

# OUTTSHOORN

## MUNICIPALITY



## FINANCIAL STATEMENTS

30 JUNE 2022

# OUTDSHOORN LOCAL MUNICIPALITY

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# OUDTSHOORN LOCAL MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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

1E+09

The Oudtshoorn Municipality includes the following areas:

*Oudtshoorn, Dysselsdorp, De Rust, Volmoed, De Hoop*

Demarcation code : WC045

#### EXECUTIVE MAYOR

CD MacPherson

#### DEPUTY EXECUTIVE MAYOR

MA Nyuka

#### MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor	CD Macpherson	(June 2022 - Current)
Deputy Executive Mayor	MA Nyuka	(June 2022 - Current)
Speaker	JJ Allers	(June 2022 - Current)
Executive Mayoral Committee	J Du Preez	(June 2022 - Current)
Executive Mayoral Committee	RR Wildschut	(June 2022 - Current)
Executive Mayoral Committee	DJ Fourie	(June 2022 - Current)
Executive Mayoral Committee	VM Donson	(June 2022 - Current)
Executive Mayoral Committee	BV Owen	(June 2022 - Current)
Executive Mayoral Committee	C Muller	(June 2022 - Current)

#### ACTING MUNICIPAL MANAGER

W Hendricks

#### CHIEF FINANCIAL OFFICER

GP De Jager

#### REGISTERED OFFICE

69 Voortrekker Road  
OUDTSHOORN  
6625

#### AUDITORS

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

# OUDTSHOORN LOCAL MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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.

Oosthuizen 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.

#### 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 2022

### GENERAL INFORMATION

#### MEMBERS OF THE OUDTSHOORN LOCAL MUNICIPALITY

##### WARD

	COUNCILLORS	
Councillor	DJ Fourie	( November 2021 - Current )
Councillor	J Duvenage	( November 2021 - Current )
Councillor	J Du Preez	( November 2021 - Current )
Councillor	N Jaxa	( November 2021 - Current )
Councillor	A Tiemie	( November 2021 - Current )
Councillor	D Moos	( November 2021 - Current )
Councillor	A Berry	( November 2021 - Current )
Councillor	M Tyatya	( November 2021 - Current )
Councillor	C Louw	( November 2021 - Current )
Councillor	L Van Rooyen	( November 2021 - Current )
Councillor	J Van der Ross	( November 2021 - Current )
Councillor	RR Wildschut	( November 2021 - Current )
Councillor	J Canary	( November 2021 - Current )

##### PROPORTIONAL

##### COUNCILLORS

Councillor	JJ Allers	( November 2021 - Current )
Councillor	CD Macpherson	( November 2021 - Current )
Councillor	MA Nyuka	( November 2021 - Current )
Councillor	RJ April	( November 2021 - Current )
Councillor	SN Bentley	( November 2021 - Current )
Councillor	L Campher	( November 2021 - Current )
Councillor	VM Donson	( November 2021 - Current )
Councillor	JC Lambaatjeen	( November 2021 - Current )
Councillor	C Muller	( November 2021 - Current )
Councillor	BV Owen	( November 2021 - Current )
Councillor	SA Jansen	( November 2021 - Current )
Councillor	CF Sylvester	( November 2021 - Current )

# OUDTSHOORN LOCAL MUNICIPALITY

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2022, which are set out on pages 5 to 138 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 2023 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

1E+09

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

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

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

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W Hendricks  
**Acting Municipal Manager**

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**Date**

**OUDTSHOORN LOCAL MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022**

	Notes	2022 Actual R	2021 Restated R
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>1 084 280 036</b>	<b>1 034 983 943</b>
Property, Plant and Equipment	2	1 052 996 144	1 003 138 403
Investment Property	3	16 769 038	16 927 999
Intangible Assets	4	740 509	1 143 195
Heritage Assets	5	13 774 345	13 774 345
<b>Current Assets</b>		<b>232 658 228</b>	<b>193 047 797</b>
Inventory	7	5 015 078	3 121 406
Receivables from Exchange Transactions	8	68 639 359	59 355 879
Receivables from Non-exchange Transactions	9	15 047 500	14 584 483
Operating Lease Asset	6	23 415	19 142
Taxes		-	-
Cash and Cash Equivalents	10	143 932 877	115 966 886
<b>Total Assets</b>		<b>1 316 938 264</b>	<b>1 228 031 740</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>216 371 695</b>	<b>185 158 602</b>
Long-term Borrowings	11	63 559 737	42 680 824
Non-current Provisions	12	34 429 958	27 301 778
Non-current Employee Benefits	13	118 382 001	115 176 001
<b>Current Liabilities</b>		<b>154 915 381</b>	<b>123 243 543</b>
Consumer Deposits	14	11 466 449	11 139 126
Current Employee Benefits	15	31 634 759	29 639 545
Trade and Other Payables from Exchange Transactions	16	47 414 638	51 962 342
Unspent Transfers and Subsidies	17	41 026 340	11 043 304
Taxes	18.3	5 073 659	7 903 021
Current Portion of Long-term Borrowings	11	18 299 534	11 556 205
<b>Total Liabilities</b>		<b>371 287 076</b>	<b>308 402 145</b>
<b>Net Assets</b>		<b>945 651 188</b>	<b>919 629 595</b>
Accumulated Surplus		945 651 188	919 629 595
<b>Total Net Assets and Liabilities</b>		<b>1 316 938 264</b>	<b>1 228 031 740</b>

OUTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 Actual R	2021 Restated R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>259 855 652</b>	<b>312 761 391</b>
<b>Taxation Revenue</b>		<b>104 562 942</b>	<b>97 888 750</b>
Property Rates	19	104 562 942	97 888 750
<b>Transfer Revenue</b>		<b>143 109 507</b>	<b>202 395 305</b>
Government Grants and Subsidies - Capital	20	45 910 548	59 409 413
Government Grants and Subsidies - Operating	20	96 932 656	103 919 207
Contributed Property, Plant and Equipment	21	266 303	39 066 686
<b>Other Revenue</b>		<b>12 183 203</b>	<b>12 477 335</b>
Availability Charges	22	3 064 894	2 857 099
Fines, Penalties and Forfeits		6 565 450	8 340 810
Interest Earned - Non-exchange Transactions		2 115 988	959 958
Government Incentives Received		436 871	319 468
<b>Revenue from Exchange Transactions</b>		<b>436 595 558</b>	<b>378 502 510</b>
Service Charges	24	403 756 506	352 601 762
Entrance fees		7 169 751	4 592 883
Sales of Goods and Rendering of Services	25	6 145 848	5 268 535
Rental from Fixed Assets	26	2 120 252	1 621 721
Interest Earned - External Investments	27	6 818 257	5 748 841
Interest Earned - Exchange Transactions	28	4 361 960	2 298 441
Licences and Permits	23	265 339	253 745
Agency Services		5 627 794	5 831 885
Operational Revenue	29	329 851	284 696
<b>Total Revenue</b>		<b>696 451 210</b>	<b>691 263 900</b>
<b>EXPENDITURE</b>			
Employee related cost	30	(269 646 441)	(254 502 567)
Remuneration of Councillors	31	(10 859 644)	(10 983 096)
Bad Debts Written Off		(25 397 966)	(34 365 998)
Contracted Services	32	(26 667 785)	(21 746 901)
Depreciation and Amortisation	33	(45 974 036)	(42 463 389)
Actuarial Losses		-	-
Finance Charges	34	(6 958 904)	(5 591 695)
Bulk Purchases	35	(209 246 642)	(176 489 766)
Inventory Consumed	7	(21 947 669)	(19 273 754)
Operating Leases		(4 837 137)	(8 070 301)
Transfers and Subsidies	36	(3 401 653)	(1 901 107)
Operational Cost	37	(47 437 102)	(41 033 153)
<b>Total Expenditure</b>		<b>(672 374 979)</b>	<b>(616 421 728)</b>
<b>Operating Surplus/(Deficit) for the Year</b>		<b>24 076 231</b>	<b>74 842 172</b>
Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	1 063 626	12 411 708
Gains/(Loss) on Sale of Fixed Assets	39	(4 890 713)	(1 086 130)
Gains/(Loss) on Fair Value Adjustments		5 772 450	(7 790 138)
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>26 021 593</b>	<b>78 377 613</b>

**OUDTSHOORN LOCAL MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Accumulated Surplus/ (Deficit)</b>	<b>Total</b>
	<b>R</b>	<b>R</b>
<b>Balance at 1 July 2020</b>	<b>820 030 672</b>	<b>820 030 672</b>
Correction of Error - note 41	21 221 309	21 221 309
<b>Restated balance</b>	<b>841 251 982</b>	<b>841 251 982</b>
Net Surplus/(Deficit) for the year	80 879 822	80 879 822
<b>Balance at 30 June 2021</b>	<b>922 131 804</b>	<b>922 131 804</b>
Correction of Error - note 41	(2 502 209)	(2 502 209)
<b>Restated balance</b>	<b>919 629 595</b>	<b>919 629 595</b>
Net Surplus/(Deficit) for the year	26 021 593	26 021 593
<b>Balance at 30 June 2022</b>	<b>945 651 188</b>	<b>945 651 188</b>

**OUDTSHOORN LOCAL MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

		<b>2022</b>	<b>2021</b>
		<b>Actual</b>	<b>Restated</b>
		<b>R</b>	<b>R</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Ratepayers and other		506 106 450	432 868 147
Government Grants and Subsidies		173 433 248	141 246 469
Interest		12 874 741	8 792 720
Cash payments			
Suppliers and Employees		(591 071 776)	(571 819 498)
Finance Charges		(4 880 545)	(4 160 940)
Transfers and Grants		(3 401 653)	(1 901 107)
<b>Net Cash from Operating Activities</b>	<b>42</b>	<b>93 060 463</b>	<b>5 025 791</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(72 604 661)	(67 911 660)
Proceeds on Disposal of Fixed Assets		2 365 818	-
Purchase of Investment Properties		-	(1 155 371)
Purchase of Intangible Assets		-	(281 538)
<b>Net Cash from Investing Activities</b>		<b>(70 238 843)</b>	<b>(69 348 569)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Borrowing - Long term/Refinancing		20 500 000	16 500 000
Repayment of Borrowing		(15 355 630)	(13 997 520)
<b>Net Cash from Financing Activities</b>		<b>5 144 370</b>	<b>2 502 480</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>27 965 990</b>	<b>(61 820 298)</b>
Cash and Cash Equivalents at the beginning of the year		115 966 886	177 787 185
Cash and Cash Equivalents at the end of the year	<b>43</b>	<b>143 932 877</b>	<b>115 966 886</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>27 965 990</b>	<b>(61 820 298)</b>

**ODTSHOORN MUNICIPALITY**  
**SEGMENTAL REPORT FOR THE YEAR ENDED 30 JUNE 2022**

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	
<b>Vote 1 - Executive &amp; Council</b>	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
<b>Vote 2 - Municipal Manager</b>	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
<b>Vote 3 - Corporate Services</b>	Administration	Aggregated	Governance and Administration
	Human Resources	Aggregated	Governance and Administration
	Legal Services	Aggregated	Governance and Administration
	Manager Corporate	Aggregated	Governance and Administration
<b>Vote 4 - Financial Services</b>	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
<b>Vote 5 - Community And Public Safety</b>	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	Economic and environmental services
	Swimming Pools	Aggregated	Community and Public Safety
	Traffic Licenses	Aggregated	Community and Public Safety
<b>Vote 6 - Technical Services</b>	Admin - Electricity	Aggregated	Trading services
	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
<b>Vote 7 - Human Settlement</b>	Housing	Aggregated	Community and Public Safety
<b>Vote 8 - Strategic Services</b>	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

**OUTDSHOORN LOCAL MUNICIPALITY**  
**PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022**

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Total
	R	R	R	R	R
<b>SEGMENT REVENUE</b>					
<b>External revenue from exchange transactions</b>	21 875 231	6 767 124	-	407 953 203	436 595 558
Service Charges - Electricity Revenue	-	-	-	280 728 876	280 728 876
Service Charges - Water Revenue	-	-	-	64 354 889	64 354 889
Service Charges - Sanitation Revenue	-	-	-	37 693 488	37 693 488
Service Charges - Refuse Revenue	-	-	-	20 979 252	20 979 252
Rental Of Facilities And Equipment	1 669 128	451 125	-	-	2 120 252
Interest Earned - External Investments	6 818 257	-	-	-	6 818 257
Interest Earned - Outstanding Debtors	427 446	-	-	3 934 514	4 361 960
Licences and Permits	-	265 339	-	-	265 339
Agency Services	-	5 627 794	-	-	5 627 794
Other Revenue	12 960 400	422 866	-	262 184	13 645 450
Gains	-	-	-	-	-
<b>External revenue from non-exchange transactions</b>	162 410 668	15 966 853	3 104 700	37 969 030	219 451 250
Property Rates	104 562 942	-	-	-	104 562 942
Fines, Penalties And Forfeits	462 084	5 908 730	-	194 636	6 565 450
Interest Earned - Outstanding Debtors	2 115 988	-	-	-	2 115 988
Availability charges	-	-	-	3 064 894	3 064 894
Government Incentives Received	436 871	-	-	-	436 871
Transfers And Subsidies - Operating	49 060 333	10 058 123	3 104 700	34 709 500	96 932 656
Gains	5 772 450	-	-	-	5 772 450
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>184 285 899</b>	<b>22 733 977</b>	<b>3 104 700</b>	<b>445 922 233</b>	<b>656 046 809</b>
<b>SEGMENT EXPENDITURE</b>					
Employee Related Costs	87 049 605	74 287 355	37 288 492	71 020 989	269 646 441
Remuneration Of Councillors	10 859 644	-	-	-	10 859 644
Debt Impairment	4 039 715	5 631 919	-	14 662 706	24 334 340
Depreciation & Asset Impairment	4 202 886	1 390 837	9 578 800	30 801 513	45 974 036
Finance Charges	3 983 859	230 290	121 791	2 622 964	6 958 904
Bulk Purchases	-	-	-	209 246 642	209 246 642
Inventory consumed	2 248 715	4 877 711	2 820 269	12 000 975	21 947 669
Contracted Services	10 869 331	11 620 282	170 858	4 007 315	26 667 785
Transfers and Subsidies	438 736	1 288 088	1 674 830	-	3 401 653
Other Expenditure	22 467 530	13 041 698	3 420 599	13 344 412	52 274 239
Losses	4 890 713	-	-	-	4 890 713
<b>Total Segment Expenditure</b>	<b>151 050 732</b>	<b>112 368 180</b>	<b>55 075 638</b>	<b>357 707 516</b>	<b>676 202 066</b>
<b>Surplus/(Deficit)</b>	<b>33 235 166</b>	<b>(89 634 203)</b>	<b>(51 970 939)</b>	<b>88 214 718</b>	<b>(20 155 258)</b>
Transfers and Subsidies-Capital	98 168	6 313 042	21 598 620	17 900 719	45 910 548
Contributions Recognised - Capital	-	-	-	-	-
Contributed Assets	-	266 303	-	-	266 303
<b>Surplus/(Deficit) for the year</b>	<b>33 333 334</b>	<b>(83 054 859)</b>	<b>(30 372 319)</b>	<b>106 115 436</b>	<b>26 021 593</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>1 631 426</b>	<b>11 482 847</b>	<b>13 854 476</b>	<b>50 486 163</b>	<b>77 454 912</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading Services	Total
	R	R	R	R	R
<b>SEGMENT REVENUE</b>					
<b>External revenue from exchange transactions</b>	17 404 534	6 268 090	-	354 829 885	378 502 510
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	1 549 159	72 563	-	-	1 621 721
Interest Earned - External Investments	5 748 841	-	-	-	5 748 841
Interest Earned - Outstanding Debtors	240 428	-	-	2 058 013	2 298 441
Licences and Permits	-	253 745	-	-	253 745
Agency Services	-	5 831 885	-	-	5 831 885
Other Revenue	9 866 107	109 898	-	170 110	10 146 114
<b>External revenue from non-exchange transactions</b>	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
Government Incentives Received	319 468	-	-	-	319 468
Transfers And Subsidies - Operating	54 322 864	7 803 027	3 294 996	38 498 320	103 919 207
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>171 410 673</b>	<b>21 724 117</b>	<b>3 294 996</b>	<b>396 358 016</b>	<b>592 787 802</b>
<b>SEGMENT EXPENDITURE</b>					
Employee Related Costs	79 512 591	69 533 984	37 482 040	67 973 952	254 502 567
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	27 185 531	42 463 389
Finance Charges	4 040 094	73 578	-	1 478 023	5 591 695
Bulk Purchases	-	-	-	176 489 766	176 489 766
Inventory consumed	2 025 460	2 919 259	4 684 056	9 644 979	19 273 754
Contracted Services	9 422 316	8 330 171	171 235	3 823 178	21 746 901
Transfers and Subsidies	858 832	-	1 042 275	-	1 901 107
Other Expenditure	20 428 654	12 750 898	2 521 048	13 402 854	49 103 454
Losses	5 520 148	963 890	129 225	2 263 004	8 876 268
<b>Total Segment Expenditure</b>	<b>142 196 172</b>	<b>104 191 650</b>	<b>54 739 384</b>	<b>311 759 082</b>	<b>612 886 287</b>
<b>Surplus/(Deficit)</b>	<b>29 214 502</b>	<b>(82 467 533)</b>	<b>(51 444 388)</b>	<b>84 598 934</b>	<b>(20 098 486)</b>
Transfers and Subsidies-Capital	-	2 201 176	25 303 355	31 904 882	59 409 413
Contributed Assets	-	39 066 686	-	-	39 066 686
<b>Surplus/(Deficit) for the year</b>	<b>29 214 502</b>	<b>(41 199 671)</b>	<b>(26 141 033)</b>	<b>116 503 815</b>	<b>78 377 613</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>1 591 119</b>	<b>5 203 927</b>	<b>18 185 610</b>	<b>51 928 586</b>	<b>76 909 241</b>

**Please note:**

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

The difference between the Segmental report the Statement of Financial Performance is due to the following reasons, and is only for the non-financial items reported below the line on the Statement of Financial Performance:

- Debt Impairment on the segmental report is in terms of the NT mSCOA format an expenditure item, and as per validations bad debts written-off and reversal/contribution to impairment of receivables are aggregated. On the Statement of Financial Performance these are two separate lines.
- Gains/Losses on Fair Value adjustments and Fixed Asset Disposals as per NT mSCOA Formats is budgeted and reported either as part of Revenue (Gains) or Expenditure (Losses), but are disclosed below the line on the Statement of Financial Performance.

**OUDTSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022**

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual	Actual Outcome as %	
					Outcome	of Final Budget	
	R	R	R	R	2022 R	Variance %	
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash	2 035 800	1 959 000	3 994 800	3 994 800	12 998 141	225.38%	
Call Investment Deposits	99 999 900	(35 417 900)	64 582 000	64 582 000	130 934 736	102.74%	
Consumer Debtors	80 052 200	12 902 500	92 954 700	92 954 700	82 908 763	-10.81%	
Other Debtors	722 000	2 287 200	3 009 200	3 009 200	778 096	-74.14%	
Operating Lease Asset	5 200	13 900	19 100	19 100	23 415	22.59%	
Inventory	2 571 200	690 700	3 261 900	3 261 900	5 015 078	53.75%	
<b>Total Current Assets</b>	<b>46.1.1</b>	<b>185 386 300</b>	<b>(17 564 600)</b>	<b>167 821 700</b>	<b>167 821 700</b>	<b>232 658 228</b>	<b>38.63%</b>
<b>Non-Current Assets</b>							
Investment Property	17 122 100	(184 300)	16 937 800	16 937 800	16 769 038	-1.00%	
Property, Plant and Equipment	928 446 600	129 439 600	1 057 886 200	1 057 886 200	1 052 996 144	-0.46%	
Intangible Assets	2 009 400	(861 200)	1 148 200	1 148 200	740 509	-35.51%	
Other Non-Current Assets	13 774 300	-	13 774 300	13 774 300	13 774 345	0.00%	
<b>Total Non-Current Assets</b>	<b>46.1.3</b>	<b>961 352 400</b>	<b>128 394 100</b>	<b>1 089 746 500</b>	<b>1 089 746 500</b>	<b>1 084 280 036</b>	<b>-0.50%</b>
<b>TOTAL ASSETS</b>		<b>1 146 738 700</b>	<b>110 829 500</b>	<b>1 257 568 200</b>	<b>1 257 568 200</b>	<b>1 316 938 264</b>	<b>4.72%</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Borrowing	13 997 600	(2 441 400)	11 556 200	11 556 200	18 299 534	58.35%	
Consumer Deposits	11 319 500	(300)	11 319 200	11 319 200	11 466 449	1.30%	
Trade and Other Payables	94 845 200	(39 964 300)	54 880 900	54 880 900	93 514 638	70.40%	
Provisions	33 874 200	(3 084 900)	30 789 300	30 789 300	31 634 759	2.75%	
<b>Total Current Liabilities</b>	<b>46.1.2</b>	<b>154 036 500</b>	<b>(45 490 900)</b>	<b>108 545 600</b>	<b>108 545 600</b>	<b>154 915 381</b>	<b>42.72%</b>
<b>Non-Current Liabilities</b>							
Borrowing	50 574 400	(5 893 600)	44 680 800	44 680 800	63 559 737	42.25%	
Provisions	134 329 300	14 055 500	148 384 800	148 384 800	152 811 958	2.98%	
<b>Total Non-Current Liabilities</b>	<b>46.1.4</b>	<b>184 903 700</b>	<b>8 161 900</b>	<b>193 065 600</b>	<b>193 065 600</b>	<b>216 371 695</b>	<b>12.07%</b>
<b>TOTAL LIABILITIES</b>		<b>338 940 200</b>	<b>(37 329 000)</b>	<b>301 611 200</b>	<b>301 611 200</b>	<b>371 287 076</b>	<b>23.10%</b>
<b>NET ASSETS</b>							
Accumulated Surplus/(Deficit)		807 798 400	148 158 235	955 956 635	955 956 635	945 651 188	-1.08%
<b>TOTAL NET ASSETS</b>		<b>807 798 400</b>	<b>148 158 235</b>	<b>955 956 635</b>	<b>955 956 635</b>	<b>945 651 188</b>	<b>-1.08%</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022**

Notes	Original Budget	Budget Adjustments (into. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget	
	R	R	R	R	2022 R	Variance %	
<b>REVENUE</b>							
Property Rates	103 885 500	1 985 000	105 870 500	105 870 500	104 562 942	-1.24%	
Service Charges - Electricity Revenue	284 466 400	(6 852 000)	277 614 400	277 614 400	280 728 876	1.12%	
Service Charges - Water Revenue	62 108 900	-	62 108 900	62 108 900	64 354 889	3.62%	
Service Charges - Sanitation Revenue	38 437 600	316 900	38 754 500	38 754 500	37 693 488	-2.74%	
Service Charges - Refuse Revenue	22 045 700	(1 140 000)	20 905 700	20 905 700	20 979 252	0.35%	
Rental of Facilities and Equipment	1 728 300	247 700	1 976 000	1 976 000	2 120 252	7.30%	
Interest Earned - External Investments	5 849 300	(200 000)	5 649 300	5 649 300	6 818 257	20.69%	
Interest Earned - Outstanding Debtors	2 626 600	3 240 900	5 867 500	5 867 500	6 477 948	10.40%	
Fines	2 321 500	1 819 000	4 140 500	4 140 500	6 565 450	58.57%	
Licences and Permits	374 300	-	374 300	374 300	265 339	-29.11%	
Agency Services	5 318 800	-	5 318 800	5 318 800	5 627 794	5.81%	
Transfers Recognised - Operational	94 409 800	1 233 000	95 642 800	95 642 800	96 932 656	1.35%	
Other Revenue	11 690 600	1 598 200	13 288 800	13 288 800	17 147 215	29.04%	
Gains		8 000 000	8 000 000	8 000 000	5 772 450	-27.84%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>46.2.1</b>	<b>635 263 300</b>	<b>10 248 700</b>	<b>645 512 000</b>	<b>645 512 000</b>	<b>656 046 809</b>	<b>1.63%</b>
<b>EXPENDITURE</b>							
Employee Related Costs	262 791 400	4 897 700	267 689 100	267 689 100	269 646 441	0.73%	
Remuneration of Councillors	11 269 300	(625 100)	10 644 200	10 644 200	10 859 644	2.02%	
Debt Impairment	13 746 800	(3 711 800)	10 035 000	10 035 000	24 334 340	142.49%	
Depreciation and Asset Impairment	41 646 500	356 000	42 002 500	42 002 500	45 974 036	9.46%	
Finance Charges	9 198 100	(120 100)	9 078 000	9 078 000	6 958 904	-23.34%	
Bulk Purchases	209 161 600	-	209 161 600	209 161 600	209 246 642	0.04%	
Other Materials	21 860 500	549 500	22 410 000	22 410 000	21 947 669	-2.06%	
Contracted Services	28 596 300	3 733 900	32 330 200	32 330 200	26 667 785	-17.51%	
Transfers and Grants	3 320 900	(1 000 000)	2 320 900	2 320 900	3 401 653	46.57%	
Other Expenditure	54 732 600	2 385 800	57 118 400	57 118 400	52 274 239	-8.48%	
Losses		8 000 000	8 000 000	8 000 000	4 890 713	-38.87%	
<b>Total Expenditure</b>	<b>46.2.2</b>	<b>656 324 000</b>	<b>14 465 900</b>	<b>670 789 900</b>	<b>670 789 900</b>	<b>676 202 066</b>	<b>0.81%</b>
<b>Surplus/(Deficit)</b>		<b>(21 060 700)</b>	<b>(4 217 200)</b>	<b>(25 277 900)</b>	<b>(25 277 900)</b>	<b>(20 155 258)</b>	<b>-20.27%</b>
Transfers Recognised - Capital	<b>46.2.1</b>	25 546 300	59 778 335	85 324 635	85 324 635	45 910 548	-46.19%
Contributed Assets			-	-	-	266 303	100.00%
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>		<b>4 485 600</b>	<b>55 561 135</b>	<b>60 046 735</b>	<b>60 046 735</b>	<b>26 021 593</b>	<b>-56.66%</b>
<b>Surplus/(Deficit) for the year</b>		<b>4 485 600</b>	<b>55 561 135</b>	<b>60 046 735</b>	<b>60 046 735</b>	<b>26 021 593</b>	<b>-56.66%</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

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	2022 R	Variance %	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates	96 613 500	1 846 100	98 459 600	98 459 600	98 929 504	0.48%	
Service Charges	387 282 200	(4 272 500)	383 009 700	383 009 700	384 837 636	0.48%	
Other Revenue	20 124 100	2 109 100	22 233 200	22 233 200	22 339 309	0.48%	
Government - Operating	94 515 800	1 127 000	95 642 800	95 642 800	89 525 456	-6.40%	
Government - Capital	25 440 300	51 062 100	76 502 400	76 502 400	83 907 791	9.68%	
Interest	5 849 300	(200 000)	5 649 300	5 649 300	12 874 741	127.90%	
<b>Payments</b>							
Suppliers and Employees	(582 170 700)	(16 099 500)	(598 270 200)	(598 270 200)	(591 071 776)	-1.20%	
Finance Costs	(9 144 100)	120 100	(9 024 000)	(9 024 000)	(4 880 545)	-45.92%	
Transfers and Grants	(3 320 900)	1 000 000	(2 320 900)	(2 320 900)	(3 401 653)	46.57%	
<b>Net Cash from/(used) Operating Activities</b>	<b>46.3.1</b>	<b>35 189 500</b>	<b>36 692 400</b>	<b>71 881 900</b>	<b>71 881 900</b>	<b>93 060 463</b>	<b>29.46%</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE	-	-	-	-	2 365 818	100.00%	
<b>Payments</b>							
Capital Assets	(50 841 100)	(70 430 700)	(121 271 800)	(121 271 800)	(72 604 661)	-40.13%	
<b>Net Cash from/(used) Investing Activities</b>	<b>46.3.2</b>	<b>(50 841 100)</b>	<b>(70 430 700)</b>	<b>(121 271 800)</b>	<b>(121 271 800)</b>	<b>(70 238 843)</b>	<b>-42.08%</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Borrowing long term/refinancing	20 500 000	-	20 500 000	20 500 000	20 500 000	0.00%	
<b>Payments</b>							
Repayment of Borrowing	(18 500 000)	-	(18 500 000)	(18 500 000)	(15 355 630)	-17.00%	
<b>Net Cash from/(used) Financing Activities</b>	<b>46.3.3</b>	<b>2 000 000</b>	<b>-</b>	<b>2 000 000</b>	<b>2 000 000</b>	<b>5 144 370</b>	<b>(0)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
Cash and Cash Equivalents at the year begin:	(13 651 600)	(33 738 300)	(47 389 900)	(47 389 900)	27 965 990	-159.01%	
	115 687 500	279 400	115 966 900	115 966 900	115 966 886	0.00%	
Cash and Cash Equivalents at the year end:	102 035 900	(33 458 900)	68 577 000	68 577 000	143 932 877	109.89%	

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

**2. PROPERTY, PLANT AND EQUIPMENT**

**2.1 30 JUNE 2022**

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses					Carrying Value
	Opening Balance	Transfers	Additions	Under Construction	Contributed Assets	Disposals	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals	Closing Balance	
<b>Land and Buildings</b>													
Land	93 897 781	-	-	-	-	(335 000)	93 562 781	18 289 750	-	-	(40 000)	18 249 750	75 313 031
Buildings	48 101 734	-	-	-	-	-	48 101 734	10 851 613	838 217	-	-	11 689 829	36 411 904
	141 999 515	-	-	-	-	(335 000)	141 664 515	29 141 363	838 217	-	(40 000)	29 939 579	111 724 936
<b>Infrastructure</b>													
Roads & Stormwater	280 667 644	-	8 370 689	5 238 652	-	-	294 276 985	89 557 747	9 322 146	-	-	98 879 893	195 397 092
Electricity	199 878 216	-	2 790 048	6 367 509	-	-	209 035 773	79 735 991	8 385 366	-	-	88 121 358	120 914 415
Water Supply	469 202 290	-	18 779 298	17 380 913	-	(5 094 234)	500 268 267	125 085 906	11 066 930	-	(2 453 233)	133 699 603	366 568 665
Sanitation	147 676 718	-	984 382	1 112 132	-	(7 460 532)	142 312 700	35 365 331	3 891 736	-	(3 941 052)	35 316 014	106 996 686
Solid Waste Infrastructure	8 510 028	-	-	-	-	-	8 510 028	699 720	233 368	-	-	933 088	7 576 940
Communiton Infrastructure	1 088 126	-	40 489	-	-	-	1 128 615	201 537	106 060	-	-	307 596	821 019
	1 107 023 023	-	30 964 905	30 099 206	-	(12 554 766)	1 155 532 368	330 646 231	33 005 606	-	(6 394 285)	357 257 551	798 274 817
<b>Capitalised Restoration Cost</b>	16 606 845		5 049 822				21 656 667	13 112 822	1 310 224			14 423 046	7 233 621
<b>Community Assets</b>													
Libraries	9 314 921			4 645 579			13 960 500	1 377 325	99 020			1 476 345	12 484 155
Civic Buildings	24 564 762						24 564 762	7 673 880	369 712			8 043 592	16 521 170
Recreational Facilities	81 301 321			726 448			82 027 769	32 541 562	736 186			33 277 748	48 750 021
Cemeteries	1 730 291						1 730 291	211 892	12 644			224 536	1 505 755
Other	14 551 840			199 050			14 750 890	3 456 143	177 097			3 633 240	11 117 650
	131 463 134	-	-	5 571 077	-	-	137 034 211	45 260 802	1 394 658	-	-	46 655 460	90 378 751
<b>Other Assets</b>													
Furniture and Office Equipment	13 115 040	-	1 928 123	-	11 949	(594 152)	14 460 960	7 155 358	1 154 924	-	(464 446)	7 845 837	6 615 123
Motor vehicles	18 133 680	-	6 562 765	-	199 990	(203 617)	24 692 818	10 083 455	806 891	-	(136 807)	10 753 539	13 939 278
Computer Equipment	6 763 578	-	1 553 345	-	54 364	(422 643)	7 948 644	2 722 585	819 489	-	(183 085)	3 358 989	4 589 655
Plant & Equipment	8 371 760	-	775 491	-	-	(814 018)	8 333 233	3 836 890	772 847	-	(449 642)	4 160 096	4 173 138
	46 384 059	-	10 819 724	-	266 303	(2 034 431)	55 435 655	23 798 289	3 554 152	-	(1 233 980)	26 118 461	29 317 194
<b>Leases</b>													
Vehicles and Office Equipment	4 924 351	-	19 755 621	-	-	(5 677 933)	19 002 039	3 303 052	5 310 106	-	(5 677 933)	2 935 225	16 066 814
	4 924 351	-	19 755 621	-	-	(5 677 933)	19 002 039	3 303 052	5 310 106	-	(5 677 933)	2 935 225	16 066 814
<b>Total</b>	1 448 400 928	-	66 590 071	35 670 283	266 303	(20 602 129)	1 530 325 455	445 262 559	45 412 962	-	(13 346 198)	477 329 322	1 052 996 133

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

**2.2 30 JUNE 2021 RESTATED**

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses					Carrying Value
	Opening Balance	Re-classification	Additions	Under Construction	Contributed Assets	Disposals	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals	Closing Balance	
<b>Land and Buildings</b>													
Land	93 897 781	-	-	-	-	-	93 897 781	18 289 750	-	-	-	18 289 750	75 608 031
Balance previously reported	93 884 781	-	-	-	-	-	93 884 781	18 289 750	-	-	-	18 289 750	75 595 031
Correction of error as per note 41.1(j)	13 000	-	-	-	-	-	13 000	-	-	-	-	-	13 000
Buildings	47 099 463	-	977 775	24 495	-	-	48 101 734	10 025 925	825 688	-	-	10 851 613	37 250 121
	140 997 245	-	977 775	24 495	-	-	141 999 515	28 315 675	825 688	-	-	29 141 363	112 858 152
<b>Infrastructure</b>													
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	2 895 097	-	(1 410 365)	199 878 216	71 872 232	8 610 193	-	(746 433)	79 735 991	120 142 224
Balance previously reported	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
Correction of error as per note 41.1(c)		-		148 717			148 717		-			-	148 717
Correction of error as per note 41.1(l)		-					-		70 138			70 138	(70 138)
Water Supply	439 881 011	-	7 535 482	18 445 868	3 620 998	(281 069)	469 202 290	114 619 904	10 604 979	-	(138 978)	125 085 906	344 116 384
Balance previously reported	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
Correction of error as per note 41.1(m)	13 929 174	-					13 929 174		529 045			529 045	13 400 129
Sanitation	117 432 904	-	9 657 715	13 628 061	7 080 390	(122 351)	147 676 718	30 174 414	5 297 969	-	(107 052)	35 365 331	112 311 388
Balance previously reported	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
Transfer From Plant and Equipment	1 067 880	-					1 067 880	734 304	95 307			829 611	238 268
Correction of error as per note 41.1(m)	12 933 931	-					12 933 931		1 490 905			1 490 905	11 443 025
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
	1 001 856 812	-	27 418 538	40 613 014	39 066 686	(1 932 026)	1 107 023 023	298 184 835	33 558 092	-	(1 096 696)	330 646 231	776 376 792
<b>Capitalised Restoration Cost</b>	12 275 153		4 331 692				16 606 845	12 260 537	852 285			13 112 822	3 494 023
<b>Community Assets</b>													
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

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

<b>Other Assets</b>													
Furniture and Office Equipment	12 724 426	-	802 920	-	-	(412 306)	13 115 040	6 272 085	1 212 238	-	(328 966)	7 155 358	5 959 682
Balance previously reported	12 524 853	-	802 920	-	-	(412 306)	12 915 468	6 272 085	1 181 542	-	(328 966)	7 124 662	5 790 806
Correction of error note 41.1(i)	199 573						199 573		30 696			30 696	168 877
Motor vehicles	18 136 957	-	-	-	-	(3 277)	18 133 680	9 465 184	621 360	-	(3 089)	10 083 455	8 050 224
Balance previously reported	18 131 340	-	-	-	-	(3 277)	18 128 063	9 465 184	620 986	-	(3 089)	10 083 081	8 044 982
Correction of error note 41.1(i)	5 617						5 617		374			374	5 242
Computer Equipment	6 680 537	-	606 969	-	-	(523 928)	6 763 578	2 292 317	841 804	-	(411 536)	2 722 585	4 040 993
Balance previously reported	6 638 663	-	606 969	-	-	(523 928)	6 721 704	2 292 317	836 175	-	(411 536)	2 716 956	4 004 748
Correction of error note 41.1(i)	41 874						41 874		5 629			5 629	36 245
Plant & Equipment	7 731 572	-	836 048	-	-	(195 859)	8 371 760	3 212 948	764 921	-	(140 979)	3 836 890	4 534 870
Balance previously reported	8 703 638	-	836 048	-	-	(195 859)	9 343 827	3 947 252	846 012	-	(140 979)	4 652 285	4 691 542
Transfer to Sanitation Infrastructure	(1 067 880)						(1 067 880)	(734 304)	(95 307)			(829 611)	(238 268)
Correction of error note 41.1(i)	95 814						95 814		14 217			14 217	81 597
	45 273 491	-	2 245 937	-	-	(1 135 369)	46 384 059	21 242 535	3 440 324	-	(884 570)	23 798 289	22 585 770
<b>Leases</b>													
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
<b>Total</b>	1 332 597 612	-	37 224 835	42 579 189	39 066 686	(3 067 395)	1 448 400 928	405 584 415	41 659 409	-	(1 981 265)	445 262 559	1 003 138 369

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>		
<u>See previous sheet</u> page 67		
page 68		
page 69		
<b>2.3 Property, Plant and Equipment which is in the process of being constructed or developed:</b>		
Infrastructure Assets	142 016 457	128 017 484
Roads and Stormwater	5 915 356	5 643 987
Electricity	9 167 463	3 983 238
Water Supply	118 271 205	104 762 198
Sanitation	8 662 433	13 628 061
Community Assets	7 868 842	2 297 765
Other Assets	24 495	24 495
<b>Total Property, Plant and Equipment under construction</b>	<b>149 909 794</b>	<b>130 339 745</b>
<b>2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:</b>		
Infrastructure Assets	108 146 433	98 734 578
Water Supply	108 146 433	98 734 578
<b>Total</b>	<b>108 146 433</b>	<b>98 734 578</b>
<b>2.5 Expenditure incurred to repair and maintain Property, Plant and Equipment:</b>		
Other materials	16 321 934	14 690 845
Contracted Services	50 603	181 208
Other Expenditure	244 607	158 102
<b>Total Repairs and Maintenance</b>	<b>16 617 144</b>	<b>15 030 155</b>
<b>2.6 Effect of changes in accounting estimates</b>		
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.		
	<b>2022</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
Effect on Property, plant and equipment	1 537 715	3 069 619
		3 405 514

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>2.7 Contractual commitments for acquisition of Property, Plant and Equipment:</b>		
Approved and contracted for:	62 651 559	62 362 519
Infrastructure	58 416 553	48 005 939
Community	792 634	7 299 625
Other	3 442 371	7 056 955
<b>Total</b>	<b>62 651 559</b>	<b>62 362 519</b>
This expenditure will be financed from:		
External Loans	3 038 909	17 433 466
Government Grants	58 029 596	34 475 722
Own Resources	1 583 053	10 453 331
<b>Total</b>	<b>62 651 559</b>	<b>62 362 519</b>
<b>2.8 Land is controlled, but Oudtshoorn Municipality is not the legal owner/custodian</b>		
Carrying amount at year end	9 875 000	9 875 000
<b>Total</b>	<b>9 875 000</b>	<b>9 875 000</b>
<u>Key judgements and assumptions applied</u>		
- Right to direct access to land, and to restrict/deny the access of others.		
<b>3. INVESTMENT PROPERTY</b>		
<b>3.1 Net Carrying amount at 1 July</b>	<b>16 927 999</b>	<b>15 900 831</b>
Cost	21 671 913	20 516 542
Accumulated Depreciation	(1 670 834)	(1 542 632)
Accumulated Impairment Loss	(3 073 079)	(3 073 079)
Additions	-	1 155 371
Depreciation for the year	(158 961)	(118 374)
Correction of error note 41.1(k)	-	(9 828)
<b>Net Carrying amount at 30 June</b>	<b>16 769 038</b>	<b>16 927 999</b>
Cost	21 671 913	21 671 913
Accumulated Depreciation	(1 829 795)	(1 670 834)
Accumulated Impairment Loss	(3 073 079)	(3 073 079)
<b>3.2 Revenue from Investment Property</b>		
Revenue derived from the rental of Investment Property	372 606	387 178
<b>3.3 Investment Property which is in the process of being constructed or developed:</b>		
Revenue Generating	-	-
Improved Property	-	2 303 913
Correction of Error note 41.1(k)	-	(2 303 913)

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	2022 R	2021 R
<b>4. INTANGIBLE ASSETS</b>		
<b>4.1 Net Carrying amount at 1 July</b>	<b>1 143 195</b>	<b>1 537 435</b>
Cost	3 438 394	3 156 856
Accumulated Amortisation	(2 295 199)	(1 619 421)
Additions		281 538
Amortisation	(402 687)	(675 778)
<b>Net Carrying amount at 30 June</b>	<b>740 509</b>	<b>1 143 195</b>
Cost	3 438 394	3 438 394
Accumulated Amortisation	(2 697 886)	(2 295 199)

**4.2 Material Intangible Assets included in the carrying value:**

<u>Description</u>	<u>Remaining Amortisation Period</u>		
Software	1-5 years	740 509	1 143 195

No intangible assets 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**

<b>5.1 Net Carrying amount at 1 July</b>	<b>13 774 345</b>	<b>13 774 345</b>
Cost	13 774 345	13 774 345
<b>Net Carrying amount at 30 June</b>	<b>13 774 345</b>	<b>13 774 345</b>
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.

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>
<u>Rust end Vrede Waterfall</u>		
<p>The Rust &amp; 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.</p> <p>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.</p>		
<u>Herrie's Stone, Meiringspoort, Oudtshoorn District</u>		
<p>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.</p> <p>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.</p>		
<b>The following Heritage Assets were identified and measured in terms of GRAP:</b>		
<u>Cango Caves</u>		
<p>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 maze 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.</p>	11 796 645	11 796 645
<u>CP Nel Museum Building</u>		
<p>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.</p>	1 940 000	1 940 000
<u>Mayoral Chains</u>		
<p>The municipality has two mayoral chains which are kept in a safe at the main building.</p>	37 700	37 700
<b>6 OPERATING LEASE ARRANGEMENTS</b>		
<b>6.1 The Municipality as Lessor</b>		
Operating Lease Asset	23 415	19 142
<u>Disclosed as follows:</u>		
Current Operating Lease Asset	23 415	19 142
	<b>23 415</b>	<b>19 142</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b><u>Reconciliation</u></b>		
Balance at the beginning of the year	19 142	5 230
Movement during the year	4 273	13 912
Balance at the end of the year	<u><b>23 415</b></u>	<u><b>19 142</b></u>

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will pay operating lease expenditure as follows:

Up to 1 Year	159 536	240 850
1 to 5 Years	654 258	647 780
More than 5 Years	337 025	503 039
<b>Total Operating Lease Arrangements</b>	<u><b>1 150 819</b></u>	<u><b>1 391 669</b></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	4 591 056	2 624 088
Water – At Cost	424 021	497 318
<b>Total Inventory</b>	<u><b>5 015 078</b></u>	<u><b>3 121 406</b></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	9 136 229	8 955 082
Finished Goods	304 523	329 992
Materials and supplies	12 506 917	9 960 407
Correction of error note 41.1(d)	-	28 273
<b>Total</b>	<u><b>21 947 669</b></u>	<u><b>19 273 754</b></u>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	2022 R	2021 R
<b>8. RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Electricity	29 402 102	29 054 679
Water	23 076 287	21 786 374
Property Rentals	506	506
Waste Management	11 373 197	10 566 315
Waste Water Management	12 707 296	12 834 551
Units not billed	19 180 881	9 558 829
Legal Fees Recovery	29 216	29 216
Klein Karoo Water Scheme	6 233 695	4 656 076
Sundry municipal charges	5 036 270	4 909 721
Prepaid expenditure	8 817	3 475
Other	29 550	23 400
Suspense Debtors	3 070 633	2 965 592
Correction of error note 41.1(g)	-	99 339
Correction of error note 41.1(g)	-	359 266
<b>Total: Receivables from exchange transactions (before provision)</b>	<b>110 148 452</b>	<b>96 847 339</b>
<b>Less:</b> Provision for Debt Impairment	(41 509 093)	(37 491 461)
<b>Total: Receivables from exchange transactions (after provision)</b>	<b>68 639 359</b>	<b>59 355 879</b>

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.

**Ageing of billed Debtors**

**(Electricity): Ageing**

Current (0 - 30 days)	13 547 655	12 773 799
31 - 60 Days	1 938 080	2 642 695
61 - 90 Days	1 116 004	2 067 176
+ 90 Days	12 800 362	11 571 009
<b>Total</b>	<b>29 402 102</b>	<b>29 054 679</b>

**(Water): Ageing**

Current (0 - 30 days)	4 763 608	4 911 426
31 - 60 Days	1 713 457	2 183 566
61 - 90 Days	1 299 622	1 469 184
+ 90 Days	15 299 599	13 222 197
<b>Total</b>	<b>23 076 287</b>	<b>21 786 374</b>

**(Property Rentals): Ageing**

Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	506	506
<b>Total</b>	<b>506</b>	<b>506</b>

OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
<b><u>(Waste Management): Ageing</u></b>		
Current (0 - 30 days)	1 654 646	1 555 163
31 - 60 Days	624 108	522 346
61 - 90 Days	368 141	390 357
+ 90 Days	8 726 302	8 098 450
<b>Total</b>	<b>11 373 197</b>	<b>10 566 315</b>

<b><u>(Waste Water Management): Ageing</u></b>		
Current (0 - 30 days)	2 527 513	2 503 155
31 - 60 Days	726 223	776 336
61 - 90 Days	426 228	590 821
+ 90 Days	9 027 332	8 964 240
<b>Total</b>	<b>12 707 296</b>	<b>12 834 551</b>

<b><u>(Units not billed): Ageing</u></b>		
Current (0 - 30 days)	19 180 881	9 558 829
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	-
<b>Total</b>	<b>19 180 881</b>	<b>9 558 829</b>

<b><u>(Legal Fees Recovery): Ageing</u></b>		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	29 216	29 216
<b>Total</b>	<b>29 216</b>	<b>29 216</b>

<b><u>(Klein Karoo Water Scheme): Ageing</u></b>		
Current (0 - 30 days)	615 554	505 910
31 - 60 Days	321 202	301 828
61 - 90 Days	287 081	210 479
+ 90 Days	5 009 859	3 637 859
<b>Total</b>	<b>6 233 695</b>	<b>4 656 076</b>

<b><u>(Sundry municipal charges): Ageing</u></b>		
Current (0 - 30 days)	399 609	478 356
31 - 60 Days	156 814	134 298
61 - 90 Days	119 718	326 934
+ 90 Days	7 430 763	7 394 329
<b>Total</b>	<b>8 106 903</b>	<b>8 333 918</b>

OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022

	2022 R	2021 R
<b><u>(Prepaid expenditure): Ageing</u></b>		
Current (0 - 30 days)	8 817	3 475
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	-
<b>Total</b>	<b>8 817</b>	<b>3 475</b>

<b><u>(Other): Ageing</u></b>		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	29 550	23 400
<b>Total</b>	<b>29 550</b>	<b>23 400</b>

<b><u>(Total): Ageing</u></b>		
Current (0 - 30 days)	42 698 285	32 290 113
31 - 60 Days	5 479 884	6 561 069
61 - 90 Days	3 616 794	5 054 951
+ 90 Days	58 353 489	52 941 207
<b>Total</b>	<b>110 148 452</b>	<b>96 847 339</b>

**Summary of Service Debtors by Customer Classification**

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
<b>30 June 2022</b>				
Current (0 - 30 days)	753 274	30 823 189	8 083 988	3 029 016
31 - 60 Days	313 632	3 852 742	1 183 384	130 126
61 - 90 Days	243 441	2 599 088	698 797	75 467
+ 90 Days	6 014 308	40 867 395	10 697 881	782 722
<b>Total debtors by customer classification</b>	<b>7 324 655</b>	<b>78 142 414</b>	<b>20 664 051</b>	<b>4 017 332</b>

**Summary of Service Debtors by Customer Classification**

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
<b>30 June 2021</b>				
Current (0 - 30 days)	618 678	20 754 440	7 959 261	2 954 259
31 - 60 Days	284 457	3 967 277	1 173 833	1 135 502
61 - 90 Days	199 533	2 613 628	1 041 274	1 200 517
+ 90 Days	5 380 812	35 503 555	9 464 928	2 595 386
<b>Total debtors by customer classification</b>	<b>6 483 481</b>	<b>62 838 900</b>	<b>19 639 296</b>	<b>7 885 663</b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b><u>Reconciliation of Provision for Debt Impairment</u></b>		
Balance at beginning of year	37 491 461	51 059 260
Contribution to provision	4 017 632	-
Reversal of provision	-	(13 567 800)
Balance at end of year	<b><u>41 509 093</u></b>	<b><u>37 491 461</u></b>

The total amount of this provision is R41 509 093 and consist of:

Services	41 509 093	37 491 461
<b>Total Provision for Debt Impairment on Receivables from exchange transactions</b>	<b><u>41 509 093</u></b>	<b><u>37 491 461</u></b>

**Ageing of amounts past due but not impaired:**

Services	25 941 074	27 065 766
	<b><u>67 450 167</u></b>	<b><u>64 557 226</u></b>

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.

**9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

Taxes - Rates	33 126 591	30 696 122
Availability Charges	4 799 693	3 828 749
Fines	3 103 850	11 123 505
	<u>41 030 135</u>	<u>45 648 377</u>
<b>Less:</b> Provision for Debt Impairment	(25 982 635)	(31 063 893)
<b>Total Receivables from non-exchange transactions</b>	<b><u>15 047 500</u></b>	<b><u>14 584 483</u></b>

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)	6 202 827	6 222 571
31 - 60 Days	1 730 101	1 665 857
61 - 90 Days	1 052 163	1 275 876
+ 90 Days	24 141 500	21 531 818
<b>Total</b>	<b><u>33 126 591</u></b>	<b><u>30 696 122</u></b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	2022 R	2021 R
<b><u>(Availability Charges): Ageing</u></b>		
Current (0 - 30 days)	284 691	255 585
31 - 60 Days	210 418	168 152
61 - 90 Days	188 227	156 818
+ 90 Days	4 116 357	3 248 194
<b>Total</b>	<b>4 799 693</b>	<b>3 828 749</b>

<b><u>(Fines): Ageing</u></b>		
Current (0 - 30 days)	1 188 775	369 800
31 - 60 Days	396 825	816 500
61 - 90 Days	334 900	653 600
+ 90 Days	1 183 350	9 283 605
<b>Total</b>	<b>3 103 850</b>	<b>11 123 505</b>

**Summary of Debtors (Rates+Availability) by Customer Classification**

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
<b>30 June 2022</b>				
Current (0 - 30 days)	43 525	4 728 238	1 506 747	209 008
31 - 60 Days	9 122	1 451 577	312 534	167 286
61 - 90 Days	2 340	1 033 565	176 366	28 119
+ 90 Days	359 243	23 248 578	4 339 909	310 128
<b>Total debtors by customer classification</b>	<b>414 229</b>	<b>30 461 958</b>	<b>6 335 557</b>	<b>714 541</b>

**Summary of Debtors (Rates+Availability ) by Customer Classification**

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
<b>30 June 2021</b>				
Current (0 - 30 days)	35 849	4 636 279	1 626 788	179 238
31 - 60 Days	8 538	1 293 222	357 120	175 129
61 - 90 Days	4 419	970 032	276 316	181 928
+ 90 Days	376 988	19 512 852	4 122 832	767 341
<b>Total debtors by customer classification</b>	<b>425 794</b>	<b>26 412 386</b>	<b>6 383 056</b>	<b>1 303 636</b>

**Reconciliation of Provision for Debt Impairment**

Balance at beginning of year	31 063 893	29 907 801
Contribution to provision	-	1 156 092
Reversal of provision	(5 081 258)	-
<b>Balance at end of year</b>	<b>25 982 635</b>	<b>31 063 893</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
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	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
The total amount of this provision is R25 982 635 and consist of:		
Taxes	21 012 418	18 850 011
Availability Charges	2 644 463	2 709 891
Fines	2 325 754	9 503 991
<b>Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions</b>	<b>25 982 635</b>	<b>31 063 893</b>

**Ageing of amounts past due but not impaired:**

Rates	5 911 346	5 623 540
Availability charges	1 870 539	863 274
Fines	-	1 249 714
	<b>7 781 885</b>	<b>7 736 528</b>

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

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

**10. CASH AND CASH EQUIVALENTS**

**10.1 Cash and Cash Equivalents**

Cash At Bank	12 960 591	16 088 101
Call Deposits and Investments	130 934 736	99 841 236
Cash On-hand	37 550	37 550
<b>Total Cash and Cash Equivalents - Assets</b>	<b>143 932 877</b>	<b>115 966 886</b>

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 R130 394 736 are held to fund the Unspent Conditional Grants of R41 026 340

The municipality has the following bank accounts:

**Current Accounts**

Standard Bank 082808678	2 857 709	6 429 770
Standard Bank 082808724	9 977 782	9 625 841
Standard Bank 08288988	39 780	-
Standard Bank 082809097	85 320	32 490
	<b>12 960 591</b>	<b>16 088 101</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
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	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b><u>Call Deposits and Investments</u></b>		
ABSA Account no 20-8038-7442	15 993 395	-
Nedbank Account no 03/7881019344/29	117 816	113 449
Nedbank Account no 03/7881001143/130	558 069	537 381
Nedbank Account no 03/7881001143/131	3 057 579	2 944 233
Nedbank Account no 03/7881001143/137	2 957 018	12 713 168
Nedbank Account no 03/7881001143/175	5 132 382	4 942 120
Nedbank Account no 03/7881001143/254		15 283 235
Nedbank Account no 03/7881001143/250	7 746 551	7 459 379
Nedbank Account no 03/7881001143/251	3 055 830	2 942 548
Nedbank Account no 03/7881001143/252	830 706	799 912
Nedbank Account no 03/7881001143/258	15 180 509	-
Standard Account no 288835379015	-	967 047
Standard Account no 288835379005	-	5 310 309
Standard Account no 288835379008	-	2 847 564
Standard Account no 288835379010	-	10 603 714
Standard Account no 288835379019	-	2 278 756
Standard Account no 288835379040	-	7 479 113
Standard Account no 288835379047	25 356 926	-
Standard Account no 288835379048	37 689 892	-
Investec Account no 1400-171058-500	4 906 490	14 573 327
Investec Account no 1400-171058 501	8 351 571	8 045 980
	<b>130 934 736</b>	<b>99 841 236</b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
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Details of current accounts are as follow:

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>Standard bank 082808678 (Primary Bank Account)</b>		
Cash book balance at beginning of year	6 429 770	(716 880)
Cash book balance at end of year	<u>2 857 709</u>	<u>6 429 770</u>
Bank statement balance at beginning of year	6 429 770	73 575
Bank statement balance at end of year	<u>2 857 709</u>	<u>6 429 770</u>
<b>Standard bank 082808724 (Primary Bank Account)</b>		
Cash book balance at beginning of year	9 625 841	27 124 531
Cash book balance at end of year	<u>9 977 782</u>	<u>9 625 841</u>
Bank statement balance at beginning of year	8 894 960	26 537 560
Bank statement balance at end of year	<u>8 923 089</u>	<u>8 894 960</u>
<b>Standard Bank 082809097(Traffic Account)</b>		
Cash book balance at beginning of year	32 490	82 606
Cash book balance at end of year	<u>85 320</u>	<u>32 490</u>
Bank statement balance at beginning of year	32 490	-
Bank statement balance at end of year	<u>85 320</u>	<u>32 490</u>
<b>Standard Bank 08288988 (Primary Bank Account - CAVES)</b>		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	<u>39 780</u>	<u>-</u>
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	<u>39 780</u>	<u>-</u>
	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>

**11. LONG-TERM BORROWINGS**

Annuity Loans - At amortised cost	63 168 400	52 391 823
Capitalised Lease Liability - At amortised cost	18 690 871	1 845 206
	<u>81 859 271</u>	<u>54 237 029</u>
<b>Less:</b> Current Portion transferred to Current Liabilities	<b>(18 299 534)</b>	<b>(11 556 205)</b>
Annuity Loans - At amortised cost	(11 043 795)	(9 723 423)
Capitalised Lease Liability - At amortised cost	(7 255 739)	(1 832 782)
	<u>63 559 737</u>	<u>42 680 824</u>
<b>Total Long-term Borrowings</b>	<b><u>63 559 737</u></b>	<b><u>42 680 824</u></b>

**11.1** The obligations under annuity loans are scheduled below:

		<b>Minimum</b>
		<b>payments</b>
Amounts payable under annuity loans:		
Payable within one year	15 776 362	13 600 163
Payable within two to five years	35 986 166	32 513 263
Payable after five years	34 770 130	21 657 316
	<u>86 532 658</u>	<u>67 770 742</u>
<b>Less:</b> Future finance obligations	<b>(23 364 258)</b>	<b>(15 378 919)</b>
<b>Present value of annuity loans obligations</b>	<b><u>63 168 400</u></b>	<b><u>52 391 823</u></b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
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	2022 R	2021 R
<b>11.2</b> The obligations under finance leases are scheduled below:		
		<b>Minimum payments</b>
Amounts payable under finance leases:		
Payable within one year	8 367 394	1 933 305
Payable within two to five years	12 078 846	12 530
	20 446 240	1 945 835
<b>Less:</b> Future finance obligations	(1 755 368)	(100 629)
<b>Present value of finance lease obligations</b>	<b>18 690 871</b>	<b>1 845 206</b>

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	34 429 958	27 301 778
<b>Total Non-current Provisions</b>	<b>34 429 958</b>	<b>27 301 778</b>

**12.1 Landfill Sites**

Balance 1 July	27 301 778	21 539 331
Change in Provision for Rehabilitation Cost	7 128 180	5 762 447
<b>Total provision 30 June</b>	<b>34 429 958</b>	<b>27 301 778</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions	-	-
<b>Balance 30 June</b>	<b>34 429 958</b>	<b>27 301 778</b>

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 Grootkop
Area (m <sup>2</sup> )	5 223	7 109	2 253	9 841	117 659
<b>Cost for Rehabilitation and Closure:</b>					
<b>Preliminary and General</b>	538 457	751 628	293 399	909 701	7 939 773
<b>Site Clearance and Preparation</b>	6 999	9 526	3 019	13 187	157 663
<b>Storm water Control Measures</b>	555 644	670 771	392 267	893 676	4 149 360
<b>Capping</b>	1 911 828	3 011 320	838 939	3 690 393	43 900 850
<b>Gas Management</b>	-	-	-	-	-
<b>Leachate Management</b>	230 733	268 953	158 679	289 629	1 936 352
<b>Fencing</b>	696 293	787 556	460 531	859 806	12 267
<b>Other:</b>					
Environmental Authorisation ( Closure License)	-	410 800		410 800	410 800
Technical ROD	208 260	208 260	208 260	208 260	208 260
Install Groundwater Monitoring Boreholes with lockable caps(includes drilling contractor site establishment)	158 228	207 987	202 287	202 287	-
Landscape Architects	142 672	142 672	142 139	142 139	161 889
Water use license	35 000	35 000	35 000	35 000	35 000
Topographical Survey	7 240	7 240	7 240	7 240	12 584
<b>Contingencies (10% of total construction costs)</b>	393 995	549 975	214 683	665 639	5 809 627
<b>Engineering (ECSA Fees scale)</b>	529 594	735 488	292 902	888 164	5 278 772
<b>Site Supervision (Engineers Representation)</b>	190 020	230 105	169 875	239 774	1 378 480
<b>Site Supervision (Environmental Control Officer &amp; C</b>	146 928	146 928	123 336	150 744	539 120
<b>Total (Excl. VAT)</b>	<b>5 751 891</b>	<b>8 174 209</b>	<b>3 542 554</b>	<b>9 606 439</b>	<b>71 930 797</b>
Cost per rehab(m <sup>2</sup> )	1 101	1 150	1 572	976	611
Estimated construction period (weeks)	10	10	9	11	40

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

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:

Location	Estimated decommission date	2022	2021
		R	R
De Rust (Closed)	2014	6 049 839	5 410 633
De Rust(Operational)	2036	16 577 158	15 771 328
Dysselsdorp(Closed)	2013	3 726 059	3 360 341
Dysselsdorp(Operational)	2033	16 742 768	16 315 067
Oudtshoorn	2048	267 409 727	313 613 092
		<b>310 505 550</b>	<b>354 470 462</b>

**13. NON-CURRENT EMPLOYEE BENEFITS**

Provision for Post Retirement Health Care Benefits	107 037 001	103 700 001
Provision for Long Service Awards	11 345 000	11 476 000
<b>Total Non-current Employee Benefits</b>	<b>118 382 001</b>	<b>115 176 001</b>

**Post Retirement Health Care Benefits**

Balance 1 July	108 974 001	94 203 001
Contribution for the year	3 535 000	3 041 000
Interest Cost	10 597 000	9 349 000
Expenditure for the year	(5 454 019)	(5 258 723)
Actuarial Loss/(Gain)	(5 135 981)	7 639 723
<b>Total provision 30 June</b>	<b>112 516 001</b>	<b>108 974 001</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 15	(5 479 000)	(5 274 000)
<b>Balance 30 June</b>	<b>107 037 001</b>	<b>103 700 001</b>

**Long Service Awards**

Balance 1 July	12 369 000	11 612 000
Contribution for the year	1 065 000	980 000
Interest Cost	1 127 000	823 000
Expenditure for the year	(870 532)	(1 196 415)
Actuarial Loss/(Gain)	(636 468)	150 415
<b>Total provision 30 June</b>	<b>13 054 000</b>	<b>12 369 000</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 15	(1 709 000)	(893 000)
<b>Balance 30 June</b>	<b>11 345 000</b>	<b>11 476 000</b>

**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	334	340
In-service (employee) non-members	367	389
Continuation members (e.g. Retirees, widows, orphans)	98	97
<b>Total Members</b>	<b>799</b>	<b>826</b>

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	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
The liability in respect of past service has been estimated to be as follows:		
In-service members	41 068 000	38 200 000
In-service non-members	6 248 000	5 935 000
Continuation members	65 200 000	64 839 000
<b>Total Liability</b>	<b>112 516 000</b>	<b>108 974 000</b>

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

	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>R</b>	<b>R</b>	<b>R</b>
In-service members	31 168 000	33 919 383	45 926 000
In-service non-members	4 798 000	5 085 884	12 625 000
Continuation members	58 237 000	61 185 693	53 920 000
<b>Total Liability</b>	<b>94 203 000</b>	<b>100 190 960</b>	<b>112 471 000</b>

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 680 000, whereas the Interest Cost for the next year is estimated to be R12 897 000.

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Key actuarial assumptions used:		
<b>i) Rate of interest</b>		
Discount rate	11.74%	9.96%
Health Care Cost Inflation Rate	8.37%	6.69%
Net Effective Discount Rate	3.11%	3.06%

**ii) Mortality rates**

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

**iii) Normal retirement age**

The normal retirement age for employees of the municipality is 62 years.

**iv) Expected rate of salary increases**

2021/22 - CPI

The three-year Salary and Wage Collective Agreement ends on 30 June 2025.

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

Present value of fund obligations	112 516 001	108 974 001
Fair value of plan assets	-	-
	<u>112 516 001</u>	<u>108 974 001</u>
<b>Net liability/(asset)</b>	<b>112 516 001</b>	<b>108 974 001</b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	2022 R	2021 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	108 974 001	94 203 001
Total expenses	8 677 981	7 131 277
Current service cost	3 535 000	3 041 000
Interest Cost	10 597 000	9 349 000
Benefits Paid	(5 454 019)	(5 258 723)
Actuarial (gains)/losses	(5 135 981)	7 639 723
Present value of fund obligation at the end of the year	<u>112 516 001</u>	<u>108 974 001</u>

**Sensitivity Analysis on the Accrued Liability on 30 June 2022**

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
<b>Assumption</b>			
Central Assumptions	47.316	65.200	112.516

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
<b>Assumption</b>					
Health care inflation	1%	56.875	71.49	128.365	14%
Health care inflation	-1%	39.71	59.74	99.455	-12%
Discount Rate	1%	39.98	59.94	99.918	-11%
Discount Rate	-1%	56.65	71.35	127.993	14%
Post-retirement mortality	-1 year	46.03	62.98	109.015	-3%
Post-retirement mortality	1 year	48.59	67.43	116.014	3%
Average retirement age	-1 year	51.55	65.20	116.750	4%
Withdrawal Rate	-50%	41.36	65.20	106.564	-5%

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

	Current Service Cost (R)	Interest Cost (R)	Total (R)
<b>Assumption</b>			
Central Assumptions	3 535 000	10 597 000	14 132 000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
<b>Assumption</b>					
Health care inflation	1%	4 371 000	12 159 000	16 530 000	17%
Health care inflation	-1%	2 889 000	9 316 000	12 205 000	-14%
Discount rate	1%	2 936 000	10 300 000	13 236 000	-6%
Discount rate	-1%	4 309 000	10 906 000	15 215 000	8%
Post-retirement mortality	1%	3 441 000	10 262 000	13 703 000	-3%
Post-retirement mortality	-1%	3 631 000	10 933 000	14 564 000	3%
Average retirement age	-1 year	3 760 000	11 013 000	14 773 000	5%
Membership continuation	-10%	3 094 000	10 045 000	13 139 000	7%

**OUDTSHOORN LOCAL MUNICIPALITY**  
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**Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2023**

	Current	Interest Cost (R)	Total (R)
<b>Assumption</b>			
Central Assumptions	3 680 000	12 897 000	16 577 000

The effect of movements in the assumptions are as follows:

	Change	Current	Interest Cost (R)	Total (R)	% change
<b>Assumption</b>					
Health care inflation	1%	4 534 000	14 756 000	19 290 000	16%
Health care inflation	-1%	3 015 000	11 365 000	14 380 000	-13%
Discount rate	1%	3 066 000	12 391 000	15 457 000	-7%
Discount rate	-1%	4 473 000	13 460 000	17 933 000	8%
Post-retirement mortality	1%	3 579 000	12 486 000	16 065 000	-3%
Post-retirement mortality	-1%	3 778 000	13 307 000	17 085 000	3%
Average retirement age	-1 year	3 973 000	13 394 000	17 367 000	5%
Membership continuation	-10%	3 222 000	12 198 000	15 420 000	-7%

	2022 Rm	2021 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(4.460)	(0.782)

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

	2020 Rm	2019 Rm	2018 Rm
Liabilities: (Gain) / loss	4.032	3.730	1 306

**13.2 Provision for Long Service Bonuses**

The Long Service Bonus plans are defined benefit plans. As at year end, 701 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R1 085 0000 whereas the Interest Cost for the next year is estimated to be R1 359 000.

	2022 %	2021 %
Key actuarial assumptions used:		
<b>i) Rate of interest</b>		
Discount rate	11.12%	9.44%
General Salary Inflation (long-term)	7.30%	5.84%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	3.56%	3.40%

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

Present value of fund obligations	13 054 000	12 369 000
Fair value of plan assets	-	-
	<u>13 054 000</u>	<u>12 369 000</u>
<b>Net liability/(asset)</b>	<u><b>13 054 000</b></u>	<u><b>12 369 000</b></u>

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	2022 R	2021 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	12 369 000	11 612 000
Total expenses	1 321 468	606 585
Current service cost	1 065 000	980 000
Interest Cost	1 127 000	823 000
Benefits Paid	(870 532)	(1 196 415)
Actuarial (gains)/losses	(636 468)	150 415
Present value of fund obligation at the end of the year	<b>13 054 000</b>	<b>12 369 000</b>

**Sensitivity Analysis on the Accrued Liability at 30 June 2022**

Assumption	Change	Liability (Rm)	% change
Central assumptions		13 054 000	
General salary inflation	1%	13 848 000	6%
General salary inflation	-1%	12 334 000	-6
Discount rate	1%	12 309 000	-6
Discount rate	-1%	13 889 000	6%
Average retirement age	-2 yrs.	15 130 000	16%
Average retirement age	2 yrs.	11 524 000	-12%
Withdrawal rates	x2	10 678 000	-18%
Withdrawal rates	x0.5	14 698 000	13%

**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:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	+1%	1 157 000	1 203 000	2 360 000	8%
Health care inflation	-1%	984 000	1 057 000	2 041 000	-6%
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 yrs.	1 207 000	1 314 000	2 521 000	15%
Average retirement age	-2 yrs.	956 000	988 000	1 944 000	-11%
Withdrawal Rate	x2	774 000	901 000	1 675 000	24%
Withdrawal Rate	x0.5	1 284 000	1 284 000	2 568 000	16%

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**Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2023**

<b>Assumption</b>	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>
Central Assumptions	1 085 000	1 359 000	2 444 000

The effect of movements in the assumptions are as follows:

<b>Assumption</b>	<b>Change</b>	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>	<b>% change</b>
Health care inflation	+1%	1 173 000	1 448 000	2 621 000	7%
Health care inflation	-1%	1 007 000	1 279 000	2 286 000	-6%
Discount rate	+1%	1 015 000	1 392 000	2 407 000	-2%
Discount rate	-1%	1 165 000	1 322 000	2 487 000	2%
Average retirement age	2 yrs.	1 232 000	1 589 000	2 821 000	15%
Average retirement age	-2 yrs.	970 000	1 189 000	2 159 000	-12%
Withdrawal Rate	x2	805 000	1 095 000	1 900 000	22%
Withdrawal Rate	x0.5	1 293 000	1 542 000	2 835 000	16%

	<b>2022 R</b>	<b>2021 R</b>
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(411 468)	291 415

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

	<b>2020 R</b>	<b>2019 R</b>	<b>2018 R</b>
Liabilities: (Gain) / loss	693 031	566 124	499 606

**OUDTSHOORN LOCAL MUNICIPALITY**  
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	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>13.3 Retirement funds</b>		
<p>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.</p> <p>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.</p> <p>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.</p> <p><b><u>CONSOLIDATED RETIREMENT FUND</u></b></p> <p>The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2021 revealed that the fund is in a sound financial position with a funding level of 133% (30 June 2020 - 132.2%).</p>		
Contributions paid recognised in the Statement of Financial Performance	26 977 675	27 570 872
<p><b><u>DEFINED CONTRIBUTION FUNDS</u></b></p> <p>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.</p>		
<b>14. CONSUMER DEPOSITS</b>		
Electricity	4 434 162	4 421 440
Rental Properties	155 733	134 759
Water	5 218 354	5 153 680
Building Plans	1 653 771	1 424 818
Hiring of Decorative Items	4 430	4 430
<b>Total Consumer Deposits</b>	<b>11 466 449</b>	<b>11 139 126</b>
<b>15. CURRENT EMPLOYEE BENEFITS</b>		
Performance Bonuses	491 923	493 245
Staff Bonuses	7 017 942	6 785 877
Staff Leave	16 935 850	16 192 378
Other	1 045	1 045
Current Portion of Non-Current Provisions	7 188 000	6 167 000
Current Portion of Post Retirement Benefits - Note 13	5 479 000	5 274 000
Current Portion of Long-Service Provisions - Note 13	1 709 000	893 000
<b>Total Provisions</b>	<b>31 634 759</b>	<b>29 639 545</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

The movement in current provisions are reconciled as follows:

	2022 R	2021 R
<b>15.1 <u>Performance Bonuses</u></b>		
Balance at beginning of year	493 245	828 593
Contribution to current portion	55 351	(185 730)
Expenditure incurred	(56 673)	(149 618)
Balance at end of year	<u><u>491 923</u></u>	<u><u>493 245</u></u>

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

<b>15.2 <u>Staff Bonuses</u></b>		
Balance at beginning of year	6 785 877	6 572 014
Contribution to current portion	12 677 720	12 562 413
Expenditure incurred	(12 445 655)	(12 348 550)
Balance at end of year	<u><u>7 017 941</u></u>	<u><u>6 785 877</u></u>

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.

<b>15.3 <u>Staff Leave</u></b>		
Balance at beginning of year	16 192 896	17 054 005
Contribution to current portion	2 120 518	889 230
Expenditure incurred	(1 377 046)	(1 750 339)
Balance at end of year	<u><u>16 936 368</u></u>	<u><u>16 192 896</u></u>

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

**16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade Payables	36 422 973	32 176 450
Pre-paid electricity	483 644	496 197
Unallocated funds debtors	51 600	33 769
Payments received in advance	3 519 137	4 535 076
Control, Clearing and Interface Accounts	247 732	109 434
Sundry Deposits	8 730	8 730
Retentions	6 680 822	7 646 314
Correction of error note 41.1( c )	-	148 717
Correction of error note 41.1(d)	-	394 042
Correction of error note 41.1( e )	-	4 121 984
Correction of error note 41.1(f)	-	56 673
Correction of error note 41.1(h)	-	5 576 743
Correction of error note 41.1(o)	-	(3 452 482)
Correction of error note 41.1(p)	-	110 694
<b>Total Trade Payables</b>	<u><u>47 414 638</u></u>	<u><u>51 962 342</u></u>

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 their fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>17. UNSPENT TRANSFERS AND SUBSIDIES</b>		
Unspent Transfers and Subsidies	41 026 340	11 043 304
National Government Grants	38 811 780	4 841 069
Provincial Government Grants	1 870 402	6 202 235
District Municipality	120 000	-
Other Sources	224 158	-
<b>Less:</b> Unpaid Transfers and Subsidies	-	-
<b>Total Unspent Transfers and Subsidies</b>	<b>41 026 340</b>	<b>11 043 304</b>
See Appendix "B" for reconciliation of grants from other spheres of government.		
The Unspent Grants are cash-backed by short-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-end.		
<b>18. TAXES</b>		
<b>18.1</b> VAT Payable	2 350 530	1 263 365
VAT Output in Suspense	(14 599 816)	(13 634 229)
<b>Total VAT Payable</b>	<b>(12 249 286)</b>	<b>(12 370 863)</b>
<b>18.2</b> VAT Receivable	-	-
VAT Input in Suspense	7 175 626	4 467 842
<b>Total VAT Receivable</b>	<b>7 175 626</b>	<b>4 467 842</b>
<b>18.3 Net VAT (Payable)/Receivable</b>	<b>(5 073 659)</b>	<b>(7 903 021)</b>
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
<b>19. PROPERTY RATES</b>		
<b><u>Actual</u></b>		
<b>Rateable Land and Buildings</b>	111 588 165	104 557 531
Business and Commercial Property	22 809 538	21 767 565
Farm Holdings	4 434 305	4 201 687
Mining Properties	88 745	83 721
Public Benefit Organisations	286 310	117 161
Public Service Infrastructure Properties	19 604	18 535
Residential Properties	71 660 064	66 774 360
State-owned Properties	12 289 597	11 594 502
<b>Less: Revenue Forgone</b>	(7 025 223)	(6 668 781)
<b>Total Property Rates</b>	<b>104 562 942</b>	<b>97 888 750</b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b><u>Valuations - 1 July 2021</u></b>		
<b>Rateable Land and Buildings</b>	10 465 829 500	10 396 431 500
Business and Commercial Property	1 321 222 000	1 319 057 000
Churches	233 470 000	231 055 000
Pensioners	174 807 000	85 069 000
Mining Properties	5 070 000	5 070 000
Municipal Properties	335 279 000	376 804 000
Protected Areas	47 510 000	-
Public Benefit Organisations	88 335 000	85 915 000
Public Service Infrastructure Properties	9 950 500	9 820 500
Residential Properties	5 539 969 000	5 565 374 000
State-owned Properties	718 816 000	718 816 000
Agricultural Property	1 991 401 000	1 999 451 000
<b><u>Less: Rebates</u></b>	<b>(226 920 000)</b>	<b>(225 915 000)</b>
<b>Total Assessment Rates</b>	<b><u>10 238 909 500</u></b>	<b><u>10 170 516 500</u></b>
<b>Basic Rate</b>		
Residential	1.273c/R	1.201c/R
Government	1.709c/R	1.613c/R
Commercial	1.750c/R	1.651c/R
Agricultural	0.222c/R	0.210c/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.

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>20. GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b><u>Unconditional</u></b>	80 955 000	89 790 000
Equitable Share	80 955 000	89 790 000
<b><u>Conditional</u></b>	61 888 204	73 538 619
Local Government Financial Management Grant (FMG)	2 663 000	2 517 000
Integrated National Electrification Programm	5 826 084	379 916
Municipal Infrastructure Grant	22 607 715	25 299 048
Extended Public Works Program	1 784 000	2 243 000
CDW operational support grant	57 000	56 000
Library Services	7 520 035	7 126 810
Rosevalley Library Grant	6 202 200	1 942 870
Integrating Housing Settlement Grant	-	480 846
Emergency Housing Program	1 288 088	-
Finance Management Support Grant	-	-
Local Government Graduate Internship Grant	-	80 000
Thusong Centre Operational Grant	150 000	-
Fire Service Capacity Building Grant	-	177 577
National Disaster Fund	-	156 100
Municipal Drought Relief Grant	1 251 000	-
Municipal Disaster Relief Grant	10 119 476	-
Airport Infrastructure Grant	-	875 303
WC Municipal Financial Management Capacity Building Grant	250 000	434 184
Municipal Service Delivery and Capacity Building grant	-	120 000
Maintenance Main Road Subsidy	125 000	125 000
Water Services Infrastructure Grant	-	31 524 965
Water Macro Planning	704 159	-
ASLA RoseVally Contribution	110 842	-
Local Government Public Employment Support Grant	1 100 000	-
Upgrading of SMME Infrastructure Grant	129 605	-
<b>Total Government Grants and Subsidies</b>	<b>142 843 204</b>	<b>163 328 619</b>
Government Grants and Subsidies - Operating	96 932 656	103 919 207
Government Grants and Subsidies - Capital	45 910 548	59 409 413
<b>Total Government Grants and Subsidies</b>	<b>142 843 204</b>	<b>163 328 619</b>
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	80 955 000	89 790 000
Corporate Services	307 000	570 184
Financial Services	2 663 000	2 517 000
Community and Public Safety	23 583 377	9 523 357
Technical Services	33 917 141	59 571 930
Human Settlement	1 288 088	480 846
Strategic Services	129 597	875 303
<b>Total Government Grants and Subsidies</b>	<b>142 843 204</b>	<b>163 328 619</b>

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.

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>20.1 <u>Equitable Share</u></b>		
Grants received	80 955 000	89 790 000
Conditions met - Operating	(80 955 000)	(89 790 000)
Conditions still to be met	<u>-</u>	<u>-</u>

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)**

Opening balance	-	-
Grants received	2 663 000	2 517 000
Conditions met - Operating	(2 564 832)	(2 517 000)
Conditions met - Capital	(98 168)	-
Conditions still to be met	<u>0</u>	<u>-</u>

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).

**20.3 Water services Infrastructure Grant**

Opening balance	-	31 024 965
Grants received	-	10 000 000
Repaid to National Revenue Fund	-	(9 500 000)
Conditions met - Capital	-	(31 524 965)
Conditions still to be met	<u>-</u>	<u>(0)</u>

The Water Services infrastructure grant was provided to fund for the Blossoms pipeline and do refurbishments on the KKLWVS rural water scheme.

**20.4 Municipal Infrastructure Grant (MIG)**

Opening balance	607 000	4 544 048
Grants received	22 775 000	21 362 000
Repaid to National Revenue Fund	(607 000)	-
Conditions met - Operating	(1 138 800)	(870 996)
Conditions met - Capital	(21 468 930)	(24 428 052)
Conditions still to be met	<u>167 270</u>	<u>607 000</u>

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

**20.5 Integrated National Electrification Grant**

Opening balance	2 620 084	-
Grants received	3 206 000	3 000 000
Conditions met - Capital	(5 826 083)	(379 916)
Conditions still to be met	<u>0</u>	<u>2 620 084</u>

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

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	2022 R	2021 R
<b>20.6 <u>Extended Public Works Program</u></b>		
Opening balance	-	-
Grants received	1 784 000	2 243 000
Conditions met - Operating	(1 784 000)	(2 243 000)
Conditions still to be met	<u>0</u>	<u>-</u>

Job creation projects in previous disadvantage areas.

<b>20.7 <u>Integrating Human Settlement Grant</u></b>		
Opening balance	-	6 625 633
Grants received	-	2 725 470
Repaid to National Revenue Fund	-	(8 870 256)
Conditions met - Operating	-	(480 846)
Conditions still to be met	<u>-</u>	<u>0</u>

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

<b>20.8 <u>Library Services</u></b>		
Opening balance	(0)	0
Grants received	7 520 000	7 128 000
Conditions met - Operating	(7 520 000)	(7 126 810)
Conditions met - Capital	-	(1 190)
Conditions still to be met	<u>(0)</u>	<u>(0)</u>

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.

<b>20.9 <u>Rosevalley Library Grant</u></b>		
Opening balance	6 202 235	8 143 915
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(6 202 235)	(1 941 680)
Conditions still to be met	<u>-</u>	<u>6 202 235</u>

The Rosevalley Library Grant was used for the construction of a new library within the Rosevalley Housing

<b>20.10 <u>WC Municipal Financial Management Capacity Building Grant</u></b>		
Opening balance	-	134 184
Grants received	250 000	300 000
Conditions met - Operating	(250 000)	(434 184)
Conditions still to be met	<u>-</u>	<u>-</u>

This Municipal Services Delivery and Capacity building grant was provided for provision of bursaries.

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	2022 R	2021 R
<b>20.11 <u>Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry Grant</u></b>		
Opening balance	1 613 986	1 613 986
Conditions still to be met	<u>1 613 986</u>	<u>1 613 986</u>
The grant was given to assist with the water shortage in the area.		
<b>20.12 <u>Disaster Relief Grant</u></b>		
Opening balance	-	156 100
Conditions met - Operating	-	(156 100)
Conditions still to be met	<u>-</u>	<u>-</u>
This grant was received for Covid 19 Relief and was utilised for the purchase of PPE		
<b>20.13 <u>Municipal Disaster Relief Grant</u></b>		
Opening balance	-	-
Grants received	47 150 000	-
Conditions met - Operating	-	-
Conditions met - Capital	(10 119 476)	-
Conditions still to be met	<u>37 030 524</u>	<u>-</u>
This grant was received for the completion of the Blossoms pipeline , a new sustainable water resource		
<b>20.14 <u>Other Grants</u></b>		
Opening balance	(1)	(734 542)
Grants received	7 130 248	2 181 000
Repaid to National Revenue Fund	-	(12 578)
Conditions met - Operating	(2 720 082)	(300 272)
Conditions met - Capital	(2 195 606)	(1 133 609)
Conditions still to be met	<u>2 214 560</u>	<u>(1)</u>
<b>20.15 <u>Total Grants</u></b>		
Opening balance	11 043 304	51 508 289
Grants received	173 433 248	141 246 469
Repaid to National Revenue Fund	(607 000)	(18 382 835)
Conditions met - Operating	(96 932 714)	(103 919 207)
Conditions met - Capital	(45 910 498)	(59 409 413)
Conditions still to be met/(Grant expenditure to be recovered)	<u>41 026 340</u>	<u>11 043 304</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	41 026 340	11 043 304
Unpaid Conditional Government Grants and Receipts	-	-
<b>Total</b>	<u>41 026 340</u>	<u>11 043 304</u>
<b>21. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT</b>		
Department of Sport Arts and Culture	64 713	-
Department of Human Settlement	-	39 066 686
Supplier Donations	201 590	-
<b>Total Contributed Property, Plant and Equipment</b>	<u>266 303</u>	<u>39 066 686</u>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	266 303	39 066 686
<b>Total Contributed Property, Plant and Equipment</b>	<b>266 303</b>	<b>39 066 686</b>
<b>22. AVAILABILITY CHARGES</b>		
Electricity	1 375 358	1 238 743
Water	918 492	875 691
Waste Water Management	771 044	742 665
<b>Total Availability Charges</b>	<b>3 064 894</b>	<b>2 857 099</b>
<b>23. LICENCES AND PERMITS</b>		
Road and Transport	265 339	253 745
<b>Total Licences and Permits</b>	<b>265 339</b>	<b>253 745</b>
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	265 339	253 745
<b>Total Licences and Permits</b>	<b>265 339</b>	<b>253 745</b>
<b>24. SERVICE CHARGES</b>		
<b>Electricity</b>	<b>280 728 876</b>	<b>238 939 066</b>
Service Charges	290 194 491	247 362 914
<b>Less:</b> Revenue Foregone	(9 465 615)	(8 423 848)
<b>Water</b>	<b>57 732 465</b>	<b>52 914 735</b>
Service Charges	73 688 891	68 096 922
<b>Less:</b> Revenue Foregone	(15 956 426)	(15 182 186)
<b>Water Klein Karoo Rural Scheme</b>	<b>6 622 425</b>	<b>6 168 301</b>
Service Charges	6 622 425	6 168 301
<b>Less:</b> Revenue Foregone	-	-
<b>Waste Management</b>	<b>20 979 252</b>	<b>19 294 301</b>
Service Charges	33 910 322	31 158 753
<b>Less:</b> Revenue Foregone	(12 931 070)	(11 864 452)
<b>Waste Water Management</b>	<b>37 693 488</b>	<b>35 285 360</b>
Service Charges	49 580 064	46 303 442
<b>Less:</b> Revenue Foregone	(11 886 576)	(11 018 082)
<b>Total Service Charges</b>	<b>403 756 506</b>	<b>352 601 762</b>

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.

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>25. SALES OF GOODS AND RENDERING OF SERVICES</b>		
Academic Services	244	-
Advertisements	473 202	473 182
Application Fees for Land Usage	80 959	106 998
Building Plan Approval	808 841	1 126 343
Camping Fees	123 220	9 018
Cemetery and Burial	1 922 816	1 547 957
Computer Services	109 236	97 688
Encroachment Fees	140 475	149 577
Fire Services	89 598	63 838
Legal Fees Recovered	2 039 551	1 411 970
Library Fees	120	375
Photocopies and Faxes	55 050	29 333
Sale of Goods	31 493	15 188
Valuation Services	271 045	237 069
<b>Total Sales of Goods and Rendering of Services</b>	<b>6 145 848</b>	<b>5 268 535</b>
<b>26. RENTAL FROM FIXED ASSETS</b>		
Property, Plant and Equipment	2 120 252	1 522 383
Correction of error note 41.1(g)	-	99 339
<b>Total Rental from Fixed Assets</b>	<b>2 120 252</b>	<b>1 621 721</b>
<b>27. INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Bank	1 476 574	1 098 199
Investments	5 341 683	4 650 642
Other	-	-
<b>Total Interest Earned - External Investments</b>	<b>6 818 257</b>	<b>5 748 841</b>
<b>28. INTEREST EARNED - EXCHANGE TRANSACTIONS</b>		
Trade Receivables	4 361 960	2 298 441
<b>Total Interest Earned - Outstanding Receivables</b>	<b>4 361 960</b>	<b>2 298 441</b>
<b>29. OPERATIONAL REVENUE</b>		
Collection Charges	-	7 660
Incidental Cash Surpluses	228 449	166 241
Merchandising, Jobbing and Contracts	75 090	64 269
Registration Fees	4 667	31 683
Request for Information	-	122
Staff Recoveries	21 645	14 722
<b>Total Operational Revenue</b>	<b>329 851</b>	<b>284 696</b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	2022 R	2021 R
<b>30. EMPLOYEE RELATED COST</b>		
Acting Allowance	1 606 697	1 460 682
Contributions to Group Insurance	4 598 892	3 402 089
Contributions to Workman's Compensation	1 590 948	1 480 259
Housing Benefits and Allowance	1 339 731	1 979 688
Leave payments	2 120 518	889 230
Standby Allowance	5 500 023	3 941 790
Shift Allowance	645 222	592 889
Basic Salaries and Wages	160 798 199	155 624 229
Pension and UIF Contributions	28 914 563	28 159 142
Medical Aid Contributions	12 096 047	11 756 739
Overtime	15 638 107	12 732 751
Bonuses	12 841 895	12 376 684
Motor Vehicle Allowance	4 185 372	4 413 094
Cellphone Allowance	1 293 492	1 284 395
Other benefits and allowances	152 735	159 235
Contribution to Long Service awards	2 192 000	1 803 000
Contribution to Post Employment Medical	14 132 000	12 390 000
Correction of error note 41.1(f)	-	56 673
<b>Total Employee Related Costs</b>	<b>269 646 441</b>	<b>254 502 567</b>

**KEY MANAGEMENT PERSONNEL**

Key Management personnel in Corporate Services are permanently employed, but the Chief Financial Officer and Director Technical Services were appointed on a 5 year contract. All permanent staff is entitled to post retirement benefits upon retirement.

**REMUNERATION OF KEY MANAGEMENT PERSONNEL**

**Remuneration of the Municipal Manager - Mr Paulse (resignation October 2020)**

Basic Salary	-	284 404
Pension and UIF Contributions	-	56 379
Medical Aid Contributions	-	19 092
Performance Bonus	-	-
Motor Vehicle Allowance	-	80 564
Cell Phone Allowance	-	23 398
Payments in lieu of leave	-	174 790
Other Benefits and Allowances	-	75 655
<b>Total</b>	<b>-</b>	<b>714 283</b>

**Remuneration of the Acting Municipal Manager - Mr W Hendricks (September 2021 to date)**

Basic Salary	1 051 533	-
Pension and UIF Contributions	1 594	-
Cell Phone Allowance	53 404	-
Other Benefits and Allowances	51 634	-
<b>Total</b>	<b>1 158 164</b>	<b>-</b>

**Remuneration of the Acting Chief Financial Officer - LH Fourie (temp service started August 2020 - March 2021)**

Basic Salary	-	722 126
Pension and UIF Contributions	-	1 338
Cell Phone Allowance	-	44 720
Payments in lieu of leave	-	58 942
Other Benefits and Allowances	-	7 101
<b>Total</b>	<b>-</b>	<b>834 227</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>Remuneration of the Chief Financial Officer - GP De Jager</b>		
Basic Salary	712 382	737 628
Acting Allowance	-	101 406
Pension and UIF Contributions	130 604	135 532
Housing allowance	118 416	118 416
Medical Aid Contributions	30 884	-
Performance Bonus	56 673	-
Motor Vehicle Allowance	144 000	144 000
Cell Phone Allowance	72 650	70 194
Payments in lieu of leave	22 621	-
Other Benefits and Allowances	35 977	15 351
<b>Total</b>	<b>1 324 208</b>	<b>1 322 526</b>
<b>Remuneration of Director : Corporate Services - Mr Smit (Acting MM from July 2021-September 2021)</b>		
Basic Salary	960 561	960 561
Acting Allowance	63 293	168 102
Pension and UIF Contributions	175 028	174 715
Performance Bonus	-	87 279
Cell Phone Allowance	72 650	70 194
Payments in lieu of leave	38 577	-
Other Benefits and Allowances	156 022	142 359
<b>Total</b>	<b>1 466 131</b>	<b>1 603 209</b>
<b>Remuneration of Director : Community Services - Mr T Mathee (terminated May 2021)</b>		
Basic Salary	-	715 482
Acting Allowance	-	-
Pension and UIF Contributions	-	141 912
Medical Aid Contributions	-	52 504
Performance Bonus	-	62 340
Motor Vehicle Allowance	-	55 000
Cell Phone Allowance	-	64 344
Other Benefits and Allowances	-	227 606
Payments in lieu of leave	-	177 790
<b>Total</b>	<b>-</b>	<b>1 496 980</b>
<b>Remuneration of Director : Technical Services - Mr JW Lesch</b>		
Basic Salary	921 646	-
Acting Allowance	-	-
Pension and UIF Contributions	154 673	-
Performance Bonus	-	-
Motor Vehicle Allowance	50 000	-
Cell Phone Allowance	72 420	-
Payments in lieu of leave	-	-
Other Benefits and Allowances	68 554	-
<b>Total</b>	<b>1 267 293</b>	<b>-</b>
<b>Remuneration of Acting Director: Human Settlement - Ms S Simms (resignation Oct 2020)</b>		
Basic Salary	-	365 000
Pension and UIF Contributions	-	599
Cell Phone Allowance	-	3 000
Housing Allowances	-	32 000
Other Benefits and Allowances	-	523
Payments in lieu of leave	-	48 322
<b>Total</b>	<b>-</b>	<b>449 443</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

*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.

	2022 R	2021 R
<b>31. REMUNERATION OF COUNCILLORS</b>		
Salaries	8 153 605	7 005 785
Pension	553 957	468 853
Travelling Allowance	1 042 945	2 245 318
Telephone Allowance	958 364	1 045 927
Medical Scheme	150 773	217 214
<b>Total Councillors' Remuneration</b>	<b>10 859 644</b>	<b>10 983 096</b>

Remuneration paid to Councillors can be summarised as follow:

2022 Financial year:	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor / Mayor	762 188	-	34 734	40 911	837 833
Executive Deputy-Mayor / Deputy-Mayor	540 281	140 486	-	8 574	689 342
Speaker	472 110	103 845	37 214	53 046	666 215
Executive Committee Members	2 135 331	241 556	180 330	196 082	2 753 299
Councillors	4 243 693	557 058	706 086	406 117	5 912 955
<b>Total Councillors' Remuneration</b>	<b>8 153 604</b>	<b>1 042 945</b>	<b>958 364</b>	<b>704 730</b>	<b>10 859 644</b>

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
<b>Total Councillors' Remuneration</b>	<b>7 005 339</b>	<b>2 245 318</b>	<b>982 432</b>	<b>750 008</b>	<b>10 983 096</b>

***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.

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	2022 R	2021 R
<b>32. CONTRACTED SERVICES</b>		
Outsourced Services		
Business and Advisory	1 311 468	1 831 890
Fire Services	173 000	-
Security Services	10 141 671	6 455 145
Catering services	154 650	58 184
Clearing and Grass Cutting Services		62 465
Meter management	263 295	-
Legal Cost Collection	260 861	75 320
Printing Services	283 170	604 369
Traffic Management	442 509	273 748
Cleaning Services	117 182	81 500
Refuse Removal	3 741 335	3 471 258
Correction of error 41.1(d)		351 686
Consultants and Professional Services	-	
Business and Advisory	3 280 091	3 544 688
Engineering	224 230	171 855
Valuer and Assessors	139 354	98 541
Communications	1 908 299	1 798 182
Legal Services	3 038 007	1 274 253
Contractors		
Fire Services	583 749	899 682
Maintenance of Buildings and Facilities	42 880	55 551
Maintenance of Equipment	189 160	326 102
Stream Cleaning and Ditching	92 811	33 203
Employee Wellness	268 904	279 280
Aerial Surveillance	11 160	-
<b>Total Contracted Services</b>	<b>26 667 785</b>	<b>21 746 901</b>
	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>33. DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	45 412 389	41 659 409
Intangible Assets	402 687	675 778
Investment Property	158 961	128 202
<b>Total Depreciation and Amortisation</b>	<b>45 974 037</b>	<b>42 463 389</b>
<b>34. FINANCE CHARGES</b>		
Long-term Borrowings	3 877 414	3 995 097
Non-current Provisions	2 078 358	1 430 755
Payables	80 293	44 998
Finance leases	922 838	120 846
<b>Total Finance Costs</b>	<b>6 958 904</b>	<b>5 591 695</b>
<b>35. BULK PURCHASES</b>		
Electricity	209 246 642	176 489 766
<b>Total Bulk Purchases</b>	<b>209 246 642</b>	<b>176 489 766</b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>36. TRANSFERS AND SUBSIDIES</b>		
Operational	3 401 653	1 901 107
Monetary Allocations	3 401 653	1 901 107
Households	100 000	23 000
Non-profit Institutions	1 574 830	1 042 275
Provincial Government	1 288 088	-
Bursaries Non Employee	438 736	835 832
<b>Total Transfers and Subsidies</b>	<b>3 401 653</b>	<b>1 901 107</b>
	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>37. OPERATIONAL COST</b>		
Achievements and Awards	-	-
Advertising, Publicity and Marketing	1 603 337	2 027 792
Assets less than the Capitalisation Threshold	213 371	156 737
Bank Charges, Facility and Card Fees	1 802 220	1 486 705
Bursaries (Employees)	288 060	166 897
Cleaning Services	65 273	23 343
Commission	2 784 611	2 503 029
Courier and Delivery Services	28 486	20 322
Communication	2 991 773	2 496 459
Deeds	236 948	14 914
Entrance Fees	47 186	-
Entertainment	24 139	7 698
External Audit Fees	4 642 314	4 546 240
External Computer Service	2 200 782	1 739 391
Full Time Union Representative	209 312	-
Hire Charges	5 880 285	5 561 741
Indigent Relief	1 264 571	986 530
Insurance Underwriting	2 595 400	2 059 993
Learnerships and Internships	422 367	486 691
Levies Paid - Water Resource Management Charges	-	591 936
Licences	290 514	438 582
Membership fees SALGA	2 644 604	2 777 075
Printing, Publications and Books	1 471 388	1 356 865
Professional Bodies, Membership and Subscription	114 023	41 733
Registration Fees	955 837	324 152
Remuneration to Section 79 Committee Members	-	19 425
Remuneration to Ward Committees	11 037	113 477
Resettlement Cost	1 853 967	2 025 143
Samples and Specimens	116 675	104 195
Skills Development Fund Levy	2 194 384	1 764 805
Travel and Subsistence	1 303 716	1 004 551
Uniform and Protective Clothing	1 651 568	1 119 057
Vehicle Tracking	-	315 801
Wet Fuel	7 528 954	4 750 501
Correction of Error note 41.1(d)	-	1 375
<b>Total Operational Costs</b>	<b>47 437 102</b>	<b>41 033 153</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

**38. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES**

Receivables from Exchange Transactions and Non-Exchange	1 063 626	12 411 708
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables</b>	<b>1 063 626</b>	<b>12 411 708</b>

**39. GAINS/ (LOSS) ON SALE OF FIXED ASSETS**

Property, Plant and Equipment	(4 890 713)	(1 086 130)
<b>Total Gains/ (Loss) on Sale of Fixed Assets</b>	<b>(4 890 713)</b>	<b>(1 086 130)</b>

<b>2022</b>	<b>2021</b>
R	R

**40. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON FIXED ASSETS**

Investment Property	-	-
Property, Plant and Equipment	-	-
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets</b>	<b>-</b>	<b>-</b>

**41. 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:

- 41.1**
- (a) Reclassification of Road Worthy Certificates was performed between Agency Fees and Licence and permits for 2020/21 financial year, as per mSCOA Chart classifications guidance. Full revenue paid to municipality to value of R253 745.
  - (b) Reclassification of Availability Charges, previously reported as Revenue from Exchange Transactions 2021/22 now Revenue From Non-Exchange to the value of R3 828 749.
  - (c) Correction of Infrastructure Electricity WIP 2020/21, retention fees outstanding that needs to be provided for on Dyssseldorp Electrification project. This is now corrected with the following entries, Dt Infrastructure Electricity WIP 2020/21 R148 716.91 and , (Ct) Trade Payables from Exchange Retention Fees R148 716.91
  - (d) Correction of Trade Payables from Exchange transactions, invoices relating to operational expenditure 2020/21 Paid n July 2021 only. This is now corrected with the following entries Dt Accumulated Surplus (Operational Expenditure ) R392 042.20 and (Ct) Trade Payables from Exchange Transactions 2020/21 R394 042.20
  - (e) Correction of Trade Payables From Exchange Transactions Opening balance, back-pay on standby allowance as per bargaining council dispute resolution had to be paid to all eligible employees. This is now corrected with following entries Dt Accumulated Surplus Opening balance R4 121 983.58, (Ct) Trade Payables from Exchange Transaction Opening balance R 4 121 983. 58
  - (f) Correction of Trade Payables from Exchange transactions, Performance bonus for GP De Jager employee related cost 2020/21 Paid n July 2021 only. This is now corrected with the following entries Dt Accumulated Surplus (Operational Expenditure ) R56 673.15 and (Ct) Trade Payables from Exchange Transactions 2020/21 R56 673.15
  - (g) Correction of Receivables from Exchange Transactions 2020/21 and Opening balance. Vodacom rental charges levied with regards to prior periods only corrected n 2021/22. This is now corrected with the following entries Dt Receivables from Exchange Opening balance R359 266.24 , Receivables from Exchange 2020/21 R99 338.80 and (Ct) Accumulated Surplus Opening balance R359 266.24 and Accumulated Surplus (Rental of Facilities) 2020/21 R99 338.80

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

- (h) Correction of Trade Payables From Exchange Transactions Opening balance, back-pay on standby allowance as per bargaining council dispute resolution had to be paid to all eligible employees. This is now corrected with following entries Dt Accumulated Surplus Opening balance R5 576 743, (Ct) Trade Payables from Exchange Transaction Opening balance R5 576 743.
- (i) Correction of Other Assets at cost. First time recognition of movable assets identified now during the annual asset count not previously on FAR. This is now corrected with the following entries, DT Other Assets at Cost opening balance R342 877.30, (Ct) Accumulated Depreciation 2020/21 R50 916.61 and (Ct) Accumulated Surplus Opening balance R291 960.69
- (j) Correction of Land Opening balance. First time recognition of properties identified during annual verification process. This is now corrected with the following entries Dt Land Opening balance R13 000, (Ct) Accumulated Surplus Opening balance R13 000
- (k) Correction of Accumulated Depreciation Investment Property 2020/21, the airport upgrading project was incorrectly classified as WIP that was completed during the 2020/21 financial year to value of R2 303 912.50. The depreciation is now corrected with the following entries Dt Accumulated Surplus 2020/21 R9 828.17, (Ct) Accumulated Depreciation Investment Property R9 828.17
- (l) Correction of Accumulated Depreciation Electricity Infrastructure 2020/21, the Dysveldsdorp Electrification Phase 1 was completed prior periods to value of R3 407 935.97 was incorrectly classified as WIP. This is now corrected with the following entries Dt Accumulated Surplus 2020/21 R70 138 and (Ct) Accumulated Depreciation Electricity Infrastructure R70 138.
- (m) physical verification was performed. This is now corrected with the following entries Dt Infrastructure at Cost Opening balance R26 863 104, Ct Accumulated Surplus Opening balance R26 863 104 and Dt Accumulated Surplus 2020/21 R2 019 949.92 and (Ct) Accumulated Depreciation Infrastructure R2 019 949.
- (o) Correction of Trade Payables from Exchange Transaction Opening balance. High Court ruling of claim against municipality by Imvusa Trading was in favour of the municipality and was withdrawn. This is now corrected by the following entries ( Dt ) Trade Payables from Exchange Transactions Opening balance R3 452 482 and (Ct) Accumulated Surplus Opening balance R3 452 482
- (p) Correction of Trade Payables from Exchange Transactions Opening Balance. Invoices relating to operational expenditure for the prior period only provided for during 2021/22. This is now corrected with the following entries Dt Accumulated Surplus Opening balance R110 694 , (Ct) Trade Payables from Exchange Transactions Opening balance R110 694

	2021 R	2020 R
<b>41.2 Accumulated Surplus/(Deficit)</b>	<b>900 910 495</b>	<b>820 030 672</b>
Balance previously reported		
Correction of Trade Payables from Exchange 2020/21 as per note 41.1(d)	(394 042)	-
Correction of Trade Payables from Exchange Opening balance as per note 41.1( e )	(4 121 984)	(4 121 984)
Correction of Trade Payables from Exchange 2020/21 as per note 41.1( f )	(56 673)	-
Correction of Receivables from Exchange Transactions 2020-21 as per note 41.1( g )	99 339	-
Correction of Receivables from Exchange Transactions 2020-21 as per note 41.1( g )	359 266	359 266
Correction of Trade Payables from Exchange Opening balance as per note 41.1( h )	(5 576 743)	(5 576 743)
Correction of Other Assets at Cost Opening balance as per note 41.1(i)	342 877	342 877
Correction of Accumulated Depreciation Other Assets 2020/21 as per note 41.1(i)	(50 917)	-
Correction of Land Opening balance as per note 41.1(j)	13 000	13 000
Correction of Accumulated depreciation Investment property 2020/21 as per note 56.(k)	(9 828)	-
Correcting of Accumulated Depreciation Electricity Infrastructure as per note 41.1(l)	(70 138)	-
Correction of Infrastructure at Cost Water as per note 41.1(m)	13 929 174	13 929 174
correction of Infrastructure at Cost Sanitation as per note 41.1(m)	12 933 931	12 933 931
Correction of Accumulated Depreciation Water Infrastructure as per note 41.1(l)	(529 045)	-
Correction of Accumulated Depreciation Sanitation Infrastructure as per note 41.1(l)	(1 490 905)	-
Correction of Trade Payables from Exchange Opening balance as per note 41.1( o )	3 452 482	3 452 482
Correction of Trade Payables from Exchange Opening balance as per note 41.1( p )	(110 694)	(110 694)
	<b>919 629 595</b>	<b>841 251 982</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

<b>41.3 Property, Plant and Equipment</b>		
<b>Balance previously reported</b>	977 911 675	1 710 963 045
Cost	27 367 699	27 218 982
Correction of Infrastructure Electricity note 41.1( c ))	148 717	-
Correction of Other Assets Opening balance note 41.1(i)	342 877	342 877
Correction of Land Opening balance as per note 41.1(j)	13 000	13 000
Correction of Infrastructure at Cost Water as per note 41.1(m)	13 929 174	13 929 174
Correction of Infrastructure at Cost Sanitation as per note 41.1(m)	12 933 931	12 933 931
Accumulated Depreciation	(2 141 005)	-
Correction of Accumulated Depreciation Other Assets 2020/21 as per note 41.1(i)	(50 917)	-
Correction of Accumulated Depreciation Electricity Infrastructure as per note 41.1(l)	(70 138)	-
Correction of Accumulated Depreciation Water Infrastructure as per note 41.1(m)	(529 045)	-
Correction of Accumulated Depreciation Sanitation Infrastructure as per note 41.1(m)	(1 490 905)	-
<b>Restated Balance</b>	<b>1 003 138 369</b>	<b>1 738 182 027</b>
<b>41.4 Investment Property</b>		
<b>Balance previously reported</b>	16 937 827	15 900 831
Correction of accumulated depreciation Investment property 2020/21 as per note 41.1(k)	(9 828)	-
<b>Restated Balance</b>	<b>16 927 999</b>	<b>15 900 831</b>
	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>
<b>41.5 Receivables from Exchange Transactions</b>		
<b>Balance previously reported</b>	60 020 732	40 456 001
Correction of Receivables from Exchange Transactions 2020-21 as per note 41.1( g )	99 339	-
Correction of Receivables from Exchange Transactions 2020-21 as per note 41.1( g )	359 266	359 266
Availability reclassification	(1 123 458)	-
<b>Restated Balance</b>	<b>59 355 879</b>	<b>40 815 267</b>
<b>41.6 Receivables from Non-Exchange Transactions</b>		
<b>Balance previously reported</b>	13 461 026	10 495 462
Availability reclassification	1 123 458	-
<b>Restated Balance</b>	<b>14 584 484</b>	<b>10 495 462</b>
<b>41.7 Trade and Other Payables from Exchange Transactions</b>		
<b>Balance previously reported</b>	45 005 971	71 228 063
Correction of Trade Payables from Exchange 2020/21 as per note 41.1(d)	394 042	-
Correction of Trade Payables from Exchange Opening balance as per note 41.1( e )	4 121 984	4 121 984
Correction of Trade Payables from Exchange 2020/21 as per note 41.1( f )	56 673	-
Correction of Trade Payables from Exchange Opening balance as per note 41.1( h )	5 576 743	5 576 743
Correction of Trade Payables from Exchange 2020/21 as per note 41.1( c )	148 717	-
Correction of Trade Payables from Exchange Opening balance as per note 41.1( o )	(3 452 482)	(3 452 482)
Correction of Trade Payables from Exchange Opening balance as per note 41.1( p )	110 694	110 694
<b>Restated Balance</b>	<b>51 962 342</b>	<b>77 585 002</b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>42. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>		
Surplus/(Deficit) for the year	26 021 593	78 377 613
<b>Adjustments for:</b>		
Depreciation and Amortisation	45 974 037	42 453 561
Loss/(Gain) on Sale of Fixed Assets	4 890 713	1 086 130
Impairment Loss/(Reversal of Impairment Loss)	(1 063 626)	(12 411 708)
Contributed Property, Plant and Equipment	(266 303)	(39 066 686)
Government Grants and Subsidies received	173 433 248	141 246 469
Government Grants and Subsidies recognised as revenue	(142 843 204)	(165 328 619)
Unpaid Government Grants	-	2 000 000
Repaid to Revenue Fund	(607 000)	(18 382 835)
Change in Provision for Rehabilitation Cost	2 078 358	1 430 755
Contribution from/to provisions - Non-Current Employee Benefits	8 978 450	7 879 862
Contribution from/to - Current Employee Benefits	1 995 214	(1 124 593)
Bad Debts written off	25 397 966	34 365 998
Gains/(Loss) on Fair Value Adjustments	(5 772 450)	7 790 138
Operating lease expenses accrued	(4 273)	(13 912)
	<hr/>	<hr/>
Operating Surplus/(Deficit) before changes in working capital	138 212 724	80 302 174
Changes in working capital	(45 152 261)	(75 276 382)
	<hr/>	<hr/>
Increase/(Decrease) in Consumer Deposits	327 324	460 335
Increase/(Decrease) in Trade and Other Payables	(9 397 965)	(33 272 842)
Increase/(Decrease) in Taxes	(107 112)	2 787 648
(Increase)/Decrease in Inventory	(1 893 671)	(766 938)
(Increase)/Decrease in Receivables	(34 080 837)	(44 484 585)
	<hr/>	<hr/>
<b>Cash generated/(absorbed) by operations</b>	<b>93 060 463</b>	<b>5 025 791</b>
	<hr/>	<hr/>
<b>43. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 10	12 960 591	16 088 101
Call Deposits and Investments - Note 10	130 934 736	99 841 236
Cash Floats - Note 10	37 550	37 550
	<hr/>	<hr/>
<b>Total cash and cash equivalents</b>	<b>143 932 877</b>	<b>115 966 886</b>
	<hr/>	<hr/>
<b>44. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - Note 43	143 932 877	115 966 886
<b>Less:</b>	(52 192 696)	(31 014 599)
Unspent Transfers and Subsidies - Note 17	(41 026 340)	(11 043 304)
Unspent Borrowings	(6 092 696)	(12 068 274)
VAT - Note 18	(5 073 659)	(7 903 021)
	<hr/>	<hr/>
Net cash resources available for internal distribution	91 740 181	84 952 288
	<hr/>	<hr/>
<b>Resources available for working capital requirements</b>	<b>91 740 181</b>	<b>84 952 288</b>
	<hr/>	<hr/>
<b>45. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities - Note 11	81 859 271	54 237 029
Used to finance property, plant and equipment - at cost	(81 859 271)	(54 237 029)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

**46. BUDGET INFORMATION**

**Explanation of variances between approved and final budget amounts**

**Explanation of variances greater than 5%: Final Budget and Actual Amounts**

**46.1 Statement of Financial Position**

**46.1.1 Current Assets**

Cash

Actual cash is R9 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 R66 million more than budgeted due to unspent grants to value of R40 million mainly for Disaster Relief that was transferred late. Cash position overall improved and more investments was made by the municipality than anticipated

Consumer Debtors

Other debtors are R10 million less than budgeted, because the debt impairment provision increased substantially in the current year for old debt for which agreements have been made. Additional provision had to be made to the contribution.

Other Debtors

Other debtors are R2.2 million less than budgeted, because less fines were issued than anticipated. A service provider was only appointed late during year for the capturing of camera fines, and the issuing of provincial fines was much lower than anticipated.

Operating Lease Asset

Operating lease assets are more than budgeted with the movement of the rental for Kraaibosch restaurant classified as 'n long term operating lease. It was not provided for during the budget process that was based on the actual of the prior year.

Inventory

Inventory in stock at year end is R1.7 million more than budgeted, this mainly due to more stock held at year-end than anticipated for consumables materials and supplies.

**46.1.2 Current Liabilities**

Borrowing

Current portion of borrowing is R6.7 million more than budgeted The new Financial Leases was not budgeted for as the tender took considerably longer to complete and was only awarded after the budget process was concluded.

Trade and Other Payables

Trade payables is R37 million more than budgeted, as a result of unspent grants to value of R41 million that was not anticipated during budget process. Disaster Relief funds of R47 million was transferred through the Adjustment DORA to the municipality that was mainly unspent and was appropriated in then next budget.

**46.1.3 Non-Current Assets**

Intangible Assets

Intangible assets is R401 691 less than budgeted, because amortisation was not taken into account when the budget was compiled

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

**46.1.4 Non-Current Liabilities**

Borrowing

Borrowing is R18.8 million more than budgeted. The new Financial Leases was not budgeted for as the tender took considerably longer to complete and was only awarded after the budget process was concluded.

**46.2 Statement of Financial Performance**

**46.2.1 Revenue**

Rental of Facilities and Equipment

Halls open for functions. The budget was based on prior year actuals as a conservative approach for revenue collection was followed.

Interest Earned - External Investments

Interest earned on Investments R1,1 million more due to more investments held at year-end than anticipated. This is due to the investing of all unspent grants and mainly Disaster Relief funding received late during the year.

Interest Earned - Outstanding Debtors

Interest earned on debtors R610 448 more than budgeted, that was based on the prior year actual. Strict debt collection policies were implemented and full interest was charged on all arrears debt.

Fines

Camera Fines are R2.4 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

Licence and Permits was not classified correctly in the budget. The mSCOA classification of Road Worthy Certificates was incorrect, but corrected now on the annual financial statements and reclassified from Agency Fees to Licence and Permits.

Agency Services

Agency fees earned on vehicle licencing are R308 994 more than budgeted. This item was budgeted based on prior year actual, in current year electronic renewals of licences was implemented that caused an increase in revenue earned.

Other Revenue

Other revenue are aggregated in the Statement of Budget Comparison comprising of Operational revenue and Sales on Goods and Services, Entrance Fees and Availability Charges. Availability Charges of R3 million were not budgeted as it was only determined during the audit of 2021 that it should be classified separately as non-exchange revenue.

Gains

Actuarial Gains was budgeted based on prior year actuarial report issued, the actual is R2.2 million less than anticipated after the annual actuarial valuation by Arch Consulting was performed as at 30 June 2022.

Transfers Recognised - Capital

Transferred recognized Capital is less by R39 million, because the Disaster Relief capital project was not completed and full amount was budgeted. Only completed projects can be recognized as revenue the remainder is allocated to unspent grants.

*Contributed Assets*

Contributed PPE was not budgeted for, as it was not anticipated that movable assets from Department of Sport and Culture would be donated to the municipal library and a vehicle was donated by a previous service provider Syntell.

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

**46.2.2 Expenditure**

Debt Impairment

The budgeted figure was based on prior year actuals, and it was not anticipated that debtors, majority 90 days and older on agreement would increase for which impairment needs to be made. It was anticipated that there would be a reversal in impairment, but after calculations were made a contribution needed to be made.

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 is R4.5 million more than budgeted, due to the physical verification of infrastructure assets underway a large quantity of additional assets were identified that was corrected in the fixed asset register. This was not anticipated during the budget process

Finance Charges

Finance charges is R2.1 million less than budget, because the lease term expired for majority of the lease vehicles are were classified as hire charges and day-to-day rentals. It was anticipated that the leases would be replaced by 1 July 2022, but delivery only started in October 2021 onwards.

Contracted Services

Contracted Services are R5.6 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 2021-22 year.

Transfers and Grants

Transfers and Grants R1 million more than budgeted, mainly due to the transfer to households for Emergency Kits that was not budgeted for. Funding was received from Department of Human Settlement as part of an agreement.

Other Expenditure

Other Expenditure are aggregated on Statement of Budget comparison and comprises of Operational Cost, Operating Leases as per NT budget schedules these are not separate items. The total is R4.8 million lower than anticipated due to strict cost containment measures being implemented to prevent non-essential expenditure.

Losses

Losses on fair value adjustments and disposal of PPE is R3.1 million lower than anticipated. After the actuarial valuation was performed as at 30 June 2022, an actuarial gain was identified and not a loss. This figure was based on prior year actual and can only be accurately determined at year-end.

**46.3 Cash Flow Statement**

**46.3.1 Net Cash from Operating Activities**

Government Grants - Operating

Operational revenue lower than budgeted by R6.1 million. The main reason being that some of the grants were originally budgeted as operating but classified as capital on the budget. Nett effect of operating and capital grant income is equal to the budgeted as published in the DORA and Government Gazette

Government Grants - Capital

Capital revenue is more by R7 million. The main reason being that some of the grants were originally budgeted as operating but classified as capital on the budget. Nett effect of operating and capital grant income is equal to the budgeted as published in the DORA and Government Gazette

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

Interest

Interest earned is R7 million more than budgeted, because the classification in terms of mSCOA V6.6 mapping shows that interest on outstanding debtors must be added to the service it relates i.e. Ratepayers and Other. This is not classified by nature on the statement of financial performance as a material amount and shown under interest

Finance Costs

Finance charges is R4.1 million lower than budgeted amount, as it was anticipated that the new financial leases and LT Borrowing will be paid for the entire year. The new borrowings was only incurred late in the second half of the financial year and no interest was repaid on the LT Borrowing loan.

Transfers and Grants

Transfers and Grants is R1 million more than anticipated, due to mSCOA classifying corrections that needed to be made, items was paid against operational cost that relates to transfers and subsidies and must be reported as such in the financial statements. This was not known when budget was compiled

**46.3.2 Net Cash from Investing Activities**

Proceeds on disposal of PPE

Proceeds on disposal of PPE was not budgeted for, as it was not anticipated that the municipal auction and sale of land would occur in 2021/22 financial year.

Capital Assets

Actual capital payments are R46 million less than budgeted, mainly as result of Disaster Relief funding that was only published in the Revised DORA and could not be spent. Roll-over of the funding was to 2022/23 budget as per Schedule 7 allocation conditions were met. It is anticipated this Blossoms pipe-line project would be completed by 30 June 2023.

**46.3.3 Net Cash from Financing Activities**

Repayment of Borrowing

Repayment of Borrowing is R3.1 million less than budgeted as it was anticipated that the new LT Leases and Loans would be taken-up earlier during the year. No repayment was made on the LT Loan that was paid to the municipality in March 2022 only. This was not anticipated during the budget process.

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>47. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
<b>47.1 <u>Unauthorised expenditure</u></b>		
Reconciliation of unauthorised expenditure:		
Opening balance	-	313 708 083
Restated opening balance	-	313 708 083
Unauthorised expenditure current year - operational	20 591 017	-
Unauthorised expenditure current year - capital	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	-	(313 708 083)
Current	-	-
Prior Period	-	(313 708 083)
Unauthorised expenditure awaiting authorisation	<b>20 591 017</b>	<b>-</b>

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The overspending of the Community Services vote in the 2021-22 year is due to the write-off for speed camera fines issued by the previous service provider Syntell, these fines are irrecoverable due to legislative restrictions. The impairment of traffic fines is non-cash accounting transactions and is based on the actual fines issued and recoverability thereof.

The overspending of the Executive and Council vote in the 2021-22 year is due to the disposal of movable and infrastructure assets that do not meet the definition of an asset anymore and could not be verified during the physical inspection that was undertaken by the municipality. A loss on disposal was realised as expenditure in the current year and is a non-cash accounting transaction.

The overspending of Technical Services vote in the 2021-22 financial year is due to the depreciation on infrastructure assets identified during the physical verification process. These assets were recognized in the prior year as a correction and details are available on the Fixed Asset register. Depreciation is a non-cash accounting transaction. Other over expenditure is for the contribution to the provision of bad debts mainly due to the increase in aging debt that needs to be provided for, the provision is a non-cash accounting transaction.

<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>		
Overspending of votes	Refer to narrative	20 591 017	
		<b>20 591 017</b>	<b>-</b>

The over expenditure incurred by municipal departments on their operating budgets during the year is

Non-cash	20 591 017	-
Cash	-	-
	<b>20 591 017</b>	<b>-</b>

**Analysed as follows: Non-cash**

Depreciation and Amortisation	5 999 166	-
Loss on disposal of Property, Plant and Equipment	2 734 204	-
Bad Debts Written Off	4 426 351	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	7 431 297	-
	<b>20 591 017</b>	<b>-</b>

The overspending of the Budget per municipal vote can be summarised as follows:

	<b>2022 Actual R</b>	<b>2022 Final Budget R</b>	<b>2022 Variance R</b>	<b>2022 Unauthorised R</b>
<b><u>Unauthorised expenditure current year - operating</u></b>				
Community And Public Safety	129 287 851	124 861 500	(4 426 351)	(4 426 351)
Corporate Services	25 183 253	28 446 100	3 262 847	-
Executive & Council	60 529 104	57 794 900	(2 734 204)	(2 734 204)
Financial Services	42 203 609	48 910 200	6 706 591	-
Human Settlement	13 301 298	13 727 000	425 702	-
Municipal Manager	20 637 537	22 481 900	1 844 363	-
Strategic Services	21 261 871	21 835 400	573 529	-
Technical Services	366 163 363	352 732 900	(13 430 463)	(13 430 463)
	-	-	-	-
	<b>678 567 885</b>	<b>670 789 900</b>	<b>(7 777 985)</b>	<b>(20 591 017)</b>

**ODTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	2022 Actual R	2022 Final Budget R	2022 Variance R	2022 Unauthorised R
<b><u>Unauthorised expenditure current year - capital</u></b>				
Community And Public Safety	12 907 237	19 163 500	6 256 263	-
Corporate Services	30 799	35 000	4 201	-
Executive & Council	-	-	-	-
Financial Services	1 562 837	1 566 900	4 063	-
Human Settlement	-	-	-	-
Municipal Manager	37 790	60 000	22 210	-
Strategic Services	519 162	2 206 800	1 687 638	-
Technical Services	62 397 087	98 950 000	36 552 913	-
	<b>77 454 912</b>	<b>121 982 200</b>	<b>44 527 288</b>	<b>-</b>

	2022 R	2021 R
<b>47.2 <u>Fruitless and wasteful expenditure</u></b>		
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	-	36 573 002
Restated opening balance	-	36 573 002
Fruitless and wasteful expenditure current year	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	-	(36 573 002)
Prior Period	-	(36 573 002)
Fruitless and wasteful expenditure awaiting further action	-	-
	<b>2022 R</b>	<b>2021 R</b>

<b>47.3 <u>Irregular expenditure</u></b>		
Reconciliation of irregular expenditure:		
Opening balance	18 558 860	524 748 030
Irregular expenditure current year	9 932 589	24 614 634
Expenditure authorised i.t.o. Section 32 of MFMA	(24 135 055)	(530 803 805)
Current Period ( July 2021 - May 2022)	(5 576 196)	(6 055 775)
Prior Period	(18 558 860)	(524 748 030)
Irregular expenditure awaiting further action	<b>4 356 394</b>	<b>18 558 860</b>

Irregular expenditure can be summarised as follow:

<b>Incident/Cases identified written-off by council in current year</b>	<b>Disciplinary steps/criminal proceedings</b>		
No procurement process followed or less than 3	Refer to narrative	137 658	686 253
Payments made to suppliers exceed contract price	Refer to narrative	-	4 124 340
Payments made to suppliers exceeding contract	Refer to narrative	221 045	
Awards made to bidder not Tax Compliant	Refer to narrative	71 500	-
Tenders awarded in contradiction with SCM	Refer to narrative	-	1 223 317
Local Content- MBD 6 not completed	Refer to narrative	38 711	21 864
Non-compliance with PPR	Refer to narrative	5 107 281	-
		<b>5 576 196</b>	<b>6 055 775</b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
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	2022 R	2021 R
<b>Incident/Cases identified in the current year awaiting action</b>		
<b>Disciplinary steps/criminal proceedings</b>		
No procurement process followed or less than 3	-	75 777
<i>Tenders awarded in contradiction with SCM</i>	-	137 087
<i>Non compliance scm reg 19 no competitive bidding</i>	4 353 597	11 164 809
<i>Non-Compliance with Sec 112 of the MFMA - Bidder</i>	-	2 363 841
<i>Non Compliance with regulation 12, competitive</i>	-	2 119 836
<i>Non Compliance with regulation 13(b), tax clearance</i>	-	74 909
<i>Local Content- MBD 6 not completed</i>	-	9 555
Payments made to suppliers exceed contract price	-	1 331 903
<i>Non-compliance with PPR</i>	2 797	1 281 144
	<b>4 356 394</b>	<b>18 558 860</b>

*Section Committee 32 investigated and as per council per resolution no: 63.34/05/22 accept and approved the recommendation from MPAC to write-off irregular expenditure for prior and current period up and until 31 May 2022. No fraud or financial loss to council. No disciplinary steps recommended to any official a no deliberate act or fraud suspected and service were rendered for all instances.*

After the reporting date, Council resolved to write off unauthorised and irregular expenditure in terms vir Sec 32, which have accumulated during the year. This late resolution constitute to a non-adjusting event in terms of GRAP 14 and is the effect of this the following amounts that will be written-off in the 2022/23 reporting period in the financial statements of the municipality:

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- Unauthorised expenditure R 20 591 017 (Res no 60.30/08/22)
- Irregular Expenditure R2 797 (Res no 63.16/8/22)

**48. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

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

Opening balance	-	-
Council subscriptions	2 636 388	2 774 994
Amount paid - current year	(2 636 388)	(2 774 994)
<b>Balance unpaid (included in creditors)</b>	-	-
	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>

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

Opening balance	-	-
Correction of prior period error	-	-
Restated opening balance	-	-
Current year audit fee	5 338 661	5 199 258
External Audit - Auditor-General	5 338 661	5 199 258
Amount paid - current year	(5 338 661)	(5 199 258)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	-	-

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

Opening balance	(7 903 021)	(5 115 373)
Nett movements	2 829 362	(2 787 648)
<b>Closing balance</b>	<b>(5 073 659)</b>	<b>(7 903 021)</b>

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.

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

Opening balance	-	-
Restated opening balance	-	-
Current year payroll deductions	38 243 295	33 224 802
Amount paid - current year	(38 243 295)	(33 224 802)
<b>Balance unpaid (included in creditors)</b>	-	-

**48.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]**

Opening balance	-	-
Restated opening balance	-	-
Current year payroll deductions and Council Contributions	70 858 424	68 975 777
Amount paid - current year	(70 858 424)	(68 975 777)
<b>Balance unpaid (included in creditors)</b>	-	-

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

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

The following Councillors had arrear accounts for more than 90 days as at 30 June 2022:

	<b>Outstanding more than 90 days</b>
L CAMPHER	42 869

The following Councillors had arrear accounts outstanding for more than 90 days during the year.

	<b>90+ Days</b>	<b>120+ Days</b>
L CAMPHER	-	42 869

**48.7 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):

**30 June 2022**

	<b>Amount</b>	<b>Single Supplier</b>	<b>Type of Deviation</b>		
			<b>Impossible</b>	<b>Impractical</b>	<b>Emergency</b>
July	44 399	-	-	44 399	-
August	619 878	-	-	60 754	559 124
September	501 417	273 600	-	-	227 817
October	13 850	-	-	-	13 850
November	75 153	14 254	-	-	60 899
December	-	-	-	-	-
January	74 977	-	-	-	74 977
February	423 658	50 493	-	373 165	-
March	-	-	-	-	-
April	38 571	-	-	38 571	-
May	2 130	-	-	2 130	-
June	4 225	-	-	4 225	-
	<b>1 798 258</b>	<b>338 347</b>	<b>-</b>	<b>523 244</b>	<b>936 667</b>

**30 June 2021**

	<b>Amount</b>	<b>Single Supplier</b>	<b>Type of Deviation</b>		
			<b>Impossible</b>	<b>Impractical</b>	<b>Emergency</b>
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	-
	<b>3 123 380</b>	<b>7 912</b>	<b>-</b>	<b>3 027 554</b>	<b>87 914</b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
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**48.8 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.

	2022 R	2021 R
<b>48.9 <u>Material losses</u></b>		
<b>Electricity distribution losses</b>		
Units purchased (Kwh)	142 086 914	141 514 167
Units lost during distribution (Kwh)	12 316 432	10 310 136
Percentage lost during distribution	8.67%	7.29%
<b>Water distribution losses</b>		
Units purchased (ml)	5 089 310	5 093 968
Units lost during distribution (ml)	616 135	886 471
Percentage lost during distribution	12.11%	17.40%

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

**49. 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.

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

2022 R	2021 R
118 480	264 889
(59 240)	(132 444)

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

0.5% (2021: 0.5%) Increase in interest rates  
 0.25% (2021: 0.25%) Decrease in interest rates

**(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. Also refer to note 8 and 9 for balances included in receivables that were re-negotiated for the period under review.

	2022 %	2022 R	2021 %	2021 R
<u>Non-exchange Receivables</u>				
Rates	85.64%	26 923 764	87.26%	24 473 552
Availability charges	14.36%	4 515 002	12.74%	3 573 165
	<u>100.00%</u>	<u>31 438 767</u>	<u>100.00%</u>	<u>28 046 716</u>
<u>Exchange Receivables</u>				
Electricity	23.51%	15 854 447	25.22%	16 280 880
Water	27.15%	18 312 679	26.14%	16 874 947
Property Rentals	0.00%	506	0.00%	506
Waste Management	14.41%	9 718 551	13.96%	9 011 153
Waste Water Management	15.09%	10 179 783	16.00%	10 331 396
Klein Karoo Water Scheme	8.33%	5 618 142	6.43%	4 150 166
Legal Fees Recovery	0.04%	29 216	0.05%	29 216
Sundry municipal charges	11.43%	7 707 294	12.17%	7 855 561
Prepaid expenditure	0.00%	-	0.00%	-
Other receivables	0.04%	29 550	0.04%	23 400
	<u>100.00%</u>	<u>67 450 167</u>	<u>100.00%</u>	<u>64 557 226</u>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

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:

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	%	R	%	R
<b><u>Non-exchange Receivables</u></b>				
Rates	31.13%	21 012 418	27.50%	18 850 011
Availability Charges	3.92%	2 644 463	3.95%	2 709 891
Fines	3.45%	2 325 754	13.86%	9 503 991
<b><u>Exchange Receivables</u></b>				
Services	61.50%	41 509 093	54.69%	37 491 461
	<u>100.00%</u>	<u>67 491 728</u>	<u>100.00%</u>	<u>68 555 354</u>

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

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	%	R	%	R
Government	0.85%	573 791	0.80%	550 436
Business	12.30%	8 301 486	8.44%	5 787 434
Residential	71.14%	48 011 522	76.97%	52 769 331
Indigents	8.23%	5 551 841	7.32%	5 021 185
Other	7.49%	5 053 089	6.46%	4 426 968
	<u>100.00%</u>	<u>67 491 728</u>	<u>100.00%</u>	<u>68 555 354</u>

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	%	R	%	R
<b><u>Balances past due not impaired:</u></b>				
<b><u>Non-exchange Receivables</u></b>				
Rates	75.96%	5 911 346	72.69%	5 623 540
Availability Charges	24.04%	1 870 539	11.16%	863 274
Fines	0.00%	-	16.15%	1 249 714
	<u>100%</u>	<u>7 781 885</u>	<u>100.00%</u>	<u>7 736 528</u>
<b><u>Exchange Receivables</u></b>				
Services	100.00%	25 941 074	100.00%	27 065 766
	<u>100.00%</u>	<u>25 941 074</u>	<u>100.00%</u>	<u>27 065 766</u>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	68 639 359	59 355 879
Receivables from non-exchange transactions	15 047 500	14 584 483
Cash and Cash Equivalents	143 895 327	115 929 336
	<u>227 582 186</u>	<u>189 869 699</u>

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
	<u>609 100</u>	<u>609 100</u>

**(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.

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
<b>2022</b>				
Long-term Liabilities	24 143 756	48 065 012	34 770 130	-
Provision for Rehabilitation of Landfill-sites	9 775 898	-	-	300 729 653
Trade and Other Payables	47 414 638	-	-	-
Unspent Conditional Grants and Receipts	41 026 340	-	-	-
	<u>122 360 632</u>	<u>48 065 012</u>	<u>34 770 130</u>	<u>300 729 653</u>
<b>2021</b>				
Long-term Liabilities	15 533 468	32 525 793	21 657 316	-
Provision for Rehabilitation of Landfill-sites	8 770 974	-	-	345 699 488
Trade and Other Payables	51 962 342	-	-	-
Unspent Conditional Grants and Receipts	11 043 304	-	-	-
	<u>87 310 088</u>	<u>32 525 793</u>	<u>21 657 316</u>	<u>345 699 488</u>
			<b>2022</b>	<b>2021</b>
			<b>R</b>	<b>R</b>

**50. FINANCIAL INSTRUMENTS**

In accordance with GRAP 104.45 the financial liabilities and assets of the municipality are classified as follows:

**50.1 Financial Assets**

**Classification**

		2022 R	2021 R
<b>Receivables from Exchange Transactions</b>			
Electricity	Financial Instruments at amortised cost	29 402 102	29 054 679
Water	Financial Instruments at amortised cost	23 076 287	21 786 374
Property Rentals	Financial Instruments at amortised cost	506	506
Waste Management	Financial Instruments at amortised cost	11 373 197	10 566 315
Waste Water Management	Financial Instruments at amortised cost	12 707 296	12 834 551
Legal Fees Recovery	Financial Instruments at amortised cost	29 216	29 216
Klein Karoo Water Scheme	Financial Instruments at amortised cost	6 233 695	4 656 076
<b>Cash and Cash Equivalents</b>			
Primary Bank Account	Financial Instruments at amortised cost	12 960 591	16 088 101
Call Deposits	Financial Instruments at amortised cost	130 934 736	99 841 236
<b>Total Financial Assets</b>		<u><b>226 717 627</b></u>	<u><b>194 857 054</b></u>
<b>Financial Instruments at amortised cost:</b>			
Receivables from Exchange Transactions	Electricity	29 402 102	29 054 679
Receivables from Exchange Transactions	Water	23 076 287	21 786 374
Receivables from Exchange Transactions	Property Rentals	506	506
Receivables from Exchange Transactions	Waste Management	11 373 197	10 566 315
Receivables from Exchange Transactions	Waste Water Management	12 707 296	12 834 551
Receivables from Exchange Transactions	Legal Fees Recovery	29 216	29 216
Receivables from Exchange Transactions	Klein Karoo Water Scheme	6 233 695	4 656 076
Cash and Cash Equivalents	Primary Bank Account	12 960 591	16 088 101
Cash and Cash Equivalents	Call Deposits	130 934 736	99 841 236
<b>Total Financial Assets</b>		<u><b>226 717 627</b></u>	<u><b>194 857 054</b></u>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

<b>50.2 Financial Liabilities</b>	<b>Classification</b>	<b>2022 R</b>	<b>2021 R</b>
<b>Long-term Liabilities</b>			
Annuity Loans	Financial Instruments at amortised cost	63 168 400	52 391 823
Capitalised Lease Liability	Financial Instruments at amortised cost	18 690 871	1 845 206
<b>Trade and Other Payables</b>			
Trade Payables	Financial Instruments at amortised cost	36 422 973	32 176 450
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	247 732	109 434
Retentions	Financial Instruments at amortised cost	6 680 822	7 646 314
		<b>125 210 798</b>	<b>94 169 227</b>

**SUMMARY OF FINANCIAL LIABILITIES**

**Financial instruments at amortised cost:**

Long-term Liabilities	Annuity Loans	63 168 400	52 391 823
Long-term Liabilities	Capitalised Lease Liability	18 690 871	1 845 206
Trade and Other Payables	Trade Payables	36 422 973	32 176 450
Trade and Other Payables	Other Payables	247 732	109 434
Trade and Other Payables	Retentions	6 680 822	7 646 314
		<b>125 210 798</b>	<b>94 169 227</b>

**51. STATUTORY RECEIVABLES**

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

**Taxes**

VAT Receivable	-	-
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**Receivables from Non-Exchange Transactions**

	36 230 441	41 819 627
Rates	33 126 591	30 696 122
Fines	3 103 850	11 123 505

**Total Statutory Receivables (before provision)**

**36 230 441**      **41 819 627**

**Less:** Provision for Debt Impairment

(23 338 171)      (28 354 002)

**Total Statutory Receivables (after provision)**

**12 892 270**      **13 465 625**

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)
Fines	- Criminal Procedures Act

**Reconciliation of Provision for Debt Impairment**

Balance at beginning of year	28 354 002	29 907 801
Reveral of provision	(5 015 831)	(1 553 799)
Balance at end of year	<b>23 338 171</b>	<b>28 354 002</b>

**OUTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b><u>Ageing of amounts past due but not impaired:</u></b>		
Non-exchange	5 911 346	6 873 254
	<b>5 911 346</b>	<b>6 873 254</b>
	<b>5 911 346</b>	<b>6 873 254</b>

The basis used to assess and test whether a statutory receivable is impaired, including how receivables are grouped and assessed for collective impairment.

**52. 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.

**53. 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	5 627 794	5 831 885
<b>Total Compensation received</b>	<b>5 627 794</b>	<b>5 831 885</b>
	<b>5 627 794</b>	<b>5 831 885</b>

**Reconciliation of Agency Funds and Disbursements**

<b>Principal name</b>	<b>2022</b>		<b>2021</b>	
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
	<b>Total Agency funds received</b>	<b>Amount remitted to the principal</b>	<b>Total Agency funds received</b>	<b>Amount remitted to the principal</b>
Western Cape Government- Department of Transport	5 627 794	18 674 666	5 831 885	18 486 535
	<b>5 627 794</b>	<b>18 674 666</b>	<b>5 831 885</b>	<b>18 486 535</b>
	<b>5 627 794</b>	<b>18 674 666</b>	<b>5 831 885</b>	<b>18 486 535</b>

**Resources under custodianship at year-end**

None

**OUTDSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

	2022 R	2021 R
<b>54. CONTINGENT LIABILITY</b>		
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:		
<b>54.1 Cobus Louw Professional Engineers CC v Oudtshoorn Municipality</b>		
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. Older than 3 years and no process started, matter seen as resolved	-	494 364
<b>54.2 Golden Rewards 965 cc. vs. Oudtshoorn Municipality</b>		
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.	185 040	155 040
<b>54.3 Cornelius Draai vs Oudtshoorn Municipality</b>		
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
<b>54.4 S E Zunga vs Oudtshoorn Municipality</b>		
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. The matter was withdrawn by the Plaintiff.	-	261 300
<b>54.5 APJ Marais and CM Marais vs Oudtshoorn Municipality</b>		
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	190 000
<b>54.6 M J Meyers vs Oudtshoorn Municipality</b>		
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.	290 000	75 000
<b>54.7 NJ Terblance vs Oudtshoorn Municipality</b>		
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.	270 000	45 000
<b>54.8 B Dido vs Oudtshoorn Municipality</b>		
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. The matter was settled and withdrawn by the plaintiff.	-	125 000
<b>54.9 Johan Wagenaar Attorneys on behalf of R September vs Oudtshoorn Municipality</b>		
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 summons is received from the third party.	702 241	689 772

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

<b>54.10</b>	<b>Manormanie Moodley vs Oudtshoorn Municipality</b>		
	The plaintiff fell into a hole in the pavement. Investigations are still ongoing surrounding the circumstances of the alleged incident. Currently in the process of drafting the municipality's plea. If the municipality is found guilty the municipality must pay for damages.	1 265 427	-
<b>54.11</b>	<b>Thomas Mathee vs Oudtshoorn Municipality</b>		
	Arbitration matter resumed on 13-15 June. Matter remanded for further trial. Currently awaiting further trial dates. If the municipality is found guilty the municipality must pay for damages. This matter is being handled internally by our legal advisor.	1 500 000	-
<b>54.12</b>	<b>E Petersen vs Oudtshoorn Municipality</b>		
	Plaintiff has applied for formal amendment of her POC. Awaiting set down of the interlocutory application. If the municipality is found guilty the municipality must pay for damages.	487 120	-
		<b>14 889 828</b>	<b>12 035 476</b>
<b>55.</b>	<b>CONTINGENT ASSETS</b>		
<b>55.1</b>	<b>Oudtshoorn Municipality v Imvusa Trading (Pty) Ltd</b>		
	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. High court ruled in favour of municipality and claim was dismissed, awaiting ruling on counter claim	4 475 896	3 975 896
<b>55.2</b>	<b>Gaihaos (Pty) Ltd vs Oudtshoorn Municipality</b>		
	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. We await a date for taxation of costs awarded to the Municipality.	100 000	80 000
<b>55.3</b>	<b>Oudtshoorn Municipality vs D Hartzenberg</b>		
	Ex-employee did not honour his re-imburement 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	70 000	29 400
<b>55.4</b>	<b>Oudtshoorn Municipality vs IMATU on behalf of Wagenaar</b>		
	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. Matter was finalised.	-	100 000
<b>55.5</b>	<b>Oudtshoorn Municipality vs Cobus &amp; Others</b>		
	On 31/01/2022. a group of protesters unlawfully occupied and threatened staff members at Lemon & Lime building and threatened to do the same at other buildings of the Municipality. The Municipality obtained an interdict on an urgent basis on 01/06/2022 to prevent respondents from occupying, threatening or entering certain premises belonging to the Municipality. Interim interdict granted with the return date 26/08/2022.	2 000 000	-
<b>55.6</b>	<b>Oudtshoorn Municipality vs Galant and 7 others</b>		
	A group of people threatened to illegally occupy the Bridgton Chalets over the weekend of 3-5 June. The Municipality obtained an urgent interdict that restrained them from occupying the chalets. Unfortunately, the security at the premises was not sufficient and the group managed to occupy one of the chalets. Interim interdict granted and the return date is 26/08/2022.	2 000 000	-
		<b>8 645 896</b>	<b>4 185 296</b>

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

**56. 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.

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
	<b>Rates &amp;</b>	<b>Outstanding</b>	<b>Rates &amp;</b>	<b>Outstanding</b>
	<b>Services</b>	<b>Balance</b>	<b>Services</b>	<b>Balance</b>
<b>56.1 Related Party Transactions</b>				
<b>Year ended 30 June 2022</b>				
Councillors				
LPO Wagenaar	2 316	2 316	1 739	1 739
JC Lambaatjeen	-	-	-	-
LS Stone	-	-	848	848
MBG Theyse	-	-	681	681
HG Juthe	-	-	-	-
N Mwati	-	-	4 198	4 198
DJ Fourie	4 933	4 933	4 284	4 284
E Fortuin	-	-	-	-
H Human	-	-	156	156
N Soman	-	-	-	-
JH Tyatya	-	-	1 549	1 549
J le Roux Krowitz	-	-	1 088	1 088
BC Berry	-	-	347	347
F September	-	-	937	937
J Allers	13 912	13 912	-	-
SN Bently	910	910	-	-
A Berry	2 544	2 544	-	-
L Campher	42 869	42 869	-	-
JL Du Preez	974	974	-	-
JN Duvenage	4 028	4 028	-	-
DV Moos	1 960	1 960	-	-
C Muller	703	703	-	-
SA Jansen	550	550	-	-
J van der Ross	10 794	10 794	-	-
LSS van Rooyen	456	456	-	-
	<b>86 949</b>	<b>86 949</b>	<b>15 827</b>	<b>15 827</b>
Senior Management - Directors				
Mr GP De Jager	2 855	2 855	1 098	1 098
	<b>2 855</b>	<b>2 855</b>	<b>1 098</b>	<b>1 098</b>
<b>56.2 Related Party Loans</b>				
Since 1 July 2004 loans to councillors and senior management employees are not permitted.				
<b>56.3 Compensation of key management personnel</b>				
The compensation of key management personnel is set out in note 30 to the Annual Financial Statements.				

**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

**56.4 Current Employee Benefits**

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2022:

Name	Position	Staff Leave Obligations	Bonus Obligations	Travel and Subsistence paid
W Hendricks	Municipal Manager	-	-	40 400
GP De Jager	Chief Financial Officer	22 621	56 673	25 094
J Lesch	Head: Technical Services	-	-	58 693
R Smit	Head: Corporate Services	38 517	53 985	19 035
		<b>61 137</b>	<b>110 658</b>	<b>143 222</b>

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

Key Management Personnel	Staff Leave Obligations	Performance Bonus	Travel and Subsistence paid
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 R Smit	-	87 277	-
Mr T Matthee (terminated May 2021)	145 884	62 340	489
Ms S Simms (resigned October 2020)	48 322	-	-
	<b>427 939</b>	<b>149 617</b>	<b>8 352</b>
		<b>2022</b>	<b>2021</b>
		<b>R</b>	<b>R</b>

**57. TRANSACTIONS WHERE COUNCILLORS AND STAFF HAVE AN INTEREST**

The following purchases were made during the year where Councillors or staff have an interest:

Company Name	Related Party	Service Capacity	Relationship		
Suave Unlocked Pty Ltd	A. Oliphant	Communications Officer	Brother of Communications officer	-	58 000
GH Towing	G. Wolmerans	Disaster Management Officers	Disaster Management Officers Brother	169 878	178 195
Wessels & Kie	D Saayman	Maintenance Manager Cango Caves	Spouse of the owner	1 306	-
Transform Construction	H. Malgas	Disaster Management Officers	Mother in-law of owner	4 393	245 904
				<b>175 577</b>	<b>482 099</b>

**ODTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2022**

**58. 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.

The municipality cash position improved post Covid from R115 966 866 to R143 932 877 indicating a nett cash increase of R27 965 911 as at 30 June 2022.

Management is therefore of the opinion that the municipality will continue to operate as a going concern and perform its 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 1:5 which within the norm of between 1.5 to 2:1 as stated in the National Treasury MFMA circular no. 71.
- This ratio remained stable where 1.57:1 was reported in the prior year, but remains at risk and is only just within the norm
- Debtors payment ratio increased from 92% in 2021 to 95.8% in 2022. The increase is evident of the economy recovering after covid 19 restriction have been lifted and credit control measures being implemented successfully
- A consecutive surplus was realized from the comparative year to this year.

**Other Indicators**

Possible outflow of recourses due the contingent liabilities disclosed in note 54..

**APPENDIX A**  
**OUDTSHOORN LOCAL MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2022**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2021	Received during the period	Redeemed written off during the period	Balance at 30 June 2022
<b>ANNUITY LOANS</b>							
Standard Bank	11.09%	536761	2022/12/31	1 685 515	-	(1 093 184)	592 331
Standard Bank	11.70%	537021	2023/06/20	8 170 068	-	(3 849 673)	4 320 395
Standard Bank	7.65%	594602	2029/12/31	16 753 034	-	(1 358 490)	15 394 545
Standard Bank	5.80%	654722	2031/12/31	16 500 000	-	(1 247 053)	15 252 947
Standard Bank	6.92%	710574	2027/06/30	-	4 500 000	-	4 500 000
	7.18%	710625	2037/06/30	-	16 000 000	-	16 000 000
Development Bank of SA				-	-	-	-
Urban Infrastructure Project 10608/1	14.00%	10608/101	2017/06	2 794 940	-	(839 156)	1 955 783
Multiple Infrastructure 101096/2	10.16%	101096/2	2019/12	1 065 790	-	(236 842)	828 948
Multiple Infrastructure 101647/3	6.88%	101647/3	2015/06	2 605 264	-	(578 947)	2 026 316
Infrastructure 102003/1	6.56%	102003/1	2025/12	1 516 299	-	(303 260)	1 213 039
Deep Aquifer Hydrogeological 13774	15.67%	13774	2021/06	1 300 913	-	(216 819)	1 084 094
<b>Total Annuity Loans</b>				<b>52 391 823</b>	<b>20 500 000</b>	<b>(9 723 423)</b>	<b>63 168 399</b>
<b>LEASE LIABILITY</b>							
Ford Ranger 2.2tdci L/r P/u S/c Cg 30855	10.25%		2022/05/31	66 866	-	(66 866)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 29680	10.25%		2022/05/31	66 866	-	(66 866)	0
Ford Figio 1.5ti Vct Ambiente (5dr) Cg 33999	10.25%		2022/05/31	46 524	-	(46 524)	0
Ford Figio 1.5ti Vct Ambiente (5dr) Cg 33996	10.25%		2022/05/31	46 528	-	(46 528)	0
Ford Figio 1.5ti Vct Ambiente (5dr) Cg 31834	10.25%		2022/05/31	46 526	-	(46 524)	2
Ford Ranger 2.2tdci Xl 4*4 P/u Sup/cab Cg 34001	10.25%		2022/06/30	119 249	-	(119 249)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 32359	10.25%		2022/05/31	66 866	-	(66 866)	0
Ford Ranger 2.2tdci Xl 4*4 P/u D/c Cg 32597	10.25%		2022/05/31	106 310	-	(106 310)	0
Ford Ranger 2.2tdci Xl 4*4 P/u D/c Cg 34003	10.25%		2022/05/31	106 310	-	(106 310)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 34006	10.25%		2022/05/31	66 866	-	(66 866)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 33895	10.25%		2022/05/31	66 866	-	(66 866)	0
Ford Ranger 2.2tdci Xl 4*4 P/u D/c Cg 34007	10.25%		2022/05/31	105 240	-	(105 240)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 34012	10.25%		2022/05/31	66 866	-	(66 866)	0
Suzuki Ertiga 1.5 Ga Cg 20395	10.25%		2022/05/31	69 510	-	(69 510)	0
UD TRUCKS CRONER PKE 250 TIPPER CG 18771	10.25%		2022/06	212 389	-	(212 389)	0
UD TRUCKS CRONER PKE 250 TIPPER CG 31467	10.25%		2022/06	432 000	-	(432 000)	0
ISUZU TRUCKS N SERIES NPR 400 CREW CAB AMT	10.25%		2022/07	153 411	-	(140 999)	12 412
Renault Duster 1.5 DCI Techroad - CG5739	7.00%		2024/10/15		215 796	(44 128)	171 668
Isuzu D-Max 250 HO single cab - CG32190	7.00%		2024/10/26		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34075	7.00%		2024/10/27		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34079	7.00%		2024/10/26		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34092	7.00%		2024/10/25		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG28235	7.00%		2024/10/25		249 105	(50 939)	198 166
Isuzu D-Max 250 HO single cab - CG34074	7.00%		2024/10/25		223 659	(45 736)	177 923
Isuzu D-Max 250 HO single cab - CG34100	7.00%		2024/10/28		232 520	(47 548)	184 972
Isuzu D-Max 250 HO single cab - CG34085	7.00%		2024/10/28		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34098	7.00%		2024/10/27		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34104	7.00%		2024/10/28		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG29198	7.00%		2024/11/09		223 922	(45 789)	178 132
Isuzu D-Max 250 HO single cab - CG30833	7.00%		2024/11/09		223 888	(45 783)	178 106
Isuzu D-Max 250 HO single cab - CG34106	7.00%		2024/10/28		223 888	(45 783)	178 106
VW Polo 1.4 trendline sedan - CG16139	7.50%		2025/02/14		202 237	(25 450)	176 787
VW Polo 1.4 trendline sedan - CG17052	7.50%		2025/02/13		202 237	(25 450)	176 787
Nissan NP200 1.6 - CG20667	7.25%		2024/12/01		202 985	(36 100)	166 885
VW Polo 1.4 trendline sedan - CG17259	7.50%		2025/02/14		202 237	(25 450)	176 787
VW Polo 1.4 trendline sedan - CG17958	7.50%		2025/02/14		202 237	(25 450)	176 787
VW Polo 1.4 trendline sedan - CG18397	7.50%		2025/02/13		202 237	(25 450)	176 787
VW Polo 1.4 trendline sedan - CG19389	7.50%		2025/02/13		202 237	(25 450)	176 787
Isuzu D-Max 250 HO single cab - CG17929	7.00%		2024/11/16		203 738	(36 348)	167 390
Isuzu D-Max 250 HO single cab - CG13016	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG31605	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG19513	7.00%		2024/11/16		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG32805	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG33157	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG29316	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG27781	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG25272	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG19699	7.00%		2024/11/15		223 888	(39 943)	183 946
Isuzu D-Max 250 HO single cab - CG34136	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34124	7.25%		2024/11/30		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34137	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34119	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34130	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34129	7.25%		2024/11/22		223 062	(39 671)	183 391
Isuzu D-Max 250 HO single cab - CG34141	7.25%		2024/11/22		223 062	(39 671)	183 391
UD Trucks Croner PKE 250 (H37) - CG24967	7.25%		2025/01/03		1 357 712	(206 343)	1 151 369
UD Trucks Croner PKE 250 (H28) - CG33277	7.25%		2024/12/08		782 194	(139 111)	643 083
Izuzu truck N-series NPR 400 - CG33343	7.25%		2025/01/11		533 166	(81 030)	452 136
Izuzu truck N-series NPR 400 - CG33347	7.25%		2025/01/13		533 166	(81 030)	452 136
Nissan NP200 1.6 - CG14873	7.25%		2024/12/01		154 411	(27 461)	126 949
Isuzu trucks N Series NPR400 - CG12098	7.25%		2024/12/22		465 826	(70 796)	395 031
Isuzu trucks N Series NPR400 - CG12651	7.25%		2024/12/21		465 826	(70 796)	395 031
Nissan NP200 1.6 - CG15283	7.25%		2024/12/01		154 411	(27 461)	126 949
Nissan NP200 1.6 - CG17759	7.25%		2024/12/01		154 411	(27 461)	126 949
Nissan NP200 1.6 - CG17153	7.25%		2024/12/01		154 411	(27 461)	126 949
Nissan NP200 1.6 - CG22902	7.25%		2024/12/01		154 411	(27 461)	126 949
Nissan NP200 1.6 - CG23521	7.25%		2024/12/01		154 411	(27 461)	126 949

**APPENDIX A**  
**OUDTSHOORN LOCAL MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2022**

Isuzu trucks F Series FTR 850 - CAW3997P	7.25%		2024/12/01		866 619	(154 125)	712 494	
Nissan NP200 1.6 - CG13939	7.25%		2024/12/01		154 411	(27 461)	126 949	
Isuzu trucks N Series NPR400 - CG20124	7.50%		2025/02/16		812 125	(81 506)	730 620	
Nissan NP200 1.6 - CG17852	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG23624	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG18624	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG14008	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG21254	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG17535	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG21931	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG12837	7.25%		2024/12/01		154 411	(27 461)	126 949	
Nissan NP200 1.6 - CG15033	7.25%		2024/12/01		154 411	(27 461)	126 949	
Isuzu D-Max 300 LX Ext Cab - CG22275	7.25%		2024/11/30		429 029	(76 301)	352 727	
Isuzu D-Max 250 Hi Rider - CG25050	7.00%		2024/10/25		262 033	(53 583)	208 451	
Isuzu D-Max 250 Hi Rider - CG28104	7.00%		2024/11/11		262 033	(53 583)	208 451	
Isuzu D-Max 250 Hi Rider - CG8430	7.25%		2024/11/22		261 066	(46 430)	214 636	
Isuzu D-Max 250 Hi Rider - CG5821	7.25%		2024/11/22		261 066	(46 430)	214 636	
Toyota Hiace 2.7 16 Seat - CG33140	7.25%		2024/12/12		293 638	(52 223)	241 415	
Toyota Land Cruiser Pickup 79 series - CG31184	7.25%		2024/12/08		800 489	(142 364)	658 125	
Isuzu trucks N Series NPR400 - CG29555	7.25%		2025/01/11		465 826	(70 796)	395 031	
Isuzu trucks N Series NPR400 - CG12161	7.25%		2024/12/22		465 826	(70 796)	395 031	
Isuzu trucks N Series NPR400 - CG32595	7.25%		2025/01/13		465 826	(70 796)	395 031	
Isuzu trucks N Series NPR400 - CG15043	7.25%		2024/12/21		465 826	(70 796)	395 031	
Isuzu trucks N Series NPR400 - CG14040	7.25%		2024/12/21		465 826	(70 796)	395 031	
Isuzu trucks N Series NPR400 - CG33342	7.25%		2025/01/13		465 826	(70 796)	395 031	
Toyoto Rumion 1.5 - CG33167	7.25%		2025/01/13		178 062	(27 062)	151 001	
TOYOTA HIACE 2.7 16 SEAT - CG12749	7.50%		2025/03/06		292 555	(44 318)	248 237	
<b>Total Lease Liabilities</b>					<b>1 845 197</b>	<b>22 477 872</b>	<b>(5 632 207)</b>	<b>18 690 862</b>
<b>TOTAL EXTERNAL LOANS</b>					<b>54 237 019</b>	<b>42 977 872</b>	<b>(15 355 630)</b>	<b>81 859 262</b>

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

Grant Description	Balance 30 June 2021	Correction of Error	Restated Balance 30 June 2021	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2022	Unspent 30 June 2022 (Creditor)	Unpaid 30 June 2022 (Debtor)
<b><u>National Government Grants</u></b>											
Equitable Share	-	-	-	80 955 000	-	-	(80 955 000)	-	-	-	-
Local Government Financial Management Grant	(0)	-	(0)	2 663 000	-	-	(2 564 832)	(98 168)	(0)	-	(0)
Municipal Infrastructure Grant	607 000	-	607 000	22 775 000	-	(607 000)	(1 138 800)	(21 468 930)	167 270	167 270	-
Integrated National Electrification Grant	2 620 084	-	2 620 084	3 206 000	-	-	-	(5 826 083)	0	0	-
Regional Bulk Infrastructure Grant - Department of Water Affairs and I	1 613 986	-	1 613 986	-	-	-	-	-	1 613 986	1 613 986	-
Extended Public Works Program	-	-	-	1 784 000	-	-	(1 784 000)	-	0	0	-
Water services Infrastructure Grant	(0)	-	-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant	-	-	-	47 150 000	-	-	-	(10 119 476)	37 030 524	37 030 524	-
Water Macro Planning	0	-	0	704 159	-	-	-	(704 159)	0	0	-
<b>Total National Government Grants</b>	<b>4 841 069</b>	<b>-</b>	<b>4 841 069</b>	<b>159 237 159</b>	<b>-</b>	<b>(607 000)</b>	<b>(86 442 632)</b>	<b>(38 216 817)</b>	<b>38 811 780</b>	<b>38 811 780</b>	<b>(0)</b>
<b><u>Provincial Government Grants</u></b>											
CDW operational support grant	-	-	-	57 000	-	-	(57 000)	-	-	-	-
Library Services	(0)	-	(0)	7 520 000	-	-	(7 520 000)	-	(0)	-	(0)
Rosevalley Library Grant	6 202 235	-	6 202 235	-	-	-	-	(6 202 235)	-	-	-
Emergency Housing Programm	-	-	-	1 288 088	-	-	(1 288 088)	-	-	-	-
Maintenance Main Road Subsidy	(0)	-	(0)	125 000	-	-	(124 993)	-	6	6	-
WC Municipal Financial Management Capacity Building Grant	-	-	-	250 000	-	-	(250 000)	-	-	-	-
Thusong Service Centre Grant	-	-	-	150 000	-	-	(150 000)	-	-	-	-
Local Government Public Employment Support Grant	-	-	-	1 100 000	-	-	(1 100 000)	-	-	-	-
Upgrading of SMME Infrastructure Booster Fund	-	-	-	2 000 000	-	-	-	(129 605)	1 870 395	1 870 395	-
Municipal Drought Relief Grant	-	-	-	1 251 000	-	-	-	(1 251 000)	-	-	-
<b>Total Provincial Government Grants</b>	<b>6 202 235</b>	<b>-</b>	<b>6 202 235</b>	<b>13 741 088</b>	<b>-</b>	<b>-</b>	<b>(10 490 082)</b>	<b>(7 582 840)</b>	<b>1 870 402</b>	<b>1 870 402</b>	<b>(0)</b>
<b><u>District Municipality</u></b>											
Garden Route District Municipality	-	-	-	120 000	-	-	-	-	120 000	120 000	-
	-	-	-	-	-	-	-	-	-	-	-
<b>Total District Municipality Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120 000</b>	<b>120 000</b>	<b>-</b>
<b><u>Other Grant Providers</u></b>											
ASLA Rosevalley Library Contribution	-	-	-	335 000	-	-	-	(110 842)	224 158	224 158	-
<b>Total Other Grant Providers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>335 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(110 842)</b>	<b>224 158</b>	<b>224 158</b>	<b>-</b>
<b>Total Grants</b>	<b>11 043 304</b>	<b>-</b>	<b>11 043 304</b>	<b>173 433 248</b>	<b>-</b>	<b>(607 000)</b>	<b>(96 932 714)</b>	<b>(45 910 498)</b>	<b>41 026 340</b>	<b>41 026 340</b>	<b>(1)</b>

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

Oudtshoorn Municipality - Reconciliation of Table A1 Budget Summary

Description	2021/22								2020/21
	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	Revised Audited Outcome
	1	2	3	4	5	6	7	8	12
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	103 886	1 985	105 871	104 563		(1 308)	98.8%	100.7%	97 889
Service charges	407 059	(7 675)	399 384	403 757		4 373	101.1%	99.2%	352 602
Investment revenue	5 849	(200)	5 649	6 818		1 169	120.7%	116.6%	5 749
Transfers recognised - operational	94 410	1 233	95 643	96 933		1 290	101.3%	102.7%	103 919
Other own revenue	24 060	14 906	38 966	43 976		5 011	112.9%	182.8%	45 041
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>635 263</b>	<b>10 249</b>	<b>645 512</b>	<b>656 047</b>		<b>10 535</b>	<b>101.6%</b>	<b>103.3%</b>	<b>605 200</b>
Employee costs	262 791	4 898	267 689	269 646	-	1 957	100.7%	102.6%	254 503
Remuneration of councillors	11 269	(625)	10 644	10 860	-	215	102.0%	96.4%	10 983
Depreciation & asset impairment	41 647	356	42 003	45 974	-	3 972	109.5%	110.4%	42 463
Finance charges	9 198	(120)	9 078	6 959	-	(2 119)	76.7%	75.7%	5 592
Materials and bulk purchases	231 022	550	231 572	231 194	-	(377)	99.8%	100.1%	195 764
Transfers and grants	3 321	(1 000)	2 321	3 402	-	1 081	146.6%	102.4%	1 901
Other expenditure	97 076	10 408	107 484	108 167	-	683	100.6%	111.4%	114 093
<b>Total Expenditure</b>	<b>656 324</b>	<b>14 466</b>	<b>670 790</b>	<b>676 202</b>	<b>-</b>	<b>5 412</b>	<b>100.8%</b>	<b>103.0%</b>	<b>625 298</b>
<b>Surplus/(Deficit)</b>	<b>(21 061)</b>	<b>(4 217)</b>	<b>(25 278)</b>	<b>(20 155)</b>		<b>5 123</b>	<b>79.7%</b>	<b>95.7%</b>	<b>(20 098)</b>
Transfers recognised - capital	25 546	59 778	85 325	45 911		(39 414)	53.8%	179.7%	59 409
Contributions recognised - capital & contributed assets	-	-	-	266		-	-	-	39 067
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4 486</b>	<b>55 561</b>	<b>60 047</b>	<b>26 022</b>		<b>(34 291)</b>	<b>43.3%</b>	<b>580.1%</b>	<b>78 378</b>
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>4 486</b>	<b>55 561</b>	<b>60 047</b>	<b>26 022</b>		<b>(34 291)</b>	<b>43.3%</b>	<b>580.1%</b>	<b>78 378</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>									
Transfers recognised - capital	22 214	52 834	75 048	40 783		(34 265)	0.0%	0.0%	52 000
Public contributions & donations	-	-	-	-		-	0.0%	0.0%	-
Borrowing	20 500	12 174	32 674	25 582		(7 093)	0.0%	0.0%	15 643
Internally generated funds	8 673	5 587	14 260	11 091		(3 169)	0.0%	0.0%	9 266
<b>Total sources of capital funds</b>	<b>51 387</b>	<b>70 595</b>	<b>121 982</b>	<b>77 455</b>		<b>(44 527)</b>	<b>0.0%</b>	<b>0.0%</b>	<b>76 909</b>
<b>Cash flows</b>									
Net cash from (used) operating	35 190	36 692	71 882	93 060		-	129.5%	264.5%	5 026
Net cash from (used) investing	(50 841)	(70 431)	(121 272)	(70 239)		-	57.9%	138.2%	(69 349)
Net cash from (used) financing	2 000	-	2 000	5 144		-	257.2%	257.2%	2 502
<b>Cash/cash equivalents at the year end</b>	<b>102 036</b>	<b>(33 459)</b>	<b>68 577</b>	<b>143 933</b>		<b>-</b>	<b>209.9%</b>	<b>141.1%</b>	<b>115 967</b>

Oudtshoorn Municipality - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2021/22								2020/21
	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
<b>Revenue - Standard</b>									
<b>Governance and administration</b>	172 909	12 306	185 215	186 807		1 592	100.9%	108.0%	171 367
Executive and council	64 768	10 421	75 189	78 926		3 737	105.0%	121.9%	70 156
Finance and administration	108 141	1 885	110 026	107 881		(2 145)	98.1%	99.8%	101 212
Internal audit	-	-	-	-		-	0.0%	0.0%	-
<b>Community and public safety</b>	15 124	10 594	25 718	29 313		3 596	114.0%	193.8%	62 992
Community and social services	7 437	6 795	14 232	14 019		(213)	98.5%	188.5%	9 198
Sport and recreation	212	1 752	1 964	1 848		(115)	94.1%	872.3%	110
Public safety	7 475	2 047	9 522	12 158		2 636	127.7%	162.7%	53 203
Housing	-	-	-	1 288		1 288	0.0%	0.0%	481
Health	-	-	-	-		-	0.0%	0.0%	-
<b>Economic and environmental services</b>	24 684	2 000	26 684	24 646		(2 038)	92.4%	99.8%	28 542
Planning and development	-	2 000	2 000	130		(1 870)	6.5%	100.0%	875
Road transport	24 684	-	24 684	24 517		(167)	99.3%	99.3%	27 667
Environmental protection	-	-	-	-		-	0.0%	0.0%	-
<b>Trading services</b>	448 093	45 127	493 220	463 823		(29 397)	94.0%	103.5%	428 263
Energy Sources	295 911	(2 991)	292 919	297 348		4 428	101.5%	100.5%	249 897
Water Management	74 045	48 611	122 656	89 010		(33 646)	72.6%	120.2%	103 579
Waste water management	47 256	517	47 772	47 501		(272)	99.4%	100.5%	45 798
Waste management	30 882	(1 010)	29 872	29 964		92	100.3%	97.0%	28 988
<b>Other</b>	-	-	-	-		-	0.0%	0.0%	-
<b>Total Revenue - Standard</b>	<b>660 810</b>	<b>70 027</b>	<b>730 837</b>	<b>704 589</b>		<b>(26 247)</b>	<b>96.4%</b>	<b>106.6%</b>	<b>691 165</b>
<b>Expenditure - Standard</b>									
<b>Governance and administration</b>	150 602	11 388	161 990	153 488		(8 502)	94.8%	101.9%	144 397
Executive and council	69 508	(890)	68 618	77 657		9 039	113.2%	111.7%	70 954
Finance and administration	78 524	12 248	90 772	73 320		(17 452)	80.8%	93.4%	71 001
Internal audit	2 570	29	2 600	2 510		(89)	96.6%	97.7%	2 442
<b>Community and public safety</b>	112 032	(1 506)	110 526	112 368		1 842	101.7%	100.3%	104 192
Community and social services	22 021	301	22 323	21 895		(428)	98.1%	99.4%	22 283
Sport and recreation	40 491	(2 636)	37 854	37 169		(685)	98.2%	91.8%	32 412
Public safety	35 963	659	36 623	40 003		3 381	109.2%	111.2%	37 705
Housing	13 557	170	13 727	13 301		(426)	96.9%	98.1%	11 791
Health	-	-	-	-		-	0.0%	0.0%	-
<b>Economic and environmental services</b>	60 785	(2 407)	58 378	55 047		(3 331)	94.3%	90.6%	54 593
Planning and development	23 119	(1 284)	21 835	21 262		(574)	97.4%	92.0%	19 177
Road transport	37 666	(1 123)	36 543	33 785		(2 758)	92.5%	89.7%	35 417
Environmental protection	-	-	-	-		-	0.0%	0.0%	-
<b>Trading services</b>	332 905	6 990	339 895	357 665		17 770	105.2%	107.4%	309 604
Energy Sources	242 451	932	243 383	243 722		340	100.1%	100.5%	211 021
Water Management	41 700	816	42 516	56 267		13 751	132.3%	134.9%	53 466
Waste water management	24 733	1 201	25 934	27 454		1 520	105.9%	111.0%	24 271
Waste management	24 020	4 042	28 062	30 221		2 159	107.7%	125.8%	20 846
<b>Other</b>	-	-	-	-		-	0.0%	0.0%	-
<b>Total Expenditure - Standard</b>	<b>656 324</b>	<b>14 466</b>	<b>670 790</b>	<b>678 568</b>		<b>7 778</b>	<b>101.2%</b>	<b>103.4%</b>	<b>612 786</b>
<b>Surplus/(Deficit) for the year</b>	<b>4 486</b>	<b>55 561</b>	<b>60 047</b>	<b>26 022</b>		<b>(34 025)</b>	<b>43.3%</b>	<b>580.1%</b>	<b>78 379</b>

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

Vote Description	2021/22								2020/21
	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
<b>Revenue by Vote</b>									
Executive & Council	52 478	1 400	53 878	71 792		17 914	133.2%	136.8%	65 398
Municipal Manager	6 001	836	6 837	7 134		297	104.3%	118.9%	4 758
Corporate Services	851	-	851	744		(107)	87.4%	87.4%	890
Financial Services	113 579	10 070	123 649	107 137		(16 512)	86.6%	94.3%	100 322
Community and Public Safety	46 006	9 584	55 590	57 989		2 400	104.3%	126.0%	91 500
Technical Services	441 895	46 137	488 032	458 375		(29 656)	93.9%	103.7%	426 941
Human Settlement	-	-	-	1 288		1 288	0.0%	0.0%	481
Strategic Services	-	2 000	2 000	130		(1 870)	6.5%	#DIV/0!	875
<b>Total Revenue by Vote</b>	<b>660 810</b>	<b>70 027</b>	<b>730 837</b>	<b>704 589</b>		<b>(26 247)</b>	<b>96.4%</b>	<b>106.6%</b>	<b>691 165</b>
<b>Expenditure by Vote</b>									
Executive & Council	50 433	(638)	49 795	60 529	-	10 734	121.6%	120.0%	54 111
Municipal Manager	22 689	(207)	22 482	20 638	-	(1 844)	91.8%	91.0%	20 238
Corporate Services	26 358	2 088	28 446	25 183	-	(3 263)	88.5%	95.5%	24 215
Financial Services	47 835	9 076	56 910	42 204	-	(14 707)	74.2%	88.2%	41 724
Community and Public Safety	122 495	2 366	124 862	129 288	-	4 426	103.5%	105.5%	113 246
Technical Services	349 838	2 895	352 733	366 163	-	13 430	103.8%	104.7%	328 283
Human Settlement	13 557	170	13 727	13 301	-	(426)	96.9%	98.1%	11 791
Strategic Services	23 119	(1 284)	21 835	21 262	-	(574)	97.4%	92.0%	19 177
<b>Total Expenditure by Vote</b>	<b>656 324</b>	<b>14 466</b>	<b>670 790</b>	<b>678 568</b>	<b>-</b>	<b>7 778</b>	<b>101.2%</b>	<b>103.4%</b>	<b>612 786</b>
<b>Surplus/(Deficit) for the year</b>	<b>4 486</b>	<b>55 561</b>	<b>60 047</b>	<b>26 022</b>		<b>(34 025)</b>	<b>43.3%</b>	<b>580.1%</b>	

Oudtshoorn Municipality - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2021/22								2020/21
	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	1	2	3	4	5	6	7	8	12
<b>Revenue By Source</b>									
Property rates	103 886	1 985	105 871	104 563		(1 308)	98.8%	100.7%	97 889
Service charges - electricity revenue	284 466	(6 852)	277 614	280 729		3 114	101.1%	98.7%	238 939
Service charges - water revenue	62 109	–	62 109	64 355		2 246	103.6%	103.6%	59 083
Service charges - sanitation revenue	38 438	317	38 755	37 693		(1 061)	97.3%	98.1%	35 285
Service charges - refuse revenue	22 046	(1 140)	20 906	20 979		74	100.4%	95.2%	19 294
Rental of facilities and equipment	1 728	248	1 976	2 120		144	107.3%	122.7%	1 622
Interest earned - external investments	5 849	(200)	5 649	6 818		1 169	120.7%	116.6%	5 749
Interest earned - outstanding debtors	2 627	3 241	5 868	6 478		610	110.4%	246.6%	3 258
Fines, penalties and forfeits	2 322	1 819	4 141	6 565		2 425	158.6%	282.8%	8 341
Licences and permits	374	–	374	265		(109)	70.9%	70.9%	254
Agency services	5 319	–	5 319	5 628		309	105.8%	105.8%	5 832
Transfers and subsidies	94 410	1 233	95 643	96 933		1 290	101.3%	102.7%	103 919
Other revenue	11 691	1 598	13 289	17 147		3 858	129.0%	146.7%	13 323
Gains	–	8 000	8 000	5 772		(2 228)	72.2%	#DIV/0!	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>635 263</b>	<b>10 249</b>	<b>645 512</b>	<b>656 047</b>		<b>10 535</b>	<b>101.6%</b>	<b>103.3%</b>	<b>592 788</b>
<b>Expenditure By Type</b>									
Employee related costs	262 791	4 898	267 689	269 646		1 957	100.7%	102.6%	254 503
Remuneration of councillors	11 269	(625)	10 644	10 860		215	102.0%	96.4%	10 983
Debt impairment	13 747	(3 712)	10 035	24 334		14 299	242.5%	177.0%	21 954
Depreciation & asset impairment	41 647	356	42 003	45 974		3 972	109.5%	110.4%	42 463
Finance charges	9 198	(120)	9 078	6 959		(2 119)	76.7%	75.7%	5 592
Bulk purchases	209 162	–	209 162	209 247		85	100.0%	100.0%	176 490
Other materials	21 861	550	22 410	21 948		(462)	97.9%	100.4%	19 274
Contracted services	28 596	3 734	32 330	26 668		(5 662)	82.5%	93.3%	21 747
Transfers and grants	3 321	(1 000)	2 321	3 402		1 081	146.6%	102.4%	1 901
Other expenditure	54 733	2 386	57 118	52 274		(4 844)	91.5%	95.5%	49 103
Loss	–	8 000	8 000	4 891		(3 109)	61.1%	#DIV/0!	8 876
<b>Total Expenditure</b>	<b>656 324</b>	<b>14 466</b>	<b>670 790</b>	<b>676 202</b>	<b>–</b>	<b>5 412</b>	<b>100.8%</b>	<b>103.0%</b>	<b>612 886</b>
<b>Surplus/(Deficit)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>			<b>–</b>
Transfers recognised - capital	25 546	59 778	85 325	45 911		(39 414)	53.8%	179.7%	59 409
Contributed assets	–	–	–	266		266	#DIV/0!	#DIV/0!	39 067
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4 486</b>	<b>55 561</b>	<b>60 047</b>	<b>26 022</b>		<b>(34 025)</b>	<b>43.3%</b>	<b>580.1%</b>	<b>78 378</b>

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

Vote Description	2021/22							2020/21
	Original Budget	Total Budget Adjustments (i.t.o. MFMA 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	6	7	8	12
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure</b>								
Executive & Council	-	-	-	-	-	0%	0%	-
Municipal Manager	-	-	-	-	-	0%	0%	-
Corporate Services	-	-	-	-	-	0%	0%	-
Financial Services	-	-	-	-	-	0%	0%	-
Community and Public Safety	4 000	(116)	3 884	-	(3 884)	0%	0%	159
Technical Services	17 917	57 252	75 169	(0)	(75 169)	0%	0%	27 722
Human Settlement	-	-	-	-	-	0%	0%	-
Strategic Services	-	-	-	-	-	0%	0%	-
<b>Capital multi-year expenditure</b>	<b>21 917</b>	<b>57 136</b>	<b>79 053</b>	<b>(0)</b>	<b>-</b>	<b>0%</b>	<b>0%</b>	<b>27 880</b>
<b>Single-year expenditure</b>								
Executive & Council	-	-	-	-	-	0%	0%	-
Municipal Manager	-	60	60	(0)	(60)	0%	0%	108
Corporate Services	35	-	35	-	(35)	0%	0%	20
Financial Services	1 350	217	1 567	-	(1 567)	0%	0%	1 463
Community and Public Safety	8 422	6 858	15 280	-	(15 280)	0%	0%	5 045
Technical Services	19 496	4 286	23 781	-	(23 781)	0%	0%	41 049
Human Settlement	-	-	-	-	-	0%	0%	-
Strategic Services	168	2 039	2 207	(0)	(2 207)	0%	0%	1 195
<b>Capital single-year expenditure</b>	<b>29 470</b>	<b>13 459</b>	<b>42 929</b>	<b>(0)</b>	<b>-</b>	<b>0%</b>	<b>0%</b>	<b>48 880</b>
<b>Total Capital Expenditure - Vote</b>	<b>51 387</b>	<b>70 595</b>	<b>121 982</b>	<b>(0)</b>	<b>-</b>	<b>0%</b>	<b>0%</b>	<b>76 761</b>
<b>Capital Expenditure - Standard</b>								
<b>Governance and administration</b>	<b>1 385</b>	<b>277</b>	<b>1 662</b>	<b>1 631</b>	<b>-</b>	<b>98%</b>	<b>0%</b>	<b>1 591</b>
Executive and council	-	60	60	38	(22)	63%	0%	97
Finance and administration	1 385	217	1 602	1 594	(8)	99%	0%	1 483
Internal audit	-	-	-	-	-	0%	0%	11
<b>Community and public safety</b>	<b>11 122</b>	<b>6 742</b>	<b>17 864</b>	<b>11 483</b>	<b>(6 381)</b>	<b>64%</b>	<b>0%</b>	<b>5 204</b>
Community and social services	200	8 356	8 556	6 452	(2 104)	75%	0%	4 207
Sport and recreation	10 592	(1 899)	8 693	4 776	(3 917)	55%	0%	493
Public safety	330	284	614	255	(359)	41%	0%	503
Housing	-	-	-	-	-	0%	0%	-
Health	-	-	-	-	-	0%	0%	-
<b>Economic and environmental services</b>	<b>11 879</b>	<b>1 061</b>	<b>12 940</b>	<b>13 854</b>	<b>914</b>	<b>107%</b>	<b>0%</b>	<b>18 186</b>
Planning and development	168	2 039	2 207	519	(1 688)	24%	0%	1 195
Road transport	11 712	(978)	10 734	13 335	2 602	124%	0%	16 991
Environmental protection	-	-	-	-	-	0%	0%	-
<b>Trading services</b>	<b>27 001</b>	<b>62 516</b>	<b>89 517</b>	<b>50 486</b>	<b>(39 030)</b>	<b>56%</b>	<b>0%</b>	<b>51 929</b>
Energy Sources	9 813	2 278	12 092	9 667	(2 425)	80%	0%	3 095
Water Management	14 937	60 175	75 112	38 376	(36 737)	51%	0%	41 224
Waste water management	950	63	1 013	1 020	7	101%	0%	7 609
Waste management	1 300	-	1 300	1 424	124	110%	0%	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>51 387</b>	<b>70 595</b>	<b>121 982</b>	<b>77 455</b>	<b>(44 497)</b>	<b>63%</b>	<b>0%</b>	<b>76 909</b>
<b>Funded by:</b>								
National Government	22 214	43 365	65 579	33 325	(32 254)	51%	0%	49 072
Provincial Government	-	9 029	9 029	7 361	(1 668)	82%	0%	2 928
District Municipality	-	104	104	-	(104)	0%	0%	-
Other transfers and grants	-	335	335	96	(239)	29%	0%	-
<b>Transfers recognised - capital</b>	<b>22 214</b>	<b>52 834</b>	<b>75 048</b>	<b>40 783</b>	<b>-</b>	<b>54%</b>	<b>0%</b>	<b>52 000</b>
<b>Public contributions &amp; donations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>	<b>-</b>
<b>Borrowing</b>	<b>20 500</b>	<b>12 174</b>	<b>32 674</b>	<b>25 582</b>	<b>(7 093)</b>	<b>78%</b>	<b>0%</b>	<b>15 643</b>
<b>Internally generated funds</b>	<b>8 673</b>	<b>5 587</b>	<b>14 260</b>	<b>11 091</b>	<b>(3 169)</b>	<b>78%</b>	<b>0%</b>	<b>9 266</b>
<b>Total Capital Funding</b>	<b>51 387</b>	<b>70 595</b>	<b>121 982</b>	<b>77 455</b>	<b>-</b>	<b>63%</b>	<b>0%</b>	<b>76 909</b>

Oudtshoorn Municipality - Reconciliation of Table A7 Budgeted Cash Flows

Description	2021/22							2020/21
	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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates	96 614	1 846	98 460	98 930	470	100.5%	102.4%	87 732
Service charges	387 282	(4 273)	383 010	384 838	1 828	100.5%	99.4%	316 645
Other revenue	20 124	2 109	22 233	22 339	106	100.5%	111.0%	28 491
Transfers and Subsidies - Operational	94 516	1 127	95 643	89 525	(6 117)	93.6%	94.7%	102 807
Transfers and Subsidies - Capital	25 440	51 062	76 502	83 908	7 405	109.7%	329.8%	38 439
Interest	5 849	(200)	5 649	12 875	7 225	227.9%	220.1%	8 793
<b>Payments</b>								
Suppliers and employees	(582 171)	(16 100)	(598 270)	(591 072)	7 198	98.8%	101.5%	(571 819)
Finance charges	(9 144)	120	(9 024)	(4 881)	4 143	54.1%	53.4%	(4 161)
Transfers and Grants	(3 321)	1 000	(2 321)	(3 402)	(1 081)	146.6%	102.4%	(1 901)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>35 190</b>	<b>36 692</b>	<b>71 882</b>	<b>93 060</b>	<b>21 179</b>	<b>129.5%</b>	<b>264.5%</b>	<b>5 026</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	-	-	-	2 366	2 366	100.0%	100.0%	-
<b>Payments</b>								
Capital assets	(50 841)	(70 431)	(121 272)	(72 605)	48 667	59.9%	142.8%	(69 349)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(50 841)</b>	<b>(70 431)</b>	<b>(121 272)</b>	<b>(70 239)</b>	<b>51 033</b>	<b>57.9%</b>	<b>138.2%</b>	<b>(69 349)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	20 500	-	20 500	20 500	-	100.0%	100.0%	16 500
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
<b>Payments</b>								
Repayment of borrowing	(18 500)	-	(18 500)	(15 356)	-	83.0%	83.0%	(13 998)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>2 000</b>	<b>-</b>	<b>2 000</b>	<b>5 144</b>	<b>-</b>	<b>257.2%</b>	<b>257.2%</b>	<b>2 502</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(13 652)</b>	<b>(33 738)</b>	<b>(47 390)</b>	<b>27 966</b>				<b>(61 820)</b>
Cash/cash equivalents at the year begin:	115 688	279	115 967	115 967				177 787
Cash/cash equivalents at the year end:	102 036	(33 459)	68 577	143 933	75 356	0.0%	0.0%	115 967