>	<b>(4 630 732)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(7 893 758)</b>	<b>(5 259 249)</b>	<b>(13 153 007)</b>	<b>(10 351 563)</b>	<b>2 801 445</b>	<b>43 004 503</b>
Cash/cash equivalents at the year begin:	43 585 239	44 351 167	87 936 406	87 936 406	-	44 931 903
Cash/cash equivalents at the year end:	35 691 481	39 091 917	74 783 399	77 584 843	2 801 444	87 936 406