

ANNUAL REPORT

2024/25



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 2025



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

INDEX

<u>Content</u>	<u>Page</u>
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 - 114

APPENDICES - Unaudited

A Schedule of External Loans	115
B Segmental Statement of Financial Performance (Municipal Votes and GFS)	116
C Segmental Statement of Financial Performance (Municipal Departments)	117
D Disclosure of Grants and Subsidies	118 - 119
E National Treasury Appropriation Statements	
- Revenue and Expenditure (Standard Classification)	120 - 121
- Revenue and Expenditure (Municipal Vote Classification)	122
- Revenue and Expenditure (Revenue by Source and Expenditure by Type)	123 - 124
- Capital Expenditure by Vote, Standard Classification and Funding	125 - 126
- Cash Flows	127 - 128



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OVERBERG DISTRICT MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Overberg District Municipality (DC03) performs the functions as set out in the Constitution. (Act no 108 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
L Ntsabo	Proportional	Speaker
T Els	Overstrand	Mayoral Committee Member
SH Fourie	Overstrand	Mayoral Committee Member
JG Nieuwoudt	Cape Agulhas	Mayoral Committee Member
JA van Staden	Overstrand	Councillor
CC Tafu-Nwonkwo	Overstrand	Councillor
MR Mokotwana	Cape Agulhas	Councillor
DA Appel	Theewaterskloof	Councillor
MA Nomkoko	Theewaterskloof	Councillor
BB Mkhwibiso	Theewaterskloof	Councillor
J Smit	Theewaterskloof	Councillor
CA Benjamin	Theewaterskloof	Councillor
D Julius	Swellendam	Councillor
BO Songwenqwe	Proportional	Councillor
R Brinkhuys	Proportional	Councillor
NM Sapepa	Proportional	Councillor
UN Mabulu	Proportional	Councillor
AL Rabie	Proportional	Councillor
RT Olivier	Proportional	Councillor
CHJ Elgin	Proportional	Councillor
MG Du Plessis	Proportional	Councillor

ACCOUNTING OFFICER

RG Bosman

CHIEF FINANCIAL OFFICER

SGL Stanley



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SOUTH AFRICA

28 November 2025

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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

Approved Attorney Panel - 2024/2025

Kruger & Blignaut Attorneys

Timothy & Timothy Attorneys

Nkosi Sabelo Inc

SL Debt Recovery

Utilised on Ongoing Matters - 2024/2025

Bradley Conradie Halton Cheadle

Brasika Consulting (Pty) Ltd

John Macrobert Attorneys

AUDIT COMMITTEE MEMBERS

D Smith (Chair person)

T Blok

J Steyl

J Fairbairn

CONTACT DETAILS

Website <https://odm.org.za/>

Email address Info@odm.org.za

MAIN RELEVANT LEGISLATION

Income Tax Act (Act no 58 of 1962)

Value Added Tax Act (Act no 89 of 1991)

Skills Development Levies Act,1999. (Act no 9 of 1999)

Employment Equity Act,1998. (Act no 55 of 1998)

Unemployment Insurance Act,1996. (Act no 30 of 1996)

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



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SOUTH AFRICA

28 November 2025

Auditing to build public confidence

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 2025, which are set out on pages 1 to 128 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 2026 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.



RG Bosman
Accounting Officer

28 November 2025

Date

OVERBERG DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
ASSETS			
Current Assets		93 522 926	92 115 980
Cash and Cash Equivalents	2	78 826 109	77 584 243
Receivables from exchange transactions	3	9 702 968	9 502 858
Receivables from non-exchange transactions	4	605 131	559 828
Taxes	6	1 052 994	661 661
Inventory	7	1 262 724	1 767 390
Employee Benefits	11	2 073 000	2 040 000
Non-Current Assets		127 172 635	115 367 543
Investment Property	8	12 796 600	12 796 600
Property, Plant and Equipment	9	91 014 768	81 676 542
Intangible Assets	10	169 267	74 401
Employee Benefits	11	23 192 000	20 820 000
Total Assets		220 695 561	207 483 523
Current Liabilities		38 463 544	33 806 845
Current Portion of Long-term Liabilities	12	5 141 446	4 703 994
Consumer Deposits	13	8 160	8 160
Payables from Exchange transactions	14	5 914 768	6 873 565
Payables from Non-exchange transactions	15	926 446	-
Unspent Conditional Government Grants	16	5 552 552	3 584 624
Taxes	6	1 083 910	1 045 981
Current Employee benefits	17	19 836 262	17 590 520
Non-Current Liabilities		59 526 522	56 611 028
Long-term Liabilities	12	1 377 285	6 518 731
Employee benefits	18	54 988 000	48 541 000
Non-Current Provisions	19	3 161 237	1 551 297
Total Liabilities		97 990 066	90 417 873
NET ASSETS		122 705 495	117 065 649
COMMUNITY WEALTH			
Accumulated Surplus	20	122 705 495	117 065 649
TOTAL COMMUNITY WEALTH		122 705 495	117 065 649



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SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2025

		2025 R	2024 R
	Notes	(Actual)	(Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		98 532 020	96 446 790
Transfer Revenue		98 094 190	93 124 912
Government Grants and Subsidies - Capital	21	3 031 092	1 961 332
Government Grants and Subsidies - Operating	21	91 963 943	91 146 581
Contributed Assets	22	3 099 155	16 999
Other Revenue		437 830	3 321 878
Actuarial Gains	23	264 025	3 261 410
Other Income	28	173 805	60 467
REVENUE FROM EXCHANGE TRANSACTIONS		207 240 077	189 053 011
Operating Activities		207 240 077	189 053 011
Roads Maintenance Services	24	137 496 075	123 762 703
Service Charges	25	19 546 788	16 576 247
Rental of Facilities and Equipment	26	18 787 693	18 039 380
Interest Earned - External investments		8 051 616	8 162 624
Interest Earned - Outstanding Debtors		211 687	221 887
Licences and Permits		1 250 617	758 489
Agency Services	27	13 825 334	12 909 317
Insurance Receipts		280 255	614 797
Other Income	28	7 790 012	8 007 569
TOTAL REVENUE		305 772 097	285 499 801
EXPENDITURE			
Employee related costs	29	156 681 020	141 018 055
Remuneration of Councillors	30	6 883 324	6 763 179
Debt Impairment	31	678 744	853 253
Depreciation and Amortisation	32	4 756 166	4 263 281
Impairment	33	1 152 858	233 250
Actuarial Losses	34	3 697 525	-
Finance Charges	35	7 066 448	7 653 385
Bulk Purchases	36	634 938	494 822
Contracted services	37	28 677 221	27 474 410
Transfers and Grants	38	4 973 427	2 300 343
Other Expenditure	39	84 633 773	76 971 641
Stock Adjustments	7	233 460	-
Loss on disposal of Assets	40	63 348	623 825
TOTAL EXPENDITURE		300 132 251	268 649 446
NET SURPLUS FOR THE YEAR		5 639 846	16 850 355



OVERBERG DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2025

	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2023 - Previously Reported	100 130 732	100 130 732
Prior Period Adjustment - Refer to note 42.7	84 563	84 563
Balance on 30 June 2023 - Restated	100 215 295	100 215 295
Net Surplus for the Year	16 850 355	16 850 355
Balance on 30 June 2024 - Restated	117 065 649	117 065 649
Net Surplus for the Year	5 639 846	5 639 846
Balance on 30 June 2025	122 705 495	122 705 495

OVERBERG DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2025

	2025 R (Actual)	2024 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts		
Service charges	19 461 003	15 289 834
Other revenue	41 695 252	36 940 699
Roads Maintenance Services	135 674 104	112 285 703
Transfers and Subsidies - Operational	96 391 801	92 416 634
Transfers and Subsidies - Capital	3 071 515	1 619 764
Interest	8 341 276	8 404 634
Payments		
Suppliers and employees	(282 745 293)	(256 144 056)
Finance charges	(1 018 946)	(1 595 921)
Transfers and Grants	(4 046 981)	(2 300 343)
NET CASH FROM OPERATING ACTIVITIES	43	16 823 732
	16 823 732	6 916 948
CASH FLOW FROM INVESTING ACTIVITIES		
Payments		
Purchase of Property, Plant and Equipment and Intangible Assets	(10 877 871)	(11 901 863)
NET CASH USED INVESTING ACTIVITIES	(10 877 871)	(11 901 863)
	(10 877 871)	(11 901 863)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments		
Repayment of Borrowing	(4 703 994)	(5 366 648)
NET CASH USED FINANCING ACTIVITIES	(4 703 994)	(5 366 648)
NET INCREASE/(DECREASE) IN CASH HELD	1 241 866	(10 351 563)
	1 241 866	(10 351 563)
Cash and Cash Equivalents at the beginning of the year	44	77 584 243
Cash and Cash Equivalents at the end of the year		78 826 109
NET INCREASE/(DECREASE) IN CASH HELD	1 241 866	(10 351 563)

OVERBERG DISTRICT MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	2025 R (Actual)	2025 R (Final Budget)	2025 R (Variance)
ASSETS			
Current assets			
Cash and cash equivalents	78 826 109	72 324 815	6 501 294
Trade and other receivables from exchange transactions	9 702 968	9 402 858	300 110
Receivables from non-exchange transactions	605 131	559 828	45 303
Current portion of non-current receivables	2 073 000	2 154 000	(81 000)
Inventory	1 262 724	1 767 390	(504 666)
VAT	1 052 994	-	1 052 994
Total current assets	93 522 926	86 208 890	7 314 036
Non current assets			
Investment property	12 796 600	12 796 600	-
Property, plant and equipment	91 014 768	93 582 783	(2 568 014)
Intangible assets	169 267	179 576	(10 309)
Non-current receivables from non-exchange transactions	23 192 000	21 746 000	1 446 000
Total non current assets	127 172 635	128 304 958	(1 132 323)
TOTAL ASSETS	220 695 561	214 513 848	6 181 713
LIABILITIES			
Current liabilities			
Financial liabilities	5 141 446	5 291 446	(150 000)
Consumer deposits	8 160	8 160	-
Trade and other payables from exchange transactions	5 914 768	6 939 874	(1 025 106)
Trade and other payables from non-exchange transactions	6 478 997	4 327 063	2 151 934
Provisions	19 836 262	18 645 951	1 190 311
VAT	1 083 910	384 320	699 590
Total current liabilities	38 463 544	35 596 815	2 866 729
Non current liabilities			
Borrowing	1 377 285	2 727 285	(1 350 000)
Provisions	58 149 237	52 895 529	5 253 708
Total non current liabilities	59 526 522	55 622 814	3 903 708
TOTAL LIABILITIES	97 990 066	91 219 629	6 770 437
NET ASSETS	122 705 495	123 294 219	(588 724)
COMMUNITY WEALTH/EQUITY			
Accumulated Surplus	101 705 495	102 294 219	(588 724)
Funds and Reserves	21 000 000	21 000 000	-
TOTAL COMMUNITY WEALTH/EQUITY	122 705 495	123 294 219	(588 724)

Refer to note 45.2 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 2025

ADJUSTMENTS TO APPROVED BUDGET

	2025 R (Approved Budget)	2025 R (Adjustments)	2025 R (Final Budget)
ASSETS			
Current assets			
Cash and cash equivalents	72 324 815	-	72 324 815
Trade and other receivables from exchange transactions	9 402 858	-	9 402 858
Receivables from non-exchange transactions	559 828	-	559 828
Current portion of non-current receivables	2 154 000	-	2 154 000
Inventory	1 767 390	-	1 767 390
Total current assets	86 208 890	-	86 208 890
Non current assets			
Investment property	12 796 600	-	12 796 600
Property, plant and equipment	93 582 783	-	93 582 783
Intangible assets	179 576	-	179 576
Non-current receivables from non-exchange transactions	21 746 000	-	21 746 000
Total non current assets	128 304 958	-	128 304 958
TOTAL ASSETS	214 513 848	-	214 513 848
LIABILITIES			
Current liabilities			
Financial liabilities	5 291 446	-	5 291 446
Consumer deposits	8 160	-	8 160
Trade and other payables from exchange transactions	6 939 874	-	6 939 874
Trade and other payables from non-exchange transactions	4 327 063	-	4 327 063
Provisions	18 645 951	-	18 645 951
VAT	384 320	-	384 320
Total current liabilities	35 596 815	-	35 596 815
Non current liabilities			
Borrowing	2 727 285	-	2 727 285
Provisions	52 895 529	-	52 895 529
Total non current liabilities	55 622 814	-	55 622 814
TOTAL LIABILITIES	91 219 629	-	91 219 629
NET ASSETS	123 294 219	-	123 294 219
COMMUNITY WEALTH/EQUITY			
Accumulated Surplus	102 294 219	-	102 294 219
Funds and Reserves	21 000 000	-	21 000 000
TOTAL COMMUNITY WEALTH/EQUITY	123 294 219	-	123 294 219

Refer to note 45.2 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 2025

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2025 R (Actual)	2025 R (Final Budget)	2025 R (Variance)
REVENUE BY SOURCE			
Exchange Revenue			
Service charges - Water	58 460	-	58 460
Service charges - Waste Water Management	798 498	150 000	648 498
Service charges - Waste Management	17 939 393	17 408 938	530 455
Sale of Goods and Rendering of Services	149 368 367	146 622 257	2 746 110
Agency services	13 825 334	13 825 352	(18)
Interest earned from Receivables	211 687	300 000	(88 313)
	8 051 616	8 600 000	(548 384)
Interest earned from Current and Non Current Assets	14 676 884	14 722 000	(45 116)
Rental from Fixed Assets	1 250 617	1 350 000	(99 383)
Licence and permits	1 485 073	1 633 757	(148 684)
Non-Exchange Revenue			
Fines, penalties and forfeits	173 805	-	173 805
Transfer and subsidies - Operational	91 538 091	96 255 816	(4 717 725)
Gains on disposal of Assets	-	9 900 000	(9 900 000)
Other Gains	264 025	-	264 025
TOTAL OPERATING REVENUE	299 641 850	310 768 120	(11 126 270)
EXPENDITURE BY TYPE			
Employee related costs	160 837 580	159 711 378	1 126 202
Remuneration of councillors	6 883 324	6 795 959	87 365
Inventory consumed	50 254 175	59 882 844	(9 628 669)
Debt impairment	678 744	100 000	578 744
Depreciation and amortisation	5 909 024	3 680 586	2 228 438
Interest	1 918 448	2 401 236	(482 788)
Contracted services	28 997 068	36 472 615	(7 475 547)
Transfers and subsidies	4 973 427	4 000 000	973 427
Operational costs	35 686 128	37 723 502	(2 037 374)
Other Losses	3 930 985	-	3 930 985
Losses on disposal of Assets	63 348	-	63 348
TOTAL OPERATING EXPENDITURE	300 132 251	310 768 120	(10 635 869)
OPERATING SURPLUS/(DEFICIT) FOR THE PERIOD	(490 401)	-	(490 401)
Transfers and subsidies - capital	3 031 092	3 800 000	(768 908)
Transfers and subsidies - capital (In-Kind)	3 099 155	2 461 445	637 710
NET SURPLUS FOR THE YEAR	5 639 846	6 261 445	(621 599)

Refer to note 45.2 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 2025

ADJUSTMENTS TO APPROVED BUDGET

	2025 R (Approved Budget)	2025 R (Adjustments)	2025 R (Final Budget)
REVENUE BY SOURCE			
Exchange Revenue			
Service charges - Waste Water Management	150 000	-	150 000
Service charges - Waste Management	17 408 938	-	17 408 938
Sale of Goods and Rendering of Services	146 622 257	-	146 622 257
Agency services	13 825 352	-	13 825 352
Interest earned from Receivables	300 000	-	300 000
Interest earned from Current and Non Current Assets	8 600 000	-	8 600 000
Rental from Fixed Assets	14 722 000	-	14 722 000
Licence and permits	1 350 000	-	1 350 000
Operational Revenue	1 633 757	-	1 633 757
Non-Exchange Revenue			
Transfer and subsidies - Operational	96 255 816	-	96 255 816
Gains on disposal of Assets	9 900 000	-	9 900 000
TOTAL OPERATING REVENUE	310 768 120	-	310 768 120
EXPENDITURE BY TYPE			
Employee related costs	159 711 378	-	159 711 378
Remuneration of councillors	6 795 959	-	6 795 959
Inventory consumed	59 882 844	-	59 882 844
Debt impairment	100 000	-	100 000
Depreciation and amortisation	3 680 586	-	3 680 586
Interest	2 401 236	-	2 401 236
Contracted services	36 472 615	-	36 472 615
Transfers and subsidies	4 000 000	-	4 000 000
Operational costs	37 723 502	-	37 723 502
TOTAL OPERATING EXPENDITURE	310 768 120	-	310 768 120
OPERATING SURPLUS/(DEFICIT) FOR THE PERIOD			
Transfers and subsidies - capital	3 800 000	-	3 800 000
Transfers and subsidies - capital (In-Kind)	2 461 445	-	2 461 445
NET SURPLUS/(DEFICIT) FOR THE YEAR	6 261 445	-	6 261 445

Refer to note 45.2 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 2025

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2025 R (Actual)	2025 R (Final Budget)	2025 R (Variance)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Service charges	19 461 003	17 558 938	1 902 065
Other revenue	177 369 356	178 153 366	(784 010)
Transfers and Subsidies - Operational	96 391 801	95 698 255	693 546
Transfers and Subsidies - Capital	3 071 515	3 300 000	(228 485)
Interest	8 341 276	8 900 000	(558 724)
Payments			
Suppliers and Employees	(282 745 293)	(298 579 867)	15 834 574
Finance charges	(1 018 946)	(1 500 000)	481 054
Transfers and Subsidies	(4 046 981)	(2 200 000)	(1 846 981)
NET CASH FROM OPERATING ACTIVITIES	16 823 732	1 330 692	15 493 039
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	-	9 900 000	(9 900 000)
Payments			
Capital assets	(10 877 871)	(13 286 726)	2 408 855
NET CASH USED IN INVESTING ACTIVITIES	(10 877 871)	(3 386 726)	(7 491 145)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Borrowing long term/refinancing	-	1 500 000	(1 500 000)
Payments			
Repayment of borrowing	(4 703 994)	(4 703 994)	-
NET CASH USED IN FINANCING ACTIVITIES	(4 703 994)	(3 203 994)	(1 500 000)
NET INCREASE/(DECREASE) IN CASH HELD	1 241 866	(5 260 028)	6 501 894
Cash/cash equivalents at the year begin	77 584 243	77 584 843	(600)
Cash/cash equivalents at the year end	78 826 109	72 324 815	6 501 294
NET INCREASE/(DECREASE) IN CASH HELD	1 241 866	(5 260 028)	6 501 894

Refer to note 45.2 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 2025

ADJUSTMENTS TO APPROVED BUDGET

	2025 R (Approved Budget)	2025 R (Adjustments)	2025 R (Final Budget)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Service charges	17 558 938	-	17 558 938
Other revenue	178 153 366	-	178 153 366
Transfers and Subsidies - Operational	95 698 255	-	95 698 255
Transfers and Subsidies - Capital	3 300 000	-	3 300 000
Interest	8 900 000	-	8 900 000
Payments			
Suppliers and Employees	(298 579 867)	-	(298 579 867)
Finance charges	(1 500 000)	-	(1 500 000)
Transfers and Grants	(2 200 000)	-	(2 200 000)
NET CASH FROM OPERATING ACTIVITIES	1 330 692	-	1 330 692
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	9 900 000	-	9 900 000
Payments			
Capital assets	(13 286 726)	-	(13 286 726)
NET CASH USED IN INVESTING ACTIVITIES	(3 386 726)	-	(3 386 726)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Borrowing long term/refinancing	1 500 000	-	1 500 000
Payments			
Repayment of borrowing	(4 703 994)	-	(4 703 994)
NET CASH USED IN FINANCING ACTIVITIES	(3 203 994)	-	(3 203 994)
NET DECREASE IN CASH HELD	(5 260 028)	-	(5 260 028)
Cash/cash equivalents at the year begin	77 584 843	-	77 584 843
Cash/cash equivalents at the year end	72 324 815	-	72 324 815
NET DECREASE IN CASH HELD	(5 260 028)	-	(5 260 028)

Refer to note 45.2 for further details relating to material variances.



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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 2025

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 2025

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 2025

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 foresees 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 2025

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 Standards 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 2025

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 is 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 or 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 2025

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 2025

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
Land - Landfill Site Rehabilitation (Per Cell)	4 - 5
Land - Landfill Site Rehabilitation (Post Monitoring)	104
Buildings	15 - 100
Infrastructure	10 - 120
Community	30 - 100
Leased Assets	3 - 5
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 2025

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 sale 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 2025

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

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 2025

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 2025

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 2025

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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. 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.

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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 2025

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.



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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.



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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.



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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.



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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 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 2025

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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 41 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 2025

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.



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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 2025

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.



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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 2025

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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 2025

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 19 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.



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
2 CASH AND CASH EQUIVALENTS		
Bank Accounts	2 282 728	2 160 545
Call Investments and Other Deposits	76 543 381	75 423 698
Cash Floats	-	-
Balance Previously Reported		600
Prior Period Adjustment - Refer to note 42.1	(600)	
Total	78 826 109	77 584 243

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	5 552 552	3 584 624
Unspent Annuity Loans	-	265 147
Roads Maintenance Services Payable	2 116 114	1 533 085
Rehabilitation Costs	6 912 487	5 191 732
Capital Replacement Reserve	21 000 000	21 000 000
Working Capital Requirements	43 244 956	46 009 655
Total	78 826 109	77 584 243

The Committed Rehabilitation Costs amounting to R 6 912 487 (2024 - R 5 191 732) 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 19 for more detail relating to provisions raised in relation to the rehabilitation of Landfill Sites.

	2025 R	2024 R
Primary Bank Account		
Bredasdorp Nedbank- Account number 11 7652 44 96		
Bank Statement Balance - Opening Balance	1 925 309	1 940 485
Bank Statement Balance - Closing Balance	1 940 691	1 925 309
Other Bank Accounts		
Bredasdorp ABSA - Account number 17 8000 00 62		
Bank Statement Balance - Opening Balance	235 235	160 844
Bank Statement Balance - Closing Balance	342 037	235 235
The municipality does not have an overdraft facility		
Cashbook Balances (All Current Accounts)		
Cashbook Balance - Opening Balance	2 160 545	2 101 328
Cashbook Balance - Closing Balance	2 282 728	2 160 545



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
2 CASH AND CASH EQUIVALENTS (CONTINUED)		
Call and Notice Deposits		
Call and Notice Deposits consist out of the following accounts:		
ABSA Investment Tracker - Account Number 93 5889 2970	21 909 756	27 126 989
ABSA Investment Tracker - Account Number 93 7458 5345	37 845 505	30 759 230
Nedbank Call Account - Account Number 03 788 171 4042	8 924 613	9 014 608
Nedbank Call Account - Account Number 03 788 118 3454	6 912 487	5 191 732
Nedbank Call Account - Account Number 03 788 118 5767	951 020	3 331 139
Total	76 543 381	75 423 698

Interest of between 7.15 % and 7.80 % (2024 - 8.15 % and 8.90%) is attracted by these short term deposits.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

30 JUNE 2025	Gross Balance R	Allowance for impairment R	Net Receivable R
Service Receivables	9 472 444	1 863 556	7 608 887
Electricity	21 839	6 504	15 334
Water	142 710	61 305	81 405
Housing rental	114	114	-
Sundry Debtors	9 307 781	1 795 633	7 512 148
Local Municipalities - Fire Services	2 421 793	-	2 421 793
Local Municipalities - Waste Disposal	1 892 543	-	1 892 543
Other	4 993 445	1 795 633	3 197 812
Other Receivables	2 094 080	-	2 094 080
Accrued Interest	536 743	-	536 743
Payments in Advance	1 557 338	-	1 557 338
Total	11 566 524	1 863 556	9 702 968
30 JUNE 2024			
Service Receivables	9 149 607	1 269 538	7 880 069
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



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

30 JUNE 2024	Gross Balance	Allowance for impairment	Net Receivable
Other Receivables	1 622 789	-	1 622 789
Accrued Interest	618 607	-	618 607
Payments in Advance	1 004 182	-	1 004 182
Total	10 772 396	1 269 538	9 502 858

Included in Sundry Debtors - Other on 30 June 2025 is an amount of R1 149 623 relating to a veld fire incident that occurred on from 9 to 12 of January 2025 at Grashoek farm. This amount was raised on 28 January 2025 as a debtor and addressed to Mr Streicher (Marie Uys Trust). The matter is currently being handled by their insurance company.

Included in Sundry Debtors - Other on 30 June 2024 is an outstanding amount of R 1 235 122 from the Western Cape Department of Public Works. This amount was largely settled in the current year with the remaining balance on 30 June 2025 stated at R 93 344. The receivable relates to an fire incident where the municipality provided the fire services to extinguish a fire that originated from their property (Akkedisberg).

	2025	2024
	R	R
Ageing of service receivables:		
Electricity Ageing		
Current (0 - 30 days)	3 842	4 149
Past Due (31 - 60 Days)	2 234	1 798
Past Due (61 - 90 Days)	2 162	1 137
Past Due (90 Days +)	13 601	5 216
Total	21 839	12 300
Water Ageing		
Current (0 - 30 days)	5 931	4 808
Past Due (31 - 60 Days)	6 110	4 809
Past Due (61 - 90 Days)	6 152	4 922
Past Due (90 Days +)	124 517	67 305
Total	142 710	81 844
Housing Rental Ageing		
Current (0 - 30 days)	-	-
Past Due (31 - 60 Days)	-	-
Past Due (61 - 90 Days)	-	-
Past Due (90 Days +)	114	114
Total	114	114



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Sundry Debtors Ageing		
Current (0 - 30 days)	2 528 058	2 434 242
Past Due (31 - 60 Days)	731 794	759 335
Past Due (61 - 90 Days)	2 890 840	2 739 328
Past Due (90 Days +)	3 157 089	3 122 444
Total	9 307 781	9 055 349
Total Service Receivables Ageing		
Current (0 - 30 days)	2 537 831	2 443 199
Past Due (31 - 60 Days)	740 138	765 941
Past Due (61 - 90 Days)	2 899 154	2 745 388
Past Due (90 Days +)	3 295 320	3 195 080
Total	9 472 444	9 149 607
Reconciliation of Allowance for impairment		
Balance at the beginning of the year	1 269 538	495 107
Contribution to the provision	674 011	850 962
Electricity	3 960	874
Water	28 105	23 060
Housing rental	57	12 486
Sundry Debtors	641 890	814 542
Bad Debts Written off	(79 993)	(76 531)
Housing rental	-	(24 972)
Sundry Debtors	(79 993)	(51 559)
Balance at the end of the year	1 863 556	1 269 538

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

30 JUNE 2025	Gross Balance	Allowance for impairment	Net Receivable
	R	R	R
Service Receivables	32 994	9 815	23 179
Legal fees Recovered	32 994	9 815	23 179
Other Receivables	581 952	-	581 952
Deposits	466 781	-	466 781
Other Debtors	115 171	-	115 171
Total	614 946	9 815	605 131
30 JUNE 2024	Gross Balance	Allowance for impairment	Net Receivable
	R	R	R
Service Receivables	10 164	5 082	5 082
Legal fees Recovered	10 164	5 082	5 082
Other Receivables	554 746	-	554 746
Deposits	462 891	-	462 891
Other Debtors	91 856	-	91 856
Total	564 910	5 082	559 828

Deposits includes Eskom, Municipal and Rental Deposits.

	2025 R	2024 R
Ageing of service receivables:		
Legal Fees Ageing		
Current (0 - 30 days)	921	-
Past Due (31 - 60 Days)	15 291	-
Past Due (61 - 90 Days)	-	-
Past Due (90 Days +)	16 782	10 164
Total	32 994	10 164

Reconciliation of Allowance for impairment

Balance at the beginning of the year	5 082	6 987
Contribution to/(Reduction of) the provision	4 733	2 291
Legal Fees	4 733	2 291
Bad Debts Written off	-	(4 195)
Legal Fees	-	(4 195)
Balance at the end of the year	9 815	5 082



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
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4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

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.

5 OPERATING LEASES

5.1 Operating Lease Asset

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

Within 1 Year	2 818 445	13 027 033
Between 1 and 5 Years	5 125 594	6 559 769
Over 5 Years	330 175	413 421
Total	8 274 215	20 000 223

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 2033 (2024: 2032)

	2025 R	2024 R
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5.2 Operating Lease Liability

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

The municipality will incur the following lease expenditure from contracts that have defined lease payments and terms:

Within 1 Year	657 764	1 266 745
Between 1 and 5 Years	269 664	661 233
Total	927 428	1 927 978



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

5 OPERATING LEASES (CONTINUED)

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 ran to 30 June 2024. The initial monthly rental is R 2 780.22 (VAT inclusive) and the lease was subject to an annual increase of 10%. The municipality had 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. A tender (T28-2023/24) agreement was then signed from 1 September 2024 until 30 June 2027. An initial annual rental amounted of R91 770 with a 10% escalation annually was awarded.

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 was R 7 014.88 (VAT inclusive) and the lease is subject to an annual increase of 7%.

The municipality entered into a three year lease agreement (Municipal Health) with the Johan and Michelle De Kock Family Trust commencing 01 March 2024 until 28 February 2027. The monthly rental was R30 000 (VAT Exclusive). Rent will escalate by 6% annually. (T07-2023/24).

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 Seeff Country for property to be utilised by the fire department in Barrydale. The lease agreement commenced on 1 July 2022 and ran to 31 May 2025. The initial monthly rental was R 12 800 (VAT inclusive) and the lease is subject to an annual increase of 10%. A final payment was made for the last month until 30 June 2025 for the amount of R16 569.

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 ran up 31 March 2025. The initial monthly rental was 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. Payments for the remainder of the year period: April 2025 until June 2025 was made to the amount of R118 087.

6 TAXES

	2025 R	2024 R
VAT Receivable/(Payable)	(30 915)	(384 320)
VAT Receivable	1 052 994	661 661
VAT Payable	(1 083 910)	(1 045 981)

The VAT receivable and VAT payable is sepererately disclosed on the face of the statement of financial position. Refer to notes 42.2 and 42.3 for more detail relating to prior year restatement.

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

6 TAXES (CONTINUED)

	2025 R	2024 R
The VAT balance is made up as follows:		
VAT Output in Suspense	(1 083 910)	(1 045 981)
VAT Input in Suspense	260 125	358 266
VAT Receivable from SARS	792 870	303 395
Total	(30 915)	(384 320)

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.

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. SARS issued Binding General Ruling (VAT) 74 (BGR) on 3 October 2024. The BGR does not for example address sections 156(1) and (4) of the Constitution which specifically deals with the assignment of functions. This was highlighted in further legal guidance obtained on 28 October 2024. SARS engaged with Overberg District Municipality on 2 June 2025 and notified the municipality that a revenue audit will be conducted. The audit will include financial periods ranging from 2021 to 2025 and will primarily focus on revenue received by the municipality (including the roads funding). No audit findings have been issued by SARS to date and accordingly there are still uncertainties about the obligation the municipality have, if any.

Refer to contingent liability in this regard disclosed in note 55.3.

7 INVENTORY

	2025 R	2024 R
Consumables	1 262 724	1 767 390
Printing & Stationery	42 231	26 446
Fuel & Oil	879 230	1 352 243
Spare Parts	32 964	37 546
Grader Blades	238 921	269 532
Cleaning Materials	17 630	40 912
Other	51 748	40 711
Total	1 262 724	1 767 390



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
7 INVENTORY (CONTINUED)		
Inventory written off due to losses identified during the annual stores counts (including obsolete items).	233 460	-
Inventory recognised as an expense during the year.	<u>21 145 079</u>	<u>22 187 034</u>
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	<u>12 796 600</u>	<u>12 796 600</u>
The movement in Investment Property is reconciled as follows:		
Investment Property - Opening Carrying Value	12 796 600	12 796 600
Cost	12 796 600	12 796 600
Investment Property - Closing Carrying Value	12 796 600	12 796 600
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.

One property included in Investment property, Avontuur Portion 6 of Farm 238, Swellendam, also has a building component which is subject to depreciation. As the total cost of this property is R 25 000 with the building component estimated at R 24 305 (with an useful life of approximately 100 years), the depreciation not recognised is considered insignificant.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

9 PROPERTY PLANT AND EQUIPMENT

30 JUNE 2025	Cost				Accumulated Depreciation				Accumulated Impairment				Carrying Value R
	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	
Land	13 250 174	1 428 439	-	14 678 612	6 106 058	24 133	-	6 130 192	2 086 616	854 297	-	2 940 913	5 607 507
Buildings	19 429 421	973 460	(47 891)	20 354 989	7 167 809	340 110	(13 099)	7 494 820	313 006	48	-	313 054	12 547 116
Infrastructure	43 833 758	1 498 765	-	45 332 523	11 853 288	1 012 564	-	12 865 851	-	-	-	-	32 466 672
Community Assets	17 634	-	-	17 634	5 068	588	-	5 656	-	-	-	-	11 978
Leased Assets	2 890 000	-	-	2 890 000	1 402 772	481 667	-	1 884 438	-	-	-	-	1 005 562
Computer Equipment	3 976 419	554 606	(10 533)	4 520 492	1 242 519	383 301	(2 819)	1 623 001	1 219	6	-	1 225	2 896 267
Furniture and fittings	3 851 633	474 419	(68 827)	4 257 225	2 198 725	201 301	(58 340)	2 341 687	32 652	31 876	-	64 528	1 851 010
Machinery and equipment	8 690 835	2 267 507	(42 460)	10 915 881	2 270 093	611 389	(32 506)	2 848 976	42 690	1 083	-	43 774	8 023 132
Office equipment	1 740 814	255 094	(5 321)	1 990 587	853 293	129 083	(4 921)	977 455	18 777	37 586	-	56 363	956 769
Vehicles	8 283 763	2 265 342	-	10 549 105	2 709 630	552 184	-	3 261 814	12 348	30 208	-	42 556	7 244 735
Specialised Vehicles	19 527 014	5 553 258	-	25 080 272	5 304 598	980 137	-	6 284 735	193 762	197 754	-	391 516	18 404 021
Total	125 491 464	15 270 890	(175 032)	140 587 321	41 113 852	4 716 457	(111 685)	45 718 625	2 701 070	1 152 858	-	3 853 928	91 014 768
30 JUNE 2024	Cost				Accumulated Depreciation				Accumulated Impairment				
	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	Carrying Value R
Land	13 093 489	156 685	-	13 250 174	6 106 058	-	-	6 106 058	1 988 254	98 362	-	2 086 616	5 057 499
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
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
Total	115 933 968	12 183 461	(2 625 965)	125 491 464	38 585 651	4 236 556	(1 708 355)	41 113 852	2 761 605	233 250	(293 785)	2 701 070	81 676 542
Balance Previously Reported	115 933 968	12 094 457	(2 625 965)	125 402 460	38 585 651	4 236 556	(1 708 355)	41 113 852	2 761 605	200 415	(293 785)	2 668 235	81 620 372
Prior Period Adjustment - Refer to note 42.4	-	89 003	-	89 003	-	-	-	-	-	32 834	-	32 834	56 169
Restated Balance on 30 June 2024	115 933 968	12 183 461	(2 625 965)	125 491 464	38 585 651	4 236 556	(1 708 355)	41 113 852	2 761 605	233 250	(293 785)	2 701 070	81 676 542



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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:

	2025 R	2024 R
Buildings	222 923	157 952
Infrastructure (Karwyderskraal Cell 5 Construction)	<u>1 498 765</u>	-
Total	<u>1 721 688</u>	<u>157 952</u>

Included in work in progress are buildings (30 June 2025 and 30 June 2024) 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.

	2025 R	2024 R
Infrastructure - Opening Balance	1 380 771	1 176 716
Capitalised during the year	-	204 055
Infrastructure - Closing Balance	<u>1 380 771</u>	<u>1 380 771</u>

- 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. These costs are included as part of land.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

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

	2025 R	2024 R
Service Delivery Infrastructure Assets at Resorts	3 516 092	3 789 414
Infrastructure at Karwyderskraal Solid Waste Facility	28 950 580	28 191 056
Total Carrying Value	32 466 672	31 980 470

9.7 Refer to note 41 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.

9.9 During the current year a fire occurred in Caledon at Erf 18/707. Although this event is considered an indicator for impairment, the damages were considered and the recoverable amount of the property well exceeded the carrying value of the asset, taking into account the damages. Accordingly, no impairment charges were considered necessary.

10 INTANGIBLE ASSETS

	2025 R	2024 R
Intangible Assets - Carrying Value	169 267	74 401

The movement in intangible assets is reconciled as follows:

Opening Carrying Value	74 401	4 986
Cost	185 678	89 538
Accumulated Amortisation	(111 277)	(84 552)
Additions	134 575	96 140
Amortisation for the year	(39 709)	(26 726)
Closing Carrying Value	169 267	74 401
Cost	320 253	185 678
Accumulated Amortisation	(150 986)	(111 277)

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 2025

		2025 R	2024 R
11	EMPLOYEE BENEFITS		
	Employee Benefits (Roads)	25 265 000	22 860 000
	Less Current Portion	<u>(2 073 000)</u>	<u>(2 040 000)</u>
	Total	<u>23 192 000</u>	<u>20 820 000</u>
	The movement in Employee Benefits (Roads) is reconciled as follows:		
	Opening Balance	22 860 000	22 160 000
	Contribution during the year	3 080 000	3 066 000
	Current Service Cost	552 000	501 000
	Interest Cost	2 528 000	2 565 000
	Claimable from Department of Roads	(1 799 388)	(1 709 537)
	Actuarial Loss/(Gain)	1 124 388	(656 463)
	Total	<u>25 265 000</u>	<u>22 860 000</u>
	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 with the Western Cape Department of Infrastructure and based on the past experience, the department will make funds 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 18 for more detail relating to this receivable.		
12	LONG-TERM LIABILITIES		
	Annuity Loans	6 518 731	11 112 157
	Finance Lease Liabilities	<u>-</u>	<u>110 568</u>
	Sub-Total	<u>6 518 731</u>	<u>11 222 726</u>
	Less: Current portion of Long-term Liabilities	5 141 446	4 703 994
	Annuity Loans	5 141 446	4 593 426
	Finance Lease Liabilities	<u>-</u>	<u>110 568</u>
	Total	<u>1 377 285</u>	<u>6 518 731</u>



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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:

	2025 R	2024 R
Opening Balance - Unspent Loans	265 147	4 548 017
Assets purchased	<u>(265 147)</u>	<u>(4 282 870)</u>
Closing Balance - Unspent Loans	-	265 147

Annuity Loans

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

Standard Bank	6 518 731	11 112 157
---------------	-----------	------------

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.

<u>6 518 731</u>	<u>11 112 157</u>
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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	<u>1 402 790</u>	<u>7 013 951</u>
Total amount payable	7 013 951	12 625 111
<u>Less:</u> Outstanding Future Finance Charges	<u>(495 219)</u>	<u>(1 512 953)</u>
Present value of annuity loans	6 518 731	11 112 157

Finance Lease Liabilities

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

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

The original lease term came to an end during the current year. A Section 116 process was followed to extend the contract with an additional 2 years. The extension does not include any lease payments and is limited to the operating cost of the printers. As the printers are still controlled by the municipality and significant risks associated with these printers are maintained by the municipality (i.e. remains on the municipality's insurance policy), the assets previously recognised as leased assets will only be derecognised on completion of the extended 2 year term.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

12

LONG-TERM LIABILITIES (CONTINUED)

Assets and liabilities associated with finance lease contracts:

Nr	Carrying Value of Asset		Carrying Value of Liability	
	2025		2024	
	R	R	R	R
1	1 005 562		1 487 228	-
	1 005 562		1 487 228	-
				110 568

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.

	2025	2024
	R	R
Finance Lease Liabilities are payable as follows:		
Payable within one year		-
		111 780
Total amount payable	-	111 780
<u>Less:</u> Outstanding Future Finance Charges	<u>-</u>	<u>(1 212)</u>
Present value of finance lease liabilities	-	110 568

13

CONSUMER DEPOSITS

Electricity	8 160	8 160
Total	8 160	8 160
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

Trade Payables	2 297 450	3 607 555
Balance Previously Reported		
Prior Period Adjustment - Refer to note 42.5		3 567 452
40 102		
Retentions	-	206 811
Payments received in advance	584 862	629 923
Rent Deposits	182 648	210 176
Sundry Payables	733 694	686 015
Balance Previously Reported		
Prior Period Adjustment - Refer to note 42.5		792 427
(106 412)		
Roads Maintenance Services	2 116 114	1 533 085
Total	5 914 768	6 873 565



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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.

Refer to note 24 for reconciliation of the Roads Maintenance Services Payable.

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

15

PAYABLES FROM NON-EXCHANGE TRANSACTIONS

TASK Arbitration Award	926 446	-
Total	926 446	-

The Task Arbitration Award relates to previous dispute on the TASK evaluation process (raised as a contingent liability in prior years) which was resolved in the current year. The payable relates to the outstanding amounts payable to claimants as agreed upon between the various parties after settlement in the Labour Appeal Court. The claim was settled based after the municipality assessed the cost versus benefit to proceed with the appeal.

16

UNSPENT CONDITIONAL GOVERNMENT GRANTS

	2025	2024
	R	R
National Government	2 081 563	1 926 563
Provincial Government	3 470 989	1 658 061
Total	5 552 552	3 584 624

Detailed reconciliations of all grants received and grant conditions met are included in note 21. 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.

17

CURRENT EMPLOYEE BENEFITS

	2025	2024
	R	R
Post Retirement Medical Benefits	3 675 000	3 517 000
Long Service Awards	598 000	758 000
Bonuses	3 980 223	3 569 476
Staff Leave	11 583 039	9 746 044
Total	19 836 262	17 590 520



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

17

CURRENT EMPLOYEE BENEFITS (CONTINUED)

2025	2024
R	R

The movement in current employee benefits is reconciled as follows:

Bonuses

Opening Balance	3 569 476	3 274 525
Contribution during the year	8 073 258	7 241 944
Payments made	<u>(7 662 511)</u>	<u>(6 946 993)</u>
Closing Balance	3 980 223	3 569 476

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.

2025	2024
R	R

Staff Leave

Opening Balance	9 746 044	8 763 773
Contribution during the year	2 750 778	1 678 223
Payments made	<u>(913 783)</u>	<u>(695 952)</u>
Closing Balance	11 583 039	9 746 044

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.

2025	2024
R	R

18

EMPLOYEE BENEFITS

Post Retirement Medical Benefits	52 360 000	46 242 000
Long Service Awards	<u>6 901 000</u>	<u>6 574 000</u>
Sub-Total	59 261 000	52 816 000
Less: Current portion of Employee Benefits	4 273 000	4 275 000
Post Retirement Medical Benefits	3 675 000	3 517 000
Long Service Awards	598 000	758 000
Total	54 988 000	48 541 000

The total liability can be attributed to the following:

Roads Function - also refer to receivable raised in note 11	25 265 000	22 860 000
Other municipal functions	<u>33 996 000</u>	<u>29 956 000</u>
Total	59 261 000	52 816 000



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

18 EMPLOYEE BENEFITS (CONTINUED)

	2025 R	2024 R
18.1 Post Retirement Medical Benefits		
The movement in Post Retirement Medical Benefits is reconciled as follows:		
Opening Balance of defined benefit obligation	46 242 000	46 324 000
Contribution during the year	5 761 000	6 033 000
Current Service Cost	613 000	635 000
Interest Expense	5 148 000	5 398 000
Payments made	(3 340 525)	(3 128 838)
Actuarial Loss/(Gain)	3 697 525	(2 986 162)
Change in Financial Assumptions	1 658 000	(1 159 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	2 039 525	(1 827 162)
Total balance at year-end	52 360 000	46 242 000
Less Current Portion	3 675 000	3 517 000
Total	48 685 000	42 725 000

The liability has been estimated to be as follows:

	2025 R	2024 R
In-service employees	14 420 000	13 545 000
Continuation members	37 940 000	32 697 000
Total Unfunded Liability	52 360 000	46 242 000

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

	2025	2024
In-service members	59	68
Continuation members	70	69
Total	129	137

At year-end there were also 82 (2024 - 85) 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 28 July 2025. The Projected Unit Credit Method has been used to value the liabilities.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

18

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.
- The administration of this Defined-Benefit Obligation poses a burden on the Municipality.

Significant Actuarial Assumptions

	2025	2024
Interest Rates		
Discount rate	10.60%	11.56%
Medical aid contribution inflation rate	6.50%	7.11%

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 (2024 - 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 2025

18 EMPLOYEE BENEFITS (CONTINUED)

Member Continuation

The continuation of membership at retirement is estimated at 75% (2024 - 75%).

Other Assumptions

Interest Rates

CPI Inflation	4.70%	5.61%
Net Discount Rate	3.80%	4.15%

Replacement Ratio

A Replacement Ratio (expected pension as a percentage of final salary, at retirement) of 65% (2024 - 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:

	2025	2024
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% (2024 - 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% (2024 - 15%). It has been assumed that female spouses will be five years younger than their male counterparts. Furthermore, its assumed that 60% (2024 - 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 that 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



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

18

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	14.420	37.940	52.360	
Medical aid contribution inflation rate				
+ 1%	17.041	41.276	58.317	11%
- 1%	12.308	35.025	47.333	-10%
Discount rate				
+ 1%	12.395	35.151	47.546	-9%
- 1%	16.959	41.175	58.134	11%
Post-employment mortality				
+ 1 year	14.065	36.629	50.694	-3%
- 1 year	14.770	39.260	54.030	3%
Average retirement age				
- 1 year	15.651	37.940	53.591	2%
Membership continuation				
- 10%	12.572	37.940	50.512	-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 3 866 000 in the next financial year.



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

18

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):

	Expected Benefit	
	Payments R m	% contribution of bracket
Future years		
Future year 1 to 10	49.116	11%
Future year 11 to 20	70.296	16%
Future year 21 to 30	92.506	21%
Future year 31 to 40	96.832	22%
Future year 41 to 50	78.559	18%
Future year 51 to 60	44.595	10%
Future year 61 to 70	14.523	3%
Future year 71 to 80	1.529	0%
Total	447.956	100%

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

18.2 Long Service Awards

The movement in Long Service Awards is reconciled as follows:

	2025	2024
	R	R
Opening Balance	6 574 000	6 308 000
Contribution during the year	1 327 000	1 293 000
Current Service Cost	609 000	578 000
Interest Expense	718 000	715 000
Payments made	(735 975)	(751 751)
Actuarial Gain	(264 025)	(275 249)
Change in Financial Assumptions	(85 000)	(85 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(179 025)	(190 249)
Total balance at year-end	6 901 000	6 574 000
Less Current Portion	598 000	758 000
Total	6 303 000	5 816 000

Experience Adjustments in prior year was incorrectly stated at R 666 751, instead of R 190 249. There were no impact on the total actuarial gain reported of R 275 249. This disclosure error was corrected in the prior year.

The following members are eligible for long service bonuses:

	2025	2024
In-service members	385	376



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

18

EMPLOYEE BENEFITS (CONTINUED)

Last Valuation and Actuarial Valuation Method

The last valuation was performed on 28 July 2025. 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 (i.e. 10 years) up to 26.3% of total annual earnings for the last "Completed Service" milestone reached (i.e. 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.
- The administration of this Defined-Benefit Obligation poses a burden on the Municipality.

2025	2024
------	------

Key Actuarial Assumptions used are as follows:

Interest Rates

Discount rate	10.20%	11.56%
CPI inflation rate	4.20%	5.65%
General earnings inflation rate	5.20%	6.65%
Net Discount Rate	4.80%	4.61%

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 (2024 - 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 2025

18 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:

	2025	2024
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	6.901	
General earnings inflation rate		
+ 1%	7.354	7%
- 1%	6.494	-6%



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

18

EMPLOYEE BENEFITS (CONTINUED)

Assumption	Total liability R m	% change
Discount rate		
+ 1%	6.491	-6%
- 1%	7.364	7%
Average retirement age		
+ 2 years	7.840	14%
- 2 years	5.882	-15%
Rates of termination of service		
x 200 %	5.504	-20%
x 50 %	7.898	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 626 000 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	11.467	25%
Future year 11 to 20	17.157	37%
Future year 21 to 30	15.042	33%
Future year 31 to 40	2.347	5%
Total	46.013	100%

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



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

		2025 R	2024 R
18	EMPLOYEE BENEFITS (CONTINUED)		
18.3 Defined Contribution Plans			
	Council contributes to the following defined contribution plans:		
SAMWU National Provident Fund		1 047 750	1 036 409
LA Retirement Fund		520 386	533 649
Consolidated Retirement Fund		<u>16 000 516</u>	<u>14 110 099</u>
Total		<u>17 568 652</u>	<u>15 680 156</u>

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.

		2025 R	2024 R
19	NON-CURRENT PROVISIONS		
Rehabilitation Provision - Landfill Sites			
Balance Previously Reported		3 161 237	1 551 297
Prior Period Adjustment - Refer to note 42.6		1 462 293	89 003

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

Opening Balance	1 551 297	1 248 052
Contribution during the year	1 609 940	303 245
Increase in estimate	1 428 439	154 727
Interest Cost	181 502	148 518
Total balance at year-end	3 161 237	1 551 297
Less Current Portion	-	-
Total	3 161 237	1 551 297

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:



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

19

NON-CURRENT PROVISIONS (CONTINUED)

Site	Expected Decommissioning Date	2025	2024
		R	R
Karwyderskraal - Cell 1 and 2	2084	1 248 460	614 932
Karwyderskraal - Cell 3	2084	653 079	322 616
Karwyderskraal - Cell 4	2084	1 123 642	551 897
Sub-Total		3 025 181	1 489 445
Post Monitoring and Inspection		136 056	61 851
Total		3 161 237	1 551 297

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 10.60 % (2024 – 11.70%).

	2025	2024
Estimated area to be rehabilitated (m ²)		
- 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/m²):

- Cell 1 and 2	409	390
- Cell 3	417	399
- Cell 4	402	382

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

	2025	2024
	R	R
Karwyderskraal - Cell 1 and 2	18 831 048	17 947 876
Karwyderskraal - Cell 3	9 850 667	9 416 120
Karwyderskraal - Cell 4	16 948 361	16 108 071
Total	45 630 077	43 472 067

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.



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

19 NON-CURRENT PROVISIONS (CONTINUED)

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.

	2025 R	2024 R
20 RESERVES		
Accumulated Surplus	122 705 495	117 065 649
Total	122 705 495	117 065 649

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

Opening Balance	21 000 000	21 000 000
Transfers to Reserves	9 010 071	5 929 397
Capital Assets Purchased	(9 010 071)	(5 929 397)
Closing Balance	21 000 000	21 000 000

21 GOVERNMENT GRANTS AND SUBSIDIES

Unconditional Grants - National Government	86 644 000	84 437 000
Equitable Share	86 644 000	84 437 000
Conditional Grants - National Government	2 265 000	3 213 067
Financial Management Grant (FMG)	1 000 000	1 000 000
Expanded Public Works Program (EPWP)	1 265 000	1 192 000
Rural Roads Asset Management System	-	1 021 067
Conditional Grants - Provincial Government	5 843 467	4 975 170
Health Subsidy	183 284	167 658
Other Provincial Allocations	5 660 183	4 807 512
Conditional Grants - National Departmental Agencies	242 567	482 676
Education, Training and Development Practices SETA	242 567	482 676
Total	94 995 035	93 107 913

Disclosed as:

Revenue from Non-Exchange Transactions (Operating)	91 963 943	91 146 581
Revenue from Non-Exchange Transactions (Capital)	3 031 092	1 961 332
Total	94 995 035	93 107 913



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
Grants per Vote (MFMA Sec 123 (c)):		
Equitable share	86 644 000	84 437 000
Finance	4 995 191	7 311 255
Community Services	3 355 844	1 359 658
Total	94 995 035	93 107 913
The movements per grant can be summarised as follows:		
21.1 Equitable Share		
Grants Received	86 644 000	84 437 000
Transferred to Revenue - Operating	(86 644 000)	(84 437 000)
Closing Unspent Balance	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
21.2 Financial Management Grant (FMG)		
Grants Received	1 000 000	1 000 000
Transferred to Revenue - Operating	(1 000 000)	(1 000 000)
Closing Unspent Balance	-	-
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.		
21.3 Expanded Public Works Program (EPWP)		
Grants Received	1 265 000	1 192 000
Transferred to Revenue - Operating	(1 265 000)	(1 192 000)
Closing Unspent Balance	-	-
The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.		



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
21.4 Rural Roads Asset Management System		
Opening Unspent Balance	1 926 563	101 630
Grants Received	2 082 000	2 846 000
Transferred to Revenue - Operating	-	(1 021 067)
Returned to National Treasury	(1 927 000)	-
Closing Unspent Balance	2 081 563	1 926 563
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).		
21.5 Health Subsidy		
Grants Received	183 284	167 658
Transferred to Revenue - Operating	(183 284)	(167 658)
Closing Unspent Balance	-	-
Health subsidies were used to fund expenditure incurred for continued benefits of primary health care personnel previously employed by the municipality.		
21.6 Other Provincial Allocations and SETA		
Opening Unspent Balance	1 658 062	3 820 205
Grants Received	8 316 032	4 393 740
Transferred to Revenue - Capital	(3 031 092)	(1 961 332)
Transferred to Revenue - Operating	(2 871 659)	(3 328 856)
Returned to Provincial Treasury	(600 354)	(1 265 695)
Closing Unspent Balance	3 470 989	1 658 062

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
- Municipal Water Resilience Grant
- Financial Management Capacity Grant

Refer to Appendix D for more detail relating to Other Provincial Allocations



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

		2025 R	2024 R
21	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
21.7 Total Grants			
Opening Unspent Balance		3 584 624	3 921 834
Grants Received		99 490 316	94 036 398
Transferred to Revenue - Capital		(3 031 092)	(1 961 332)
Transferred to Revenue - Operating		(91 963 943)	(91 146 581)
Returned to National Treasury		(1 927 000)	-
Returned to Provincial Treasury		(600 354)	(1 265 695)
Closing Unspent Balance		5 552 552	3 584 624
22	CONTRIBUTED ASSETS		
Department of Forestry, Fisheries and the Environment		2 461 445	-
Western Cape Disaster Management, Fire and Rescue Services		-	16 999
Guardrisk Insurance Company Ltd		635 711	-
Private Institutions and Individuals		1 999	-
Total		3 099 155	16 999
The municipality received 4 specialised vehicles (1 Fire Truck, 2 Crew Buses and 1 Strike Unit) from the Department of Forestry, Fisheries and the Environment. These assets were recognised at its fair value.			
The contributed asset from Guardrisk Insurance Company relates to cost of construction of the office that burnt down in the prior period which was reconstructed in the current year.			
23	ACTUARIAL GAINS		
Post Retirement Medical Benefits		-	2 986 162
Long Service Awards		264 025	275 249
Total		264 025	3 261 410
24	ROADS MAINTENANCE SERVICES		
Roads Maintenance Services		137 496 075	123 762 703
Total		137 496 075	123 762 703
Details of roads maintenance services:			
Payable at the beginning of the year		1 533 085	12 310 086
Funds Received		135 674 104	112 285 703
Transferred to Revenue - Operating		(137 496 075)	(123 762 703)
Increase in Non-Current Employee Benefit Receivable		2 405 000	700 000
Payable at the end of the year		2 116 114	1 533 085
The roads funding received is utilised to upgrade and maintain the provincial roads network in the municipal area.			



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

		2025 R	2024 R
25	SERVICE CHARGES		
	Landfill Revenue	17 939 393	14 959 406
	Electricity	750 437	812 375
	Sewerage	798 498	764 644
	Water	58 460	39 821
	Total	19 546 788	16 576 247
	The Landfill Revenue raised relates to the Karwyderskraal dumping site where landfill services are mainly rendered to the Theewaterskloof -, Cape Agulhas - and Overstrand Local Municipalities.		
26	RENTAL OF FACILITIES AND EQUIPMENT		
	Resorts	18 747 406	18 001 655
	Other	40 287	37 724
	Total	18 787 693	18 039 380
27	AGENCY SERVICES		
	Roads	13 825 334	12 909 317
	Total	13 825 334	12 909 317
	The Roads agency fee relates to the roads function being performed by the municipality on behalf of the Western Cape Provincial Government.		
28	OTHER INCOME		
	Fire Services	6 870 625	4 997 670
	Inspection Fees	415 206	320 271
	Legal Costs Recovered	-	650 000
	Discount Received	-	13 140
	Roads Services	-	1 451 445
	Project Management Fee	-	72 572
	Reduction in Rehabilitation Provision	-	1 958
	Forfeits	173 805	58 509
	Sundry Income	504 182	502 470
	Total	7 963 817	8 068 037
	Disclosed as:		
	Revenue From Non-Exchange Transactions	173 805	60 467
	Revenue From Exchange Transactions	7 790 012	8 007 569
	Total	7 963 817	8 068 037



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

28

OTHER INCOME

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.

29

EMPLOYEE RELATED COSTS

	2025 R	2024 R
Basic Salaries and Wages	99 347 954	90 315 961
Bonus	8 073 258	7 241 944
Performance Bonus	459 122	313 427
Pension Fund Contributions	17 407 542	15 612 732
Medical Aid Contributions	6 153 561	5 523 169
Motor Vehicle Allowance	5 166 489	4 849 261
Overtime	2 718 823	2 355 174
UIF Contributions	785 303	741 775
Cellphone Allowance	507 197	499 153
Housing Allowances	304 874	285 873
Standby Allowance	4 628 431	4 352 300
Group Life Insurance	5 280 746	4 754 746
Acting Allowance	828 126	372 005
Bargaining Council Levy	55 376	51 106
Workmen's Compensation Contributions	991 439	858 206
Leave Contributions	2 750 778	1 678 223
Long service awards	609 000	578 000
Post Retirement Medical Benefits	613 000	635 000
Total	156 681 020	141 018 055

Remuneration of Key Personnel

Other than the Municipal Manager and Director Corporate Services that are appointed on fixed term contracts, the other Key Personnel are permanent appointments.

Remuneration of the Municipal Manager - RG Bosman (Appointed 1 June 2022)

Basic Salary	1 125 716	1 146 050
Performance Bonus	181 432	125 454
Pension and UIF Contributions	188 425	188 425
Motor Vehicle Allowance	72 000	72 000
Housing Allowance	515	515
Cellphone Allowance	24 000	24 000
Total	1 592 087	1 556 444



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
29 EMPLOYEE RELATED COSTS (CONTINUED)		
Remuneration of the Acting Municipal Manager - VS Zeeman (September 2024)		
Acting Allowance	9 231	-
Total	9 231	-
Total for Municipal Manager	1 601 318	1 556 444
Remuneration of the Chief Financial Officer - SGL Stanley (Appointed on 1 March 2025)		
Basic Salary	290 126	-
Pension and UIF Contributions	708	-
Motor Vehicle Allowance	20 000	-
Housing Allowance	44	-
Cellphone Allowance	6 000	-
Group Life Insurance	15 104	-
Total	331 982	-
Remuneration of the Chief Financial Officer - NL Kruger (Appointed on 1 July 2021 up to 31 August 2024)		
Basic Salary	171 481	1 049 220
Performance Bonus	123 232	109 354
Pension and UIF Contributions	354	2 125
Motor Vehicle Allowance	11 200	67 200
Housing Allowance	102	611
Cellphone Allowance	3 000	18 000
Total	309 369	1 246 510
Remuneration of the Acting Chief Financial Officer - WL Crafford (September 2024)		
Acting Allowance	10 046	-
Total	10 046	-
Total for Chief Financial Officer	651 398	1 246 510
Remuneration of the Director Community Services - MS Boyce (Appointed 1 February 2024 up to 28 February 2025)		
Basic Salary	591 924	378 421
Performance Bonus	42 789	-
Pension and UIF Contributions	99 337	62 086
Motor Vehicle Allowance	40 000	25 000
Housing Allowance	1 287	804
Cellphone Allowance	12 000	7 500
Total	787 337	473 811



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
29 EMPLOYEE RELATED COSTS (CONTINUED)		
Remuneration of the Director Corporate Services - VS Zeeman (Appointed on 1 July 2022)		
Basic Salary	890 662	910 996
Performance Bonus	111 669	78 619
Pension and UIF Contributions	149 653	149 653
Motor Vehicle Allowance	45 600	45 600
Housing Allowance	323	323
Cellphone Allowance	18 000	18 000
Total	1 215 908	1 203 192
30 REMUNERATION OF COUNCILLORS		
Annual Remuneration	4 823 467	4 772 927
Pension Contributions	83 964	63 129
Motor Vehicle Allowance	1 510 031	1 434 006
Cellphone Allowance	465 862	493 118
Total	6 883 324	6 763 179

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. MEC approval was obtained on 29 October 2024 and back pay amounting to R 175 119 was included and settled in the current year.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

30

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.

		2025 R	2024 R
Remuneration detail of Councillors			
Mayor	AE Franken	1 084 591	1 053 638
Deputy Mayor	HD Coetzee	877 080	852 836
Speaker (from 21 May 2025)	L Ntsabo	55 896	-
Speaker/Part Time (up to 31 December 2024)	LM De Bruyn	71 615	448 404
Mayoral Committee/Speaker (up to 24 April 2025)	AG Klaas	721 093	786 893
Mayoral Committee	SH Fourie	462 646	447 000
Mayoral Committee	JG Nieuwoudt	462 646	447 000
Mayoral Committee/Part Time	T Els	329 656	11 716
Direct	R Brinkhuys	375 366	367 340
Direct	UN Mabulu	375 242	344 645
Direct	NM Sapepa	375 366	367 340
Direct (Up to 18 July 2024)	M Mathews	-	163 505
Direct	RT Olivier	375 366	367 340
Direct (up to 13 October 2024)	CC Clayton	104 649	186 603
Direct	CHJ Elgin	375 241	367 785
Direct	MG Du Plessis	375 241	367 785
Direct (from 6 May 2025)	AL Rabie	56 022	-
Direct (from 11 November 2024)	BO Sonqwenqwe	234 165	-
Part Time (up to 30 April 2025)	M Nomatiti	10 174	27 446
Part Time	JA van Staden	12 140	11 716
Part Time	MR Mokotwana	12 140	11 716
Part Time	MA Nomkoko	19 103	17 439
Part Time	BB Mkhwibiso	19 139	18 652
Part Time	J Mc Kenzie	-	9 395
Part Time	PJ Stander	-	3 583
Part Time (up to 10 December 2024)	YM van Tonder	18 247	32 383
Part Time	ML Mathews	-	9 436
Part Time	CC Tafu-Nwonkwo	12 140	11 353
Part Time	D Julius	32 247	30 230
Part Time (from 30 September 2024)	CA Benjamin	16 188	-
Part Time (from 19 December 2024)	J Smit	14 943	-
Part Time (from 31 March 2025)	DA Appel	4 981	-
Total		6 883 324	6 763 179



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

		2025 R	2024 R
31	DEBT IMPAIRMENT		
	Receivables from exchange transactions	674 011	850 962
	Receivables from non-exchange transactions	4 733	2 291
	Total	678 744	853 253
32	DEPRECIATION AND AMORTISATION		
	Property, Plant and Equipment	4 716 457	4 236 556
	Intangible Assets	39 709	26 726
	Total	4 756 166	4 263 281
33	IMPAIRMENT		
	Property, Plant and Equipment	1 152 858	233 250
	Total	1 152 858	233 250
34	ACTUARIAL LOSSES		
	Post Retirement Medical Benefits	3 697 525	-
	Total	3 697 525	-
35	FINANCE CHARGES		
	Annuity Loans	1 017 734	1 491 286
	Finance Lease Liabilities	1 212	104 636
	Rehabilitation Provision - Landfill Sites	181 502	148 518
	Post Retirement Medical Benefits	5 148 000	5 398 000
	Long Service Awards	718 000	715 000
	Sub-Total	7 066 448	7 857 439
	Less Finance Charges Capitalised	-	(204 055)
	Total	7 066 448	7 653 385
36	BULK PURCHASES		
	Electricity	634 938	494 822
	Total	634 938	494 822



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

		2025 R	2024 R
37	CONTRACTED SERVICES		
Accounting, Business and Financial Management		2 231 916	1 769 298
Audit Committee		117 498	154 164
Burial Services		44 777	47 461
Contractors - Maintenance of Buildings and Facilities		1 240 690	1 068 627
Contractors - Maintenance of Equipment		5 155 533	4 913 414
Fire and Community Safety Services		2 629 568	1 132 960
Human Resources and Training		508 415	1 308 982
Laboratory Services		772 172	687 435
Landfill site operational & maintenance		5 814 888	5 922 549
Legal Cost		339 225	824 132
Occupational Health and Safety		-	36 256
Outsourced Labour and Personnel		6 900 078	5 719 218
Project Management		-	879 787
Security Services		2 582 794	2 732 665
Other		339 667	277 462
Total		28 677 221	27 474 410
38	TRANSFERS AND GRANTS		
Bursaries		73 604	200 000
TASK Arbitration Award		3 810 782	-
Other Municipalities and Organisations		-	1 225 200
Fencing Subsidy		1 089 040	875 143
Total		4 973 427	2 300 343
39	OTHER EXPENDITURE		
Advertising, Publicity and Marketing		317 482	458 312
Audit Fees		4 515 873	4 015 001
Alien Vegetation Control		313 033	891 588
Bank Charges, Facility and Card Fees		143 533	159 789
Blades		906 318	849 346
Bursaries		149 725	181 055
Catering and Refreshments		131 641	107 197
Cleaning materials		74 799	74 512
Equipment Rental		3 621 202	4 880 993
Freight Services		23 768	18 482
Fuel Cost		21 740 047	23 319 089
Hire Charges		10 087	45 931
Insurance		1 907 355	931 713
IT Services and Software Licences		3 539 228	2 884 745
Materials		25 706 307	23 422 390



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

		2025 R	2024 R
39	OTHER EXPENDITURE (CONTINUED)		
Management Fee		8 798	9 380
Membership Fees		1 493 815	1 312 032
Motor Vehicle Licence and Registrations		162 701	122 749
Municipal services		9 195 036	5 374 129
Office rental		1 617 791	1 395 910
Oil and Tyres		1 749 527	290 766
Printing, Publications and Stationery		1 119 060	271 765
Resettlement Cost		11 250	-
Safety clothes		841 242	785 883
Skills development levy		1 529 467	1 380 474
Telephone and Postage		1 363 008	1 438 987
Training and Workshops		25 565	205 700
Travel and subsistence		2 220 980	1 785 283
Union Representative		49 975	181 497
General Expenses		145 158	176 943
Total		84 633 773	76 971 641
40	LOSS ON DISPOSAL OF ASSETS		
Property Plant and Equipment		63 348	623 825
Total		63 348	623 825
41	REPAIRS AND MAINTENANCE		
The following expenditure relating to repairs and maintenance projects were identified by the municipality:			
Contracted Services		6 101 405	5 455 682
Other Expenditure		522 505	365 011
Total		6 623 910	5 820 693
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)		2 290 294	1 771 185
Land and Buildings (Karwyderskraal Facility)		1 852 726	1 457 091
Machinery and Equipment		246 622	311 374
Vehicles		2 234 268	2 281 043
Total		6 623 910	5 820 693



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2024 R
42 PRIORITY PERIOD ADJUSTMENTS - CORRECTION OF ERROR IN TERMS OF GRAP 3	
42.1 CASH AND CASH EQUIVALENTS	
Balance Previously Reported	77 584 843
Cashier floats incorrectly recorded up to 30 June 2023 - Refer to note 42.7	(600)
Restated Balance on 30 June 2024	77 584 243
42.2 TAXES (RECEIVABLE)	
Balance Previously Reported	-
VAT Receivable (Input in Suspense and VAT receivable from SARS) incorrectly disclosed as part of current liabilities - Refer to note 42.3	661 661
Restated Balance on 30 June 2024	661 661
42.3 TAXES (PAYABLE)	
Balance Previously Reported	384 320
VAT Receivable (Input in Suspense and VAT receivable from SARS) incorrectly disclosed as part of current liabilities - Refer to note 42.2	661 661
Restated Balance on 30 June 2024	1 045 981
42.4 PROPERTY PLANT AND EQUIPMENT	
Balance Previously Reported	81 620 372
Capitalised Restoration Cost incorrectly disclosed as separate asset class	-
Effect on Land	2 153
Effect on Capitalised Restoration Cost	(2 153)
Correction of incorrect discount rates used to calculate net present value of provision on 30 June 2024	56 169
Effect on Non-Current Provisions (Additions) - Refer to note 42.6	89 003
Effect on Impairment - Refer to note 42.8	(32 834)
Restated Balance on 30 June 2024	81 676 541

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

2024

R

42 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)

42.5 PAYABLES FROM EXCHANGE TRANSACTIONS

Balance Previously Reported	6 939 875
Recognise accruals previously not recognised	80 102
Effect up to 30 June 2023 - Refer to note 42.7	2 740
Effect up 30 June 2024 - Refer to note 42.8	77 362
Correction of unclaimed deposits forfeited not treated in line with accounting policy	(106 412)
Effect up to 30 June 2023 - Refer to note 42.7	(47 903)
Effect up 30 June 2024 - Refer to note 42.8	(58 509)
Correction of Fuel Card payable up to 30 June 2023 - Refer to note 42.7	(40 000)
Restated Balance on 30 June 2024	6 873 565

42.6 NON-CURRENT PROVISIONS

Balance Previously Reported	1 462 293
Correction of incorrect discount rates used to calculate net present value of provision on 30 June 2024 - Refer to note 42.4	89 003
Restated Balance on 30 June 2024	1 551 297

42.7 ACCUMULATED SURPLUS

Balance Previously Reported	117 032 774
Prior Period adjustments relating to 2023/24 - Refer to note 42.8	(51 687)
Prior Period Adjustments up to 30 June 2023	84 563
Cashier floats incorrectly recorded up to 30 June 2023 - Refer to note 42.1	(600)
Correction of unclaimed deposits forfeited not treated in line with accounting policy - Refer to note 42.5	47 903
Recognise accruals previously not recognised - Refer to note 42.5	(2 740)
Correction of Fuel Card payable - Refer to note 42.5	40 000
Restated Balance on 30 June 2024	117 065 649

42.8 STATEMENT OF FINANCIAL PERFORMANCE

Surplus Previously Reported	16 902 042
Other Income (Non-Exchange)	58 509
Correction of unclaimed deposits forfeited not treated in line with accounting policy - Refer to note 42.5	58 509



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

42

PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)

Service Charges

Sewerage Fees incorrectly recorded as Refuse Removal Fees (Effect on Refuse)
Sewerage Fees incorrectly recorded as Refuse Removal Fees (Effect on Sewerage)

(104 949)
104 949

Impairment

Correction of incorrect discount rates used to calculate net present value of provision
on 30 June 2024 - Refer to note 42.4

(32 834)

Contracted Services

Union Representative costs incorrectly accounted for as Contracted Services: Human
Resources expenditure

181 497

Tyre purchases (materials and supplies) incorrectly allocated to Contracted Services

260 570

Recognise accruals previously not recognised - Refer to note 42.5

(31 533)

Other Expenditure

Union Representative costs incorrectly accounted for as Contracted Services: Human
Resources expenditure

(181 497)

Tyre purchases (materials and supplies) incorrectly allocated to Contracted Services

(260 570)

Recognise accruals previously not recognised - Refer to note 42.5

(45 829)

Restated Surplus on 30 June 2024

16 850 355

42.9 OTHER DISCLOSURES

Appropriation Statement (Financial Performance)

The prior year allocations were restated in line with current year budget allocations. These restatements include Bulk purchases - Electricity now allocated to Operational Cost (R 494 822). Roads Maintenance receipts amounting to R 123 762 703, previously included as part of Transfer and subsidies - Operational is now included as Sale of Goods and Rendering of Services (Other Own Revenue). Service Charges Electricity (R 812 375) is also now allocated to Sale of Goods and Rendering of Services (Other Own Revenue).



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

43	NET CASH FROM OPERATING ACTIVITIES	2025	2024
		R	R
	Net Surplus for the year - Before adjustments below	5 639 846	16 850 355
	Non-Cash Revenue	(3 363 180)	(3 280 367)
	Actuarial Gains	(264 025)	(3 261 410)
	Reduction in Landfill Site Provision	-	(1 958)
	Contributed Assets	(3 099 155)	(16 999)
	Non-Cash Expenditure	16 629 603	12 031 073
	Debt Impairment	678 744	853 253
	Depreciation and Amortisation	4 756 166	4 263 281
	Impairment	1 152 858	233 250
	Actuarial Losses	3 697 525	-
	Finance Charges	6 047 502	6 057 464
	Stock Adjustments	233 460	-
	Loss on disposal of Assets	63 348	623 825
	Contributions - Provisions and Employee Benefits	12 046 035	10 133 167
	Post Retirement Medical Benefits	613 000	635 000
	Long Service Awards	609 000	578 000
	Bonuses	8 073 258	7 241 944
	Staff Leave	2 750 778	1 678 223
	Expenditure - Provisions and Employee Benefits	(12 652 793)	(11 523 535)
	Post Retirement Medical Benefits	(3 340 525)	(3 128 838)
	Long Service Awards	(735 975)	(751 751)
	Bonuses	(7 662 511)	(6 946 993)
	Staff Leave	(913 783)	(695 952)
	Non-Cash Movement in Employee Benefit Receivable	(2 405 000)	(700 000)
	Other adjustments	(2 580 347)	(1 346 422)
	Bad Debts Written Off	(79 993)	(80 726)
	Grants Returned to Provincial Treasury	(600 354)	(1 265 695)
	Grants Returned to National Treasury	(1 900 000)	-
	Operating Surplus before changes in working capital	13 314 163	22 164 271
	Movement in working capital	3 509 569	(15 247 323)
	Receivables from exchange and non-exchange transactions	(844 163)	(4 802 486)
	Inventory	271 207	(196 143)
	Payables from exchange transactions	(958 797)	(12 087 057)
	Payables from Non-exchange transactions	926 446	-
	Unspent Conditional Government Grants	4 468 282	928 485
	Taxes	(353 405)	909 877
	Cash Flow from Operating Activities	16 823 732	6 916 948



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
44 CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents comprise out of the following:		
Primary Bank Account	2 282 728	2 160 545
Call and Notice Deposits	76 543 381	75 423 698
Total	78 826 109	77 584 243

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.

45 BUDGET COMPARISONS

45.1 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.

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 are disclosed as part 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):



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

45

BUDGET COMPARISONS (CONTINUED)

	Statement of Financial Performance	Reclassification due to mSCOA/NT versus GRAP classification	Per Budget Comparison
Revenue	R	R	R
Revenue from Non-Exchange Transactions			
Fines, penalties and forfeits	-	173 805	173 805
Government Grants and Subsidies -			
Operating / (Transfer and subsidies -	91 963 943	(425 852)	91 538 091
Operational)			
Actuarial Gains / (Other Gains)	264 025	-	264 025
Other Income	173 805	(173 805)	-
Revenue from Exchange Transactions			
Roads Maintenance Services	137 496 075	(137 496 075)	-
Service Charges	19 546 788	(19 546 788)	-
Service charges - Water	-	58 460	58 460
Service charges - Waste Water	-	798 498	798 498
Management			
Service charges - Waste Management	-	17 939 393	17 939 393
Sale of Goods and Rendering of Services	-	149 368 367	149 368 367
Rental of Facilities and Equipment / (Rental from Fixed Assets)	18 787 693	(4 110 809)	14 676 884
Interest Earned - External Investments / (Interest earned from Current and Non Current Assets)	8 051 616	-	8 051 616
Interest Earned - Outstanding Debtors / (Interest earned from Receivables)	211 687	-	211 687
Licences and Permits	1 250 617	-	1 250 617
Agency Services	13 825 334	-	13 825 334
Other Income	7 790 012	(7 790 012)	-
Insurance Receipts	280 255	(280 255)	-
Operational Revenue	-	1 485 073	1 485 073
Capital Revenue			
Government Grants and Subsidies -			
Capital / (Transfers and subsidies -	3 031 092	-	3 031 092
Capital)			
Contributed Assets/ (Transfers and subsidies - capital (In-Kind))	3 099 155	-	3 099 155
Total Revenue	305 772 097	-	305 772 097



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

45

BUDGET COMPARISONS (CONTINUED)

Significant reclassifications relating to revenue are as follows:

Roads Maintenance Services are disclosed separately as an exchange revenue on the face of the statement of financial performance, while budgeted for as part of Sale of Goods and Rendering of Services.

Service Charges are consolidated on the face of the Statement of Financial Performance, while being disclosed per service in the budget statements. (Except for Electricity budgeted as part of Sale of Goods and Rendering of Services).

Camping Fees are recorded as part 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	156 681 020	4 156 561	160 837 580
Remuneration of Councillors	6 883 324	-	6 883 324
Debt Impairment	678 744	-	678 744
Depreciation and Amortisation	4 756 166	1 152 858	5 909 024
Impairments	1 152 858	(1 152 858)	-
Finance Charges / (Interest)	7 066 448	(5 148 000)	1 918 448
Bulk Purchases	634 938	(634 938)	-
Inventory Consumed	-	50 254 175	50 254 175
Contracted Services	28 677 221	319 847	28 997 068
Transfers and Grants / (Transfers and Subsidies)	4 973 427	-	4 973 427
Other Expenditure / (Operational Costs)	84 633 773	(48 947 645)	35 686 128
Actuarial Losses / (Other Losses)	3 697 525	233 460	3 930 985
Stock Adjustments	233 460	(233 460)	-
Loss on Disposal of Assets	63 348	-	63 348
Total Expenditure	300 132 251	-	300 132 251

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 of 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.

Bulk Purchases are disclosed as part Operational Cost 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)



AUDITOR - GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

45

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 Other Revenue 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.

45.2 MATERIAL VARIANCES

Statement of financial position - Budget Adjustments

None

Statement of financial position - Budget versus Actual

Cash and cash equivalents	Variance mainly due to unspent grants more than anticipated during budget process. The VAT claimed on roads related expenditure also contributed to the positive variance.
Provisions (Non-Current)	The variance mainly due to actuarial losses materialising during the year which was not anticipated during the budget process.

Statement of financial performance - Budget Adjustments

No Material Adjustments

Statement of financial performance - Budget versus Actual

Transfer and subsidies - Operational	Variance is mainly due to underspending in grants.
Gains on disposal of Assets	Property Sales did not materialise due to bid offers not being in line with management expectation.
Inventory consumed	Less spending on materials, specifically the roads department.
Contracted services	Underspending mainly linked to underspending identified on grants as well as cost containment measures being implemented.
Other Losses	The variance is mainly due to actuarial losses materialising during the year which was not anticipated during the budget process.

Cash Flow Statement - Budget Adjustments

None

Cash Flow Statement - Budget versus Actual

Suppliers and Employees	Refer to underspending on Inventory consumed and contracted services above.
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AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

45

BUDGET COMPARISONS (CONTINUED)

Proceeds on disposal of PPE	Property Sales did not materialise due to bid offers not being in line with management expectation.
Cash/cash equivalents at the year end	Variance mainly due to unspent grants more than anticipated during budget process. The VAT claimed on roads related expenditure also contributed to the positive variance.

Refer to Appropriations Statement in note 60 for details relating to the original approved budget.

46

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

46.1 UNAUTHORISED EXPENDITURE

Unauthorised expenditure consist out of the following:

	2025 R	2024 R
UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE		
Opening balance	-	-
Unauthorised expenditure current year - operating	-	-
Unauthorised expenditure current year - capital	-	-
Approved by Council	-	-
Unauthorised expenditure awaiting approval	<hr/> <hr/>	<hr/> <hr/>

	2025 (Actual) R	2025 (Final Budget) R	2025 (Unauthorised) R
Unauthorised expenditure - Operating			
Municipal Manager	16 759 442	17 583 129	-
Corporate Services	18 948 557	20 575 920	-
Finance	32 642 164	33 052 948	-
Community Services	231 782 087	239 556 123	-
Total	<u>300 132 251</u>	<u>310 768 120</u>	<u>-</u>
Unauthorised expenditure - Capital			
Municipal Manager	13 630	15 000	-
Corporate Services	1 178 723	1 808 700	-
Finance	29 562	30 000	-
Community Services	12 755 111	13 894 471	-
Sub-Total	<u>13 977 026</u>	<u>15 748 171</u>	<u>-</u>
iGrap 2 Adjustment - Refer to note 9	1 428 439	-	-
Total	<u>15 405 465</u>	<u>15 748 171</u>	<u>-</u>



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

46

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

The iGRAP 2 Adjustment relates to the Capitalised Restoration Cost Addition in Property Plant and Equipment. The expenditure does not represent an actual tangible capital expenditure item. It represents an increase in the landfill site restoration provision that is recorded as an increase in property plant and equipment. Accordingly, this non-cash increase in property plant and equipment is not considered against the approved budget appropriations to determine unauthorised expenditure incurred in terms of Section 32 of the MFMA.

	2025 R	2024 R
46.2 FRUITLESS AND WASTEFUL EXPENDITURE		
Fruitless expenditure consist out of the following:		
Opening balance	10 180	1 080
Fruitless and wasteful expenditure incurred	313 115	9 100
Approved by Council	-	-
Fruitless and wasteful expenditure awaiting approval	323 295	10 180
Details of fruitless and waste expenditure incurred:		
Accommodation paid, not utilised by officials	-	10 180
Fraudulent payment made to third party	23 315	-
DFA Solutions - Computer Equipment paid, not delivered by supplier. Advance payment made.	289 800	-
Total	313 115	10 180

The accommodation relates to the prior years. Accordingly, the comparative figures were restated. Previously no Fruitless and Wasteful expenditure was disclosed, which was considered an error.

46.3 IRREGULAR EXPENDITURE

Irregular expenditure consist out of the following:

Opening balance	16 487 037	7 645 822
Irregular expenditure incurred	8 860 911	12 587 672
Approved by Council	(14 048 831)	(3 746 457)
Irregular expenditure awaiting approval	11 299 118	16 487 037

Details of Irregular expenditure incurred :

Invalid Deviation - Karwyderskraal Annuity Loan (Interest)	1 017 734	1 491 286
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
Non-compliance with section 112(1) of the MFMA - utilisation of a panel	4 918 749	2 925 229



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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

	2025 R	2024 R
Non-compliance with Regulation 19(a) of the Municipal Supply Chain Management Regulations (Telkom)	248 092	391 284
SCM process with regards to lease contracts (Emergency services) not followed	1 184 682	1 162 206
Non-compliance with Regulation 13(c) of the Municipal Supply Chain Management Regulations (MBD4)	4 570	-
Non-compliance with Regulation 32 of the Municipal Supply Chain Management Regulations (Deon Ferrier & Associates (DFA) Pty)	1 258 672	-
Non-compliance with CIBD regulations	80 568	-
Non-compliance with Regulation 36(1)(a) of the Municipal Supply Chain Management Regulations (Deviations)	147 844	-
Out of scope work performed on tender (Karwyderskraal Upgrade)	-	198 646
Total	8 860 911	12 587 672

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 municipality identified in the current year that due process was not followed in the procurement of Emergency Services rental properties. The comparative figures were also restated to record the irregularity (2023/24 - R 1 162 206 and periods up to 30 June 2023 - R 1 276 001).

	2025 R	2024 R
ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
47.1 Salga Contributions [MFMA 125 (1)(b)]		
Opening balance	(1 004 182)	(915 556)
Expenditure incurred	1 439 295	1 250 283
Payments	(1 740 450)	(1 338 910)
Payments in advance	(1 305 338)	(1 004 182)
47.2 Audit Fees [MFMA 125 (1)(c)]		
Opening balance	-	-
Expenditure incurred	4 515 873	4 015 001
External Audit - Auditor-General	4 515 873	4 015 001
Payments	(4 515 873)	(4 015 001)
Outstanding Balance	-	-



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)		
47		
47.3 VAT [MFMA 125 (1)(c)]		
Opening balance	303 395	480 996
Amounts received during the year	(6 522 248)	(5 602 246)
Amounts paid during the year	1 349 358	444 242
Net Amount claimable from SARS	5 662 364	4 980 403
Outstanding Balance	792 870	303 395
VAT in suspense due to cash basis of accounting	(823 785)	(687 715)
VAT is accounted for on the cash basis. All VAT returns have been submitted by the due date throughout the year.		
47.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]		
Payments due to SARS	26 631 538	22 954 328
Payments	(26 631 538)	(22 954 328)
Outstanding Balance	-	-
47.5 PENSION AND MEDICAL AID CONTRIBUTIONS [MFMA 125 (1)(c)]		
Payments due to pension fund and medical aid	36 827 949	32 837 784
Payments	(36 827 949)	(32 837 784)
Outstanding Balance	-	-
47.6 COUNCILLORS ARREAR ACCOUNTS [MFMA 124 (1)(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).		
47.7 QUOTATIONS AWARDED - DEVIATIONS FROM SCM		
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	24 220	42 051
Between R 10 000 and R 30 000	19 089	66 695
Between R 30 000 and R 200 000	218 225	1 341 652
Above R 200 000	-	2 464 715
Total	261 533	3 915 114
Deviations by Nature:		
Sole Supplier	13 055	1 564 483
Emergency	81 545	737 855
Exceptional Case	166 934	1 612 776
Total	261 533	3 915 114



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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

47

47.8 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 2025

Supplier	Full name of family member	Capacity of family member	Award Value R		
Metsy Motors CC	Gary Jones	Technologist	25 874 2 508 24 779 29 986 21 903 13 739 32 680 4 488 22 519 17 429 2 918 9 539 12 672 9 552 13 983 20 531 6 000 18 247 7 546 3 996 5 632 21 965 9 202 934 3 807 988 1 998 6 620 1 100 8 744 9 623 1 708 8 251 12 443		
	Judy Jones	Educator			
JPCE (Pty) Ltd	Johan Minnie	Head: Operations Centre and Systems Integration	1 207 500		



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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

47

			2 760
			2 000
			1 990
			25 000
			1 300
			26 050
			26 050
			2 000
			2 000
			2 000
			2 000
			1 725
			1 980
			880
			2 000
			1 750
			1 725
			405
			1 925
			1 130
Car Boat and Truck Spares (Pty) Ltd	Brenda Brighton	Principal Clerk: SCM	71 638
Crawford & Pheiffers t/a Uyathembeka Services & Supplies (Pty) Ltd	Mignon Crawford	Assistant Librarian	11 600
Vuka Construction	Shauneen Pieterse	Chief Clerk Cashier Enquiries	14 500
Brima Logistics (Pty) Ltd	Matsietsi Meloa	DDG - The Presidency	1 950
Donny Jurgens Development Services (Pty) Ltd	Earieda Jurgens	Educator	29 900
			471
			2 968
			1 497
			12 759
			9 597
			1 122
			7 321
			638
			499
			2 789
			849
			857
			22 982



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SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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

47

Groenland Motor Truck Bakkie (pty) Ltd	Hilton Snyders	Traffic Officer	1 995 1 980 1 740 808 1 064 1 905 650
Aluminium Designs	Vanessa Zeeman	Director Corporate Services (ODM)	7 000
Max Internet Technologies CC	Riana Steenkamp	Media Officer (Overstrand Local Municipality)	7 826 7 826 7 826 7 826 12 976 15 652 7 826 7 826 7 826 7 826 7 826 7 826 7 826

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
			14 000
			26 150
Car Boat and Truck Spares (Pty) Ltd	Brenda Brighton	Principal Clerk: SCM	26 640
			6 500
			14 000
			26 640
			2 000
			2 430
			9 113
			Rate Based



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

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

47

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

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.

48

CAPITAL COMMITMENTS

Commitments in respect of Capital Expenditure: 726 905 1 694 375

Approved and contracted for per asset class:

Furniture and fittings	73 131	114 471
Machinery and Equipment	-	1 579 904
Vehicles	653 774	-
Total	726 905	1 694 375

This expenditure will be financed from:

Internally Generated Funds	278 922	1 194 375
Provincial Grant Funding	447 983	500 000
Total	726 905	1 694 375

All commitments are disclosed inclusive of VAT.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

49

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.

49.1 Credit Risk

The following financial assets are exposed to credit risk:

	2025 R	2024 R
Cash and Cash Equivalents	78 826 109	77 584 243
Receivables from exchange transactions	8 145 630	8 498 676
Receivables from non-exchange transactions	605 131	559 828
Total	87 576 870	86 642 747

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

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

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

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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

49

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:

	2025 R	2024 R
Electricity	11 493	5 606
Water	75 474	43 837
Housing rental	-	57
Sundry Debtors	4 984 090	5 387 370
Legal Fees Recovered	22 258	5 082
Total	5 093 315	5 441 952

These receivables can be aged as follows:

1 Month Past due	755 429	765 941
2 Months Past due	2 880 295	2 730 914
3 Months Past due	67 205	56 106
> 3 Months Past due	1 390 385	1 888 991
Total	5 093 315	5 441 952

49.2 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.

49.3 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	78 826 109	77 584 243
Long-term Liabilities (Including Current Portion)	(6 518 731)	(11 222 726)
Net balance exposed	72 307 378	66 361 517



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

49

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:

	2025 R	2024 R
0.5% (2024 - 0.5%) increase in interest rates	361 537	331 808
0.5% (2024 - 0.5%) decrease in interest rates	(361 537)	(331 808)

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

49.4 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 2025		
	Within 1 Year	PAYABLE (R) Two to five years	After five years
Annuity Loans	5 611 160	1 402 790	-
Payables from Exchange transactions	5 329 906	-	-
Payables from Non-exchange transaction:	926 446	-	-
Total	11 867 512	1 402 790	-
	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	6 243 643	-	-
Total	11 966 583	7 013 951	-

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.

49.5 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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	2025 R	2024 R
50 FINANCIAL INSTRUMENTS		
The municipality recognised the following financial instruments (All balances are recognised at amortised cost.)		
<u>Financial Assets</u>		
Cash and Cash Equivalents	78 826 109	77 584 243
Receivables from exchange transactions	8 145 630	8 498 676
Receivables from non-exchange transactions	605 131	559 828
Total	87 576 870	86 642 747
<u>Financial Liabilities</u>		
Current Portion of Long-term Liabilities	5 141 446	4 703 994
Payables from Exchange transactions	5 329 906	6 243 643
Payables from Non-exchange transactions	926 446	-
Long-term Liabilities	1 377 285	6 518 731
Total	12 775 083	17 466 368
51 STATUTORY RECEIVABLES		
Taxes		
VAT Refundable from SARS	792 870	303 395
Total	792 870	303 395

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.

52 EVENTS AFTER REPORTING DATE

Communication (From Minister A Bredell) of a formal intergovernmental dispute in terms of section 41 of the intergovernmental relations framework act, act no. 13 of 2005 vis-à-vis the upper limits of total remuneration packages of municipal managers and managers directly accountable to municipal managers was received in 8 August 2025. The impact on the upper limits for 2024/25 financial year could not be determined to date.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

53 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 (2023/2024 and 2024/2025).

The National Department of Environmental Affairs is providing the Municipality with 3 Working of Fire Teams that we host, and the Working for the Coast team for the clearing of Alien vegetation. Provincial Government Western Cape provides the standing fee and limited flight time for a helicopter for fire fighting.

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

54 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

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

55 CONTINGENT LIABILITIES

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

- 55.1** 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.

- 55.2** A high court matter was lodged (Case 2025/036870) between Karin Rose and 2 others and Overberg District Municipality and 23 others relating to a fire incident which originated from the Klein Swartberg Conservancy. This controlled veld burn in March 2022 caused damages on Paardevallei farm (Rose owners). The damages are estimated at R 29 million and the matter is still pending. The matter is currently being handled by the insurance brokers as part of their public liability cover and the municipality does not expect to incur any financial loss resulting from the matter.

- 55.3** The municipality has estimated a potential VAT exposure of R 112 473 638 relating to the VAT treatment of funding received from the Provincial Department of Infrastructure for the roads function currently performed by the municipality. The estimate has been determined with reference to the applicable VAT legislation, relevant constitutional and legislative provisions, and guidance such as Binding General Ruling 74 issued by the South African Revenue Service (SARS), where applicable.

In assessing the contingent liability, management considered available internal analyses, the outcome of consultations with external advisors and legal counsel, correspondence and engagements with the Auditor General of South Africa and SARS, and an assessment of the retrospective periods potentially affected. The disclosure reflects management's best assessment of the potential obligation at reporting date, based on the information available.



OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

55

CONTINGENT LIABILITIES (CONTINUED)

In terms of GRAP 19.101(b), the municipality must also disclose the uncertainties that may affect the amount or timing of any potential outflow of resources arising from this contingent liability. The ultimate VAT position remains uncertain due to a number of factors, including:

- the pending High Court process relating to the VAT treatment of the funding received for the roads function;
- the outcome of any further rulings or clarifications that may be issued by SARS;
- the interpretation and application of Binding General Ruling 74 and other relevant guidance;
- constitutional and legislative considerations relating to the allocation and assignment of functions between spheres of government; and
- the fact that A SARS audit of the municipality's VAT affairs is ongoing at the reporting date.

These matters may result in a change in the amount and/or timing of any potential outflow of resources. At the date of approval of these annual financial statements, no final determination has been made by SARS or the courts, and it is therefore not possible to determine the exact financial impact with certainty.

There is no possibility of reimbursement.

- 55.4 A matter between Western Cape Government (Department of Infrastructure) and Overberg District Municipality (Ref MO115 ODM Premier) where a claim was instituted for damages to a provincial vehicle used at the Roads Department (2024/2025) of ODM, is stalled and will be referred for mediation in terms of inter-governmental relations framework act. The projected damages amounts to R20 000, however the outcome is unknown.
- 55.5 A second matter between Western Cape Government (Department of Infrastructure) and Overberg District Municipality (Ref MKO-002 Premier 2) where a claim was instituted for damages to a provincial vehicle (2021/2022) used at the Roads Department of ODM. The projected damages amounts to R247 836.09, however the outcome is unknown.

56

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 29 and 30

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

57

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.

58

NON-LIVING RESOURCES

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

- None



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SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

59 SEGMENT REPORTING

59.1 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)

59.2 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.

59.3 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.



AUDITOR-GENERAL
SOUTH AFRICA

28 November 2025

Auditing to build public confidence

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

59 SEGMENT REPORTING (CONTINUED)

59.4 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:



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SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

59 SEGMENT REPORTING (CONTINUED)

30 JUNE 2025	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
REVENUE											
External Revenue from Non-Exchange Transactions	8 005 490	80 356 535	-	1 900 711	6 985 602	1 357 959	-	(74 277)	-	-	98 532 020
Government Grants and Subsidies - Capital	-	1 175 667	-	-	1 855 425	-	-	-	-	-	3 031 092
Government Grants and Subsidies - Operating	8 005 490	78 668 760	-	1 265 000	2 666 734	1 357 959	-	-	-	-	91 963 943
Contributed Assets	-	-	-	635 711	2 463 444	-	-	-	-	-	3 099 155
Actuarial Gains	-	338 303	-	-	-	-	-	(74 277)	-	-	264 025
Other Income	-	173 805	-	-	-	-	-	-	-	-	173 805
External Revenue from Exchange Transactions	13 825 334	8 674 482	-	20 765 323	7 277 694	1 250 617	-	137 499 097	8 136	17 939 393	207 240 077
Roads Maintenance Services	-	-	-	-	-	-	-	137 496 075	-	-	137 496 075
Service Charges	-	-	-	1 607 395	-	-	-	-	-	17 939 393	19 546 788
Rental of Facilities and Equipment	-	40 287	-	18 747 406	-	-	-	-	-	-	18 787 693
Interest Earned - external investments	-	8 051 616	-	-	-	-	-	-	-	-	8 051 616
Interest Earned - Outstanding Debtors	-	-	-	211 687	-	-	-	-	-	-	211 687
Licences and Permits	-	-	-	-	-	1 250 617	-	-	-	-	1 250 617
Agency Services	13 825 334	-	-	-	-	-	-	-	-	-	13 825 334
Insurance Receipts	-	280 255	-	-	-	-	-	-	-	-	280 255
Other Income	-	302 325	-	198 835	7 277 694	-	-	3 022	8 136	-	7 790 012
TOTAL REVENUE	21 830 824	89 031 017	-	22 666 034	14 263 297	2 608 576	-	137 424 820	8 136	17 939 393	305 772 097
EXPENDITURE											
	11 311 473	54 913 849	1 926 433	21 190 540	45 078 931	19 080 027	1 773 744	131 880 299	3 439 078	9 537 877	300 132 251
Employee related costs	2 400 958	28 084 891	1 874 539	6 423 555	30 357 579	15 595 896	1 662 142	67 139 907	3 141 553	-	156 681 020
Remuneration of Councillors	6 883 324	-	-	-	-	-	-	-	-	-	6 883 324
Debt Impairment	-	-	-	678 744	-	-	-	-	-	-	678 744
Depreciation and Amortisation	59 832	832 900	3 429	677 331	1 997 368	144 388	9 476	161 944	47 576	821 922	4 756 166
Impairment	-	-	-	-	298 561	-	-	-	-	854 297	1 152 858
Actuarial Losses	-	2 647 415	-	-	-	-	-	1 050 111	-	-	3 697 525
Finance Charges	-	3 339 061	-	-	-	-	-	2 528 150	-	1 199 236	7 066 448
Bulk Purchases	-	-	-	634 938	-	-	-	-	-	-	634 938
Contracted services	538 214	4 621 706	-	3 629 993	7 292 653	1 733 665	-	4 469 059	15 974	6 375 957	28 677 221
Transfers and Grants	-	3 884 386	-	-	-	-	-	1 089 040	-	-	4 973 427
Other Expenditure	1 429 145	11 206 682	48 465	9 145 979	5 132 770	1 606 078	102 126	55 442 088	233 974	286 465	84 633 773
Stock Adjustments	-	233 460	-	-	-	-	-	-	-	-	233 460
Loss on disposal of Assets	-	63 348	-	-	-	-	-	-	-	-	63 348
TOTAL EXPENDITURE	11 311 473	54 913 849	1 926 433	21 190 540	45 078 931	19 080 027	1 773 744	131 880 299	3 439 078	9 537 877	300 132 251
NET SURPLUS/(DEFICIT) FOR THE YEAR	10 519 352	34 117 168	(1 926 433)	1 475 494	(30 815 635)	(16 471 451)	(1 773 744)	5 544 521	(3 430 942)	8 401 516	5 639 846
Less: Government Grants and Subsidies - Capital	-	(1 175 667)	-	-	(1 855 425)	-	-	-	-	-	(3 031 092)
Less: Contributed Assets	-	-	-	(635 711)	(2 463 444)	-	-	-	-	-	(3 099 155)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	10 519 352	32 941 501	(1 926 433)	839 783	(35 134 503)	(16 471 451)	(1 773 744)	5 544 521	(3 430 942)	8 401 516	(490 401)
CAPITAL EXPENDITURE FOR THE YEAR	-	1 208 285	-	1 626 082	8 975 298	180 168	13 630	-	474 797	2 927 204	15 405 465



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SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

59 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
REVENUE											
External Revenue from Non-Exchange Transactions	-	94 411 712	-	1 192 000	16 999	167 658	-	656 463	-	1 958	96 446 790
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	-	58 509	-	-	-	-	-	-	-	1 958	60 467
External Revenue from Exchange Transactions	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
TOTAL REVENUE	13 631 889	103 530 500	-	21 241 190	5 325 441	926 146	-	125 873 771	9 500	14 961 364	285 499 801
EXPENDITURE											
Employee related costs	11 273 139	45 250 289	1 736 964	17 201 579	40 737 534	18 093 900	1 587 671	120 626 682	3 209 747	8 931 939	268 649 446
Remuneration of Councillors	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
Debt Impairment	6 763 179	-	-	-	-	-	-	-	-	-	6 763 179
Depreciation and Amortisation	-	-	-	853 253	-	-	-	-	-	-	853 253
Impairment	53 024	753 079	3 515	647 481	1 803 855	164 609	9 209	162 382	36 481	629 648	4 263 281
Finance Charges	-	-	-	-	134 887	-	-	-	-	98 362	233 250
Bulk Purchases	-	3 639 642	-	-	-	-	-	2 577 994	-	1 435 749	7 653 385
Contracted services	-	-	-	494 822	-	-	-	-	-	-	494 822
Transfers and Grants	851 417	5 392 070	-	4 074 441	5 912 826	874 858	-	3 834 507	117 230	6 417 061	27 474 410
Other Expenditure	-	1 425 200	-	-	-	-	-	875 143	-	-	2 300 343
Loss on disposal of Assets	1 299 972	9 876 191	31 684	5 292 112	5 276 521	1 298 846	41 475	53 328 810	174 911	351 119	76 971 641
TOTAL EXPENDITURE	11 273 139	45 250 289	1 736 964	17 201 579	40 737 534	18 093 900	1 587 671	120 626 682	3 209 747	8 931 939	268 649 446
NET SURPLUS/(DEFICIT) FOR THE YEAR	2 358 750	58 280 210	(1 736 964)	4 039 611	(35 412 094)	(17 167 754)	(1 587 671)	5 247 088	(3 200 247)	6 029 425	16 850 355
Less: Government Grants and Subsidies - Capital	-	(1 961 332)	-	-	-	-	-	-	-	-	(1 961 332)
Less: Contributed Assets	-	-	-	-	(16 999)	-	-	-	-	-	(16 999)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	2 358 750	56 318 878	(1 736 964)	4 039 611	(35 429 093)	(17 167 754)	(1 587 671)	5 247 088	(3 200 247)	6 029 425	14 872 024
CAPITAL EXPENDITURE FOR THE YEAR	-	2 105 565	-	375 868	5 111 213	36 843	2 005	-	4 497	4 643 610	12 279 601



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SOUTH AFRICA

28 November 2025

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OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

60 NATIONAL TREASURY APPROPRIATION STATEMENT

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
Financial Performance						
Service charges	15 170 000	2 388 938	17 558 938	18 796 351	1 237 413	15 763 871
Investment revenue	7 600 000	1 000 000	8 600 000	8 051 616	(548 384)	8 162 624
Transfers recognised - operational	96 796 255	(540 439)	96 255 816	91 538 091	(4 717 725)	91 146 581
Other own revenue	183 491 583	4 861 783	188 353 366	181 255 792	(7 097 574)	168 448 394
Total Operating Revenue	303 057 838	7 710 282	310 768 120	299 641 850	(11 126 270)	283 521 470
Employee costs	168 688 144	(8 976 766)	159 711 378	160 837 580	1 126 202	145 557 849
Remuneration of councillors	6 795 959	-	6 795 959	6 883 324	87 365	6 763 179
Depreciation & asset impairment	3 680 586	100 000	3 780 586	6 587 768	2 807 182	5 349 784
Finance charges	2 422 236	(21 000)	2 401 236	1 918 448	(482 788)	2 255 385
Inventory Consumed and Bulk Purchases	47 074 773	12 808 071	59 882 844	50 254 175	(9 628 669)	48 046 417
Transfers and grants	-	4 000 000	4 000 000	4 973 427	973 427	2 300 343
Other expenditure	74 396 140	(200 023)	74 196 117	68 677 529	(5 518 588)	58 376 488
Total Expenditure	303 057 838	7 710 282	310 768 120	300 132 251	(10 635 869)	268 649 446
Surplus/(Deficit)	-	-	-	(490 401)	(490 401)	14 872 024
Transfers and subsidies - capital	2 700 000	1 100 000	3 800 000	3 031 092	(768 908)	1 961 332
Transfers and subsidies - capital (In-Kind)	-	2 461 445	2 461 445	3 099 155	637 710	16 999
Surplus/(Deficit) for the year	2 700 000	3 561 445	6 261 445	5 639 846	(621 599)	16 850 355



AUDITOR-GENERAL
SOUTH AFRICA

OVERBERG DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

60 NATIONAL TREASURY APPROPRIATION STATEMENT (CONTINUED)

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
Capital expenditure & funds sources						
Capital expenditure	11 504 500	4 243 671	15 748 171	15 405 465	(342 706)	12 190 598
Transfers recognised - capital	2 700 000	1 100 000	3 800 000	3 031 092	(768 908)	1 961 332
Borrowing	1 500 000	-	1 500 000	265 147	(1 234 853)	4 282 870
Internally generated funds (Contributed Assets)	-	2 461 445	2 461 445	3 099 155	637 710	16 999
Internally generated funds	7 304 500	682 226	7 986 726	9 010 071	1 023 345	5 929 397
Total sources of capital funds	11 504 500	4 243 671	15 748 171	15 405 465	(342 706)	12 190 598
Cash flows						
Net cash from (used) operating	(424 751)	1 755 443	1 330 692	16 823 732	15 493 040	6 916 948
Net cash from (used) investing	(1 604 500)	(1 782 226)	(3 386 726)	(10 877 871)	(7 491 145)	(11 901 863)
Net cash from (used) financing	(3 205 771)	1 777	(3 203 994)	(4 703 994)	(1 500 000)	(5 366 648)
Net Cash Movement for the year	(5 235 022)	(25 006)	(5 260 028)	1 241 866	6 501 894	(10 351 563)
Cash/cash equivalents at beginning of year	71 525 292	6 059 551	77 584 843	77 584 243	(600)	87 935 806
Cash/cash equivalents at the year end	66 290 270	6 034 545	72 324 815	78 826 109	6 501 294	77 584 243

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



AUDITOR-GENERAL
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OVERBERG DISTRICT MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2025

INSTITUTION	RATE	REDEMPTION DATE	OPENING BALANCE	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE
			1 JULY 2024			30 JUNE 2025
			R	R	R	R
<u>ANNUITY LOANS</u>						
STANDARD BANK (KARWYDERSKRAAL)	11.17%	2026/09/30	11 112 157	-	(4 593 426)	6 518 731
Total Annuity Loans			11 112 157	-	(4 593 426)	6 518 731
<u>FINANCE LEASES</u>						
NASHUA BREEDEVALLEI (OFFICE PRINTERS)	12.97%	2024/07/31	110 568	-	(110 568)	-
Total Finance Leases			110 568	-	(110 568)	-
Total Long-Term Liabilities			11 222 726	-	(4 703 994)	6 518 731

OVERBERG DISTRICT MUNICIPALITY

APPENDIX B (UNAUDITED)

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE (MUNICIPAL VOTES AND GFS CLASSIFICATION) FOR THE YEAR ENDING 30 JUNE 2025

MUNICIPAL VOTES	30 JUNE 2025			30 JUNE 2024		
			SURPLUS/ (DEFICIT)			SURPLUS/ (DEFICIT)
	REVENUE R	EXPENDITURE R	R	REVENUE R	EXPENDITURE R	R
Municipal Manager	21 830 824	(16 759 442)	5 071 382	13 631 889	(15 973 291)	(2 341 402)
Corporate Services	42 173	(18 948 557)	(18 906 385)	101 020	(15 596 295)	(15 495 274)
Finance	88 988 845	(32 642 164)	56 346 680	103 429 479	(26 840 850)	76 588 629
Community Services	194 910 256	(231 782 087)	(36 871 832)	168 337 412	(210 239 010)	(41 901 598)
Total	305 772 097	(300 132 251)	5 639 846	285 499 801	(268 649 446)	16 850 355

GFS CLASSIFICATION	30 JUNE 2025			30 JUNE 2024		
			SURPLUS/ (DEFICIT)			SURPLUS/ (DEFICIT)
	REVENUE R	EXPENDITURE R	R	REVENUE R	EXPENDITURE R	R
Executive and Council	21 830 824	(11 311 473)	10 519 352	13 631 889	(11 273 139)	2 358 750
Internal audit	-	(1 926 433)	(1 926 433)	-	(1 736 964)	(1 736 964)
Finance and administration	89 031 017	(54 913 849)	34 117 168	103 530 500	(45 250 289)	58 280 210
Planning and Development	-	(1 773 744)	(1 773 744)	-	(1 587 671)	(1 587 671)
Public Safety	14 263 297	(45 078 931)	(30 815 635)	5 325 441	(40 737 534)	(35 412 094)
Environmental Protection	8 136	(3 439 078)	(3 430 942)	9 500	(3 209 747)	(3 200 247)
Waste Management	17 939 393	(9 537 877)	8 401 516	14 961 364	(8 931 939)	6 029 425
Sport and Recreation	22 666 034	(21 190 540)	1 475 494	21 241 190	(17 201 579)	4 039 611
Health	2 608 576	(19 080 027)	(16 471 451)	926 146	(18 093 900)	(17 167 754)
Road Transport	137 424 820	(131 880 299)	5 544 521	125 873 771	(120 626 682)	5 247 088
Total	305 772 097	(300 132 251)	5 639 846	285 499 801	(268 649 446)	16 850 355

OVERBERG DISTRICT MUNICIPALITY

APPENDIX C (UNAUDITED)

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE (MUNICIPAL DEPARTMENT) FOR THE YEAR ENDING 30 JUNE 2025

MUNICIPAL DEPARTMENTS	30 JUNE 2025			30 JUNE 2024		
	REVENUE R	EXPENDITURE R	SURPLUS/ (DEFICIT) R	REVENUE R	EXPENDITURE R	SURPLUS/ (DEFICIT) R
Committee, Records & Councillor Support	-	(4 068 813)	(4 068 813)	-	(3 463 989)	(3 463 989)
Community Services Support	-	(131 342)	(131 342)	-	(495 728)	(495 728)
Comprehensive Health	183 284	(184 763)	(1 479)	167 658	(170 174)	(2 516)
Council Expenditure	21 830 824	(8 386 566)	13 444 258	12 981 889	(8 129 773)	4 852 116
Emergency Services	14 263 297	(45 078 931)	(30 815 635)	5 325 441	(40 737 534)	(35 412 094)
Environmental Management	8 136	(3 439 078)	(3 430 942)	9 500	(3 209 747)	(3 200 247)
Executive (Community Services)	-	(1 443 993)	(1 443 993)	-	(941 899)	(941 899)
Executive (Corporate Services)	42 173	(6 228 779)	(6 186 606)	101 020	(4 910 598)	(4 809 577)
Executive (Finance)	-	(688 844)	(688 844)	-	(1 310 683)	(1 310 683)
Executive (Municipal Manager)	-	(2 075 937)	(2 075 937)	650 000	(2 376 299)	(1 726 299)
Executive Support	-	(848 969)	(848 969)	-	(767 067)	(767 067)
Expenditure	36 997	(2 626 931)	(2 589 934)	32 231	(1 946 213)	(1 913 981)
Financial Services	88 870 628	(20 854 896)	68 015 733	103 340 978	(19 793 141)	83 547 837
Financial Support	-	(4 269 319)	(4 269 319)	-	(417 979)	(417 979)
Human Resources	-	(5 362 615)	(5 362 615)	-	(4 529 775)	(4 529 775)
IDP & Communication	-	(1 773 744)	(1 773 744)	-	(1 587 671)	(1 587 671)
Information Services	-	(3 288 350)	(3 288 350)	-	(2 691 934)	(2 691 934)
Internal Audit	-	(1 926 433)	(1 926 433)	-	(1 736 964)	(1 736 964)
Led, Tourism, Resorts & EPWP	22 666 034	(21 190 540)	1 475 494	21 241 190	(17 201 579)	4 039 611
Municipal Health	2 425 292	(18 895 263)	(16 469 972)	758 489	(17 923 727)	(17 165 238)
Performance & Risk Management	-	(1 747 793)	(1 747 793)	-	(1 375 518)	(1 375 518)
Revenue	81 219	(48 220)	32 999	56 270	(19 236)	37 034
Solid Waste	17 939 393	(9 537 877)	8 401 516	14 961 364	(8 931 939)	6 029 425
Supply Chain Management	-	(4 153 955)	(4 153 955)	-	(3 353 598)	(3 353 598)
Roads Function	137 424 820	(131 880 299)	5 544 521	125 873 771	(120 626 682)	5 247 088
Total	305 772 097	(300 132 251)	5 639 846	285 499 801	(268 649 446)	16 850 355

OVERBERG DISTRICT MUNICIPALITY

APPENDIX D (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2025

	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
NATIONAL GOVERNMENT						
Equitable Share	-	86 644 000	(86 644 000)	-	-	-
Financial Management Grant (FMG)	-	1 000 000	(1 000 000)	-	-	-
Expanded Public Works Program (EPWP)	-	1 265 000	(1 265 000)	-	-	-
Rural Roads Asset Management System	1 926 563	2 082 000	-	-	(1 927 000)	2 081 563
Total	1 926 563	90 991 000	(88 909 000)	-	(1 927 000)	2 081 563
PROVINCIAL GOVERNMENT AND OTHER						
SETA Training Fund	-	309 032	(242 567)	-	-	66 465
Health Subsidy	-	183 284	(183 284)	-	-	-
CDW Operational Support Grant	3 078	57 000	(60 078)	-	-	-
Financial Management Capacity Grant - Financial System Migration towards Web & Automation	366 355	500 000	(303 252)	-	-	563 103
Financial Management Capacity Grant - Revenue Enhancement: Establishment of Crematorium	-	200 000	(200 000)	-	-	-
Financial Management Capacity Grant - Revenue Enhancement: Municipal Health Services	-	1 000 000	(472 835)	-	-	527 165
Financial Management Capacity Grant - Revenue Enhancement: Collaborator Enhancement	-	300 000	-	-	-	300 000
Financial Management Capacity Grant - Revenue Enhancement: Holiday Homes	-	750 000	-	-	-	750 000
Financial Management Capacity Grant - Bursaries	-	200 000	(73 604)	-	-	126 396
Safety Initiative Implementation - WOSA	109 146	1 000 000	(1 035 885)	-	-	73 260
Fire Services Capacity Building Grant	500 000	1 500 000	(52 135)	(1 855 425)	-	92 441
Joint District and Metro Approach Grant (Sanitation)	500 000	-	-	-	(500 000)	-

OVERBERG DISTRICT MUNICIPALITY

APPENDIX D (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2025

	OPENING BALANCE R	GRANTS RECEIVED R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	GRANTS RETURNED TO NT/PT R	CLOSING BALANCE R
Municipal Service Delivery and Capacity Building Grant - Disaster Management	-	200 000	(46 101)	-	-	153 899
Municipal Service Delivery and Capacity Building Grant - Municipal Staff Regulations Internship Program	-	500 000	(129 723)	-	-	370 277
Municipal Intervention Grant	179 482	-	(79 128)	-	(100 354)	-
Municipal Water Resilience Grant	-	1 800 000	(176 350)	(1 175 667)	-	447 983
Total	1 658 061	8 499 316	(3 054 943)	(3 031 092)	(600 354)	3 470 989
ALL SPHERES GOVERNMENT	3 584 624	99 490 316	(91 963 943)	(3 031 092)	(2 527 354)	5 552 552

OVERBERG DISTRICT MUNICIPALITY

APPENDIX E (1) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE						
Governance and administration	119 435 794	1 491 417	120 927 211	110 861 841	(10 065 370)	117 162 389
Executive and Council	42 938 094	313	42 938 407	21 830 824	(21 107 583)	13 631 889
Finance and administration	76 497 700	1 491 104	77 988 804	89 031 017	11 042 213	103 530 500
Community and public safety	38 752 089	5 315 732	44 067 821	39 537 907	(4 529 914)	27 492 778
Sport and recreation	21 133 000	648 901	21 781 901	22 666 034	884 133	21 241 190
Public safety	13 357 554	4 566 831	17 924 385	14 263 297	(3 661 088)	5 325 441
Health	4 261 535	100 000	4 361 535	2 608 576	(1 752 959)	926 146
Economic and environmental services	132 619 955	2 005 640	134 625 595	137 432 956	2 807 361	125 883 271
Road transport	132 489 955	2 005 640	134 495 595	137 424 820	2 929 225	125 873 771
Environmental protection	130 000	-	130 000	8 136	(121 864)	9 500
Trading services	14 950 000	2 458 938	17 408 938	17 939 393	530 455	14 961 364
Waste management	14 950 000	2 458 938	17 408 938	17 939 393	530 455	14 961 364
Total Revenue - Standard	305 757 838	11 271 727	317 029 565	305 772 097	(11 257 468)	285 499 801

OVERBERG DISTRICT MUNICIPALITY

APPENDIX E (1) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
EXPENDITURE						
Governance and administration	66 665 877	5 031 258	71 697 135	68 151 754	(3 545 381)	58 260 393
Executive and Council	11 382 559	370 409	11 752 968	11 311 473	(441 495)	11 273 139
Finance and administration	53 082 411	4 652 877	57 735 288	54 913 849	(2 821 439)	45 250 289
Internal audit	2 200 907	7 972	2 208 879	1 926 433	(282 446)	1 736 964
Community and public safety	89 089 204	762 027	89 851 231	85 349 498	(4 501 733)	76 033 014
Sport and recreation	21 828 635	2 458 658	24 287 293	21 190 540	(3 096 753)	17 201 579
Public safety	44 963 031	103 506	45 066 537	45 078 931	12 394	40 737 534
Health	22 297 538	(1 800 137)	20 497 401	19 080 027	(1 417 374)	18 093 900
Economic and environmental services	138 015 366	2 021 997	140 037 363	137 093 122	(2 944 241)	125 424 100
Planning and development	1 765 938	6 357	1 772 295	1 773 744	1 449	1 587 671
Road transport	132 489 955	2 005 640	134 495 595	131 880 299	(2 615 296)	120 626 682
Environmental protection	3 759 473	10 000	3 769 473	3 439 078	(330 395)	3 209 747
Trading services	9 287 391	(105 000)	9 182 391	9 537 877	355 486	8 931 939
Waste management	9 287 391	(105 000)	9 182 391	9 537 877	355 486	8 931 939
Total Expenditure - Standard	303 057 838	7 710 282	310 768 120	300 132 251	(10 635 869)	268 649 446
Surplus/(Deficit) for the year	2 700 000	3 561 445	6 261 445	5 639 846	(621 599)	16 850 355

OVERBERG DISTRICT MUNICIPALITY

APPENDIX E (2) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE						
Municipal Manager	42 938 094	313	42 938 407	21 830 824	(21 107 583)	13 631 889
Corporate Services	42 200	2 000	44 200	42 173	(2 027)	101 020
Finance	76 455 500	1 489 104	77 944 604	88 988 845	11 044 241	103 429 479
Community Services	186 322 044	9 780 310	196 102 354	194 910 256	(1 192 098)	168 337 412
Total Revenue by Vote	305 757 838	11 271 727	317 029 565	305 772 097	(11 257 468)	285 499 801
EXPENDITURE						
Municipal Manager	17 234 664	348 465	17 583 129	16 759 442	(823 687)	15 973 291
Corporate Services	20 035 401	540 519	20 575 920	18 948 557	(1 627 363)	15 596 295
Finance	28 948 127	4 104 821	33 052 948	32 642 164	(410 784)	26 840 850
Community Services	236 839 646	2 716 477	239 556 123	231 782 087	(7 774 036)	210 239 010
Total Expenditure by Vote	303 057 838	7 710 282	310 768 120	300 132 251	(10 635 869)	268 649 446
Surplus/(Deficit) for the year	2 700 000	3 561 445	6 261 445	5 639 846	(621 599)	16 850 355

OVERBERG DISTRICT MUNICIPALITY

APPENDIX E (3) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

REVENUE AND EXPENDITURE

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE BY SOURCE						
Exchange Revenue						
Service charges - Water	-	-	-	58 460	58 460	39 821
Service charges - Waste Water Management	220 000	(70 000)	150 000	798 498	648 498	764 644
Service charges - Waste Management	14 950 000	2 458 938	17 408 938	17 939 393	530 455	14 959 406
Sale of Goods and Rendering of Services	142 994 011	3 628 246	146 622 257	149 368 367	2 746 110	134 576 154
Agency services	13 825 039	313	13 825 352	13 825 334	(18)	12 909 317
Interest earned from Receivables	300 000	-	300 000	211 687	(88 313)	221 887
Interest earned from Current and Non Current	7 600 000	1 000 000	8 600 000	8 051 616	(548 384)	8 162 624
Rental from Fixed Assets	14 062 000	660 000	14 722 000	14 676 884	(45 116)	13 812 262
Licence and permits	1 250 000	100 000	1 350 000	1 250 617	(99 383)	758 489
Operational Revenue	1 160 533	473 224	1 633 757	1 485 073	(148 684)	2 848 408
Non-Exchange Revenue						
Fines, penalties and forfeits	-	-	-	173 805	173 805	58 509
Transfer and subsidies - Operational	96 796 255	(540 439)	96 255 816	91 538 091	(4 717 725)	91 146 581
Operational Revenue	-	-	-	-	-	1 958
Gains on disposal of Assets	9 900 000	-	9 900 000	-	(9 900 000)	-
Other Gains	-	-	-	264 025	264 025	3 261 410
Total Revenue (excluding capital transfers and contributions)	303 057 838	7 710 282	310 768 120	299 641 850	(11 126 270)	283 521 470

OVERBERG DISTRICT MUNICIPALITY

APPENDIX E (3) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

REVENUE AND EXPENDITURE

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
EXPENDITURE BY TYPE						
Employee related costs	168 688 144	(8 976 766)	159 711 378	160 837 580	1 126 202	145 557 849
Remuneration of councillors	6 795 959	-	6 795 959	6 883 324	87 365	6 763 179
Inventory consumed	47 074 773	12 808 071	59 882 844	50 254 175	(9 628 669)	48 046 417
Debt impairment	-	100 000	100 000	678 744	578 744	853 253
Depreciation and amortisation	3 680 586	-	3 680 586	5 909 024	2 228 438	4 496 531
Interest	2 422 236	(21 000)	2 401 236	1 918 448	(482 788)	2 255 385
Contracted services	38 158 214	(1 685 599)	36 472 615	28 997 068	(7 475 547)	28 239 794
Transfers and subsidies	-	4 000 000	4 000 000	4 973 427	973 427	2 300 343
Operational costs	35 961 926	1 761 576	37 723 502	35 686 128	(2 037 374)	29 512 869
Losses on disposal of Assets	-	-	-	63 348	63 348	623 825
Other Losses	276 000	(276 000)	-	3 930 985	3 930 985	-
Total Expenditure	303 057 838	7 710 282	310 768 120	300 132 251	(10 635 869)	268 649 446
Surplus/(Deficit)	-	-	-	(490 401)	(490 401)	14 872 024
Transfers and subsidies - capital	2 700 000	1 100 000	3 800 000	3 031 092	(768 908)	1 961 332
Transfers and subsidies - capital (In-Kind)	-	2 461 445	2 461 445	3 099 155	637 710	16 999
Surplus/(Deficit) for the year	2 700 000	3 561 445	6 261 445	5 639 846	(621 599)	16 850 355

The prior year allocations were restated in line with current year budget allocations. These restatements include Bulk purchases - Electricity now allocated to Operational Cost (R 494 822). Roads Maintenance receipts amounting to R 123 762 703, previously included as part of Transfer and subsidies - Operational is now included as Sale of Goods and Rendering of Services. Service Charges Electricity (R 812 375) is also now allocated to Sale of Goods and Rendering of Services.

OVERBERG DISTRICT MUNICIPALITY

APPENDIX E (4) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

CAPITAL EXPENDITURE	ORIGINAL	BUDGET	FINAL	ACTUAL	BUDGET	RESTATED
	BUDGET	ADJUSTMENTS	BUDGET	OUTCOME	VARIANCE	OUTCOME
	2025 R	2025 R	2025 R	2025 R	2025 R	2024 R
CAPITAL EXPENDITURE (VOTE)						
Multi-year expenditure						
Corporate Services	-	-	-	-	-	468 493
Community Services	1 750 000	(6 300)	1 743 700	1 600 435	(143 265)	4 486 925
Single-year expenditure						
Municipal Manager	15 000	-	15 000	13 630	(1 370)	2 005
Corporate Services	2 033 500	(224 800)	1 808 700	1 178 723	(629 977)	1 618 917
Finance	30 000	-	30 000	29 562	(438)	18 155
Community Services	7 676 000	4 474 771	12 150 771	12 583 115	432 344	5 596 103
Total Capital Expenditure by Vote	11 504 500	4 243 671	15 748 171	15 405 465	(342 706)	12 190 598
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration	2 063 500	(224 800)	1 838 700	1 208 285	(630 415)	2 105 565
Executive and council	-	-	-	-	-	-
Finance and administration	2 063 500	(224 800)	1 838 700	1 208 285	(630 415)	2 105 565
Community and public safety	7 445 000	4 472 720	11 917 720	10 781 549	(1 136 171)	5 523 924
Sport and recreation	1 315 000	219 275	1 534 275	1 626 082	91 807	375 868
Public safety	5 600 000	4 515 445	10 115 445	8 975 298	(1 140 147)	5 111 213
Health	530 000	(262 000)	268 000	180 168	(87 832)	36 843
Economic and environmental services	496 000	(4 249)	491 751	488 427	(3 324)	6 502
Planning and development	15 000	-	15 000	13 630	(1 370)	2 005
Environmental protection	481 000	(4 249)	476 751	474 797	(1 954)	4 497

OVERBERG DISTRICT MUNICIPALITY

APPENDIX E (4) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

CAPITAL EXPENDITURE

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
Trading services	1 500 000	-	1 500 000	2 927 204	1 427 204	4 554 606
Waste management	1 500 000	-	1 500 000	2 927 204	1 427 204	4 554 606
Total Capital Expenditure - Standard	11 504 500	4 243 671	15 748 171	15 405 465	(342 706)	12 190 598

CAPITAL EXPENDITURE (FUNDING SOURCES)

Provincial Government	2 700 000	1 100 000	3 800 000	3 031 092	(768 908)	1 961 332
Transfers recognised - capital	2 700 000	1 100 000	3 800 000	3 031 092	(768 908)	1 961 332
Borrowing	1 500 000	-	1 500 000	265 147	(1 234 853)	4 282 870
Contributed Assets	-	2 461 445	2 461 445	3 099 155	637 710	16 999
Internally generated funds	7 304 500	682 226	7 986 726	9 010 071	1 023 345	5 929 397
Total Capital Funding	11 504 500	4 243 671	15 748 171	15 405 465	(342 706)	12 190 598

OVERBERG DISTRICT MUNICIPALITY

APPENDIX E (5) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

CASH FLOWS

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Service charges	15 170 000	2 388 938	17 558 938	19 461 003	1 902 065	15 289 834
Other revenue	173 291 583	4 861 783	178 153 366	177 369 356	(784 010)	149 226 402
Transfers and Subsidies - Operational	96 796 255	(1 098 000)	95 698 255	96 391 801	693 546	92 416 634
Transfers and Subsidies - Capital	2 700 000	600 000	3 300 000	3 071 515	(228 485)	1 619 764
Interest	7 900 000	1 000 000	8 900 000	8 341 276	(558 724)	8 404 634
Payments						
Suppliers and employees	(294 782 589)	(3 797 278)	(298 579 867)	(282 745 293)	15 834 574	(256 144 056)
Finance charges	(1 500 000)	-	(1 500 000)	(1 018 946)	481 054	(1 595 921)
Transfers and Subsidies	-	(2 200 000)	(2 200 000)	(4 046 981)	(1 846 981)	(2 300 343)
NET CASH FROM OPERATING ACTIVITIES	(424 751)	1 755 443	1 330 692	16 823 732	15 493 040	6 916 948
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	9 900 000	-	9 900 000	-	(9 900 000)	-
Payments						
Capital assets	(11 504 500)	(1 782 226)	(13 286 726)	(10 877 871)	2 408 855	(11 901 863)
NET CASH USED IN INVESTING ACTIVITIES	(1 604 500)	(1 782 226)	(3 386 726)	(10 877 871)	(7 491 145)	(11 901 863)

OVERBERG DISTRICT MUNICIPALITY

APPENDIX E (5) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

CASH FLOWS

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	1 500 000	-	1 500 000	-	(1 500 000)	-
Payments						
Repayment of borrowing	(4 705 771)	1 777	(4 703 994)	(4 703 994)	-	(5 366 648)
NET CASH FROM FINANCING ACTIVITIES	(3 205 771)	1 777	(3 203 994)	(4 703 994)	(1 500 000)	(5 366 648)
NET INCREASE/ (DECREASE) IN CASH HELD	(5 235 022)	(25 006)	(5 260 028)	1 241 866	6 501 894	(10 351 563)
Cash/cash equivalents at the year begin:	71 525 292	6 059 551	77 584 843	77 584 243	(600)	87 935 806
Cash/cash equivalents at the year end:	66 290 270	6 034 545	72 324 815	78 826 109	6 501 294	77 584 243

Roads Maintenance Services amounting to R 112 285 703 were reclassified from Transfers and Subsidies - Operational to Other Revenue in the prior year to ensure alignment to current year budget allocations