

OUTTSHOORN

MUNICIPALITY



FINANCIAL STATEMENTS

30 JUNE 2021

OUDTSHOORN LOCAL MUNICIPALITY

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OUTDSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

GENERAL INFORMATION

NATURE OF BUSINESS

Oudtshoorn Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Oudtshoorn Municipality includes the following areas:
Oudtshoorn, Dysseisdorp, De Rust, Volmoed, De Hoop
Demarcation code : WC045

EXECUTIVE MAYOR

CD MacPherson

DEPUTY EXECUTIVE MAYOR

G Juthe

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor	CD MacPherson
Deputy Executive Mayor	G Juthe
Speaker	J le Roux Krowitz
Executive Mayoral Committee	DJ Fourie
Executive Mayoral Committee	VM Donson
Executive Mayoral Committee	GJ Kersop
Executive Mayoral Committee	BV Owen
Executive Mayoral Committee	NV Mwati

ACTING MUNICIPAL MANAGER

R Smit

CHIEF FINANCIAL OFFICER

GP De Jager

REGISTERED ADDRESS

69 Voortrekker Road
OUTDSHOORN
6625

AUDITORS

Office of the Auditor-General (Western Cape)
Private Bag X1
CHEMPET
7442

OUTDSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

GENERAL INFORMATION

PRINCIPLE BANKERS

Standard Bank

ATTORNEYS

Coetzee and v/d Bergh Attorneys - 41 Baron van Rheede Street, Oudtshoorn.

Millers Inc - 123 Meade Street, George.

Harker Attorneys - 14 Van der Merwe Street, Oudtshoorn.

Stadler & Swart Attorneys - 01 Doneraile Street, George.

Oosthuisen Marais Pretorius Inc. - 16 Sioux Street. Mossel Bay

Nandi Bulabula Attorneys - Florence Place Main Street, Plettenberg Bay.

Lizel Venter Attorneys - 7 Mar-Ane Park Susan Pardew Road, Mossel Bay

Bradley Conradie Halton Cheadle - The Gate Way, G04 Century Way, Century City, Cape Town.

Adv J De Waal SC - Six Floor, 56 Keerom Street, Cape Town.

Adv Terry Malgas Senye Pty LTD Regus Chambers, Oakwood Road, Humewood, Port Elizabeth

RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)

Collective Agreements

Division of Revenue Act

Electricity Act (Act no 41 of 1987)

Employment Equity Act (Act no 55 of 1998)

Housing Act (Act no 107 of 1997)

Infrastructure Grants

Municipal Budget and Reporting Regulations

Municipal Finance Management Act (Act no 56 of 2003)

Municipal Planning and Performance Management Regulations

Municipal Property Rates Act (Act no 6 of 2004)

Municipal Regulations on Standard Chart of Accounts

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Systems Amendment Act (Act no 7 of 2011)

SALBC Leave Regulations

Skills Development Levies Act (Act no 9 of 1999)

Supply Chain Management Regulations, 2005

The Income Tax Act

Unemployment Insurance Act (Act no 30 of 1966)

Value Added Tax Act

Water Services Act (Act no 108 of 1997)

OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

GENERAL INFORMATION

MEMBERS OF THE OUDTSHOORN LOCAL MUNICIPALITY

WARD

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

COUNCILLOR

J Le Roux Krowitz
GJ Kersop
DJ Fourie
F September
N Jonkers
J Lambaatjeen
LPO Wagenaar
LS Stone
B Berry
H Botha
RR Wildschut
H Human
MBG Theyse

PROPORTIONAL

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

COUNCILLORS

CD MacPherson
GH Juthe
NV Mwati
BV Owen
DR Maarman
HJ Tyatya
N Gunguluza
J Floors
CL Cobus
VM Donson
JC Olivier
G Gertse



OUDTSHOORN LOCAL MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2021, which are set out on pages 5 to 125 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2022 and am satisfied that the Municipality can continue as 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.

The annual financial statements were prepared on the going concern basis.

R Smit

Acting Municipal Manager

Date

UDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	Notes	2021 Actual R	2020 Restated R
ASSETS			
Non-Current Assets		1 009 767 078	931 006 861
Property, Plant and Equipment	2	977 911 710	899 794 248
Investment Property	3	16 937 827	15 900 833
Intangible Assets	4	1 143 195	1 537 435
Heritage Assets	5	13 774 345	13 774 345
Current Assets		192 589 193	233 098 346
Inventory	7	3 121 406	2 354 468
Receivables from Exchange Transactions	8	60 020 732	40 456 001
Receivables from Non-exchange Transactions	9	13 461 026	10 495 462
Unpaid Transfers and Subsidies	17	-	2 000 000
Operating Lease Asset	6	19 142	5 230
Cash and Cash Equivalents	10	115 966 886	177 787 185
Total Assets		1 202 356 270	1 164 105 207
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		185 158 602	158 782 361
Long-term Borrowings	11	42 680 824	37 737 029
Non-current Provisions	12	27 301 778	21 539 331
Non-current Employee Benefits	13	115 176 001	99 506 001
Current Liabilities		116 287 174	185 292 174
Consumer Deposits	14	11 139 126	10 678 791
Current Employee Benefits	15	29 639 545	30 764 138
Trade and Other Payables from Exchange Transactions	16	45 005 971	71 228 063
Unspent Transfers and Subsidies	17	11 043 305	53 508 289
Taxes	18.3	7 903 021	5 115 373
Current Portion of Long-term Borrowings	11	11 556 205	13 997 520
Total Liabilities		301 445 775	344 074 534
Net Assets		900 910 495	820 030 672
Accumulated Surplus/(Deficit)		900 910 495	820 030 672
Total Net Assets and Liabilities		1 202 356 270	1 164 105 207

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 Actual R	2020 Restated R
REVENUE			
Revenue from Non-exchange Transactions		312 761 391	281 978 303
Taxation Revenue		97 888 750	92 909 167
Property Rates	19	97 888 750	92 909 167
Transfer Revenue		202 395 305	157 955 957
Government Grants and Subsidies - Capital	20	59 409 413	63 181 689
Government Grants and Subsidies - Operating	20	103 919 207	94 712 069
Contributed Property, Plant and Equipment		39 066 686	62 200
Other Revenue		12 477 335	31 113 178
Actuarial Gains	13	-	14 049 546
Avalabilty charges		2 857 099	2 519 053
Fines, Penalties and Forfeits		8 340 810	12 303 035
Interest Earned - Non-exchange Transactions		959 958	1 044 206
Government Incentives Received		319 468	1 197 338
Revenue from Exchange Transactions		378 403 171	380 311 119
Service Charges	21	352 601 762	337 578 269
Entrance fees		4 592 883	16 131 161
Sales of Goods and Rendering of Services	22	5 268 535	4 106 539
Rental from Fixed Assets	23	1 522 383	2 573 777
Interest Earned - External Investments	24	5 748 841	10 998 733
Interest Earned - Exchange Transactions	25	2 298 441	3 687 499
Agency Services		6 085 630	4 882 687
Operational Revenue	26	284 696	352 454
Total Revenue		691 164 562	662 289 422
EXPENDITURE			
Employee related cost	27	(254 445 894)	(250 141 605)
Remuneration of Councillors	28	(10 983 096)	(11 212 892)
Bad Debts Written Off		(34 365 998)	(24 385 890)
Contracted Services	29	(21 395 215)	(22 770 139)
Depreciation and Amortisation	30	(40 312 557)	(43 445 776)
Actuarial Losses	13	(7 790 138)	(86 031)
Finance Charges	31	(5 591 695)	(6 447 537)
Bulk Purchases	32	(176 489 766)	(169 110 184)
Inventory Consumed	7	(19 245 481)	(16 651 307)
Operating Leases		(8 057 592)	(5 810 189)
Transfers and Subsidies	33	(1 901 107)	(4 717 217)
Operational Cost	34	(41 031 778)	(42 108 496)
Total Expenditure		(621 610 318)	(596 887 263)
Operating Surplus/(Deficit) for the Year		69 554 244	65 402 159
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	7	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	35	12 411 708	(13 080 695)
Gains/(Loss) on Sale of Fixed Assets	36	(1 086 130)	(306 991)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	2.5	-	1 803 688
NET SURPLUS/(DEFICIT) FOR THE YEAR		80 879 822	53 818 161

OUTDSHOORN LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated Surplus/ (Deficit)	Total
	R	R
Balance at 1 July 2019	722 423 954	722 423 954
Correction of Error - note 37.2	41 801 557	41 801 557
Restated balance	764 225 511	764 225 511
Net Surplus for the year	55 642 383	55 642 383
Balance at 30 June 2020	819 867 895	819 867 895
Correction of Error - note 37.2	(1 824 222)	(1 824 222)
Correction of Error - note 37.2	1 987 000	1 987 000
Restated balance	820 030 672	820 030 672
Net Surplus/(Deficit) for the year	80 879 822	80 879 822
Balance at 30 June 2021	900 910 495	900 910 495



OUTDSHOORN LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 Actual R	2020 Restated R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Ratepayers and other		438 726 022	444 279 975
Government Grants and Subsidies		141 246 469	171 251 331
Interest		8 792 720	9 765 351
Cash payments			
Suppliers and Employees		(570 265 419)	(490 243 391)
Finance Charges		(4 160 940)	(4 687 079)
Transfers and Grants		(1 901 107)	(4 717 217)
Net Cash from Operating Activities	38	12 437 745	125 648 970
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(75 323 615)	(71 998 035)
Proceeds on Disposal of Fixed Assets			462 229
Purchase of Investment Properties		(1 155 371)	(1 148 542)
Purchase of Intangible Assets		(281 538)	(224 277)
Net Cash from Investing Activities		(76 760 524)	(72 908 624)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowing - Long term/Refinancing		16 500 000	18 000 000
Repayment of Borrowing		(13 997 520)	(16 101 678)
Net Cash from Financing Activities		2 502 480	1 898 322
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(61 820 299)	54 638 668
Cash and Cash Equivalents at the beginning of the year		177 787 185	123 148 517
Cash and Cash Equivalents at the end of the year	39	115 966 886	177 787 185
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(61 820 298)	54 638 668



**ODTSHOORN LOCAL MUNICIPALITY
SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021**

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

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

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

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	
Vote 1 - Executive & Council	Council General	Aggregated	Governance and Administration
	Office - Deputy Mayor	Aggregated	Governance and Administration
	Office - Ex Mayor	Aggregated	Governance and Administration
	Office - Speaker	Aggregated	Governance and Administration
Vote 2 - Municipal Manager	Cango Caves	Aggregated	Governance and Administration
	Office - Municipal Manager	Aggregated	Governance and Administration
	Performance Management	Aggregated	Governance and Administration
	Risk Management	Aggregated	Governance and Administration
Vote 3 -Corporate Services	Administration	Aggregated	Governance and Administration
	Human Resources	Aggregated	Governance and Administration
	Legal Services	Aggregated	Governance and Administration
	Manager Corporate	Aggregated	Governance and Administration
Vote 4 -Financial Services	Admin - Finance	Aggregated	Governance and Administration
	Computer Data Network It	Aggregated	Governance and Administration
	Finance - Accounting Services	Aggregated	Governance and Administration
	Finance - Expenditure	Aggregated	Governance and Administration
	Finance - Income	Aggregated	Governance and Administration
	Supply Chain Management	Aggregated	Governance and Administration
Vote 5-Community And Public Safety	Arbeidsgenot	Aggregated	Community and Public Safety
	Bongolethu Community Hall	Aggregated	Community and Public Safety
	Bridgton Resort	Aggregated	Community and Public Safety
	Bulk Waste	Aggregated	Trading services
	Cango Mountain Resort	Aggregated	Community and Public Safety
	Cango Mountain Resort - Restaurant	Aggregated	Community and Public Safety
	Cemetery Crematoriums	Aggregated	Community and Public Safety
	Community Halls	Aggregated	Community and Public Safety
	De Jager Sport Kompleks	Aggregated	Community and Public Safety
	Fire Fighting	Aggregated	Community and Public Safety
	Library Services	Aggregated	Community and Public Safety
	Manager Community Services	Aggregated	Community and Public Safety
	Parks Gardens	Aggregated	Community and Public Safety
	Refuse Removal	Aggregated	Trading services
	Sportground Recreation	Aggregated	Community and Public Safety
	Street Cleaning	Aggregated	services
	Swimming Pools	Aggregated	Community and Public Safety
	Traffic Licenses	Aggregated	Community and Public Safety
	Vote 6-Technical Services	Admin - Electricity	Aggregated
Admin - Engineers Streets		Aggregated	Trading services
Admin - Sewerage		Aggregated	Trading services
Dysselsdorp Sewerage Services		Aggregated	Trading services
Electricity Distribution		Aggregated	Trading services
Kkwrs		Aggregated	Trading services
Main Roads		Aggregated	Trading services
Manager Infrastructure		Aggregated	Trading services
Roads Storm Water Management		Aggregated	Economic and environmental services
Sewage Network		Aggregated	Trading services
Sewerage Purification Plant		Aggregated	Trading services
Storm Water Management		Aggregated	Trading services
Water Distribution		Aggregated	Trading services
Water Distribution Dysselsdorp		Aggregated	Trading services
Water Storage		Aggregated	Trading services
Workshop - Fleet Manager		Aggregated	Governance and Administration
Vote 7-Human Settlement	Housing	Aggregated	Community and Public Safety
Vote 8-Strategic Services	Airport	Aggregated	Unallocated
	Corporate Wide Strategic Planning	Aggregated	Economic and environmental services
	IDP Management	Aggregated	Economic and environmental services
	Town Planning	Aggregated	Economic and environmental services



**ODTSHOORN LOCAL MUNICIPALITY
SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021**

2021	Governance and Administration	Community ad Public Safety	Economic and Environmental Services	Trading Services	Total
	R	R	R	R	R
SEGMENT REVENUE					
External revenue from exchange transactions	17 305 196	6 268 090	-	354 829 885	378 403 171
Service Charges - Electricity Revenue	-	-	-	238 939 066	238 939 066
Service Charges - Water Revenue	-	-	-	59 083 036	59 083 036
Service Charges - Sanitation Revenue	-	-	-	35 285 360	35 285 360
Service Charges - Refuse Revenue	-	-	-	19 294 301	19 294 301
Rental Of Facilities And Equipment	1 449 820	72 563	-	-	1 522 383
Interest Earned - External Investments	5 748 841	-	-	-	5 748 841
Interest Earned - Outstanding Debtors	240 428	-	-	2 058 013	2 298 441
Agency Services	-	5 831 885	-	-	5 831 885
Other Revenue	9 866 107	363 643	-	170 110	10 399 859
External revenue from non-exchange transactions	154 006 139	15 456 026	3 294 996	41 528 131	214 285 292
Property Rates	97 888 750	-	-	-	97 888 750
Fines, Penalties And Forfeits	515 098	7 653 000	-	172 712	8 340 810
Interest Earned - Outstanding Debtors	959 958	-	-	-	959 958
Availability charges	-	-	-	2 857 099	2 857 099
Licences and Permits	-	-	-	-	-
Government Incentives Received	319 468	-	-	-	319 468
Transfers And Subsidies	54 322 864	7 803 027	3 294 996	38 498 320	103 919 207
Total Segment Revenue (excluding capital transfers and contributions)	171 311 334	21 724 117	3 294 996	396 358 016	592 688 463
SEGMENT EXPENDITURE					
Employee Related Costs	83 889 936	70 497 875	37 611 264	70 236 957	262 236 032
Remuneration Of Councillors	10 983 096	-	-	-	10 983 096
Debt Impairment	5 024 036	7 432 459	-	9 497 795	21 954 290
Depreciation & Asset Impairment	4 380 944	2 187 410	8 709 505	25 034 698	40 312 557
Finance Charges	4 040 094	73 578	-	1 478 023	5 591 695
Bulk Purchases	-	-	-	176 489 766	176 489 766
Other Materials	1 997 187	2 919 259	4 684 056	9 644 979	19 245 481
Contracted Services	9 070 631	8 330 171	171 235	3 823 178	21 395 215
Transfers and Subsidies	858 832	-	1 042 275	-	1 901 107
Other Expenditure	20 414 570	12 750 898	2 521 048	13 402 854	49 089 370
Loss on Disposal of PPE	1 086 130	-	-	-	1 086 130
Total Segment Expenditure	141 745 456	104 191 650	54 739 384	309 608 250	610 284 739
Surplus/(Deficit)	29 565 878	(82 467 533)	(51 444 388)	86 749 766	(17 596 276)
Transfers and Subsidies-Capital	-	2 201 176	25 303 355	31 904 882	59 409 413
Contributed Assets	-	39 066 686	-	-	39 066 686
Surplus/(Deficit) for the year	29 565 878	(41 199 671)	(26 141 033)	118 654 648	80 879 822
CAPITAL EXPENDITURE FOR THE YEAR	1 591 119	5 203 927	18 185 610	51 779 869	76 760 524

**ODTSHOORN LOCAL MUNICIPALITY
SEGMENT REPORT FOR THE YEAR ENDED 30 JUNE 2021**

2020 Restated					
	Governance and Administration	Community and Public Safety	Economic and environmental services	Trading services	Total
	R	R	R	R	R
SEGMENT REVENUE					
External revenue from exchange transactions	33 177 617	6 147 952	-	340 985 550	380 311 119
Service Charges - Electricity Revenue	-	-	-	227 509 838	227 509 838
Service Charges - Water Revenue	-	-	-	57 937 555	57 937 555
Service Charges - Sanitation Revenue	-	-	-	33 359 083	33 359 083
Service Charges - Refuse Revenue	-	-	-	18 771 793	18 771 793
Rental of Facilities and Equipment	1 836 461	737 316	-	-	2 573 777
Interest Earned - External Investments	10 998 733	-	-	-	10 998 733
Interest Earned - Outstanding Debtors	412 481	-	-	3 275 018	3 687 499
Agency Services	-	4 882 687	-	-	4 882 687
Other Revenue	19 929 941	527 949	-	132 264	20 590 154
External revenue from non-exchange transactions	136 585 347	24 654 197	5 083 390	38 824 163	205 147 098
Property Rates	92 909 167	-	-	-	92 909 167
Fines, Penalties And Forfeits	251 270	11 773 905	-	277 860	12 303 035
Interest Earned - Outstanding Debtors	1 044 206	-	-	-	1 044 206
Availability charges	-	-	-	2 519 053	2 519 053
Licences and Permits	-	-	-	-	-
Transfers And Subsidies	40 957 727	12 880 292	4 846 799	36 027 250	94 712 069
Government Incentives Received	960 747	-	236 591	-	1 197 338
Gains on Disposal of PPE	462 229	-	-	-	462 229
Total Segment Revenue (excluding capital transfers and contributions)	169 762 964	30 802 149	5 083 390	379 809 714	585 458 217
SEGMENT EXPENDITURE					
Employee Related Costs	65 205 033	66 868 605	37 451 499	66 652 953	236 178 090
Remuneration Of Councillors	11 212 892	-	-	-	11 212 892
Debt Impairment	7 166 128	9 032 955	-	21 267 502	37 466 585
Depreciation & Asset Impairment	8 154 385	3 557 231	8 117 934	21 812 538	41 642 087
Finance Charges	4 222 540	257 399	11 871	1 955 727	6 447 537
Bulk Purchases	-	-	-	169 110 184	169 110 184
Other Materials	2 037 404	2 854 088	2 035 126	9 724 689	16 651 307
Contracted Services	9 492 421	7 972 192	508 237	4 797 289	22 770 139
Transfers and Subsidies	574 260	2 094 362	2 048 596	-	4 717 217
Other Expenditure	22 973 541	12 134 341	3 317 651	9 493 152	47 918 685
Loss on Disposal of PPE	608 521	160 699	-	-	769 221
Total Segment Expenditure	131 647 124	104 931 872	53 490 914	304 814 034	594 883 944
Surplus/(Deficit)	38 115 840	(74 129 722)	(48 407 523)	74 995 679	(9 425 727)
Transfers and Subsidies-Capital	496 906	6 063 225	16 354 748	40 266 810	63 181 689
Contributed Assets	-	62 200	-	-	62 200
Surplus/(Deficit) for the year	38 612 746	(68 004 298)	(32 052 776)	115 262 490	53 818 162
CAPITAL EXPENDITURE FOR THE YEAR	2 792 919	6 787 146	11 561 843	52 228 548	73 370 457

Please note:

Total assets and total liabilities of segments have not been disclosed as the amounts are not regularly provided to management for review

Reasons for differences between Segmental Reported and Statement of Financial Performance items on Employee Cost and Other Revenue/Expenditure relates to the Actuarial Gains/Losses that are classified as Employee Related Cost in terms of the C Schedule format of National Treasury upon which the municipality report to the council

Reasons for the differences between the Segmental Reported and Statement of Financial Performance for Depreciation & Amortisation is because Depreciation, Amortisation and Asset Impairment are aggregated on the Segmental Report in terms of the C Schedule format of National Treasury upon which we report to council

OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

Notes	Original Budget	Budget	Final Adjustment	Final Budget	Actual Outcome	Actual	
		Adjustments	Budget			Outcome as %	
		(i.t.o. s28 and s31 of the MFMA)			2021	of Final	
	R	R	R	R	R	Budget	
						%	
ASSETS							
Current Assets							
Cash	2 673 877	(2 245 473)	428 404	428 404	16 125 651	3664.12%	
Call Investment Deposits	81 030 410	34 228 650	115 259 060	115 259 060	99 841 236	-13.38%	
Consumer Debtors	50 054 068	11 814 409	61 868 477	61 868 477	60 020 732	-2.99%	
Other Debtors	20 586 994	(18 919 258)	1 667 736	1 667 736	13 461 026	707.14%	
Operating Lease Asset	616	4 614	5 230	5 230	19 142	266.01%	
Inventory	2 565 206	(104 785)	2 460 421	2 460 421	3 121 406	26.86%	
Total Current Assets	42.2.1	156 911 171	24 778 157	181 689 328	181 689 328	192 589 193	6.00%
Non-Current Assets							
Investment Property	17 255 620	(133 474)	17 122 146	17 122 146	16 937 827	-1.08%	
Property, Plant and Equipment	949 225 842	(30 344 715)	918 881 127	918 881 127	977 911 710	6.42%	
Intangible Assets	2 083 366	(248 978)	1 834 388	1 834 388	1 143 195	-37.68%	
Other Non-Current Assets	13 774 346	4	13 774 350	13 774 350	13 774 345	0.00%	
Total Non-Current Assets	42.2.2	982 339 174	(30 727 163)	951 612 011	951 612 011	1 009 767 078	6.11%
TOTAL ASSETS		1 139 250 345	(5 949 006)	1 133 301 339	1 133 301 339	1 202 356 270	6.09%
LIABILITIES							
Current Liabilities							
Borrowing	15 467 969	(1 470 449)	13 997 520	13 997 520	11 556 205	-17.44%	
Consumer Deposits	10 570 638	748 891	11 319 529	11 319 529	11 139 126	-1.59%	
Trade and Other Payables	132 170 565	(37 456 146)	94 714 419	94 714 419	63 952 297	-32.48%	
Provisions	20 804 913	11 815 273	32 620 186	32 620 186	29 639 545	-9.14%	
Total Current Liabilities	42.2.3	179 014 085	(26 362 431)	152 651 654	152 651 654	116 287 174	-23.82%
Non-Current Liabilities							
Borrowing	14 855 703	33 718 722	48 574 425	48 574 425	42 680 824	-12.13%	
Provisions	157 859 109	(29 096 607)	128 762 502	128 762 502	142 477 778	10.65%	
Total Non-Current Liabilities	42.2.4	172 714 812	4 622 115	177 336 927	177 336 927	185 158 602	4.41%
TOTAL LIABILITIES		351 728 897	(21 740 316)	329 988 581	329 988 581	301 445 775	-8.65%
NET ASSETS							
Accumulated Surplus/(Deficit)	787 521 448	15 791 311	803 312 759	803 312 759	900 910 495	12.15%	
TOTAL NET ASSETS	42.2.5	787 521 448	15 791 311	803 312 759	803 312 759	900 910 495	12.15%

OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget	
	R	R	R	R	2021 R	%	
REVENUE							
Property Rates	98 077 769	(72 456)	98 005 313	98 005 313	97 888 750	-0.12%	
Service Charges - Electricity Revenue	259 159 016	(11 339 887)	247 819 129	247 819 129	238 939 066	-3.58%	
Service Charges - Water Revenue	65 573 704	(8 005 224)	57 568 480	57 568 480	59 083 036	2.63%	
Service Charges - Sanitation Revenue	35 908 361	(290 835)	35 617 526	35 617 526	35 285 360	-0.93%	
Service Charges - Refuse Revenue	19 201 916	849 069	20 050 985	20 050 985	19 294 301	-3.77%	
Rental of Facilities and Equipment	2 214 245	(583 847)	1 630 398	1 630 398	1 522 383	-6.63%	
Interest Earned - External Investments	10 900 615	(5 249 144)	5 651 471	5 651 471	5 748 841	1.72%	
Interest Earned - Outstanding Debtors	4 991 949	(2 582 167)	2 409 782	2 409 782	3 258 400	35.22%	
Fines	6 475 688	(4 285 581)	2 190 107	2 190 107	8 340 810	280.84%	
Licences and Permits	353 136	-	353 136	353 136	-	-100.00%	
Agency Services	4 217 728	800 000	5 017 728	5 017 728	6 085 630	21.28%	
Transfers Recognised - Operational	96 291 948	12 006 848	108 298 796	108 298 796	103 919 207	-4.04%	
Other Revenue	16 036 435	(4 650 491)	11 385 944	11 385 944	13 322 682	17.01%	
Gains on Disposal of PPE	-	-	-	-	-	0.00%	
Total Revenue (excluding capital transfers and contributions)	42.2.6	619 402 510	(23 403 715)	595 998 795	595 998 795	592 688 463	-0.56%
EXPENDITURE							
Employee Related Costs	266 089 641	(6 076 231)	260 013 410	260 013 410	254 445 894	-2.14%	
Remuneration of Councillors	11 303 489	508 173	11 811 662	11 811 662	10 983 096	-7.01%	
Debt Impairment	22 351 116	(1 589 829)	20 761 287	20 761 287	21 954 290	5.75%	
Depreciation and Asset Impairment	43 172 175	(1 525 685)	41 646 490	41 646 490	40 312 557	-3.20%	
Finance Charges	5 910 514	(514 068)	5 396 446	5 396 446	5 591 695	3.62%	
Bulk Purchases	182 714 303	(1 987 508)	180 726 795	180 726 795	176 489 766	-2.34%	
Other Materials	22 053 655	415 393	22 469 048	22 469 048	19 245 481	-14.35%	
Contracted Services	38 593 042	(6 446 798)	32 146 244	32 146 244	21 395 215	-33.44%	
Transfers and Grants	6 192 636	(2 429 960)	3 762 676	3 762 676	1 901 107	-49.47%	
Other Expenditure	58 749 626	2 116 122	60 865 748	60 865 748	56 879 508	-6.55%	
Loss on Disposal of PPE	-	-	-	-	1 086 130	100.00%	
Total Expenditure	42.2.7	657 130 197	(17 530 391)	639 599 806	639 599 806	610 284 739	-4.58%
Surplus/(Deficit)		(37 727 687)	(5 873 324)	(43 601 011)	(43 601 011)	(17 596 276)	-59.64%
Transfers Recognised - Capital Contributed Assets	42.2.6	64 464 212	4 383 074	68 847 286	68 847 286	59 409 413	-13.71%
		-	-	-	-	39 066 686	100.00%
Surplus/(Deficit) for the year		26 736 525	(1 490 250)	25 246 275	25 246 275	80 879 822	220.36%



ODTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome 2021	Actual Outcome as % of Final Budget	
	R	R	R	R	R	%	
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property Rates	91 212 325	(67 384)	91 144 941	91 144 941	89 173 260	-2.16%	
Service Charges	353 253 988	(15 455 293)	337 798 695	337 798 695	330 491 308	-2.16%	
Other Revenue	24 406 159	(4 923 243)	19 482 916	19 482 916	19 061 454	-2.16%	
Government - Operating	96 291 948	11 611 564	107 903 512	107 903 512	106 884 469	-0.94%	
Government - Capital	64 464 212	(30 863 564)	33 600 648	33 600 648	34 362 000	2.27%	
Interest	15 642 967	(9 991 496)	5 651 471	5 651 471	8 792 720	55.58%	
Payments							
Suppliers and Employees	(565 276 491)	10 296 490	(554 980 001)	(554 980 001)	(570 265 419)	2.75%	
Finance costs	(5 856 496)	514 067	(5 342 429)	(5 342 429)	(4 160 940)	-22.12%	
Transfers and Grants	(6 192 636)	2 429 960	(3 762 676)	(3 762 676)	(1 901 107)	-49.47%	
Net Cash from/(used) Operating Activities	42.2.8	67 945 976	(36 448 899)	31 497 077	31 497 077	12 437 745	-60.51%
CASH FLOW FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Debtors	-	-	-	-	-	-	
Decrease/(Increase) in Other Non-Current Receivables	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Investments	-	-	-	-	-	-	
Payments							
Capital Assets	(81 660 664)	(23 414 253)	(105 074 917)	(105 074 917)	(76 760 524)	-26.95%	
Net Cash from/(used) Investing Activities	42.2.9	(81 660 664)	(23 414 253)	(105 074 917)	(105 074 917)	(76 760 524)	-26.95%
CASH FLOW FROM FINANCING ACTIVITIES							
Receipts							
Borrowing long term/refinancing	16 500 000	11 211 724	27 711 724	27 711 724	16 500 000	-40.46%	
Increase/(Decrease) in Consumer Deposits	598 338	42 391	640 729	640 729	-	-100.00%	
Payments							
Repayment of Borrowing	(16 874 329)	-	(16 874 329)	(16 874 329)	(13 997 520)	-17.05%	
Net Cash from/(used) Financing Activities	42.2.10	224 009	11 254 115	11 478 124	11 478 124	2 502 480	-78.20%
NET INCREASE/(DECREASE) IN CASH HELD							
Cash and Cash Equivalents at the year begin:	(13 490 679)	(48 609 037)	(62 099 716)	(62 099 716)	(61 820 299)	-0.45%	
	97 194 964	80 592 226	177 787 190	177 787 190	177 787 185	0.00%	
Cash and Cash Equivalents at the year end:	83 704 285	31 983 189	115 687 474	115 687 474	115 966 886	0.24%	

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2021

	Cost/Revaluation					Accumulated Depreciation and Impairment Losses					Carrying Value	
	Opening Balance	Additions	Under Construction	Contributed Assets	Disposals/ Impairment	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals/ Impairment		Closing Balance
Land and Buildings												
Land	93 884 781	-	-	-	-	93 884 781	18 289 750	-	-	-	18 289 750	75 595 031
Buildings	47 099 463	977 775	24 495	-	-	48 101 734	10 025 925	825 688	-	-	10 851 613	37 250 121
	140 984 245	977 775	24 495	-	-	141 986 515	28 315 675	825 688	-	-	29 141 363	112 845 152
Infrastructure												
Roads & Stormwater	236 815 822	9 960 777	5 643 987	28 365 298	(118 240)	280 667 644	80 952 474	8 709 505	-	(104 233)	89 557 747	191 109 898
Electricity	198 195 485	197 998	2 746 380	-	(1 410 365)	199 729 499	71 872 232	8 540 055	-	(746 433)	79 665 853	120 063 646
Water Supply	425 951 838	7 535 482	18 445 868	3 620 998	(281 069)	455 273 116	114 619 904	10 075 935	-	(138 978)	124 556 861	330 716 255
Sanitation	103 431 093	9 657 715	13 628 061	7 080 390	(122 351)	133 674 908	29 440 110	3 711 756	-	(107 052)	33 044 814	100 630 094
Solid Waste Infrastructure	8 510 028	-	-	-	-	8 510 028	466 351	233 368	-	-	699 720	7 810 308
Communion Infrastructure	1 021 561	66 565	-	-	-	1 088 126	99 459	102 077	-	-	201 537	886 590
	973 925 827	27 418 538	40 464 297	39 066 686	(1 932 026)	1 078 943 322	297 450 531	31 372 697	-	(1 096 696)	327 726 531	751 216 790
Capitalised Restoration Cost												
	12 275 153	4 331 692	-	-	-	16 606 845	12 260 537	852 285	-	-	13 112 822	3 494 023
Community Assets												
Libraries	7 373 241	-	1 941 680	-	-	9 314 921	1 278 582	98 742	-	-	1 377 325	7 937 596
Civic Buildings	24 564 762	-	-	-	-	24 564 762	7 305 206	368 674	-	-	7 673 880	16 890 881
Recreational Facilities	81 064 889	236 432	-	-	-	81 301 321	31 811 144	730 418	-	-	32 541 562	48 759 759
Cemeteries	1 730 291	-	-	-	-	1 730 291	199 283	12 608	-	-	211 892	1 518 399
Other	12 537 377	2 014 463	-	-	-	14 551 840	3 304 864	151 279	-	-	3 456 143	11 095 697
	127 270 560	2 250 894	1 941 680	-	-	131 463 134	43 899 080	1 361 722	-	-	45 260 802	86 202 333

	Cost/Revaluation					Accumulated Depreciation and Impairment Losses					Carrying Value	
	Opening Balance	Additions	Under Construction	Contributed Assets	Disposals/ Impairment	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals/ Impairment		Closing Balance
Other Assets												
Furniture and Office Equipment	12 524 853	802 920	-	-	(412 306)	12 915 468	6 272 085	1 181 542	-	(328 966)	7 124 662	5 790 806
Motor vehicles	18 131 340	-	-	-	(3 277)	18 128 063	9 465 184	620 986	-	(3 089)	10 083 081	8 044 982
Computer Equipment	6 638 663	606 969	-	-	(523 928)	6 721 704	2 292 317	836 175	-	(411 536)	2 716 956	4 004 748
Plant & Equipment	8 703 638	836 048	-	-	(195 859)	9 343 827	3 947 252	846 012	-	(140 979)	4 652 285	4 691 542
	45 998 494	2 245 937	-	-	(1 135 369)	47 109 062	21 976 839	3 484 715	-	(884 570)	24 576 984	22 532 078
Leases												
Vehicles and Office Equipment	4 924 351	-	-	-	-	4 924 351	1 681 753	1 621 299	-	-	3 303 052	1 621 299
	4 924 351	-	-	-	-	4 924 351	1 681 753	1 621 299	-	-	3 303 052	1 621 299
Total	1 305 378 630	37 224 835	42 430 472	39 066 686	(3 067 395)	1 421 033 229	405 584 415	39 518 405	-	(1 981 265)	443 121 554	977 911 675

OUTDSHOORN LOCAL MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2.2 30 JUNE 2020

	Cost/Revaluation					Accumulated Depreciation and Impairment Losses					Carrying Value	
	Opening Balance	Additions	Under Construction	Contributed Assets	Disposals/ Impairment	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals/ Impairment		Closing Balance
Land and Buildings												
Land	91 897 781	1 987 000	-	-	-	93 884 781	18 289 750	-	-	-	18 289 750	75 595 031
Balance previously Reported	78 340 485		-	-	-	78 340 485	18 289 750	-	-	-	18 289 750	60 050 735
Correction of error note 37.1(o)	13 437 200	1 987 000	-	-	-	15 424 200	-	-	-	-	-	15 424 200
Buildings	45 693 396	1 293 663	112 404	-	-	47 099 463	8 862 208	1 163 717	-	-	10 025 925	37 073 539
Balance previously Reported	45 468 445	1 231 747	141 387	-	-	46 841 579	8 854 941	1 160 150	-	-	10 015 091	36 826 487
Correction of error note 37.1(n)	-	0	(23 790)	-	-	(23 790)	-	-	-	-	-	(23 790)
Correction of error note 37.1(q)	-	0	(5 193)	-	-	(5 193)	-	-	-	-	-	(5 193)
Correction of error note 37.1(o)	356 800	0	-	-	-	356 800	7 267	3 567	-	-	10 833	345 967
Correction of error note 37.1(b)	-	61 916	-	-	-	61 916	-	-	-	-	-	61 916
	137 591 177	3 280 663	112 404	-	-	140 984 245	27 151 958	1 163 717	-	-	28 315 675	112 668 570
Infrastructure												
Roads & Stormwater	221 669 639	1 121 011	14 137 260	-	(112 087)	236 815 822	72 936 149	8 080 180	-	(63 855)	80 952 474	155 863 348
Balance Previously Reported	221 669 639	1 121 011	13 485 086	-	(112 087)	236 163 648	72 936 149	8 080 180	-	(63 855)	80 952 474	155 211 175
Correction of error note 37.1(l)	-	-	652 174	-	-	652 174	-	-	-	-	-	652 174
Electricity	190 172 484	3 526 922	4 496 079	-	-	198 195 485	63 409 426	8 462 806	-	-	71 872 232	126 323 253
Balance Previously reported	166 296 499	3 788 254	4 496 079	-	-	174 580 832	63 778 229	6 906 184	-	-	70 684 413	103 896 419
Correction of error note 37.1(v)	25 007 901	-	-	-	-	25 007 901	-	1 633 480	-	-	1 633 480	23 374 421
Correction of error note 37.1(u)	(1 131 916)	(261 331)	-	-	-	(1 393 248)	(368 803)	(76 858)	-	-	(445 661)	(947 587)
Water Supply	383 991 088	22 395	41 938 355	-	-	425 951 838	104 999 921	9 619 983	-	-	114 619 904	311 331 933
Balance Previously reported	381 830 880	22 395	40 253 493	-	-	422 106 768	104 999 921	9 619 983	-	-	114 619 904	307 486 863
Correction of error note 37.1(s)	769 748	-	-	-	-	769 748	-	-	-	-	-	769 748
Correction of error note 37.1(m)	-	-	768 116	-	-	768 116	-	-	-	-	-	768 116
Correction of error note 37.1(d)	1 390 460	-	916 746	-	-	2 307 206	-	-	-	-	-	2 307 206



OUTDSHOORN LOCAL MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Sanitation	101 922 534	-	1 508 559	-	-	103 431 093	25 562 899	3 877 211	-	-	29 440 110	73 990 983
Balance Previously reported	101 922 534	-	1 628 678	-	-	103 551 212	25 562 899	3 877 211	-	-	29 440 110	74 111 102
Correction of error note 37.1(r)	-	-	158 253	-	-	158 253	-	-	-	-	-	158 253
Correction of error note 37.1(t)	-	-	(19 214)	-	-	(19 214)	-	-	-	-	-	(19 214)
Correction of error note 37.1(c)	-	-	(259 158)	-	-	(259 158)	-	-	-	-	-	(259 158)
Solid Waste Infrastructure	8 510 028	-	-	-	-	8 510 028	232 983	233 368	-	-	466 351	8 043 677
Communion Infrastructure	986 701	34 860	-	-	-	1 021 561	-	99 459	-	-	99 459	922 102
	907 252 474	4 705 188	62 080 252	-	(112 087)	973 925 827	267 141 378	30 373 009	-	(63 855)	297 450 531	676 475 297
Capitalised Restoration Cost	12 245 584	29 569	-	-	-	12 275 153	5 796 320	312 331	-	6 151 886	12 260 537	14 616
Balance previously reported	11 527 893	-	-	-	-	11 527 893	5 737 857	359 712	-	5 430 324	11 527 893	0
Correction of error note 37.1(a)	717 691	29 569	-	-	-	747 260	58 463	(3 872)	-	721 562	54 591	692 669
Correction of error note 37/01(w)	-	-	-	-	-	-	-	(43 509)	-	-	678 053	(678 053)
Community Assets												
Libraries	7 075 476	-	297 765	-	-	7 373 241	1 179 569	99 013.66	-	-	1 278 582	6 094 659
Civic Buildings	24 564 762	-	-	-	-	24 564 762	6 935 519	369 687.03	-	-	7 305 206	17 259 556
Recreational Facilities	81 533 813	-	357 325	-	(826 248)	81 064 889	31 212 300	1 313 478.44	-	(714 634)	31 811 144	49 253 745
Cemeteries	2 425 539	-	-	-	(695 248)	1 730 291	330 626	514 819.68	-	(646 162)	199 283	1 531 007
Other	11 947 533	-	589 844	-	-	12 537 377	3 153 540	151 323.89	-	-	3 304 864	9 232 513
	127 547 122	-	1 244 934	-	(1 521 496)	127 270 560	42 811 554	2 448 323	-	(1 360 797)	43 899 080	83 371 480

	Cost/Revaluation					Accumulated Depreciation and Impairment Losses					Carrying Value	
	Opening Balance	Additions	Under Construction	Contributed PPE	Disposals/ Impairment	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals/ Impairment		Closing Balance
Other Assets												
Furniture and Office Equipment	12 635 607	351 514	-	-	(462 267)	12 524 853	5 380 835	1 223 673	-	(332 423)	6 272 085	6 252 768
Balance previously reported	12 073 919	346 322	-	-	(462 267)	11 957 973	5 380 835	1 174 231	-	(332 423)	6 222 644	5 735 329
Correction of error note 37.1(p)	561 348	-	-	-	-	561 348	-	49 224	-	-	49 224	512 124
Correction of error note 37.1(q)	-	5 193	-	-	-	5 193	-	218	-	-	218	4 975
Motor vehicles	17 844 529	454 355	-	-	(167 544)	18 131 340	8 964 806	611 116	-	(110 738)	9 465 184	8 666 155
Balance previously reported	17 826 029	454 355	-	-	(167 544)	18 112 840	8 964 806	609 267	-	(110 738)	9 463 336	8 649 504
Correction of error note 37.1(p)	18 500	-	-	-	-	18 500	-	1 849	-	-	1 849	16 651
Computer Equipment	6 350 598	629 112	-	62 200	(403 247)	6 638 663	1 757 949	817 835	-	(283 466)	2 292 317	4 346 345
Balance previously reported	6 281 518	629 112	-	62 200	(403 247)	6 569 583	1 757 949	810 897	-	(283 466)	2 285 380	4 284 203
Correction of error note 37.1(p)	69 420	-	-	-	-	69 420	-	6 937	-	-	6 937	62 483
Plant & Equipment	9 268 003	1 126 623	-	-	(1 690 988)	8 703 638	4 386 950	997 432	-	(1 437 129)	3 947 252	4 756 386
Balance previously reported	8 656 310	1 107 409	-	-	(1 690 988)	8 072 732	4 386 950	935 802	-	(1 437 129)	3 885 623	4 187 109
Correction of error note 37.1(t)	-	19 214	-	-	-	19 214	-	502	-	-	502	18 712
Correction of error note 37.1(p)	611 692	-	-	-	-	611 692	-	61 127	-	-	61 127	550 565
	46 098 736	2 561 605	-	62 200	(2 724 046)	45 998 494	20 490 540	3 650 055	-	(2 163 756)	21 976 839	24 021 655
Leases												
Vehicles and Office Equipment	18 392 694	1 859 319	-	-	(15 327 661)	4 924 351	12 026 843	4 982 572	-	(15 327 661)	1 681 753	3 242 598
	18 392 694	1 859 319	-	-	(15 327 661)	4 924 351	12 026 843	4 982 572	-	(15 327 661)	1 681 753	3 242 598
Total	1 249 127 787	12 436 344	63 437 590	62 200	(19 685 290)	1 305 378 630	375 418 593	42 930 006	-	(12 764 184)	405 584 415	899 794 216

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R	
2. PROPERTY, PLANT AND EQUIPMENT			
<u>Insert sheet:</u> page 66			
page 67			
page 68			
	2021 R	2020 R	
2.1 Property, Plant and Equipment which is in the process of being constructed or developed:			
Infrastructure Assets	131 276 706	119 198 619	
Roads & Stormwater	5 643 987	13 485 086	
Electricity	7 242 459	4 496 079	
Water Supply	104 762 198	96 135 348	
Sanitation	13 628 061	5 082 107	
Community Assets	2 297 765	1 303 254	
Other Assets	24 495	141 387	
Total Property, Plant and Equipment under construction	133 598 966	120 643 259	
	2021 R	2020 R	
2.2 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:			
Infrastructure Assets	98 734 578	84 419 966	
Water Supply	98 734 578	84 419 966	
Total	98 734 578	84 419 966	
	2021 R	2020 R	
2.4 Expenditure incurred to repair and maintain Property, Plant and Equipment:			
Employee related costs	-	-	
Other materials	14 690 845	12 881 436	
Contracted Services	181 208	609 544	
Other Expenditure	158 102	119 599	
Total Repairs and Maintenance	15 030 155	13 610 579	
	2021 R	2020 R	
2.5 Reversal of Impairment losses of Property, Plant and Equipment			
Reversal of Impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:			
Capitalised Restoration Cost	-	1 803 688	
Total Reversal of Impairment losses	-	1 803 688	
2.6 Effect of changes in accounting estimates			
Disclose the effect of a change in accounting estimate will have on the current period and subsequent periods. If no changes in accounting estimate, clearly state the fact.			
	2021 R	2022 R	2023 R
Effect on Property, plant and equipment	139 833	209 749	79 679
	2021 R	2020 R	
2.7 Contractual commitments for acquisition of Property, Plant and Equipment:			
Approved and contracted for:	62 362 519	48 131 286	
Infrastructure	48 005 939	47 813 772	
Community	7 299 625	-	
Other	7 056 955	317 514	
Total	62 362 519	48 131 286	

	2021 R	2020 R
This expenditure will be financed from:		
External Loans	17 433 466	-
Government Grants	34 475 722	23 061 027
Own Resources	10 453 331	25 070 259
Total	62 362 519	48 131 286

2.8 Land is controlled, but Oudtshoorn is not the legal owner/custodian

Carrying amount at year end	9 875 000	9 875 000
Total	9 875 000	9 875 000

Key judgements and assumptions applied

- Right to direct access to land, and to restrict/deny the access of others

3. INVESTMENT PROPERTY

3.1 Net Carrying amount at 1 July

	15 900 831	14 870 991
Cost/Valuation	20 516 542	19 368 000
Accumulated Depreciation	(1 542 632)	(1 423 930)
Accumulated Impairment Loss	(3 073 079)	(3 073 079)
Additions	1 155 371	1 148 542
Depreciation for the year	(118 374)	(118 702)
Net Carrying amount at 30 June	16 937 827	15 900 831
Cost/Valuation	21 671 913	20 516 542
Accumulated Depreciation	(1 661 006)	(1 542 632)
Accumulated Impairment Loss	(3 073 079)	(3 073 079)

3.2 Revenue from Investment Property

Revenue derived from the rental of Investment Property	387 178	338 274
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3.3 Investment Property which is in the process of being constructed or developed:

Revenue Generating	2 303 913	1 148 542
Improved Property	2 303 913	1 148 542
Total	2 303 913	1 148 542

4. INTANGIBLE ASSETS

4.1 Net Carrying amount at 1 July

	1 537 435	1 710 227
Cost	3 156 856	2 932 580
Accumulated Amortisation	(1 619 421)	(1 222 353)
Additions	281 538	224 277
Amortisation	(675 778)	(397 068)
Net Carrying amount at 30 June	1 143 195	1 537 435
Cost	3 438 394	3 156 856
Accumulated Amortisation	(2 295 199)	(1 619 421)
Accumulated Impairment Loss	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021 R	2020 R
4.2	Material Intangible Assets included in the carrying value:		
	<u>Remaining Amortisation Period</u>		
	<u>Description</u>		
	Software	1 143 195	1 537 435

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

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

5. HERITAGE ASSETS

5.1	Net Carrying amount at 1 July	13 774 345	13 774 345
	Cost	13 774 345	13 774 345
	Additions	-	-
	Net Carrying amount at 30 June	13 774 345	13 774 345
	Cost	13 774 345	13 774 345

There are no restrictions on the realizability of Heritage Assets or the remittance of revenue and proceeds of disposal.

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

There are no Heritage Assets pledged as security for liabilities

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

Rust end Vrede Waterfall

The Rust & vrede Waterfall is engraved into the heart of the Swartberg Mountain. The Waterfall is situated on a scenic detour branching off the R328, 18km from Oudtshoorn on the way to the Cango Caves on erf 25. It is classified as a heritage asset controlled and owned by the Municipality. From this waterfall, Oudtshoorn acquires its water supply which is carried by a pipeline, 35 km in length, to the town reservoir and the Raubenheimer Dam.

The Rust and Vrede Waterfall is an asset that was not purchased or contributed. It could not be reliably measured as this is not a manmade structure and no market value exists as this is a unique natural landmark. This asset lacks comparability to other assets in the municipality. The cash flow method could not be used to obtain a value, as it is impractical to place a value on a natural landmark.

Herrie's Stone, Meiringspoort, Oudtshoorn District

The Afrikaans writer, C J Langenhoven, chiselled the name of the well-known elephant 'Herrie', from his book 'Sonde met die Bure', on this rock in July 1929. This has been declared as a Heritage Site.

This heritage asset's value could not be reliably measured as it was not purchased nor is there an active market for it and there is no alternative method for valuating this heritage asset.

The following Heritage Assets were identified and measured in terms of GRAP:

Cango Caves

This famous attraction is situated in the Cango ward 29 km north of Oudtshoorn and situated on erf 28. It is classified as a heritage asset and controlled by the Municipality.

The entrance is in the face of a hill beside the Grobbelaar's River. The maxe of caves with their beautiful stalactite formations are most impressive. It is generally accepted that the caves were discovered in 1780 by a herdsman of a farmer called Van Zyl of Doornrivier, while he was looking for lost cattle.

11 796 645

11 796 645



OUTDSHOORN LOCAL MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
<u>CP Nel Museum Building</u>		
The building reflects a late Victorian Colonial style of a classical building and dates from about 1909 and for some half a century served as a boys' school. In 1980 the building complex was declared a National Monument and is owned by the Municipality.	1 940 000	1 940 000
<u>Mayoral Chains</u>		
The municipality has two mayoral chains which are kept in a safe at the main building.	37 700	37 700
6. OPERATING LEASE ARRANGEMENTS		
6.1 The Municipality as Lessor		
Operating Lease Asset	<u>19 142</u>	<u>5 230</u>
<u>Disclosed as follows:</u>		
Current Operating Lease Asset	<u>19 142</u>	<u>5 230</u>
	<u>19 142</u>	<u>5 230</u>
<u>Reconciliation</u>		
Balance at the beginning of the year	5 230	616
Movement during the year	<u>13 912</u>	<u>4 614</u>
Balance at the end of the year	<u>19 142</u>	<u>5 230</u>
At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:		
Up to 1 Year	240 850	156 522
1 to 5 Years	647 780	641 367
More than 5 Years	<u>503 039</u>	<u>667 409</u>
Total Operating Lease Arrangements	<u>1 391 669</u>	<u>1 465 297</u>
This operating lease expenditure determined from contracts that have a specific condition expenditure and does not include leases which has a undetermined conditional expenditure.		
7. INVENTORY		
Maintenance Materials - At Cost	2 624 088	1 932 516
Water – At Cost	<u>497 318</u>	<u>421 952</u>
Total Inventory	<u>3 121 406</u>	<u>2 354 468</u>
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
7.1 Inventories recognise as an expense during the year:		
Consumables	8 955 082	6 954 439
Finished Goods	329 992	154 005
Materials and supplies	9 960 407	9 067 838
Correction of error note 37.1(g)	-	213 695
Correction of error note 37.1(u)	-	261 331
Total	<u>19 245 481</u>	<u>16 651 307</u>



	2021 R	2020 R
8. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	30 695 967	22 877 556
Water	22 933 740	25 339 818
Property Rentals	506	506
Waste Management	10 566 315	10 297 696
Waste Water Management	13 874 646	13 282 828
Units not billed	9 558 829	8 061 740
Legal Fees Recovery	29 216	727 184
Klein Karoo Water Scheme	4 656 076	3 305 964
Sundry municipal charges	4 909 721	4 990 951
Prepaid expenditure	3 475	15 001
Other	23 400	23 400
Suspense Debtors	2 965 592	2 316 635
Correction of error as per note 37.1(h)	-	(214 175)
Correction of error as per note 37.1(h)	-	(142 002)
Correction of error as per note 37.1(i)	-	320 812
Correction of error as per note 37.1(j)	-	311 349
Total: Receivables from exchange transactions (before provision)	100 217 484	91 515 261
Less: Provision for Debt Impairment	(40 196 752)	(51 059 260)
Total: Receivables from exchange transactions (after provision)	60 020 732	40 456 001

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

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	12 883 891	10 226 122
31 - 60 Days	2 718 419	2 259 200
61 - 90 Days	2 138 639	1 588 314
+ 90 Days	12 955 019	8 803 921
Total	30 695 967	22 877 556

(Water): Ageing

Current (0 - 30 days)	4 990 942	4 037 967
31 - 60 Days	2 238 301	1 977 287
61 - 90 Days	1 520 387	1 544 480
+ 90 Days	14 184 110	17 780 084
Total	22 933 740	25 339 818

(Property Rentals): Ageing

Current (0 - 30 days)		
31 - 60 Days		
61 - 90 Days		
+ 90 Days	506	506
Total	506	506

(Waste Management): Ageing

Current (0 - 30 days)	1 555 163	1 514 244
31 - 60 Days	522 346	656 192
61 - 90 Days	390 357	495 396
+ 90 Days	8 098 450	7 631 864
Total	10 566 315	10 297 696

	2021 R	2020 R
<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	2 569 132	2 591 845
31 - 60 Days	814 029	954 368
61 - 90 Days	624 974	697 657
+ 90 Days	9 866 512	9 038 958
Total	13 874 646	13 282 828
<u>(Units not billed): Ageing</u>		
Current (0 - 30 days)	9 558 829	8 061 740
31 - 60 Days		
61 - 90 Days		
+ 90 Days		
Total	9 558 829	8 061 740
<u>(Legal Fees Recovery): Ageing</u>		
Current (0 - 30 days)		
31 - 60 Days		
61 - 90 Days		
+ 90 Days	29 216	727 184
Total	29 216	727 184
<u>(Klein Karoo Water Scheme): Ageing</u>		
Current (0 - 30 days)	505 910	658 037
31 - 60 Days	301 828	188 415
61 - 90 Days	210 479	197 550
+ 90 Days	3 637 859	2 261 962
Total	4 656 076	3 305 964
<u>(Sundry municipal charges): Ageing</u>		
Current (0 - 30 days)	478 356	564 805
31 - 60 Days	134 298	172 502
61 - 90 Days	326 934	167 013
+ 90 Days	6 935 724	6 679 249
Total	7 875 313	7 583 569
<u>(Prepaid expenditure): Ageing</u>		
Current (0 - 30 days)	3 475	15 001
31 - 60 Days		
61 - 90 Days		
+ 90 Days		
Total	3 475	15 001
<u>(Other): Ageing</u>		
Current (0 - 30 days)		
31 - 60 Days		
61 - 90 Days		
+ 90 Days	23 400	23 400
Total	23 400	23 400

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
<u>(Total): Ageing</u>		
Current (0 - 30 days)	32 545 698	27 669 761
31 - 60 Days	6 729 221	6 207 963
61 - 90 Days	5 211 769	4 690 410
+ 90 Days	55 730 796	52 947 127
Total	100 217 484	91 515 261

Summary of Service Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2021				
Current (0 - 30 days)	622 242	11 440 201	7 966 014	2 954 937
31 - 60 Days	287 240	4 130 311	1 175 694	1 135 977
61 - 90 Days	202 307	2 765 349	1 043 122	1 200 992
+ 90 Days	4 989 854	35 567 734	9 507 637	2 670 763
Total debtors by customer classification	6 101 643	53 903 595	19 692 466	7 962 668

Summary of Service Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2020				
Current (0 - 30 days)	725 349	11 446 633	5 067 875	2 353 164
31 - 60 Days	230 564	4 568 375	966 767	442 257
61 - 90 Days	211 687	3 549 670	790 396	138 657
+ 90 Days	4 056 641	40 419 989	4 929 435	497 245
Total debtors by customer classification	5 224 240	59 984 667	11 754 472	3 431 324

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	51 059 260	46 637 236
Contribution to provision	(10 862 508)	4 422 024
Balance at end of year	40 196 752	51 059 260

The total amount of this provision is R40 196 752 and consist of:

Services	40 196 752	51 059 260
Total Provision for Debt Impairment on Receivables from exchange transactions	40 196 752	51 059 260

Ageing of amounts past due but not impaired:

Services	27 475 034	12 786 240
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The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Taxes - Rates	30 696 122	27 281 708
Fines	11 123 505	13 121 555
	<u>41 819 627</u>	<u>40 403 263</u>
Less: Provision for Debt Impairment	(28 358 601)	(29 907 801)
Total Receivables from non-exchange transactions	<u>13 461 026</u>	<u>10 495 462</u>

The fair value of other receivables approximate their carrying value.

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

(Rates): Ageing

Current (0 - 30 days)	6 222 571	5 817 451
31 - 60 Days	1 665 857	1 944 985
61 - 90 Days	1 275 876	1 483 194
+ 90 Days	21 531 818	18 036 078
Total	<u>30 696 122</u>	<u>27 281 708</u>

(Fines): Ageing

Current (0 - 30 days)	369 800	83 100
31 - 60 Days	816 500	404 300
61 - 90 Days	653 600	1 107 050
+ 90 Days	9 283 605	11 527 105
Total	<u>11 123 505</u>	<u>13 121 555</u>

Summary of Debtors (Rates) by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2021				
Current (0 - 30 days)	32 285	4 391 689	1 620 036	178 560
31 - 60 Days	5 755	1 130 189	355 260	174 654
61 - 90 Days	1 645	818 311	274 468	181 453
+ 90 Days	309 341	16 450 391	4 080 123	691 964
Total debtors by customer classification	<u>349 026</u>	<u>22 790 579</u>	<u>6 329 886</u>	<u>1 226 631</u>

Summary of Debtors (Rates) by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2020				
Current (0 - 30 days)	29 565	5 107 168	375 933	304 785
31 - 60 Days	5 203	1 709 158	93 910	136 714
61 - 90 Days	2 164	1 288 660	56 538	135 831
+ 90 Days	321 202	16 787 549	611 175	316 152
Total debtors by customer classification	<u>358 133</u>	<u>24 892 536</u>	<u>1 137 557</u>	<u>893 483</u>

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	29 907 801	21 249 131
Contribution to provision	(1 549 200)	8 658 670
Balance at end of year	<u>28 358 601</u>	<u>29 907 801</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
The total amount of this provision is R28 358 601 and consist of:		
Taxes	18 854 611	18 420 112
Fines	9 503 991	10 789 722
Other	-	697 968
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	28 358 602	29 907 802

Ageing of amounts past due but not impaired:

Rates	5 618 941	3 044 145
Fines	1 249 714	2 248 733
	6 868 655	5 292 878

10. CASH AND CASH EQUIVALENTS

10.1 Cash and Cash Equivalents

Cash At Bank	16 088 101	26 490 257
Call Deposits and Investments	99 841 236	151 259 068
Cash On-hand	37 550	37 860
Total Cash and Cash Equivalents - Assets	115 966 886	177 787 185

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investments Deposits to an amount of R99 841 236 are held to, inter alia fund the Unspent Conditional Grants 2021 to value R10 436 304 and Unspent Borrowing of R12 068 274

The municipality has the following bank accounts:

Current Accounts

Standard bank 082808678	6 429 770	(716 880)
Standard bank 082808724	32 490	82 606
Standard Bank 082809097	9 625 841	27 124 531
	16 088 101	26 490 257

Call Deposits and Investments

Nedbank Account no 03 / 7881019344 / 29	113 449	109 632
Nedbank Account no 03/7881001143-129	-	2 115 548
Nedbank Account no 03/7881001143/130	537 381	10 185 605
Nedbank Account no 03/7881001143/131	2 944 233	12 707 680
Nedbank Account no 03/7881001143/137	12 713 168	21 042 741
Nedbank Account no 03/7881001143/175	4 942 120	10 693 336
Nedbank Account no 03/7881001143/176	-	7 728 416
Nedbank Account no 03/7881001143/254	15 283 235	-
Nedbank Account no 03/7881001143/250	7 459 379	7 208 431
Nedbank Account no 03/7881001143/251	2 942 548	2 843 555
Nedbank Account no 03/7881001143/252	799 912	773 001
Standard Account no 288835379015	967 047	-
Standard Account no 288835379005	5 310 309	5 127 302
Standard Account no 288835379008	2 847 564	10 680 585
Standard Account no 288835379010	10 603 714	10 238 282
Standard Account no 288835379019	2 278 756	2 199 742
Standard Account no 288835379035	-	25 741 099
Standard Account no 288835379040	7 479 113	-
Investec account no 1400-171058-500	14 573 327	14 086 764
Investec account no 1400-171058 501	8 045 980	7 777 347
Investec account no 1400-171058 451	-	-
	99 841 236	151 259 068



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Details of current accounts are as follow:

	2021 R	2020 R
Standard bank 082808678 (Primary Bank Account)		
Cash book balance at beginning of year	(716 880)	461 385
Cash book balance at end of year	6 429 770	(716 880)
Bank statement balance at beginning of year	73 575	461 385
Bank statement balance at end of year	6 429 770	73 575
Standard bank 082808724 (Primary Bank Account)		
Cash book balance at beginning of year	27 124 531	24 530 401
Cash book balance at end of year	9 625 841	27 124 531
Bank statement balance at beginning of year	26 537 560	22 737 552
Bank statement balance at end of year	8 894 960	26 537 560
Standard Bank 08288988 (Primary Bank Account - CAVES)		
Cash book balance at beginning of year	-	88 460
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	26 155
Bank statement balance at end of year	-	-
Standard Bank (Traffic Account)		
Cash book balance at beginning of year	82 606	-
Cash book balance at end of year	-	82 606
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
Standard Bank 082809097(Traffic Account)		
Cash book balance at beginning of year	82 606	-
Cash book balance at end of year	32 490	82 606
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	32 490	-

11. LONG-TERM BORROWINGS

Annuity Loans - At amortised cost	52 391 823	48 104 482
Capitalised Lease Liability - At amortised cost	1 845 206	3 630 067
	54 237 029	51 734 549
Less: Current Portion transferred to Current Liabilities	(11 556 205)	(13 997 520)
Annuity Loans - At amortised cost	(9 723 423)	(12 212 659)
Capitalised Lease Liability - At amortised cost	(1 832 782)	(1 784 861)
	42 680 824	37 737 029
Total Long-term Borrowings	42 680 824	37 737 029

11.1 The obligations under annuity loans are scheduled below:

	Minimum payments	
Amounts payable under annuity loans:		
Payable within one year	13 600 163	16 345 235
Payable within two to five years	32 513 263	31 463 640
Payable after five years	21 657 316	14 309 301
	67 770 742	62 118 176
Less: Future finance obligations	(15 378 919)	(14 013 694)
Present value of annuity loans obligations	52 391 823	48 104 482



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
11.2 The obligations under finance leases are scheduled below:		
		Minimum payments
Amounts payable under finance leases:		
Payable within one year	1 933 305	2 073 714
Payable within two to five years	12 518	1 945 823
Payable after five years		-
	<u>1 945 823</u>	<u>4 019 537</u>
Less: Future finance obligations	(100 629)	(389 482)
Present value of finance lease obligations	<u>1 845 194</u>	<u>3 630 055</u>

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

12. NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	27 301 778	21 539 331
Total Non-current Provisions	<u>27 301 778</u>	<u>21 539 331</u>

12.1 Landfill Sites

Balance 1 July	21 539 331	26 987 188
Contribution for the year	-	1 289 704
Correction of Error - Note 37.1(a)	-	747 260
Change in Provision for Rehabilitation Cost	5 762 447	(5 430 324)
Impairment / (Reversal)	-	(2 054 497)
Total provision 30 June	<u>27 301 778</u>	<u>21 539 331</u>
Less: Transfer of Current Portion to Current Provisions - Note 15	-	-
Balance 30 June	<u>27 301 778</u>	<u>21 539 331</u>

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

	De Rust (Closed)	De Rust (Operational)	Dysselsdorp (Closed)	Dysselsdorp (Operational)	Oudtshoorn
Rehabilitation Area (m²)	5 223	6 823	2 253	9 841	109 937
Costs for Rehabilitation Closure:					
Preliminary and General	477 893	572 214	261 440	804 383	6 497 821
Site Clearance and Preparation	6 424	8 392	2 771	12 104	135 223
Storm Water Control Measures	499 076	580 207	350 958	806 864	3 551 009
Capping	1 666 952	2 163 716	731 481	3 213 008	35 591 836
Gas Management	-	-	-	-	-
Leachate Management	224 416	257 327	154 328	281 706	1 757 380
Fencing	622 037	605 099	412 012	767 700	12 066
Other:					
Environmental Authorisation (Closure License)	-	445 500	-	445 500	445 500
Technical ROD	195 000	195 000	195 000	195 000	195 000
Install Groundwater Monitoring Boreholes with lockable caps(including drilling contractor site establishment)	143 548	189 622	184 513	184 513	-
Landscape architects	135 895	135 895	135 412	135 412	153 504
Water use licence	35 000	35 000	35 000	35 000	35 000
Topographical Survey	6 830	6 830	6 830	6 830	10 398
Contingencies (10% of total construction costs)	349 680	418 696	191 299	588 576	4 754 533
Engineering (ENSA fees scale)	471 097	562 198	262 035	786 441	4 466 351
Site Supervision(Engineer's Representation)	173 562	210 596	155 245	219 428	1 202 700
Site Supervision (Environmental Control Officer & OHS Agent)	144 593	144 593	121 392	148 368	504 108
Total (Excl VAT)	<u>5 152 003</u>	<u>6 530 884</u>	<u>3 199 716</u>	<u>8 630 833</u>	<u>59 312 429</u>
Cost per rehab(m2)	986.41	957.19	1 420	877	540
Estimated construction period (weeks)	10	10	9	11	38

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The estimate cost and date of decommission of the sites are as follows:

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Location	Estimated decommission date	2021	2020
		R	R
De Rust (Closed)	2014	5 410 633	4 875 825
De Rust(Operational)	2039	15 771 328	13 527 011
Dysselsdorp(Closed)	2013	3 360 341	3 146 168
Dysselsdorp(Operational)	2034	16 315 067	14 345 823
Oudtshoorn	2055	313 613 092	186 766 194
		354 470 462	222 661 021

13. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	103 700 001	89 163 001
Provision for Long Service Awards	11 476 000	10 343 000
Total Non-current Employee Benefits	115 176 001	99 506 001

Post Retirement Health Care Benefits

Balance 1 July	94 203 001	100 190 961
Contribution for the year	3 041 000	3 792 906
Interest Cost	9 349 000	9 125 955
Expenditure for the year	(5 258 723)	(4 857 275)
Actuarial Loss/(Gain)	7 639 723	(14 049 546)
Total provision 30 June	108 974 001	94 203 001
Less: Transfer of Current Portion to Current Provisions - Note 15	(5 274 000)	(5 040 000)
Balance 30 June	103 700 001	89 163 001

Long Service Awards

Balance 1 July	11 612 000	10 979 772
Contribution for the year	980 000	1 002 854
Interest Cost	823 000	855 304
Expenditure for the year	(1 196 415)	(1 311 961)
Actuarial Loss/(Gain)	150 415	86 031
Total provision 30 June	12 369 000	11 612 000
Less: Transfer of Current Portion to Current Provisions - Note 15	(893 000)	(1 269 000)
Balance 30 June	11 476 000	10 343 000

13.1 Provision for Post Retirement Health Care Benefits

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

In-service (employee) members	340	330
In-service (employee) non-members	389	395
Continuation members (e.g. Retirees, widows, orphans)	97	96
Total Members	826	821

The liability in respect of past service has been estimated to be as follows:

	2021 R	2020 R
In-service members	38 200 000	31 168 000
In-service non-members	5 935 000	4 798 000
Continuation members	64 839 000	58 237 000
Total Liability	108 974 000	94 203 000

OUTDSHOORN LOCAL MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2019 R	2018 R	2017 R
In-service members	33 919 383	45 926 000	46 421 000
In-service non-members	5 085 884	12 625 000	11 261 000
Continuation members	61 185 693	53 920 000	50 504 000
Total Liability	100 190 960	112 471 000	108 186 000

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

Bonitas;
LA Health;
Hosmed;
Samwumed; and
Keyhealth.

The Current-service Cost for the ensuing year is estimated to be R3 535 000, whereas the Interest Cost for the next year is estimated to be R10 597 000.

Key actuarial assumptions used:	2021	2020
i) Rate of interest		
Discount rate	9.96%	10.19%
Health Care Cost Inflation Rate	6.69%	6.28%
Net Effective Discount Rate	3.06%	3.68%
ii) Mortality rates		
The PA (90) -1 year of age with a 1% mortality improvement p.a from 2010		
iii) Normal retirement age		
The normal retirement age for employees of the municipality is 62 years.		
iv) Expected rate of salary increases		
2020/21 - 5% budgeted by municipality		
The three-year Salary and Wage Collective Agreement ended on 30 June 2021, new agreements still to be negotiated.		

The amounts recognised in the Statement of Financial Position are as follows:	2021 R	2020 R
Present value of fund obligations	108 974 001	94 203 001
	108 974 001	94 203 001
Net liability/(asset)	108 974 001	94 203 001

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	94 203 001	100 190 961
Total expenses	7 131 277	8 061 586
Current service cost	3 041 000	3 792 906
Interest Cost	9 349 000	9 125 955
Benefits Paid	(5 258 723)	(4 857 275)
Actuarial (gains)/losses	7 639 723	(14 049 546)
Present value of fund obligation at the end of the year	108 974 001	94 203 001



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Sensitivity Analysis on the Accrued Liability on 30 June 2021

	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)
Assumption	44 135	64 839	108 974
Central Assumptions			

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)	% change
Health care inflation	1%	53 302	71 358	124 660	14%
Health care inflation	-1%	36 882	59 213	96 095	-12%
Discount Rate	1%	37 132	59 414	96 546	-11%
Discount Rate	-1%	53 087	71 212	124 299	14%
Post-retirement mortality	+1 year	42 932	62 669	105 601	-3%
Post-retirement mortality	-1 year	45 330	67 017	112 347	3%
Average retirement age	-1 year	48 312	64 839	113 151	4%
Membership continuation	-10%	38 588	64 839	103 427	-5%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2021

	Current Service Cost	Interest Cost	Total liability (Rm)
Assumption			
Central Assumptions	3 041	9 349	12 390

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost	Interest Cost	Total liability (Rm)	% change
Health care inflation	1%	3 714	10 664	14 378	16%
Health care inflation	-1%	2 507	8 262	10 769	-13%
Discount Rate	1%	2 551	9 120	11 671	-6%
Discount Rate	-1%	3 661	9 584	13 245	7%
Post-retirement mortality	-1 year	3 116	9 629	12 745	3%
Average retirement age	-1 year	3 067	9 712	12 779	3%
Membership continuation	-10%	2 373	8 629	11 002	-11%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2022

	Current Service	Interest Cost	Total liability
Assumption	3 535	10 597	14 132
Central Assumptions			

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service	Interest Cost	Total liability	% change
Health care inflation	1%	4 371	12 159	16 530	17%
Health care inflation	-1%	2 889	9 316	12 205	-14%
Discount Rate	1%	2 936	10 300	13 236	-6%
Discount Rate	-1%	4 309	10 906	15 215	8%
Post-retirement mortality	1 year	3 441	10 262	13 703	-3%
Post-retirement mortality	-1 year	3 631	10 933	14 564	3%
Average retirement age	-1 year	3 760	11 013	14 773	5%
Membership continuation	-10%	3 094	10 045	13 139	-7%

	2021 Rm	2020 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(0.782)	4.032
Assets: Gain / (loss)		

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2019 Rm	2018 Rm	2017 Rm
Liabilities: (Gain) / loss	3.730	1 306	2 013



13.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 729 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R1 065 000 whereas the Interest Cost for the next year is estimated to be R1 127 000.

Key actuarial assumptions used:	2021 %	2020 %
i) Rate of interest		
Discount rate	9.44%	7.49%
General Salary Inflation (long-term)	5.84%	4.04%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	3.40%	3.32%

	2021 R	2020 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	12 369 000	11 612 000
	<u>12 369 000</u>	<u>11 612 000</u>
Net liability/(asset)	<u>12 369 000</u>	<u>11 612 000</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	11 612 000	10 979 772
Total expenses	606 585	546 197
Current service cost	980 000	1 002 854
Interest Cost	823 000	855 304
Benefits Paid	(1 196 415)	(1 311 961)
Actuarial (gains)/losses	150 415	86 031
Present value of fund obligation at the end of the year	<u>12 369 000</u>	<u>11 612 000</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2021

Assumption	Change	Liability (Rm)	% change
Central assumptions		12 369 000	
General salary inflation	1%	13 182 000	7.00%
General salary inflation	-1%	11 634 000	-6%
Discount rate	1%	11 611 000	-6%
Discount rate	1%	13 222 000	7.00%
Average retirement age	-2 yrs.	14 354 000	16.00%
Average retirement age	2 yrs.	10 880 000	-12%
Withdrawal rates	x 2	9 978 000	-19%
Withdrawal rates	x 5	14 037 000	13.00%

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2021

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	980 000	823 000	1 803 000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
General Earnings Inflation rate	1%	1 071 000	881 000	1 952 000	8%
General Earnings Inflation rate	-1%	901 000	770 000	1 671 000	-7%
Discount rate	1%	908 000	871 000	1 779 000	-1%
Discount rate	-1%	1 065 000	766 000	1 831 000	2%
Average retirement age	+ 2 years	1 107 000	952 000	2 059 000	14%
Average retirement age	- 2 years	877 000	721 000	1 598 000	-11%
Withdrawal Rate	x 2	701 000	655 000	1 356 000	-25%
Withdrawal Rate	x 5	1 194 000	941 000	2 135 000	18%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2022

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	1 065 000	1 127 000	2 192 000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
General Earnings Inflation Rate	+1%	1 157 000	1 203 000	2 360 000	8%
General Earnings Inflation Rate	-1%	984 000	1 057 000	2 041 000	-7%
Discount rate	+1%	991 000	1 167 000	2 158 000	-2%
Discount rate	-1%	1 149 000	1 079 000	2 228 000	2%
Average retirement age	+2%	1 207 000	1 314 000	2 521 000	15%
Average retirement age	-2%	956 000	988 000	1 944 000	-11%
Withdrawal Rate	x 2	774 000	901 000	1 675 000	-24%
Withdrawal Rate	x 0.5	1 284 000	1 284 000	2 568 000	17%

	2021 Rm	2020 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	291 415	693 031

	2019 Rm	2018 Rm	2017 Rm
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:			
Liabilities: (Gain) / loss	566 124	499 606	(178 280)

13.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

CONSOLIDATED RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last statutory valuation performed as at 30 June 2019 revealed that the assets of the fund amounted to R25 389 736, with funding levels of 124.9% and 100.3% the Pensions Account and the Share Account respectively. The Preservation Pension Account showed a surplus of R0 and was 100% funded for 2019. The contribution rate paid by the members (9%) and the municipalities (18%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

DEFINED CONTRIBUTION FUNDS

Council does not contribute to Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds.

14. CONSUMER DEPOSITS

Electricity	4 421 440	4 288 307
Rental Properties	134 759	191 256
Water	5 153 680	5 052 919
Building Plans	1 424 818	1 141 879
Hiring of Decorative Items	4 430	4 430
Total Consumer Deposits	11 139 126	10 678 791

15. CURRENT EMPLOYEE BENEFITS

Performance Bonuses	493 245	828 592
Staff Bonuses	6 785 877	6 572 014
Staff Leave	16 192 378	17 053 487
Other	1 045	1 045
Current Portion of Non-Current Provisions	6 167 000	6 309 000
Current Portion of Post Retirement Benefits - Note 13	5 274 000	5 040 000
Current Portion of Long-Service Provisions - Note 13	893 000	1 269 000
Total Provisions	29 639 545	30 764 138

The movement in current provisions are reconciled as follows:

15.1 Performance Bonuses

	2 021	2 020
Balance at beginning of year	828 593	886 922
Contribution to current portion	(185 730)	770 263
Expenditure incurred	(149 618)	(828 592)
Balance at end of year	493 245	828 593

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

15.2 Staff Bonuses

Balance at beginning of year	6 572 014	6 106 817
Contribution to current portion	12 562 413	11 913 127
Expenditure incurred	(12 348 550)	(11 447 930)
Balance at end of year	6 785 877	6 572 014

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

15.3 Staff Leave

Balance at beginning of year	17 054 005	11 394 740
Contribution to current portion	889 230	6 479 986
Expenditure incurred	(1 750 339)	(820 721)
Balance at end of year	16 192 896	17 054 005

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



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	32 176 450	60 729 747
Pre-paid electricity	496 197	397 642
Unallocated funds debtors	33 769	62 133
Payments received in advance	4 535 076	4 856 733
Control, Clearing and Interface Accounts	109 434	1 068 415
Sundry Deposits	8 730	8 730
Retentions	7 646 314	2 753 091
Correction of error note 37.1(l)	-	652 174
Correction of error note 37.1(b)	-	61 916
Correction of error note 37.1 (e)	-	61 438
Correction of error note 37.1(f)	-	193 442
Correction of error note 37.1(g)	-	213 695
Correction of error note 37.1(k)	-	10 655
Correction of error note 37.1(r)	-	158 253
Total Trade Payables	45 005 971	71 228 063

Payables are being recognised net of any discounts.

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

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

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

17. UNSPENT TRANSFERS AND SUBSIDIES

Unspent Transfers and Subsidies	11 043 305	53 508 289
National Government Grants	4 841 070	37 339 099
Provincial Government Grants	6 202 235	16 169 190
Less: Unpaid Transfers and Subsidies	-	(2 000 000)
Provincial Government Grants	-	(2 000 000)
Total Unspent Transfers and Subsidies	11 043 305	51 508 289

See Appendix "B" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

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

18. TAXES

18.1 VAT Payable	1 263 365	(447 423)
VAT Output in Suspense	(13 634 229)	(12 375 991)
Total VAT Payable	(12 370 863)	(12 823 414)
18.2 VAT Receivable	-	-
VAT Input in Suspense	4 467 842	7 708 040
Total VAT Receivable	4 467 842	7 708 040
18.3 Net VAT (Payable)/Receivable	(7 903 021)	(5 115 373)

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
19. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	104 557 531	98 805 323
Business and Commercial Property	21 767 565	20 876 631
Farm Holdings	4 201 687	3 962 227
Mining Properties	83 721	79 356
Public Benefit Organisations	117 161	228 477
Public Service Infrastructure Properties	18 535	17 819
Residential Properties	66 774 360	62 585 092
State-owned Properties	11 594 502	11 055 721
Less: Revenue Forgone	(6 668 781)	(5 896 155)
Total Property Rates	97 888 750	92 909 167
<u>Valuations - 1 July 2020</u>		
Rateable Land and Buildings	10 396 431 500	10 382 798 100
Business and Commercial Property	1 319 057 000	1 331 951 000
Churches	231 055 000	231 205 000
Pensioners	85 069 000	161 976 000
Municipal Properties	376 804 000	383 882 000
Public Benefit Organisations	85 915 000	80 280 000
Public Service Infrastructure Properties	9 820 500	9 924 500
Residential Properties	5 565 374 000	5 458 382 600
State-owned Properties	718 816 000	723 116 000
Agricultural Property	1 999 451 000	1 997 011 000
Mining Properties	5 070 000	5 070 000
Less: Rebates	(225 915 000)	(225 306 150)
Total Assessment Rates	10 170 516 500	10 157 491 950
Basic Rate		
Residential	1.201c/R	1.138c/R
Government	1.613c/R	1.529c/R
Commercial	1.651c/R	1.565c/R
Agricultural	0.210c/R	0.199c/R

Rates are levied annually and monthly. Monthly rates are payable by the 10th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate on outstanding monthly rates.

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

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

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
20. GOVERNMENT GRANTS AND SUBSIDIES		
<u>Unconditional</u>	89 790 000	73 525 000
Equitable Share	89 790 000	73 525 000
<u>Conditional</u>	73 538 619	84 368 757
Local Government Financial Management Grant (FMG)	2 517 000	2 085 000
Integrated National Electrification Programm	379 916	6 000 000
Municipal Infrastructure Grant	25 299 048	17 202 952
Extended Public Works Program	2 243 000	2 728 000
CDW operational support grant	56 000	158 825
Library Services	9 069 680	6 668 765
Integrating Housing Settlement Grant	480 846	9 569 429
Emergency Housing Program	-	2 000 000
Finance Management Support Grant	434 184	1 815 500
Local Government Graduate Internship Grant	80 000	56 383
Local Government Support Grant	-	550 000
Fire Service Capacity Building Grant	177 577	652 423
National Disaster Fund	156 100	52 900
Airport Infrastructure Grant	875 303	561 770
Municipal Service Delivery and Capacity Building grant	120 000	-
Maintenance Main Road Subsidy	125 000	-
Water Services Infrastructure Grant	31 524 965	34 266 810
Total Government Grants and Subsidies	163 328 619	157 893 757
Government Grants and Subsidies - Operating	103 919 207	94 712 069
Government Grants and Subsidies - Capital	59 409 413	63 181 689
Total Government Grants and Subsidies	163 328 619	157 893 757

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

Equitable share	89 790 000	73 525 000
Corporate Services	570 184	558 708
Financial Services	2 517 000	3 557 000
Community and Public Safety	9 523 357	7 374 088
Technical Services	59 571 930	60 197 763
Human Settlement	480 846	11 569 429
Strategic Services	875 303	1 111 770
Total Government Grants and Subsidies	163 328 619	157 893 757

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

20.1 Equitable Share

Grants received	89 790 000	73 525 000
Conditions met - Operating	(89 790 000)	(73 525 000)
Conditions still to be met	-	-

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

20.2 Local Government Financial Management Grant (FMG)

Grants received	2 517 000	2 085 000
Conditions met - Operating	(2 517 000)	(2 085 000)
Conditions still to be met	(0)	(0)

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
20.3 <u>Water services Infrastructure Grant</u>		
Opening balance	31 024 965	24 498 463
Grants received	10 000 000	39 500 000
Repaid to National Revenue Fund	(9 500 000)	-
Conditions met - Capital	(31 524 965)	(32 973 498)
Conditions still to be met	(0)	31 024 965

The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

20.4 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	4 544 048	-
Grants received	21 362 000	21 747 000
Conditions met - Operating	(870 996)	(1 409 975)
Conditions met - Capital	(24 428 052)	(15 792 977)
Conditions still to be met	607 000	4 544 048

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

20.5 <u>Integrated National Electrification Grant</u>		
Opening balance	-	43 960
Grants received	-	6 000 000
Interest received	3 000 000	-
Repaid to National Revenue Fund	-	(43 960)
Conditions met - Capital	(379 916)	(6 000 000)
Conditions still to be met	2 620 084	0

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

20.6 <u>Extended Public Works Program</u>		
Opening balance	-	-
Grants received	2 243 000	2 728 000
Conditions met - Operating	(2 243 000)	(2 728 000)
Conditions still to be met	-	-

Job creation projects in previous disadvantage areas.

20.7 <u>Finance Management Support Grant</u>		
Opening balance	-	-
Grants received	-	1 472 000
Conditions met - Operating	-	(975 094)
Conditions met - Capital	-	(496 906)
Conditions still to be met	-	-

The Financial Management Support Grant was received from Provincial Treasury to assist the finance department with the revenue enhancement strategy, asset management functions and mSCOA Implementation.

20.8 <u>Integrating Human Settlement Grant</u>		
Opening balance	6 625 633	9 883 116
Grants received	2 725 470	6 311 946
Repaid to National Revenue Fund	(8 870 256)	-
Conditions met - Operating	(480 846)	(4 569 429)
Conditions met - Capital	-	(5 000 000)
Conditions still to be met	0	6 625 633

The Integrated Human Settlement Grant was received from the Provincial Government and is utilised for the building of low cost housing.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
20.9 <u>Library Services</u>		
Opening balance	8 143 915	1 941 680
Grants received	7 128 000	12 871 000
Conditions met - Operating	(7 126 810)	(6 257 963)
Conditions met - Capital	(1 942 870)	(410 802)
Conditions still to be met	<u>6 202 235</u>	<u>8 143 915</u>
<p>Library conditional grant utilised for operating expenditure of the Library, and the Rosevalley Library Subsidy for the building of a new library within the low cost housing project Rosevalley</p>		
20.10 <u>Municipal Service Delivery and Capacity Building grant</u>		
Opening balance	120 000	500 000
Grants received	-	120 000
Repaid to National Revenue Fund	-	(500 000)
Conditions met - Operating	(39 271)	-
Conditions met - Capital	(80 729)	-
Conditions still to be met	<u>-</u>	<u>120 000</u>
<p>This grant was received for the Operational Expenditure of the Thusong Centre</p>		
20.11 <u>Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry Grant</u>		
Opening balance	1 613 986	1 613 986
Conditions still to be met	<u>1 613 986</u>	<u>1 613 986</u>
<p>The grant was given to assist with the water shortage in the area.</p>		
20.12 <u>Local Government Support Grant</u>		
Opening balance	-	-
Grants received	-	550 000
Conditions met - Operating	-	(550 000)
Conditions still to be met	<u>-</u>	<u>-</u>
<p>This grant was received for Covid 19 Relief and was utilised for the distribution of food parcels</p>		
20.13 <u>Disaster Relief Grant</u>		
Opening balance	156 100	-
Grants received	-	209 000
Conditions met - Operating	(156 100)	(52 900)
Conditions still to be met	<u>-</u>	<u>156 100</u>
<p>This grant was received for Covid 19 Relief and was utilised for the purchase of PPE</p>		
20.14 <u>Other Grants</u>		
Opening balance	(720 358)	213 470
Grants received	2 481 000	4 132 385
Repaid to National Revenue Fund	(12 578)	-
Conditions met - Operating	(695 184)	(2 558 708)
Conditions met - Capital	(1 052 880)	(2 507 505)
Conditions still to be met	<u>(1)</u>	<u>(720 358)</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
20.15 Total Grants		
Opening balance	51 508 288	38 694 674
Grants received	138 246 469	171 251 331
Interest received	3 000 000	-
Repaid to National Revenue Fund	(18 382 835)	(543 960)
Conditions met - Operating	(103 919 207)	(94 712 069)
Conditions met - Capital	(59 409 413)	(63 181 689)
Conditions still to be met/(Grant expenditure to be recovered)	<u>11 043 303</u>	<u>51 508 288</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	11 043 305	53 508 289
Unpaid Conditional Government Grants and Receipts	-	(2 000 000)
Total	<u><u>11 043 305</u></u>	<u><u>51 508 289</u></u>

21. SERVICE CHARGES

Electricity	238 939 066	227 509 838
Service Charges	247 362 914	235 629 499
<u>Less:</u> Revenue Foregone	(8 423 848)	(8 119 661)
Water	52 914 735	52 487 695
Service Charges	68 096 922	66 341 118
<u>Less:</u> Revenue Foregone	(15 182 186)	(13 853 423)
Water Klein Karoo Rural Scheme	6 168 301	5 449 861
Service Charges	6 168 301	5 449 861
<u>Less:</u> Revenue Foregone	-	-
Waste Management	19 294 301	18 771 793
Service Charges	31 158 753	29 609 818
<u>Less:</u> Revenue Foregone	(11 864 452)	(10 838 025)
Waste Water Management	35 285 360	33 359 083
Service Charges	46 303 442	43 420 618
<u>Less:</u> Revenue Foregone	(11 018 082)	(10 061 535)
Total Service Charges	<u><u>352 601 762</u></u>	<u><u>337 578 269</u></u>

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

22. SALES OF GOODS AND RENDERING OF SERVICES

Academic Services	-	278
Advertisements	473 182	335 276
Application Fees for Land Usage	106 998	105 928
Building Plan Approval	1 126 343	493 504
Camping Fees	9 018	184 884
Cemetery and Burial	1 547 957	874 404
Computer Services	97 688	90 607
Encroachment Fees	149 577	81 091
Fire Services	63 838	-
Legal Fees Recovered	1 411 970	1 656 591
Library Fees	375	596
Parking Fees	-	435
Photocopies and Faxes	29 333	11 233
Sale of Goods	15 188	41 659
Valuation Services	237 069	230 054
Total Sales of Goods and Rendering of Services	<u><u>5 268 535</u></u>	<u><u>4 106 539</u></u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
23. RENTAL FROM FIXED ASSETS		
Property, Plant and Equipment	1 522 383	2 573 777
Total Rental from Fixed Assets	1 522 383	2 573 777
24. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	1 098 199	1 695 647
Investments	4 650 642	9 303 086
Total Interest Earned - External Investments	5 748 841	10 998 733
25. INTEREST EARNED - EXCHANGE TRANSACTIONS		
Trade Receivables	2 298 441	3 687 499
Total Interest Earned - Outstanding Receivables	2 298 441	3 687 499
26. OPERATIONAL REVENUE		
Collection Charges	7 660	52 637
Incidental Cash Surpluses	166 241	131 906
Merchandising, Jobbing and Contracts	64 269	76 331
Registration Fees	31 683	59 991
Request for Information	122	236
Staff Recoveries	14 722	31 353
Total Operational Revenue	284 696	352 454
27. EMPLOYEE RELATED COST		
Acting Allowance	1 460 682	1 238 235
Contributions to Group Insurance	3 402 089	2 921 978
Contributions to Workman's Compensation	1 480 259	1 407 948
Housing Benefits and Allowance	1 979 688	1 917 760
Leave payments	889 230	6 479 986
Standby Allowance	3 941 790	2 240 258
Shift Allowance	592 889	532 485
Basic Salaries and Wages	155 624 229	150 292 635
Pension and UIF Contributions	28 159 142	26 353 589
Medical Aid Contributions	11 756 739	10 958 156
Overtime	12 732 751	12 310 830
Bonuses	12 376 684	12 693 936
Motor Vehicle Allowance	4 413 094	4 632 594
Cellphone Allowance	1 284 395	1 246 265
Other benefits and allowances	159 235	137 930
Contribution to Long Service awards	1 803 000	1 858 158
Contribution to Post Employment Medical	12 390 000	12 918 861
Total Employee Related Costs	254 445 894	250 141 605



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

KEY MANAGEMENT PERSONNEL

Key Management personnel in Corporate Services and Community Services are permanently employed, but the Chief Financial Officer were appointed on a 5 year contract. The Acting Director Human Settlements were seconded from Provincial Government to Oudtshoorn Municipality through a memorandum of agreement. All permanent staff is entitled to post retirement benefits upon retirement.

	2021 R	2020 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager - Mr Pause (resignation October 2020)		
Basic Salary	284 404	949 481
Pension and UIF Contributions	56 379	163 352
Medical Aid Contributions	19 092	53 908
Performance Bonus	-	167 783
Motor Vehicle Allowance	80 564	241 693
Cell Phone Allowance	23 398	51 384
Payments in lieu of leave	174 790	-
Other benefits and allowances	75 655	220 334
Total	714 283	1 847 935
Remuneration of the Chief Financial Officer - Mr Lötter(service ended 31 October 2019)		
Basic Salary	-	290 772
Pension and UIF Contributions	-	595
Medical Aid Contributions	-	10 903
Performance Bonus	-	174 553
Motor Vehicle Allowance	-	65 855
Cell Phone Allowance	-	17 128
Payments in lieu of leave	-	50 073
Other benefits and allowances	-	78 499
Total	-	688 378
Remuneration of the Acting Chief Financial Officer - LH Fourie(temp service started August 2020- March 2021)		
Basic Salary	722 126	340 039
Pension and UIF Contributions	1 338	539
Cell Phone Allowance	44 720	18 610
Payments in lieu of leave	58 942	-
Other benefits and allowances	7 101	8 041
Total	834 227	367 228
Remuneration of the Chief Financial Officer - GP De Jager (Acting MM Aug 2020 - Dec 2020)		
Basic Salary	737 628	245 776
Acting Allowance	101 406	-
Pension and UIF Contributions	135 532	45 168
Housing allowance	118 416	39 472
Motor Vehicle Allowance	144 000	36 000
Cell Phone Allowance	70 194	17 128
Other benefits and allowances	15 351	13 240
Total	1 322 526	396 784
Remuneration of Director : Corporate Services - Mr Smit (Acting MM July 2020 and then Jan 2021-Jun 2021)		
Basic Salary	960 561	958 612
Acting Allowance	168 102	135 485
Pension and UIF Contributions	174 715	178 952
Performance Bonus	87 279	174 553
Cell Phone Allowance	70 194	51 384
Payments in lieu of leave	-	37 221
Other benefits and allowances	142 359	200 496
Total	1 603 209	1 736 702



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
Remuneration of Director : Director Infrastructure and Technical Services - Mr Koch (service ended 31 October 2019)		
Basic Salary	-	377 821
Pension and UIF Contributions	-	595
Performance Bonus	-	137 149
Cell Phone Allowance	-	17 128
Payments in lieu of leave	-	50 073
Other benefits and allowances	-	85 777
	-	-
Total	-	668 542
Remuneration of Director : Community Services - Mr T Matthee (terminated May 2021)		
Basic Salary	715 482	840 916
Acting Allowance	-	2 966
Pension and UIF Contributions	141 912	141 099
Medical Aid Contributions	52 504	53 908
Performance Bonus	62 340	174 553
Motor Vehicle Allowance	55 000	100 000
Cell Phone Allowance	64 344	51 384
Other benefits and allowances	227 606	184 404
Payments in lieu of leave	177 790	29 220
	-	-
Total	1 496 980	1 578 450

Remuneration of Acting Director: Human Settlement - Ms S Simms (resignation Oct 2020)

Basic Salary	365 000	1 095 000
Pension and UIF Contributions	599	1 785
Cell Phone Allowance	3 000	9 000
Housing Allowances	32 000	96 000
Other benefits and allowances	523	18 957
Payments in lieu of leave	48 322	-
	-	-
Total	449 443	1 220 742

Ms S Simms is seconded from Provincial Government to be acting Director: Human Settlement. Provincial Government compensates the municipality for her remuneration through a memorandum of agreement annually.

The remuneration of Key Management Personnel and benefits are within the upper limits of the framework envisaged in Section 71(1)(g) of the Municipal Systems Act and the Upper Limits Notice issued in Government Gazette 43122, 20 March 2020. No increase for current financial year was proclaimed by the government. All other benefits paid as disclosed in the note was in terms of their official employment contract, the Local Government Regulation on Appointments and Conditions of Employment of Senior Managers and council resolution number 63.43/05/17 and 63.10/04/17.

28. REMUNERATION OF COUNCILLORS

Salaries	7 005 785	7 035 503
Pension	468 853	698 425
Travelling Allowance	2 245 318	2 201 481
Telephone Allowance	1 045 927	1 048 505
Medical Scheme	217 214	228 977
	-	-
Total Councillors' Remuneration	10 983 096	11 212 892

Remuneration paid to Councillors can be summarised as follow:

2021 financial year:	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	639 530	165 351	50 317	7 078	862 276
Executive Deputy-Mayor	487 982	162 661	44 400	5 059	700 102
Speaker	378 128	172 172	44 400	141 786	736 487
Executive Committee Members	2 466 247	788 034	256 692	240 279	3 751 251
Section 79 Committee Chairperson	262 214	87 405	44 400	2 524	396 542
Councillors	2 771 238	869 696	542 223	353 281	4 536 438
	-	-	-	-	-
Total Councillors' Remuneration	7 005 339	2 245 318	982 432	750 008	10 983 096

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2020 financial year:	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	492 313	203 856	42 057	125 901	864 126
Executive Deputy-Mayor	477 777	172 172	44 400	38 739	733 088
Speaker	382 506	172 172	44 400	134 010	733 088
Executive Committee Members	2 459 182	469 462	199 810	299 586	3 428 040
Councillors	3 223 725	1 183 819	717 838	329 167	5 454 549
Total Councillors' Remuneration	7 035 503	2 201 481	1 048 505	927 402	11 212 892

In-kind Benefits

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

Certification by the Municipal Manager

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.

	2021 R	2020 R
29. CONTRACTED SERVICES		
Outsourced Services	12 913 878	13 131 695
Consultants and Professional Services	6 887 520	8 227 682
Contractors	1 593 817	1 702 488
Correction of error note 37.1(c)	-	259 158
Correction of error note 37.1 (f)	-	193 442
Correction of error note 37.1 (m)	-	(768 116)
Correction of error note 37.1(n)	-	23 790
Total Contracted Services	21 395 215	22 770 139
30. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	39 518 405	42 930 006
Intangible Assets	675 778	397 068
Investment Property carried at cost	118 374	118 702
Total Depreciation and Amortisation	40 312 557	43 445 776
31. Finance Charges		
Long-term Borrowings	3 995 097	4 222 364
Non-current Provisions	1 430 755	1 289 704
Payables	44 998	-
Finance leases	120 846	464 715
Correction of error note 37.01(w)	-	470 753
Total Finance Costs	5 591 695	6 447 537
32. BULK PURCHASES		
Electricity	176 489 766	169 110 184
Total Bulk Purchases	176 489 766	169 110 184
33. TRANSFERS AND SUBSIDIES		
Operational	1 901 107	4 717 217
Monetary Allocations	1 901 107	4 717 217
Bursaries Non-Employee	835 832	160 312
Households	23 000	1 344 283
Non-profit Institutions	1 042 275	1 123 583
Provincial Government	-	2 089 040
Total Transfers and Subsidies	1 901 107	4 717 217

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
34. OPERATIONAL COST		
Advertising, Publicity and Marketing	2 027 792	2 168 262
Assets less than the Capitalisation Threshold	156 737	121 800
Bank Charges, Facility and Card Fees	1 486 705	2 139 563
Bursaries (Employees)	166 897	231 836
Cleaning Services	23 343	66 563
Commission	2 503 029	2 070 211
Courier and Delivery Services	20 322	16 939
Communication	2 496 459	2 405 685
Deeds	14 914	16 221
Entrance Fees	-	77 217
Entertainment	7 698	35 485
External Audit Fees	4 546 240	5 576 362
External Computer Service	1 739 391	1 412 539
Full Time Union Representative	-	55 698
Hire Charges	5 561 741	3 424 492
Housing Top Structures	-	3 299 429
Indigent Relief	986 530	487 230
Insurance Underwriting	2 059 993	2 098 860
Land Alienation Costs	-	14 417
Learnerships and Internships	486 691	771 425
Levies Paid - Water Resource Management Charges	591 936	341 237
Licences	438 582	266 114
Membership fees SALGA	2 777 075	2 673 926
Printing, Publications and Books	1 356 865	1 730 138
Professional Bodies, Membership and Subscription	41 733	61 907
Registration Fees	324 152	566 609
Remuneration to Section 79 Committee Members	19 425	4 317
Remuneration to Ward Committees	113 477	155 750
Resettlement Cost	2 025 143	42 650
Samples and Specimens	104 195	290 191
Skills Development Fund Levy	1 764 805	1 664 716
Travel Agencies and Visas	-	4 015
Travel and Subsistence	1 004 551	2 483 663
Uniform and Protective Clothing	1 119 057	828 797
Vehicle Tracking	315 801	315 380
Wet Fuel	4 750 501	5 044 159
Correction of error note 37.1(d)	-	(916 746)
Correction of error note 37.1(e)	-	61 438
Total Operational Costs	41 031 778	42 108 496
35. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions and Non-Exchange	12 411 708	(13 080 695)
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	12 411 708	(13 080 695)
36. GAINS/ (LOSS) ON SALE OF FIXED ASSETS		
Property, Plant and Equipment	(1 086 130)	(306 991)
Total Gains/ (Loss) on Sale of Fixed Assets	(1 086 130)	(306 991)

	2020 R	2019 R
37 CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
37.1		
(a)		
First Time Recognition of Capitalised Restoration to include the Post Closure Costs retrospectively. This is done with the following entries, (Dt) Capitalised Restoration Cost Asset Opening balance R717 690.79, (Ct) Landfill Site Non Current Provision R717 690.79. Dt Capitalised Restoration Cost Asset 2019/20 R29 568.86, (Ct) Landfill Site Non Current Provision R29 568.86. Dt Accumulated Surplus Opening balance R58462.53, (Ct) Accumulated Depreciation Capitalised Restoration Cost R58 462.53. Dt Accumulated Depreciation 2019/20 R3 871.55 and (Ct) Accumulated Surplus Current Year R3 871.55		
(b)		
Correction of Property Plant & Equipment Buildings - Cango Caves Upgrading of ablution facility Retention payment not provided for in 2019/20. This is now corrected with the following entries (Dt) Buildings at Cost R61 916. 46 (Ct) Trade Payables Retention Fees 2019-20 R61 916. 46		
(c)		
Correction of Infrastructure Sanitation at Cost, maintenance items incorrectly capitalised during 2019/20 against Infrastructure Sanitation WIP. This is not corrected with the following entries (Dt) Accumulated Surplus 2019/20 R259 158 and (Ct) Infrastructure Sanitation at Cost R259 158		
(d)		
Correction of Infrastructure Water WIP at Cost, smart water meters incorrectly purchased against operational budget in prior years. This is now corrected with the following entries: Infrastructure Water at Cost opening balance WIP R1 390 460, (Ct) Accumulated surplus Opening balance R1 390 460. Dt Infrastructure Water WIP 2019/10 R916 746 and (Ct) Accumulated Surplus 2019/20 R916 746		
(e)		
Correction of Trade Payables from Exchange Transactions(Operational Cost) 2019/20. Invoices relating to 2019/20 only paid in 2020/21. This is now corrected with the following entries Dt Accumulated Surplus 2019/20 R61 438 and (Ct) Trade Payables from Exchange Transactions R61 438		
(f)		
Correction of Trade Payables from Exchange Transactions(Contracted Services) 2019/20, invoices relating to 2019/20 was only paid in 2020/21. This is now corrected with the following entries Dt Accumulated Surplus 2019/20 R193 441.57 and (Ct) Trade Payables from Exchange Transactions (Operational Cost) R193 441.57		
(g)		
Correction of Trade Payables from Exchange Transactions(Inventory Consumed) 2019/20. Invoices relating to 2019/20 only paid in 2020/21. This is now corrected with the following entries: Dt Accumulated Surplus 2019/20 R213 694.50, (Ct) Trade Payables from Exchange Transactions R213 694.50		
(h)		
Correction of Receivables from Exchange Transactions Sundry debtors. Rental of Thusong centre office space by Dept of Public Works was incorrectly levied for prior period and 2019/20. Corrections only made in 2020/21. This is now corrected with the following entries Dt Accumulated Surplus Prior Year R214 175 .29, (Ct) Receivables from Exchange Transactions Sundry Debtors R214 175.29. Dt Accumulated Surplus Current Year R142 002.49 and (Ct) Receivables from Exchange Transactions Sundry Debtors R142 002.49		
(i)		
Correction of Receivables from Exchange Transactions Opening balance - Salary overpayment to Councillor Thyse applicable to prior periods only provided for as debtor in 2020/21. This is now corrected with the following entries: Dt Receivables from Exchange Debtors Opening balance R320 811.97 and (Ct) Accumulated Surplus Opening balance R320 811.97		
(j)		
Correction of Receivables from Exchange Transactions Opening balance - Rental of Feedem Foods relating to prior year only corrected in 2020/21. This is now corrected with the following entries, Dt Receivables from Non Exchange Opening balance R311 348.74 and (Ct) Accumulated Surplus Prior Opening balance R311 348.74		
(k)		
Correction of Trade Payables from Exchange Transactions Opening balance, clearing of salary suspense accounts relating to prior periods. This is now corrected with the following entries Dt Accumulated Surplus Opening balance R10655.12 and (Ct) Trade Payables from Exchange Transactions Opening balance R10655.12		
(l)		
Correction of Infrastructure Road at Cost WIP 2019/20. VAT portion of payment Dysselsdorp External services repaid to Department of Human Settlement in 2020/21 relating to 2019/20. This is now corrected with the following entries: (Dt) Infrastructure Roads at Cost WIP R652 173.92 and (Ct) Trade Payables from Exchange 2019/20 R652 173.92		
(m)		
Correction of Infrastructure Water WIP 2019/20. Capital Infrastructure project expenditure incorrectly paid against operational contracted services. This is now corrected with the following entries, Dt Infrastructure Water at Cost R768 116 and (Ct) Accumulated Surplus Current Year R768 116.		
(n)		
Correction of Buildings at Cost WIP 2019/20 operational maintenance item incorrectly Capitalised. This is now corrected with the following entries, Dt Accumulated Surplus Current Year R23 790, (Ct) Buildings at Cost R23 790.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- First time recognition of properties that were omitted in prior years due to the title deed registrations not yet completed.
- (o) IGRAP 18 test was performed, and it is has been seen to be under the control of the municipality. This is now corrected with the following entries Dt Land at Cost Opening balance R13 437 200, (Ct) Accumulated Surplus Opening balance R13 437 200. Dt Land At Cost 2019/20 Additions R1 987 000 and (Ct) Accumulated Surplus Current year R1 987 000. Dt Buildings at Cost Opening balance R356 800 (Ct) Accumulated Surplus Opening balance R356 800, Dt Accumulated Surplus Opening balance R7267 and (Ct) Accumulated Depreciation Buildings R7267. Dt Accumulated Surplus Current Year R3567 and (Ct) Accumulated Depreciation Buildings 2019/20 R3567.
- (p) First time recognition of Movable Assets with the following entries corrected: Dt Movable Assets at Cost Opening balance R1 260 960, (Ct) Accumulated Surplus Opening Balance R1 260 960. Dt Accumulated Surplus 2019/20 R119 137 and (Ct) Accumulated Depreciation 2019/20 Movable Assets R119 137
- (q) Correction of Movable Asset incorrectly purchased against Buildings Immovable Property in 2019/20 WIP. This is now corrected with the following entries. Dt Movable Asses at Cost 2019/20 R5 193, (Ct) Buildings at Cost 2019/20 WIP R5 193. Dt Accumulated Surplus 2019/20 R218 and (Ct) Accumulated Depreciation Movable Assets 2019/20 R218
- (r) Correction of Infrastructure WIP Sanitation 2019/20. Retention on Dysselsdorp WWTW was not provided for. This is now corrected with the following entries: Dt Infrastructure Sanitation WIP 2019/20 R158 253, Dt Taxes VAT Input Provisional R23 737.95 and (Ct) Retentions 2019/20 R181 990.95
- (s) Correction of Infrastructure Water Opening WIP - Blossoms project. Expenditure relating to 2012 only discovered during in debt analysis of project expenditure per consultant. This is now corrected with the following entries, Dt Infrastructure Water WIP Opening balance R769 748, (Ct) Accumulated Surplus Opening balance R769 748
- (t) Correction of Infrastructure WIP Sanitation, movable chlorine meters incorrectly purchased against infrastructure. This is now corrected with the following entries Dt Movable Assets at Cost 2019/20 R19 214 and (Ct) Infrastructure Sanitation WIP R19 214. (Dt) Accumulated Surplus 2019/20 R502 an (Ct) Accumulated Depreciation 2019/20 Movable Assets R502
- Derecognition of Electricity pre-paid household meters incorrectly capitalised. This is kept as current assets and purchased as inventory items. This is now corrected with the following entries Dt Accumulated Surplus Opening balance R1 131 916, (Ct) Infrastructure at Cost Opening Balance R1 131 916. Dt Accumulated Surplus Current Year R261 331 and (Ct) Infrastructure at Cost 2019/20 R261 331. Dt Accumulated Depreciation Opening balance R368 803 and (Ct) Accumulated Surplus Opening balance R368 803. Dt Accumulated Surplus Current year R76 858 and (Ct) Accumulated Depreciation Infrastructure 2019/20 R76 858
- (v) First time Recognition of Electricity Infrastructure Assets. A full field verification of all electricity infrastructure assets were conducted, and this resulted in assets identified that were not on the Fixed Asset Register. This is now corrected with the following entries Dt Infrastructure Electricity Opening balance R25 007 901 and (Ct) Accumulated Surplus Opening balance R25 007 901, Dt Accumulated Surplus 2019/00 R1 633 480 and (Ct) Accumulated Depreciation Infrastructure R1 633 480.
- (w) Correction of 2019/20 Capitalised Restoration Cost, incorrect discount rate used for determination of the unwinding of interest for the year. This is now corrected with the following entries, Dt Accumulated Surplus 2019/20 (Finance Charges) R470 753.48, Dt Accumulate Surplus 2019/20 (Reversl of Impairment), (Ct) Capitalised Restoration Cost R721 562.34. Dt Accumulated Deprecation Capitalised Restoration Cost R43 509.13 and (Ct) Accumulated Surplus 2019/20 (Depreciation) R43 509.13

	2020 R	2019 R
37.2 Accumulated Surplus/(Deficit)		
Balance previously reported	778 066 337	722 423 954
Correction of Accumulated Depreciation Opening balance Capitalised Restoration Cost as per note 37.1(a)	(58 463)	(58 463)
Correction of Accumulated Depreciation 2019/20 Capitalised Restoration Cost as per note 37.1(a)	3 872	-
Correction of Infrastructures Sanitation at Cost WIP as per note 37.1(c)	(259 158)	-
Correction of Infrastructure Water WIP 2019/20 as per note 37.1(d)	916 746	-
Correction of Infrastructure Water WIP Opening balance as per note 37.1(d)	1 390 460	1 390 460
Correction of Trade Payables from Exchange Transactions as per note 37.1(b)	(61 438)	-
Correction of Trade Payables from Exchange Transactions as per note 37.1(f)	(193 442)	-
Correction of Trade Payables from Exchange Transactions as per note 37.1(g)	(213 695)	-
Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(h)	(214 175)	(214 175)
Correction of Receivables from Exchange Transactions 2019/20balance as per note 37.1(h)	(142 002)	-
Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(i)	320 812	320 812
Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(j)	311 349	311 349
Correction of Trade Payables from Exchange Transactions Opening balance as per note 37.1(k)	(10 655)	(10 655)
Correction of Infrastructure Water WIP 2019/20 as per note 37.1(m)	768 116	-



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Correction of Buildings WIP 2019/20 as per note 37.1(n)	(23 790)	-
Correction of Land at Cost Opening balance as per note 37.1(o)	13 437 200	13 437 200
Correction of Buildings at Cost Opening balance as per note 37.1(o)	356 800	356 800
Correction of Land at Cost 2019/20 as per note 37.1(o)	1 987 000	-
Correction of Accumulated Depreciation Buildings Opening balance as per note 37.1(o)	(7 267)	(7 267)
Correction of Accumulated Depreciation Buildings 2019/20 as per note 37.1(o)	(3 567)	-
Correction of Movable assets at Cost Opening balance as per note 37.1(p)	1 260 960	1 260 960
Correction of Accumulated Depreciation Movable Assets 2019/20 as per note 37.1(p)	(119 137)	-
Correction of Accumulated Depreciation Movable Assets 2019/20 as per note 37.1(q)	(218)	-
Correction of Infrastructure Water WIP Opening balance as per note 37.1(s)	769 748	769 748
Correction of Infrastructure Sanitation WIP 2019/20 as per note 37.1(t)	(502)	-
Correction of Infrastructure Electricity Opening balance at Cost as per note 37.1(u)	(1 131 916)	(1 131 916)
Correction of Infrastructure Electricity Additions 2019/20 at Cost as per note 37.1(u)	(261 331)	-
Correction of Accumulated Depreciation Infrastructure Opening balance as per note 37.1(u)	368 803	368 803
Correction of Accumulated Depreciation Infrastructure 2019/20 as per note 37.1(u)	76 858	-
Correction of Infrastructure Electricity Opening balance at Cost as per note 37.1(v)	25 007 901	25 007 901
Correction of Accumulated Depreciation Infrastructure 2019/20 as per note 37.1(v)	(1 633 480)	-
Correction of Capitalised Restoration Cost 2019/20 as per note 37.01(w)	(470 753)	-
Correction of Capitalised Restoration Cost 2019/20 as per note 37.01(w)	(250 809)	-
Correction of Capitalised Restoration Cost Accumulated Depreciation as per note 37.01(w)	43 509	-
	820 030 672	764 225 511

37.3 Property, Plant and Equipment

Balance previously reported	856 007 048	831 597 293
Cost	45 116 776	41 452 044
Correction of Error Capitalised Restoration Cost as per note 37.1(a)	717 691	717 691
Correction of Error Capitalised Restoration Cost as per note 37.1(a)	29 569	-
Correction of Error Buildings at Cost 2019/20 as per note 37.1(b)	61 916	-
Correction of Error Infrastructure Sanitation at Cost Opening balance as per note 37.1(c)	(259 158)	-
Correction of Error Infrastructure Water at Cost 2019/20 as per note 37.1(d)	916 746	-
Correction of Error Infrastructure Water WIP Opening balance as per note 37.1(d)	1 390 460	1 390 460
Correction of Error Infrastructure Road Transport WIP as per note 37.1(l)	652 174	-
Correction of Infrastructure Water WIP 2019/20 as per note 37.1(m)	768 116	-
Correction of Buildings WIP 2019/20 as per note 37.1(n)	(23 790)	-
Correction of Land at Cost Opening balance as per note 37.1(o)	13 437 200	13 437 200
Correction of Land at Cost 2019/20 as per note 37.1(o)	1 987 000	-
Correction of Buildings at Cost Opening balance as per note 37.1(o)	356 800	-
Correction of Movable assets at Cost Opening balance as per note 37.1(p)	1 260 960	1 260 960
Correction of Infrastructure Sanitation WIP 2019-20	158 253	-
Correction of Infrastructure Water WIP Opening balance as per note 37.1(s)	769 748	769 748
Correction of Infrastructure Electricity Opening balance at Cost as per note 37.1(u)	(1 131 916)	(1 131 916)
Correction of Infrastructure Electricity Additions 2019/20 at Cost as per note 37.1(u)	(261 331)	-
Correction of Infrastructure Electricity Opening balance at Cost as per note 37.1(v)	25 007 901	25 007 901
Correction of Capitalised Restoration Cost 2019/20 as per note 37.01(w)	(470 753)	-
Correction of Capitalised Restoration Cost 2019/20 as per note 37.01(w)	(250 809)	-
Accumulated Depreciation	(1 329 591)	303 074
Correction of Accumulated Depreciation Opening balance Capitalised Restoration Cost as per note 37.1(a)	(58 463)	(58 463)
Correction of Accumulated Depreciation 2019/20 Capitalised Restoration Cost as per note 37.1(a)	3 872	-
Correction of Accumulated Depreciation Buildings Opening balance as per note 37.1(o)	(7 267)	(7 267)
Correction of Accumulated Depreciation Buildings 2019/20 as per note 37.1(o)	(3 567)	-
Correction of Accumulated Depreciation Movable Assets 2019/20 as per note 37.1(p)	(119 137)	-
Correction of Accumulated Depreciation Movable Assets 2019/20 as per note 37.1(q)	(218)	-
Correction of Infrastructure Sanitation WIP 2019/20 as per note 37.1(t)	(502)	-
Correction of Accumulated Depreciation Infrastructure Opening balance as per note 37.1(u)	368 803	368 803
Correction of Accumulated Depreciation Infrastructure 2019/20 as per note 37.1(u)	76 858	-
Correction of Accumulated Depreciation Infrastructure 2019/20 as per note 37.1(v)	(1 633 480)	-
Correction of Capitalised Restoration Cost Accumulated Depreciation as per note 37.01(w)	43 509	-
Restated Balance	899 794 232	873 352 411



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

37.4 Receivables from Exchange Transactions		
Balance previously reported	40 180 018	41 827 712
Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(h)	(214 175)	(214 175)
Correction of Receivables from Exchange Transactions 2019/20balance as per note 37.1(h)	(142 002)	-
Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(i)	320 812	-
Correction of Receivables from Exchange Transactions Opening balance as per note 37.1(j)	311 349	-
	40 456 001	41 613 537
37.5 Trade and Other Payables from Exchange Transactions		
Balance previously reported	69 876 490	56 629 414
Correction of Trade Payables from Exchange Transactions as per note 37.1(b)	61 438	
Correction of Trade Payables from Exchange Transactions as per note 39.1(f)	193 442	
Correction of Trade Payables from Exchange Transactions as per note 37.1(g)	213 695	
Correction of Trade Payables from Exchange Transactions Opening balance as per note 37.1(k)	10 655	10 655
Correction of Trade Payables from Exchange Transactions as per note 37.1(k)	652 174	
Correction of Trade Payables from Exchange Transactions as per note 37.1(b)	61 916	
Correction of Trade Payables from Exchange Transactions as per note 37.1(r)	158 253	
	71 228 063	56 640 070
	2021	2020
	R	R
38. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	80 879 822	53 818 161
Adjustments for:		
Depreciation and Amortisation	40 312 557	43 445 776
Loss/(Gain) on Sale of Fixed Assets	1 086 130	306 991
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	-	(1 803 688)
Contributed Property, Plant and Equipment	(39 066 686)	(62 200)
Change in Provision for Rehabilitation Cost	1 430 755	2 167 785
Contribution from/to provisions - Non-Current Employee Benefits	15 670 000	8 120 714
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	-	86 031
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	-	(14 049 546)
Contribution from/to - Current Employee Benefits	(1 124 593)	6 553 202
Bad Debts written off	34 365 998	24 385 890
Reversal of Impairment Loss/(Impairment Loss) on Receivables	(12 411 708)	13 080 695
Unpaid Government Grant	2 000 000	(2 000 000)
Government Grants and Subsidies received	141 246 469	171 251 331
Government Grants and Subsidies recognised as revenue	(165 328 620)	(155 893 757)
Repaid to Revenue Fund	(18 382 835)	(543 960)
(Increase)/Decrease in Operating Lease Asset	(13 912)	(4 614)
	80 663 378	148 858 810
Operating Surplus/(Deficit) before changes in working capital		
Changes in working capital	(68 225 633)	(23 209 840)
	(26 222 092)	14 598 649
Increase/(Decrease) in Trade and Other Payables		
Increase/(Decrease) in Taxes	2 787 648	(218 747)
(Increase)/Decrease in Inventory	(766 938)	100 276
(Increase)/Decrease in Receivables	(44 484 585)	(38 405 241)
Increase in Consumer Deposits	460 335	715 222
	12 437 745	125 648 970
Cash generated/(absorbed) by operations	2021	2020
	R	R
39. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 10	16 088 101	26 490 257
Call Deposits and Investments - Note 10	99 841 236	151 259 068
Cash Floats - Note 10	37 550	37 860
	115 966 886	177 787 185
Total cash and cash equivalents	2021	2020
	R	R

	2021 R	2020 R
40. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 39	115 966 886	177 787 185
Less:	(31 014 600)	(69 835 388)
Unspent Transfers and Subsidies - Note 17	(11 043 305)	(53 508 289)
Unspent Borrowings	(12 068 274)	(11 211 726)
VAT - Note 18	(7 903 021)	(5 115 373)
Net cash resources available for internal distribution	84 952 286	107 951 797
Resources available for working capital requirements	84 952 286	107 951 797

41. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term Liabilities - Note 11	54 237 029	51 734 549
Used / to be used for the financing of property, plant and equipment - at cost	(54 237 029)	(51 734 549)
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		

42. BUDGET INFORMATION

42.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity tariffs on consumer debtors, the reprioritising of capital projects, with the corresponding changes to funding sources.

Explanation of variances greater than 5%: Actual amounts vs Final Budget

42.2 Statement of Financial Position

42.2.1 Current Assets

Cash

Actual cash is R15.6 million more than budgeted, due to more cash held in current account for payment of creditors at year-end.

Call Investment Deposits

Actual investments are R15,4 million less than budgeted by the same overperformance of the cash in bank, this due to more cash that was held in current account for the immediate payment of creditors.

Other Debtors

Other debtors are R11.7 million more than budgeted, because the Fines Debtor increasing substantially more than budgeted. Low payment percentage on fines, because no debt collection processes was followed during the Covid 19 Lock-down period.

Operating Lease Asset

Operating lease assets are more than budgeted, due to a new long term lease recognized for the Dept Of Public Works that was signed for the rental of office space at the Thusong Centre. This was not a known fact during the budget process.

Inventory

Inventory in stock at year end is R660 985 more than budgeted, this is mainly due to more water inventory stock items held as inventory than anticipated during the budget process

42.2.2 Non-Current Assets

Property, Plant and Equipment

Actual Capital expenditure R60 million less than budgeted, mainly due to transport assets not yet delivered at year-end and mayor infrastructure projects from borrowed and provincial grants that could not be completed because adjudication of contractors was only late in June 2021. All projects where appointments have been made will be appropriated in the Roll-Over Adjustment budget as a commitments have been raised.

Intangible Assets

Intangible assets purchased R690 193 less than budgeted, due to an error in the split between computer hardware and software during the budget process. Budget with regards to Computer IT equipment was spent in full when combined

42.2.3 Current Liabilities

Borrowing

Borrowing is R2.4 million less than budgeted because the new financial leases for vehicles that was not delivered as anticipated. Tender processes took longer and extension on the existing lease contract with AVIS was performed, where majority have expired and was paid on a month-to-month basis. LT Borrowing will be raised once new leases are delivered in 2021-22.

Trade and Other Payables

Actual Trade and Other Payables are R31 million less than budgeted, because it was anticipated that there would be a large amount of unspent grants at year-end with relation to capital projects. All major infrastructure capital projects from National Government was fully paid by year-end.

Provisions

Provisions R2.9 million less than anticipated during budget process, this item is for current employee benefits that can not accurately forecasted before year-end. Leave provision and Bonus provision, as well as the current portion of Post Employment benefits that are influenced by interest rates are included here.

42.2.4 Non-Current Liabilities

Borrowing

LT Borrowing R5.8 million less than budgeted, mainly because the financial lease contract was not yet finalised by year -end. Delivery and repayment will commence during the next financial year. Liability can only be raised once vehicles are delivered.

Provisions

Non Current Provisions on Post Employment Benefits and Landfill Site Provision is R13.7million higher than anticipated. This is coupled with interest calculations that can not be forecasted accurately at the beginning of the year. Actual provision is determined by external specialist at year-end.

42.2.5 Net Assets

Accumulated Surplus/(Deficit)

Accumulated Surplus is R99 million more than anticipated, this is mainly due to the increase in non-cash revenue item - Contributing PPE that was not budgeted. This related so the external services of the Dysselsdorp Housing project that was completed during the year, contractor was paid directly by the Dept of Human Settlement for municipal assets that was constructed. The larger than anticipated reversal in bad debts provision also contributed to the larger surplus that was generated.

Statement of Financial Performance

42.2.6 Revenue

Rental of Facilities and Equipment

Rental of facilities and equipment is R108 016 less than budgeted, due to the Covid 19 restrictions on gatherings. It was anticipated during the budget process that public gatherings will be permitted and that the income for ad-hoc rentals will be generated.

Interest Earned - Outstanding Debtors

Interest earned on debtors R848 618 more than budgeted, that was based on the prior year actual. Strict debt collection policies was implemented and full interest was charged since January 2021 on all arrears debt.

Fines

Camera Fines are R6 million more than budgeted, because only actual revenue was budgeted for and fines issued could not be accurately forecasted during the lockdown period. iGRAP1 calculation was performed and journal was passed to recognize all fines issued as revenue in the statement of financial performance.

Licences and Permits

Actual expenditure is R0 versus the budget, due to the Roadworthy Certificate incorrectly budgeted against this item. It is allocated correctly on the financial statements against other revenue

Agency Services

Agency fees earned on vehicle licencing are R814 157 more than budgeted. This item was budgeted based on prior year actual, for which less licences was issued during the lock-down period in the prior year due to exemption granted by national government. In current year electronic renewals of licences was implemented that caused an increase in revenue earned.

Transfers Recognised - Capital

Capital Grant expenditure recognized as revenue R9 million less than budgeted, this is mainly due to the construction of the Rosevalley Library that could not commence during the current period due to SCM processes taking longer than anticipated. Roll-Over application was submitted to Provincial Treasury, as a commitment was raised an contractor was appointed during June 2021.

Other Revenue

Other revenue are aggregated on the Statement of Budget Comparison and is the nett result of Operational Revenue, Sales on Goods and Services, Entrance Fees and Availability Charges Non-Exchange. This is done in accordance with National Treasury validations for budget and reporting.

42.2.7 Expenditure

Remuneration of Councillors

Councillor Remuneration is R828 566 less than budgeted, because an increase was anticipated that was not implemented during the current period. The increase is determined the national government and published in the Government Gazette that is issued, and is not at the discretion of the municipal council.

Debt Impairment

The Debt Impairment Provision is R1,1 million more than budgeted, mainly due to the non-payment of traffic fines being more than anticipated. This is due to debt collection of fines that could not be performed during the Covid lockdown period and a staff shortage at the Traffic Departments to deliver summonses and warrants.

Debt Impairment on the Statement of Budget Comparison are aggregated and is the nett result of the Bad Debts Written-off and Reversal of Impairment/(Impairment Losses) on Receivables as disclosed on the Statement of Financial Performance. This is done in accordance with the National Treasury validations for budget and reporting.

Depreciation and Asset Impairment

Depreciation on assets are R2 million less than budgeted, because this item is based on prior year actuals plus assumption that all projects in WIP will be completed. This can only be accurately determined once the Fixed Asset Register is compiled at year-end, and it was seen that the WIP was larger than anticipated and therefore the less assets depreciation calculated for the year.

Finance Charges

Finance Charges are R382 456 more than anticipated, mainly due to the interest portion of the Landfill Site that is influenced by the interest rate and could not be accurately forecasted. Actual is determined at year-end by an external specialist.

Other Materials

Other materials are R3.2 million less than budgeted, due to strict cost containment measures implemented during the year and only essential expenditure allowed. This is mainly due to the decrease in cash available due to the non-payment of consumer accounts.

Other materials on the Statement of Budget Comparison is compared to Inventory Consumed on the Statement of Financial Performance as they are in nature the same.

Contracted Services

Contracted Services are R10.7 million below budget due to procurement processed could not be finalised during the financial year. Cost saving measures were implemented for all non-essential items of expenditure during the 2020-21 year.

Transfers and Grants

Transfers and subsidies R1.8 million less than budgeted, mainly due to the contribution towards sport and culture festivals that could not take place during the financial year due to Covid 19 lock-down regulations.

Other Expenditure

Other expenditure is R3.9 million less than budgeted, mainly because of cost containment measures implemented and all non-essential expenditure that was stopped as remedy for the low payment percentage of service revenue. During lock-down period only essential services was permitted and goods & services procured only for emergency purposes.

Other expenditure are aggregated on the Statement of Budget comparison and is compared to the nett result of Operational Cost, Operating Leases and Actuarial Losses on the Statement of Financial performance. This is done in accordance with National Treasury validations for budget and reporting.

Loss on Disposal of PPE

Loss on Disposal of Fixed assets is 100% more than budgeted, this item can not be forecasted and is only determined annually after the asset verification is finalised. This consists of the disposal of movable assets and infrastructure assets not in working condition anymore

Cash Flow Statement

42.2.8 Net Cash from Operating Activities

Service Charges

Service charges are R16 million lower than budgeted. This is because of the debtor payment ratio being less than anticipated (at year-end 92%), and consumers not having the capacity to repay their accounts and the consumption of water and electricity less than anticipated. Also included in this budgeted item is Entrance Fees for the Congo Caves that were less than anticipated due to Covid Lockdown restrictions

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Interest

Actual Interest Earned is R3 million more than budgeted, because according to mSCOA Chart 6.4 changes this is budgeted as part of Ratepayers Other. It is in terms of GRAP disclosed separately on the face of the cashflow statement as part of Interest.

Finance costs

Finance Charges are R1.1 million less than budgeted, which is mainly due to the repayment on borrowing being less on financial leases than anticipated during the budget process. New financial leases were budgeted but due to SCM processes taking longer, delivery will only be in 2021-22

Transfers and Grants

Transfers and subsidies R1.8 million less than budgeted, mainly due to the contribution towards sport and culture festivals that could not take place during the financial year due to Covid 19 lock-down regulations.

42.2.9 Net Cash from Investing Activities

Capital Assets

Actual Capital expenditure R28 million less than budgeted, mainly due to transport assets not yet delivered at year-end and mayor infrastructure projects from borrowed and provincial grants that could not be completed because adjudication of contractors was only late in June 2021. All projects where appointments have been made will be appropriated in the Roll-Over Adjustment budget as a commitments have been raised.

42.2.10 Net Cash from Financing Activities

Borrowing long term/refinancing

Borrowing is R 11 million more than budgeted, this is because of an error in the budget where the unspent borrowing of 2019-20 was incorrectly added to this item as a cash inflow. The actual receipt was only R16.5 million. The unspent borrowing from the prior year was spent in full and already part of Capital Assets on the Cash Flow.

Increase/(Decrease) in Consumer Deposits

Revenue for Consumer deposits included in Ratepayers and Other on the cash flow statement, and not separately disclosed as per the budget document. Actual movement on consumer deposits was R460 000 have an immaterial difference from the budgeted amount of R640 729

Repayment of Borrowing

Repayment of borrowing is R2.8 million less than budgeted, this is mainly due to the new financial leases tender that was not finalised during the financial year. Repayment will only commence once the vehicles are delivered in 2021-22

	2021 R	2020 R
43. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
43.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	313 708 083	313 708 083
Unauthorised expenditure current year - operational	-	-
Unauthorised expenditure current year - capital	-	-
Written off by council in terms of Sec 32 of MFMA - prior years	(313 708 083)	-
Unauthorised expenditure awaiting authorisation	<u>-</u>	<u>313 708 083</u>

Unauthorised expenditure can be summarised as follow:

Incident / Cases identified	Disciplinary steps/criminal proceedings
None	
	-
	-
	<u>-</u>



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 Actual R	2021 Final Budget R	2021 Variance R	2021 Unauthorised R
Unauthorised expenditure current year - operating				
Community And Public Safety	113 246 457	121 931 818	8 685 361	-
Corporate Services	24 215 122	27 467 357	3 252 235	-
Executive & Council	51 609 891	52 470 511	860 620	-
Financial Services	41 724 237	47 258 179	5 533 942	-
Human Settlement	11 791 232	17 000 402	5 209 170	-
Municipal Manager	20 238 310	21 233 390	995 080	-
Strategic Services	19 176 581	21 399 757	2 223 176	-
Technical Services	328 282 909	330 838 393	2 555 484	-
	610 284 739	639 599 807	29 315 068	-
Unauthorised expenditure current year - capital				
	2021 Actual R	2021 Final Budget R	2021 Variance R	2021 Unauthorised R
Community And Public Safety	5 203 927	16 669 131	11 465 204	-
Corporate Services	20 114	30 000	9 886	-
Executive & Council	-	30 000	30 000	-
Financial Services	1 462 687	1 547 073	84 387	-
Human Settlement	-	60 000	60 000	-
Municipal Manager	108 318	110 000	1 682	-
Strategic Services	1 194 772	1 596 087	401 315	-
Technical Services	68 770 706	85 996 440	17 225 734	-
	76 760 524	106 038 731	29 278 207	-

43.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance		36 573 002	36 573 002
Fruitless and wasteful expenditure current year		-	-
Written off by council - prior years		(36 573 002)	-
Fruitless and wasteful expenditure awaiting condonement		-	36 573 002

Fruitless and wasteful expenditure can be summarised as follow:

Incident / Cases identified	Disciplinary steps/criminal proceedings		
None	None	-	-
		-	-

43.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

Opening balance		524 748 030	498 080 424
Irregular expenditure current year		24 614 634	26 667 606
Written-off by council - prior years		(524 748 030)	-
Written-off by council - current period July 2020 - May 2021		(6 055 775)	-
Irregular expenditure awaiting further action		18 558 860	524 748 030

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
Irregular expenditure can be summarised as follow:		
Incident/Cases identified written-off by council in current year	Disciplinary steps/criminal proceedings	
Declaration of interest not submitted by supplier	-	30 290
Deviations not justifiable	-	1 987 707
No procurement process followed or less than 3 quotes	686 253	66 141
Payments made to suppliers exceed contract price	4 124 340	29 943
Sec 32 Contract - ASLA not allowed	-	8 091 040
Sec 32 Contract - Makhukane Consulting not allowed	-	860 584
Sec 32 Contract - BDE Consulting	-	186 462
Sec 32 Contract - Barnowl	-	53 966
Awards made to bidder not Tax Compliant	-	69 600
Non compliance scm reg 19 no competitive bidding process	-	6 517 383
Tenders awarded in contradiction with SCM Regulation 29(s) BAC meetings not constituted	1 223 317	5 286 542
Local Content- MBD 6 not completed	21 864	279 335
Non-compliance with PPR	-	3 208 613
	6 055 775	26 667 606

	2021 R	2020 R
Incident/Cases identified in the current year awaiting action	Disciplinary steps/criminal proceedings	
No procurement process followed or less than 3 quotes	75 777	-
Tenders awarded in contradiction with SCM Regulation 29(s) BAC meetings not constituted	137 087	-
Non compliance scm reg 19 no competitive bidding process implemented after contract expired	11 164 809	-
Non-Compliance with Sec 112 of the MFMA - Bidder unfairly disqualified, prequalification not fair and transparent	2 363 841	-
Non Compliance with regulation 12, competitive bidding process not followed	2 119 836	-
Non Compliance with regulation 13(b), tax clearance not supplied during award	74 909	-
Local Content- MBD 6 not completed	9 555	-
Payments made to suppliers exceed contract price	1 331 903	-
Non-compliance with PPR	1 281 144	-
	18 558 860	-

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

44. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

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

Opening balance	-	-
Council subscriptions	2 774 994	2 625 061
Amount paid - current year	(2 774 994)	(2 625 061)
Balance unpaid (included in creditors)	-	-

44.2 **Audit fees - [MFMA 125 (1)(c)]**

Opening balance	-	5 779
Current year audit fee	5 199 258	6 412 816
External Audit - Auditor-General	5 199 258	6 412 816
Amount paid - current year	(5 199 258)	(6 412 816)
Amount paid - previous year	-	(5 779)
Balance unpaid (included in creditors)	-	-

44.3 **VAT - [MFMA 125 (1)(c)]**

Opening balance	(5 115 373)	(5 613 018)
Nett movements	(2 787 648)	497 645
Closing balance	(7 903 021)	(5 115 373)
Input VAT	4 467 842	7 708 040
Output VAT	(12 370 863)	(12 823 414)
Closing balance	(7 903 021)	(5 115 373)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
44.4 PAYE and UIF - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year payroll deductions	(33 224 802)	(31 846 311)
Amount paid - current year	33 224 802	31 846 311
Balance unpaid (included in creditors)	-	-

44.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	68 975 777	64 671 076
Amount paid - current year	(68 975 777)	(64 671 076)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	-	-

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

No Councillors had arrear accounts for more than 90 days as at 30 June 2021

44.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

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

2021:	Amount	Single Supplier	Type of Deviation		Emergency
			Impossible	Impractical	
July	2 178	-	-	2 178	-
August	647 192	-	-	647 192	-
September	319 319	7 912	-	311 407	-
October	65 379	-	-	65 379	-
November	378 361	-	-	378 361	-
December	186 431	-	-	186 431	-
January	255 467	-	-	255 467	-
February	560 485	-	-	472 571	87 914
March	493 353	-	-	493 353	-
April	733	-	-	733	-
May	118 150	-	-	118 150	-
June	96 331	-	-	96 331	-
	3 123 380	7 912	-	3 027 554	87 914

2020:	Amount	Single Supplier	Type of Deviation		Emergency
			Impossible	Impractical	
July 2019	11 846	-	-	-	11 846
August 2019	103 358	-	-	-	103 358
September 2019	-	-	-	-	-
October 2019	107 408	68 201	-	39 207	-
November 2019	58 484	3 086	-	29 155	26 243
December 2019	16 057	5 624	-	10 433	-
January 2020	-	-	-	-	-
February 2020	4 554	-	-	-	4 554
March 2020	70 813	-	-	42 950	27 863
April 2020	679 829	-	-	-	679 829
May 2020	-	-	-	-	-
June 2020	2 573 158	-	-	2 323 158	250 000
	3 625 507	76 911	-	2 444 903	1 103 693

44.8 Additional disclosure in terms of the Broad Based Black Economic Empowerment Act

Information on compliance with the B-BBEE Act will be included in the annual report based on actual audited figures for the current and prior year.

	2021 R	2020 R
44.9 Material losses		
Electricity distribution losses		
Units purchased (Kwh)	141 514 167	143 532 455
Units lost during distribution (Kwh)	10 310 136	8 303 169
Percentage lost during distribution	7.29%	5.78%
Distribution loss (Rand Value)		

Water distribution losses

Units purchased (ml)	5 093 968	4 763 595
Units lost during distribution (ml)	886 471	599 329
Percentage lost during distribution	17.40%	12.58%
Distribution loss (Rand Value)		

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

	2021 R	2020 R
--	-----------	-----------

45. FINANCIAL RISK MANAGEMENT

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

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

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

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

.5% (2020: .5%) Increase in interest rates	262 596	152 223
.25% (2020: .25%) Decrease in interest rates	(131 298)	(76 112)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(d) Credit Risk

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

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

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

All rates and services are payable within 30 days from invoice date. Refer to note 8 and 9 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2021 %	2021 R	2020 %	2020 R
<u>Non-exchange Receivables</u>				
Rates	100.00%	24 473 552	100.00%	21 464 257
<u>Exchange Receivables</u>				
Electricity	26.32%	17 812 076	19.82%	12 651 434
Water	26.51%	17 942 798	33.36%	21 301 851
Property Rentals	0.00%	506	0.00%	506
Waste Management	13.32%	9 011 153	13.76%	8 783 452
Waste Water Management	16.71%	11 305 515	16.75%	10 690 983
Klein Karoo Water Scheme	0.04%	4 150 166	1.14%	2 647 927
Legal Fees Recovery	6.13%	29 216	4.15%	727 184
Sundry municipal charges	10.93%	7 396 956	10.99%	7 018 764
Prepaid expenditure	0.00%	-	0.00%	-
Other receivables	0.03%	23 400	0.04%	23 400
	100.00%	67 671 786	100.00%	63 845 500

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 8 and 9 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

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

	2021 %	2021 R	2020 %	2020 R
<u>Non-exchange Receivables</u>				
Rates	27.50%	18 854 611	23.61%	19 118 080
Fines	13.86%	9 503 991	13.33%	10 789 722
<u>Exchange Receivables</u>				
Services	58.63%	40 196 752	63.06%	51 059 260
	100.00%	68 555 354	100.00%	80 967 062

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

	2021 %	2021 R	2020 %	2020 R
Government	0.80%	550 436	1.75%	1 420 432
Business	8.44%	5 787 434	6.39%	5 174 257
Residential	76.97%	52 769 331	74.54%	60 351 178
Indigents	7.32%	5 021 185	12.16%	9 846 484
Other	6.46%	4 426 968	5.16%	4 174 712
	100.00%	68 555 354	100.00%	80 967 063

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

<u>Balances past due not impaired:</u>	2021	2021	2020	2020
	%	R	%	R
Non-exchange Receivables				
Rates	82%	5 618 941	58%	3 044 145
Fines	18%	1 249 714	42%	2 248 733
	100.00%	6 868 655	100.00%	5 292 878

<u>Balances past due not impaired:</u>	2021	2021	2020	2020
	%	R	%	R
Exchange Receivables				
Services	100%	27 475 034	100%	12 786 240
	100%	27 475 034	100%	12 786 240

	2021	2020
	R	R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	60 020 732	40 456 001
Receivables from non-exchange transactions	13 461 026	10 495 462
Cash and Cash Equivalents	115 929 336	177 749 325
	189 411 094	228 700 787

The municipality is also exposed to a number of guarantees issued in favour of trade creditors. These guarantees are listed below:

Guarantee held at Standard Bank of South Africa in the favour of AFS Fuel	200 000	200 000
Guarantee held at Standard Bank of South Africa in the favour of ESKOM	409 100	409 100
	609 100	609 100

(e) Liquidity Risk

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

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

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

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2021				
Long-term Liabilities	15 533 468	32 525 781	21 657 316	-
Provision for Rehabilitation of Landfill-sites	8 770 974	-	-	345 699 488
Trade and Other Payables	45 005 971	-	-	-
Unspent Conditional Grants and Receipts	11 043 305	-	-	-
	80 353 719	32 525 781	21 657 316	345 699 488
2020				
Long-term Liabilities	18 418 949	33 409 463	14 309 301	-
Provision for Rehabilitation of Landfill-sites	8 021 993	-	-	214 639 027
Trade and Other Payables	71 228 063	-	-	-
Unspent Conditional Grants and Receipts	53 508 289	-	-	-
	151 177 294	33 409 463	14 309 301	214 639 027

46. FINANCIAL INSTRUMENTS

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

46.1 <u>Financial Assets</u>	<u>Classification</u>	2021 R	2020 R
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	30 695 967	22 877 556
Water	Financial Instruments at amortised cost	22 933 740	25 339 818
Property Rentals	Financial Instruments at amortised cost	506	506
Waste Management	Financial Instruments at amortised cost	10 566 315	10 297 696
Waste Water Management	Financial Instruments at amortised cost	13 874 646	13 282 828
Legal Fees Recovery	Financial Instruments at amortised cost	29 216	727 184
Klein Karoo Water Scheme	Financial Instruments at amortised cost	4 656 076	3 305 964
Cash and Cash Equivalents			
Call Deposits	Financial Instruments at amortised cost	99 841 236	151 259 068
Primary Bank Account	Financial Instruments at amortised cost	16 088 101	26 490 257
Total Financial Assets		198 685 803	253 580 876
SUMMARY OF FINANCIAL ASSETS			
Financial Instruments at amortised cost:			
Receivables from Exchange Transactions	Electricity	30 695 967	22 877 556
Receivables from Exchange Transactions	Water	22 933 740	25 339 818
Receivables from Exchange Transactions	Property Rentals	506	506
Receivables from Exchange Transactions	Waste Management	10 566 315	10 297 696
Receivables from Exchange Transactions	Waste Water Management	13 874 646	13 282 828
Receivables from Exchange Transactions	Legal Fees Recovery	29 216	727 184
Receivables from Exchange Transactions	Klein Karoo Water Scheme	4 656 076	3 305 964
Cash and Cash Equivalents	Call Deposits	99 841 236	151 259 068
Cash and Cash Equivalents	Primary Bank Account	16 088 101	26 490 257
Total Financial Assets		198 685 803	253 580 876
46.2 <u>Financial Liabilities</u>			
<u>Classification</u>			
Long-term Liabilities			
Annuity Loans	Financial Instruments at amortised cost	52 391 823	48 104 482
Capitalised Lease Liability	Financial Instruments at amortised cost	1 845 206	3 630 067
Trade and Other Payables			
Trade Payables	Financial Instruments at amortised cost	32 176 450	60 729 747
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	109 434	1 068 415
Retentions	Financial Instruments at amortised cost	7 646 314	2 753 091
		94 169 227	116 285 802
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Annuity Loans	52 391 823	48 104 482
Long-term Liabilities	Capitalised Lease Liability	1 845 206	3 630 067
Trade and Other Payables	Trade Payables	32 176 450	60 729 747
Trade and Other Payables	Control, Clearing and Interface Accounts	109 434	1 068 415
Trade and Other Payables	Retentions	7 646 314	2 753 091
		94 169 227	116 285 802



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

47. STATUTORY RECEIVABLES

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

Taxes

VAT Receivable - -

Receivables from Non-Exchange Transactions

Rates
Fines

41 819 627 40 403 263

30 696 122	27 281 708
11 123 505	13 121 555

Total Statutory Receivables (before provision)

41 819 627 40 403 263

Less: Provision for Debt Impairment

(28 358 601) (29 907 801)

Total Statutory Receivables (after provision)

13 461 026 10 495 462

Reconciliation of Provision for Debt Impairment

Balance at beginning of year
Contribution to provision

29 907 801 21 249 131
(1 549 200) 8 658 670

Balance at end of year

28 358 601 29 907 801

2021 R 2020 R

Ageing of amounts past due but not impaired:

Non-exchange

6 868 655 5 292 878

6 868 655 5 292 878

48. IN-KIND DONATIONS AND ASSISTANCE

The following officials provided services in-kind to the municipality in support of the Section 139 Intervention with the purpose of aiding with the financial, operational and institutional recovery of the municipality:

The municipality received the following in-kind donations and assistance:

Ms. Simms, funded by Department of Human Settlement through a subsidy who's revenue is recognized in terms of GRAP 23. The memorandum of agreement ended with Ms Simms was upon her resignation October 2020.

2021 R 2020 R

49. PRINCIPAL - AGENT ARRANGEMENTS

Principal in Principal-Agent Arrangement (Material)

Oudtshoorn Municipality's binding arrangements for services delivered on behalf of the municipality and for which commissions were paid, have been evaluated and it was found that the conditions don't meet the applicable GRAP 109 criteria to be regarded as a principal arrangements.

Agent in arrangement

Oudtshoorn Municipality is the Agent in the Principal-Agent arrangement with the Western Cape Government. The Municipality is issuing motor vehicle licences and managing the INATIS system on behalf of the Provincial Government. Commission based on a percentage of the licences fees issued are deducted from payments due to the Provincial Government. The nett amounts are paid over on a prescribed timeframe in a dedicated bank account.

Compensation received for agency activities

Commission

6 085 630 4 882 687

Total Compensation received

6 085 630 4 882 687

Reconciliation of Agency Funds and Disbursements

Principal name	2021 R		2020 R	
	Total Agency funds received	Amount remitted to the principal	Total Agency funds received	Amount remitted to the principal
Western Cape Government- Department of Transport	6 085 630	18 486 535	4 882 687	14 682 903
	6 085 630	18 486 535	4 882 687	14 682 903



Resources under custodianship at year-end

None

	2021 R	2020 R
50. CONTINGENT LIABILITIES		
The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:		
50.1 Cobus Louw Professional Engineers CC v Oudtshoorn Municipality		
On/about the 17th of January 2014 the Municipality requested assistance from Cobus Louw Professional Engineers CC for the sourcing of external funding for possible infrastructure projects totalling R20,000,000. As per this request the sourcing of MIG funding was excluded. In terms of ECSA, a 30% of the total amount of project fees was due to the supplier which amounted to R560,960, but only paid R66 543. Although no summons was issued, we are of opinion that a contingent liability exist for the amount of R494,364.	494 364	494 364
50.2 Golden Rewards 965 cc. vs. Oudtshoorn Municipality		
This matter involves the contract that was awarded to Golden Rewards 965 to build temporary structures for the displaced people. A settlement of amounts owed was paid out to the company in terms of the contract but this company alleges that a balance is still due, the Municipality denies that it owes the money.	155 040	155 040
50.3 Cornelius Draai vs Oudtshoorn Municipality		
This matter involves a five year old boy, Cornelius Draai that drowned on the 5th of January 2020 at the Bridgeton Municipal Swimming Pool. A public liability claim have been made against the municipality and was referred to council's insurers. An investigation from Webber Wentzel Attorneys was performed and the report was submitted to council and the insurers whom have did not approve the claim. Awaiting further action from 3d party attorneys.	10 000 000	10 000 000
50.4 S E Zunga vs Oudtshoorn Municipality		
Claim for damages by 3d Party to vehicle. Matter was referred to council attorneys and if successful municipality will be held liable damages and legal fees. Matter was set for argument on our special plea for August 2021	261 300	-
50.5 APJ Marais and CM Marais vs Oudtshoorn Municipality		
Claim for damages by 3d Party for water damages due to pipe burst. Matter referred to council attorneys and is awaiting matter to be put on court roll. If found to be guilty the municipality will have to pay for damages and legal fees	190 000	-
50.6 M J Meyers vs Oudtshoorn Municipality		
Claim for damages to their property was made against the municipality by MJ Meyers. Coetzee vd Berg Attorneys was appointed by the council's short-term insurance service providers to deal the matter. If found guilty the municipality must pay for damages.	75 000	-
50.7 NJ Tereblance vs Oudtshoorn Municipality		
Claim for damages to their property was made against the municipality by MJ Meyers. Coetzee vd Berg Attorneys was appointed by the council's short-term insurance service providers to deal the matter. If found guilty the municipality must pay for damages.	45 000	-
50.8 B B Dido vs Oudtshoorn Municipality		
Employee made case against municipality for salary increase. Matter on court roll for September to rescind the order, and refer to the labour court and bargaining council	125 000	-
50.9 Johan Wagenaar Attorneys on behalf of R September vs Oudtshoorn Municipality		
The municipality received a letter of demand from Johan Wagenaar Attorneys on behalf of R September for losses incurred. Possibility does exist with a potential liability if matter is referred to court and a summance is received from the third party.	689 772	-
	<u>12 035 476</u>	<u>10 649 404</u>

51. CONTINGENT ASSETS

51.1 Oudtshoorn Municipality v Imvusa Trading (Pty) Ltd

The municipality disclosed under payables from exchange transactions the amount of R 3,4 million in respect of the creditor, Imvusa Trading for services relating to road repairs allegedly rendered and invoiced, the municipality instituted a counter claim for a similar amount as the payable claimed, for undue enrichment stemming from the irregular extension of the contract to Imvusa Trading (Pty) Ltd.

3 975 896 3 975 896

51.2 Gaihaos (Pty) Ltd vs Oudtshoorn Municipality

Gaihaos applied for interdict against municipality for tender that was awarded. The case was dismissed in court and legal fees was awarded to the municipality that must be paid by the plaintiff

80 000 -

51.3 Oudtshoorn Municipality vs D Hartzenberg

Ex-employee did not honour his re-imbursement agreement with the municipality that was signed to repay his study bursary. Deb collection process was started and handed over to council panel of attorneys appointed for deb collection Lizelle Harker Attorneys

29 400 -

51.4 Oudtshoorn Municipality vs IMATU on behalf of Wagenaar

The decision of the arbitrator in the matter between Imatu obo M Wagenaar vs Oudtshoorn Municipality was taken to the labour court. Bradley Conradie represented the municipality and the case was won. Mr M Wagenaar must repay the monies that was wrongfully paid to him

100 000 -

4 185 296 3 975 896

52. RELATED PARTIES

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

The rates, service charges and other 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.

	2021 R	2021 R	2020 R	2020 R
	Rates & Services	Outstanding Balance	Rates & Services	Outstanding Balance
52.1 Related Party Transactions				
Year ended 30 June 2021				
Councillors				
LPO Wagenaar	1 739	1 739	11 651	1 577
JC Lambaatjeen	-	-	16 524	-
LS Stone	848	848	5 799	1 027
MBG Theyse	681	681	12 106	3 106
HG Juthé	-	-	14 725	-
N Mwati	4 198	4 198	19 552	1 561
DJ Fourie	4 284	4 284	19 711	3 569
E Fortuin	-	-	4 320	-
H Human	156	156	-	-
N Soman	-	-	5 765	1 579
JH Tyatya	1 549	1 549	-	-
J le Roux Krowitz	1 088	1 088	-	-
BC Berry	347	347	-	-
F September	937	937	-	-
	<u>15 827</u>	<u>15 827</u>	<u>110 153</u>	<u>12 419</u>
Senior Management - Directors				
Mr Lötter (resigned ended 31 October 2019)	-	-	21 487	-
Mr GP De Jager	1 098	1 098	-	-
Ms S Simms (resigned October 2020)	-	-	10 353	-

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2021:

OUTDSHOORN LOCAL MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Staff Leave Provision	Performance Bonus	Subsistence and Travel
Key Management Personnel			
Mr Paulse (resigned October 2020)	174 791	-	-
Mr. LH Fourie (temporary appointment Aug 2020 - March 2021)	58 942	-	-
Mr. GP De Jager	-	-	7 863
Mr Smit	-	87 277	-
Mr T Matthee (terminated May 2021)	145 884	62 340	489
Ms S Simms (resigned October 2020)	48 322	-	-
	427 939	149 617	8 352

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2020:

	Staff Leave Provision	Performance Bonus	Subsistence and Travel
Key Management Personnel			
Mr Paulse	135 354	167 783	35 924
Mr Lötter(service ended 31 October 2019)	-	174 553	24 025
Mr. LH Fourie(November 2019 - February 2020)	-	-	4 392
Mr. GP De Jager(started 1 March 2020)	39 245	-	5 070
Mr Smit	111 861	174 553	39 813
Mr Koch (service ended 31 October 2019)	-	137 149	17 520
Mr T Matthee	98 621	174 553	29 094
Ms S Simms	-	-	6 801
	385 081	828 592	162 640

51.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

51.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.

52. TRANSACTIONS WHERE COUNCILLORS AND STAFF HAVE AN INTEREST

The following transactions occurred where a councillor or staff have an interest

Company Name	Related Party	Service Capacity	Relationship	2021 R	2020 R
Suave Unlocked Pty Ltd	A. Oliphant	Communications Officer	Brother of Communications officer	58 000	238 970
GH Towing	N. Wolmerans / I Malgas	Disaster Management Officers	Disaster Management Officers Brother	178 195	42 910
Bridgton Autospare	H Trimm	Traffic Officer	Brother of a Traffic Officer		4 915
Transform Construction	I. Malgas	Disaster Management Officers	Disaster Management officer, sister-in-law of owners	245 904	396 827
Gemini Projects	I Malgas	Disaster Management Officers	Disaster Management, sister-in-law of owners	-	116 289
Marita Serfontein - TD 01/04/2020	Spouse of Service Provider	Employee in South African Police Services	Spouse	-	160 250
Nandipha Belinda Ngalo	M. Ngalo	Employee	Cousin of the owner	-	125 290
				482 099	1 085 451

53. FINANCIAL SUSTAINABILITY

There has been a markable improvement in both the financial position and financial performance since the 2015/2016 financial year and through the subsequent financial years since the administration was lifted after the Local Government elections of 2016. Various cost savings initiatives, revenue enhancement, and debt collection efforts have aided in the improvement of the financial performance as well as the liquidity position of the municipality. The strengthening of financial and other internal controls have also aided in the financial recovery process of the municipality. Senior personnel are enforcing financial strategies and strict financial controls aimed at further improving accountability and reducing unnecessary expenditure also ensuring that more care is taken by the sub-ordinate managers and staff members in general, in the utilization of municipal resources.

Oudtshoorn Municipality is in no way immune to the harsh economic realities as a result of the COVID-19 pandemic. As far possible, the Municipality factored in the effect the lockdown levels had on its economic environment. At this stage, the uncertainty still remains as to how long the pandemic will remain and how long the economy will take to recover from the lockdowns levels.

The Municipality incurred costs amounting to R11 675 592 (2020 - R1 236 643) in the fight against the COVID-19 pandemic of which R11 378 100 (2020 - R602 900) was grant funded. The remaining expenditure was funded by the Municipality.

Management is therefore of the opinion that the municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.

Financial Indicators

The following challenges are an indication of the risk relating to going concern:

- The current assets to current liabilities ratio is 1.66:1 which within the norm of between 1.5 to 2:1 as stated in the National Treasury MFMA circular no. 71.
- Improvement on the 1.26:1 reported in the prior year, but the ratio remains at risk and marginally within the norm
- A consecutive surplus was realized from the comparative year.
- Debtors payment ratio declined from 92.5% in 2020 to 92% in 2021. The decline in the debt recovery ratio is evident of the negative impact of the Covid 19 lock-down period. Management regards this as short-term in nature and it has no severe impact on the municipality to perform as a going concern.

Other Indicators

Possible outflow of recourses due the contingent liabilities disclosed in note 50.

APPENDIX A
OUTDSHOORN LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2021

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2020	Received during the period	Redeemed written off during the period	Balance at 30 June 2021
ANNUITY LOANS							
Standard Bank	12.65%	330071688	2021/06	3 524 595	-	(3 524 595)	0
Standard Bank	11.09%	061134732	2022/12/31	2 666 852	-	(981 337)	1 685 515
Standard Bank	11.70%	302786511	2023/06/20	11 605 981	-	(3 435 913)	8 170 068
Standard Bank	7.65%	009733922	2029/12/31	18 000 000	-	(1 246 966)	16 753 034
Standard Bank	5.80%		2031/12/31		16 500 000		16 500 000
FNB	11.97%	4-000-022-701-624	2016/06	812 961		(812 961)	0
Development Bank of SA							-
Urban Infrastructure Project 10608/1	14.00%	10608/1'01	2017/06	3 553 116		(758 176)	2 794 940
Multiple Infrastructure 101096/2	10.16%	101096/2	2019/12	1 302 632		(236 842)	1 065 790
Multiple Infrastructure 101647/3	6.88%	101647/3	2015/06	3 184 211		(578 947)	2 605 264
Infrastructure 102003/1	6.56%	102003/1	2025/12	1 819 559		(303 260)	1 516 299
Electricity And Water 102292/2	6.59%	102292/2	2016/06	116 843	-	(116 843)	(0)
Deep Aquifer Hydrogeological 13774	15.67%	13774	2021/06	1 517 731	-	(216 819)	1 300 913
Total Annuity Loans				48 104 482	16 500 000	(12 212 659)	52 391 823
LEASE LIABILITY							
Toyota Hilux 2.4 GD-6 RB SRX CG 24657	10.00%		2021/02/28	49 762		(49 762)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 30855	10.25%		2022/05/31	133 019		(66 153)	66 866
Ford Ranger 2.2tdci L/r P/u S/c Cg 29680	10.25%		2022/05/31	133 019		(66 153)	66 866
Ford Figio 1.5ti Vct Ambiente (5dr) Cg 33999	10.25%		2022/05/31	92 551		(46 027)	46 524
Ford Figio 1.5ti Vct Ambiente (5dr) Cg 33996	10.25%		2022/05/31	92 558		(46 029)	46 528
Ford Figio 1.5ti Vct Ambiente (5dr) Cg 31834	10.25%		2022/05/31	92 556		(46 029)	46 526
Ford Ranger 2.2tdci Xi 4*4 P/u Sup/cab Cg 34001	10.25%		2022/06/30	226 928		(107 679)	119 249
Ford Ranger 2.2tdci L/r P/u S/c Cg 32359	10.25%		2022/05/31	133 019		(66 153)	66 866
Ford Ranger 2.2tdci Xi 4*4 P/u D/c Cg 32597	10.25%		2022/05/31	211 486		(105 176)	106 310
Ford Ranger 2.2tdci Xi 4*4 P/u D/c Cg 34003	10.25%		2022/05/31	211 486		(105 176)	106 310
Ford Ranger 2.2tdci L/r P/u S/c Cg 34006	10.25%		2022/05/31	133 019		(66 153)	66 866
Ford Ranger 2.2tdci L/r P/u S/c Cg 33895	10.25%		2022/05/31	133 019		(66 153)	66 866
Ford Ranger 2.2tdci Xi 4*4 P/u D/c Cg 34007	10.25%		2022/05/31	209 356		(104 116)	105 240
Ford Ranger 2.2tdci L/r P/u S/c Cg 34012	10.25%		2022/05/31	133 019		(66 153)	66 866
Suzuki Ertiga 1.5 Ga Cg 20395	10.25%		2022/05/31	138 278		(68 768)	69 510
UD TRUCKS CRONER PKE 250 TIPPER CG 18771	10.25%		2022/06	404 171		(191 781)	212 389
UD TRUCKS CRONER PKE 250 TIPPER CG 31467	10.25%		2022/06	822 084		(390 084)	432 000
ISUZU TRUCKS N SERIES NPR 400 CREW CAB AMT	10.25%		2022/07	280 729		(127 318)	153 411
				-	-	-	-
Total Lease Liabilities				3 630 058	-	(1 784 861)	1 845 197
TOTAL EXTERNAL LOANS				51 734 539	16 500 000	(13 997 520)	54 237 019



APPENDIX B
OUTDSHOORN LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2020	Restated Balance 30 June 2020	Contributions during the year	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2021	Unspent 30 June 2021 (Creditor)	Unpaid 30 June 2021 (Debtor)
<u>National Government Grants</u>									
Equitable Share	-	-	89 790 000	-	(89 790 000)	-	-	-	-
Local Government Financial Management Grant	(0)	(0)	2 517 000	-	(2 517 000)	-	(0)	-	(0)
Municipal Infrastructure Grant	4 544 048	4 544 048	21 362 000	-	(870 996)	(24 428 052)	607 000	607 000	-
Integrated National Electrification Grant	0	0	3 000 000	-	-	(379 916)	2 620 084	2 620 084	-
Regional Bulk Infrastructure Grant - Department of Water Affa	1 613 986	1 613 986	-	-	-	-	1 613 986	1 613 986	-
Extended Public Works Program	-	-	2 243 000	-	(2 243 000)	-	-	-	-
Water services Infrastructure Grant	31 024 965	31 024 965	10 000 000	(9 500 000)	-	(31 524 965)	(0)	-	(0)
Disaster Relief Grant	156 100	156 100	-	-	(156 100)	-	-	-	-
Water Macro Planning	0	0	-	-	-	-	0	0	-
Total National Government Grants	37 339 099	37 339 099	128 912 000	(9 500 000)	(95 577 096)	(56 332 934)	4 841 069	4 841 070	(1)
<u>Provincial Government Grants</u>									
CDW operational support grant	-	-	56 000	-	(56 000)	-	-	-	-
Library Services	0	0	7 128 000	-	(7 126 810)	(1 190)	(0)	-	(0)
Rosevalley Library Grant	8 143 915	8 143 915	-	-	-	(1 941 680)	6 202 235	6 202 235	-
Integrating Housing Settlement Grant	6 625 633	6 625 633	2 725 470	(8 870 256)	(480 846)	-	0	0	-
Emergency Housing Programm	(2 000 000)	(2 000 000)	2 000 000	-	-	-	-	-	-
Maintenance Main Road Subsidy	-	-	125 000	-	(125 000)	-	(0)	-	(0)
WC Municipal Financial Management Capacity Building Gran	134 184	134 184	300 000	-	(434 184)	-	-	-	-
Municipal Service Delivery and Capacity Building grant	120 000	120 000	-	-	(39 271)	(80 729)	-	-	-
Local Government Graduate Internship Grant	92 578	92 578	-	(12 578)	(80 000)	-	0	0	-
Fire Service Capacity Building Grant	177 577	177 577	-	-	-	(177 577)	0	0	-
Airport Infrastructure Grant	875 303	875 303	-	-	-	(875 303)	(0)	-	(0)
Total Provincial Government Grants	14 169 190	14 169 190	12 334 469	(8 882 835)	(8 342 111)	(3 076 479)	6 202 235	6 202 235	(1)
Total Grants	51 508 289	51 508 289	141 246 469	(18 382 835)	(103 919 207)	(59 409 413)	11 043 304	11 043 305	(2)

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received.

MUN - Reconciliation of Table A1 Budget Summary

Description	2020/21								2019/20
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	12
R thousands									
Financial Performance									
Property rates	98 078	(72)	98 005	97 889		(117)	99.9%	99.8%	92 909
Service charges	379 843	(18 787)	361 056	352 602		(8 454)	97.7%	92.8%	340 097
Investment revenue	10 901	(5 249)	5 651	5 749		97	101.7%	52.7%	10 999
Transfers recognised - operational	96 292	12 007	108 299	103 919		(4 380)	96.0%	107.9%	94 712
Other own revenue	34 289	(11 302)	22 987	71 597		48 609	311.5%	208.8%	60 390
Total Revenue (excluding capital transfers and contributions)	619 403	(23 404)	595 999	631 755		35 756	106.0%	102.0%	599 108
Employee costs	266 090	(6 076)	260 013	254 446	-	(5 568)	97.9%	95.6%	250 142
Remuneration of councillors	11 303	508	11 812	10 983	-	(829)	93.0%	97.2%	11 213
Depreciation & asset impairment	43 172	(1 526)	41 646	40 313	-	(1 334)	96.8%	93.4%	32 420
Finance charges	5 911	(514)	5 396	5 592	-	195	103.6%	94.6%	6 448
Materials and bulk purchases	204 768	(1 572)	203 196	195 735	-	(7 461)	96.3%	95.6%	185 286
Transfers and grants	6 193	(2 430)	3 763	1 901	-	(1 862)	50.5%	30.7%	4 717
Other expenditure	119 694	(5 921)	113 773	101 315	-	(12 458)	89.1%	84.6%	118 246
Total Expenditure	657 130	(17 530)	639 600	610 285	-	(29 315)	95.4%	92.9%	608 471
Surplus/(Deficit)	(37 728)	(5 873)	(43 601)	21 470		65 071	-49.2%	-56.9%	(9 364)
Transfers recognised - capital	64 464	4 383	68 847	59 409		(9 438)	86.3%	92.2%	63 182
Contributions recognised - capital & contributed assets	-	-	-	-		-			-
Surplus/(Deficit) after capital transfers & contributions	26 737	(1 490)	25 246	80 880		55 634	320.4%	302.5%	53 818
Share of surplus/ (deficit) of associate	-	-	-	-		-			-
Surplus/(Deficit) for the year	-	-	-	-		-			-
Capital expenditure & funds sources									
Capital expenditure	82 644	23 395	106 039	76 761					73 370
Transfers recognised - capital	56 056	5 563	61 619	52 000		(9 619)	84.4%	92.8%	55 500
Public contributions & donations		-				-			62
Borrowing	16 500	11 212	27 712	15 643		(12 068)	56.5%	94.8%	8 670
Internally generated funds	10 088	6 620	16 708	9 117		(7 591)	54.6%	90.4%	9 138
Total sources of capital funds	82 644	23 395	106 039	76 761		(29 278)			73 370
Cash flows									
Net cash from (used) operating	67 946	(36 449)	31 497	12 438		(19 059)	39.5%	18.3%	123 636
Net cash from (used) investing	(81 661)	(23 414)	(105 075)	(76 761)		28 314	73.1%	94.0%	(70 896)
Net cash from (used) financing	224	11 254	11 478	2 502		(8 976)	21.8%	1117.1%	1 898
Cash/cash equivalents at the year end	83 704	31 983	115 687	(61 820)		(177 508)	-53.4%	-73.9%	52 141

MUN - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)									
Description	2020/21								2019/20
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	12
Revenue - Standard									
Governance and administration	170 554	1 091	171 645	171 367		(278)	0.0%	0.0%	170 419
Executive and council	69 141	99	69 239	70 156		917	101.3%	101.5%	72 512
Finance and administration	101 413	992	102 406	101 212		(1 194)	98.8%	99.8%	97 906
Community and public safety	24 091	3 768	27 859	62 992		35 133	226.1%	261.5%	36 928
Community and social services	7 128	8 264	15 392	9 198		(6 193)	59.8%	129.0%	6 669
Sport and recreation	1 330	(1 130)	200	110		(90)	54.9%	8.3%	1 265
Public safety	10 751	(3 366)	7 385	53 203		45 818	720.4%	494.9%	17 425
Housing	4 882	-	4 882	481		(4 401)	9.8%	9.8%	11 569
Economic and environmental services	23 995	5 040	29 035	28 542		(493)	98.3%	119.0%	21 279
Planning and development		761	761	875		114	115.0%	0.0%	1 348
Road transport	23 995	4 279	28 274	27 667		(607)	97.9%	115.3%	19 931
Trading services	465 227	(28 920)	436 307	428 263		(8 044)	98.2%	92.1%	420 077
Energy Sources	271 763	(11 884)	259 879	249 897		(9 982)	96.2%	92.0%	243 586
Water Management	118 388	(17 085)	101 303	103 579		2 276	102.2%	87.5%	104 952
Waste water management	45 914	(577)	45 337	45 798		461	101.0%	99.7%	43 439
Waste management	29 162	626	29 788	28 988		(799)	97.3%	99.4%	28 099
Other	-	-	-	-		-	0.0%	0.0%	-
Total Revenue - Standard	683 867	(19 021)	664 846	691 165		26 318	104.0%	101.1%	648 702
Expenditure - Standard									
Governance and administration	164 987	(13 010)	151 976	141 896	-	(10 080)	93.4%	86.0%	131 906
Executive and council	79 305	(9 125)	70 180	68 453	-	(1 727)	97.5%	86.3%	61 662
Finance and administration	83 183	(3 910)	79 273	71 001	-	(8 272)	89.6%	85.4%	68 360
Internal audit	2 499	24	2 523	2 442	-	(81)	96.8%	97.7%	1 884
Community and public safety	114 327	(2 191)	112 137	104 192	-	(7 945)	92.9%	91.1%	104 932
Community and social services	21 187	2 015	23 202	22 283	-	(919)	96.0%	105.2%	21 079
Sport and recreation	39 646	(1 035)	38 611	32 412	-	(6 198)	83.9%	81.8%	33 025
Public safety	37 064	(3 741)	33 323	37 705	-	4 382	113.1%	101.7%	36 253
Housing	16 431	569	17 000	11 791	-	(5 209)	69.4%	71.8%	14 575
Economic and environmental services	62 895	(4 572)	58 322	54 593	-	(3 729)	93.6%	86.8%	53 272
Planning and development	22 652	(1 252)	21 400	19 177	-	(2 223)	89.6%	84.7%	20 326
Road transport	40 243	(3 320)	36 923	35 417	-	(1 506)	95.9%	88.0%	32 947
Trading services	314 922	2 243	317 165	309 604	-	(7 560)	97.6%	98.3%	304 773
Energy Sources	213 265	(2)	213 263	211 021	-	(2 242)	98.9%	98.9%	202 345
Water Management	45 081	5 768	50 849	53 466	-	2 617	105.1%	118.6%	50 695
Waste water management	27 742	(1 485)	26 257	24 271	-	(1 986)	92.4%	87.5%	26 069
Waste management	28 834	(2 038)	26 796	20 846	-	(5 950)	77.8%	72.3%	25 664
Other	-	-	-	-	-	-	0.0%	0.0%	-
Total Expenditure - Standard	657 130	(17 530)	639 600	610 285	-	(29 315)	95.4%	92.9%	594 884
Surplus/(Deficit) for the year	26 737	(1 490)	25 246	80 880	-	55 634	320.4%	302.5%	53 818

MUN - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2020/21								2019/20
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	12
Revenue by Vote									
Executive & Council	57 576	5 644	63 220	65 398		2 178	103.4%	113.6%	56 281
Municipal Manager	11 565	(5 546)	6 019	4 758		(1 261)	79.0%	41.1%	16 231
Corporate Services	819	366	1 185	890		(295)	75.1%	108.7%	1 519
Financial Services	100 595	627	101 221	100 322		(899)	99.1%	99.7%	96 387
Community and Public Safety	48 371	4 394	52 765	91 500		38 735	173.4%	189.2%	53 457
Technical Services	460 060	(25 267)	434 793	426 941		(7 852)	98.2%	92.8%	411 909
Human Settlement	4 882	-	4 882	481		(4 401)	9.8%	9.8%	11 569
Strategic Services	-	761	761	875		114	115.0%	100.0%	1 348
Total Revenue by Vote	683 867	(19 021)	664 846	691 165		-	104.0%	101.1%	648 702
Expenditure by Vote									
Executive & Council	59 883	(7 413)	52 471	51 610	-	(861)	98.4%	86.2%	44 883
Municipal Manager	22 918	(1 684)	21 233	20 238	-	(995)	95.3%	88.3%	19 527
Corporate Services	26 905	562	27 467	24 215	-	(3 252)	88.2%	90.0%	25 100
Financial Services	52 036	(4 778)	47 258	41 724	-	(5 534)	88.3%	80.2%	39 169
Community and Public Safety	126 730	(4 798)	121 932	113 246	-	(8 685)	92.9%	89.4%	116 021
Technical Services	329 575	1 263	330 838	328 283	-	(2 555)	99.2%	99.6%	315 283
Human Settlement	16 431	569	17 000	11 791	-	(5 209)	69.4%	71.8%	14 575
Strategic Services	22 652	(1 252)	21 400	19 177	-	(2 223)	89.6%	84.7%	20 326
Total Expenditure by Vote	657 130	(17 530)	639 600	610 285	-	-	95.4%	92.9%	594 884
Surplus/(Deficit) for the year	26 737	(1 490)	25 246	80 880		-	320.4%	302.5%	53 818

MUN - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)									
Description	2020/21								2019/20
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand									
Revenue By Source									
Property rates	98 078	(72)	98 005	97 889		(117)	99.9%	99.8%	92 909
Service charges - electricity revenue	259 159	(11 340)	247 819	241 796		(6 023)	97.6%	93.3%	337 578
Service charges - water revenue	65 574	(8 005)	57 568	59 083		1 515	102.6%	90.1%	-
Service charges - sanitation revenue	35 908	(291)	35 618	35 285		(332)	99.1%	98.3%	-
Service charges - refuse revenue	19 202	849	20 051	19 294		(757)	96.2%	100.5%	-
Rental of facilities and equipment	2 214	(584)	1 630	1 522		(108)	100.0%	100.0%	2 574
Interest earned - external investments	10 901	(5 249)	5 651	5 749		97	101.7%	52.7%	10 999
Interest earned - outstanding debtors	4 992	(2 582)	2 410	3 258		849	135.2%	65.3%	4 732
Dividends received	-	-	-	-		-	0.0%	0.0%	-
Fines	6 476	(4 286)	2 190	8 341		6 151	380.8%	128.8%	12 303
Licences and permits	353	-	353	-		(353)	0.0%	0.0%	-
Agency services	4 218	800	5 018	6 086		1 068	121.3%	144.3%	4 883
Transfers recognised - operational	96 292	12 007	108 299	103 919		(4 380)	96.0%	107.9%	103 919
Other revenue	16 036	(4 650)	11 386	10 466		(920)	91.9%	65.3%	29 149
Gains on disposal of PPE	-	-	-	-		-	-	-	-
Total Revenue (excluding capital transfers and contributions)	619 403	(23 404)	595 999	592 688		(3 310)	99.4%	95.7%	599 046
Expenditure By Type									
Employee related costs	266 090	(6 076)	260 013	254 446	-	(5 568)	97.9%	95.6%	250 142
Remuneration of councillors	11 303	508	11 812	10 983	-	(829)	93.0%	97.2%	11 213
Debt impairment	22 351	(1 590)	20 761	21 954	-	1 193	105.7%	98.2%	37 467
Depreciation & asset impairment	43 172	(1 526)	41 646	40 313	-	(1 334)	96.8%	93.4%	43 446
Finance charges	5 911	(514)	5 396	5 592	-	195	103.6%	94.6%	6 448
Bulk purchases	182 714	(1 988)	180 727	176 490	-	(4 237)	97.7%	96.6%	169 110
Other materials	22 054	415	22 469	19 245	-	(3 224)	85.7%	87.3%	16 651
Contracted services	38 593	(6 447)	32 146	21 395	-	(10 751)	66.6%	55.4%	22 770
Transfers and grants	6 193	(2 430)	3 763	1 901	-	(1 862)	50.5%	30.7%	4 717
Other expenditure	58 750	2 116	60 866	56 880	-	(3 986)	93.5%	96.8%	46 201
Loss on disposal of PPE	-	-	-	1 086	-	1 086	-	-	307
Total Expenditure	657 130	(17 530)	639 600	610 285	-	(29 315)	95.4%	92.9%	608 471
Surplus/(Deficit)	(37 728)	(5 873)	(43 601)	(17 596)		26 005	40.4%	46.6%	(9 426)
Transfers recognised - capital	64 464	4 383	68 847	59 409		(9 438)	86.3%	92.2%	63 182
Contributions recognised - capital	-	-	-	-		-	-	-	-
Contributed assets	-	-	-	39 067		39 067	-	-	62
Surplus/(Deficit) after capital transfers & contributions	26 737	(1 490)	25 246	80 880		55 634	320.4%	302.5%	53 818

MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2020/21								2019/20
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	12
Capital expenditure - Vote									
Multi-year expenditure									
Executive & Council	-	-	-	-	-	-	0%	0%	
Municipal Manager	-	-	-	-	-	-	0%	0%	
Corporate Services	-	-	-	-	-	-	0%	0%	
Financial Services	-	-	-	-	-	-	0%	0%	
Community and Public Safety	10 857	(10 657)	200	159	-	(41)	79%	1%	
Technical Services	20 652	19 136	39 788	27 722	-	(12 067)	70%	134%	
Human Settlement	-	-	-	-	-	-	0%	0%	
Strategic Services	-	-	-	-	-	-	0%	0%	
Capital multi-year expenditure	31 509	8 479	39 988	27 880	-	(12 108)	70%	88%	-
Single-year expenditure									
Executive & Council	30	-	30	-	-	(30)	0%	0%	-
Municipal Manager	110	-	110	108	-	(2)	98%	98%	-
Corporate Services	50	(20)	30	20	-	(10)	0%	0%	-
Financial Services	1 447	100	1 547	1 463	-	(84)	95%	101%	-
Community and Public Safety	3 440	13 029	16 469	5 045	-	(11 424)	31%	147%	357
Technical Services	45 638	570	46 208	41 049	-	(5 159)	89%	90%	24 938
Human Settlement	60	-	60	-	-	(60)	0%	0%	4 348
Strategic Services	360	1 236	1 596	1 195	-	(401)	75%	332%	-
Capital single-year expenditure	51 135	14 916	66 050	48 880	-	(17 170)	74%	96%	29 643
Total Capital Expenditure - Vote	82 644	23 395	106 039	76 761	-	(29 278)	72%	93%	29 643
Capital Expenditure - Standard									
Governance and administration	1 637	80	1 717	1 591	-	(126)	93%	97%	2 793
Executive and council	80	-	80	97	-	17	122%	122%	1 304
Finance and administration	1 537	80	1 617	1 483	-	(134)	92%	96%	1 489
Internal audit	20	-	20	11	-	(9)	55%	55%	-
Community and public safety	7 000	9 729	16 729	5 204	-	(11 525)	31%	74%	6 787
Community and social services	1 857	10 632	12 489	4 207	-	(8 281)	34%	227%	1 101
Sport and recreation	4 535	(1 789)	2 746	493	-	(2 253)	18%	11%	746
Public safety	548	886	1 434	503	-	(931)	35%	92%	593
Housing	60	-	60	-	-	(60)	0%	0%	4 348
Health	-	-	-	-	-	-	0%	0%	-
Economic and environmental services	9 944	8 812	18 755	18 186	-	(570)	97%	183%	11 562
Planning and development	360	1 236	1 596	1 195	-	(401)	75%	332%	1 149
Road transport	9 584	7 576	17 159	16 991	-	(168)	99%	177%	10 413
Environmental protection	-	-	-	-	-	-	0%	0%	-
Trading services	64 063	4 774	68 837	51 780	-	(17 057)	75%	81%	52 229
Energy Sources	6 489	(365)	6 124	2 947	-	(3 177)	48%	45%	10 233
Water Management	47 577	7 323	54 900	41 224	-	(13 676)	75%	87%	37 850
Waste water management	2 640	5 173	7 813	7 609	-	(204)	97%	288%	4 145
Waste management	7 357	(7 357)	0	-	-	(0)	0%	0%	-
Other	-	-	-	-	-	-	0%	0%	-
Total Capital Expenditure - Standard	82 644	23 395	106 039	76 761	-	(29 278)	72%	93%	73 370
Funded by:							0%	0%	
National Government	55 418	(3 775)	51 643	49 072	-	(2 572)	95%	89%	55 500
Provincial Government	638	9 338	9 976	2 928	-	(7 047)	29%	459%	-
Transfers recognised - capital	56 056	5 563	61 619	52 000	-	(9 619)	84%	93%	55 563
Public contributions & donations	-	-	-	-	-	-	0%	0%	-
Borrowing	16 500	11 212	27 712	15 643	-	(12 068)	56%	95%	8 670
Internally generated funds	10 088	6 620	16 708	9 117	-	(7 591)	55%	90%	9 138
Total Capital Funding	82 644	23 395	106 039	76 761	-	(29 278)	72%	93%	73 370

MUN - Reconciliation of Table A7 Budgeted Cash Flows								
Description	2020/21							2019/20
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and Other	468 872	(20 445)	448 427	438 726	(9 701)	97.8%	93.6%	444 280
Government Grants and Subsidies	160 756	(19 252)	141 504	141 246	(258)	99.8%	87.9%	171 251
Interest	15 643	(9 991)	5 651	8 793	3 141	155.6%	56.2%	9 765
Payments								
Suppliers and employees	(565 276)	10 296	(554 980)	(570 265)	(15 285)	102.8%	100.9%	(490 243)
Finance charges	(5 856)	514	(5 342)	(4 161)	1 181	77.9%	71.0%	(4 687)
Transfers and Grants	(6 193)	2 430	(3 763)	(1 901)	1 862	50.5%	30.7%	(4 717)
NET CASH FROM/(USED) OPERATING ACTIVITIES	67 945	(36 448)	31 497	12 438	(19 060)	39.5%	18.3%	125 649
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	100.0%	100.0%	462
Decrease (Increase) in non-current debtors	-	-	-	-	-	0.0%	0.0%	-
Decrease (increase) other non-current receivables	-	-	-	-	-	0.0%	0.0%	-
Decrease (increase) in non-current investments	-	-	-	-	-	0.0%	0.0%	-
Payments								
Capital assets	(81 661)	(23 414)	(105 075)	(76 761)	28 314	73.1%	94.0%	(73 371)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(81 661)	(23 414)	(105 075)	(76 761)	28 314	0.0%	0.0%	(72 909)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Borrowing long term/refinancing	16 500	11 212	27 712	16 500	-	59.5%	100.0%	18 000
Increase (decrease) in consumer deposits	598	42	641	-	28 314	0.0%	0.0%	-
Payments								
Repayment of borrowing	(16 874)	-	(16 874)	(13 998)	-	83.0%	83.0%	(16 102)
NET CASH FROM/(USED) FINANCING ACTIVITIES	224	11 254	11 478	2 502	-	21.8%	1117.1%	1 898
NET INCREASE/ (DECREASE) IN CASH HELD	(13 491)	(48 608)	(62 099)	(61 820)				54 639
Cash/cash equivalents at the year begin:	97 195	80 592	177 787	177 787				123 149
Cash/cash equivalents at the year end:	83 704	31 983	115 687	115 967		100.2%	138.5%	177 787