

# **OUTTSHOORN**

## **MUNICIPALITY**



## **ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2023**

# OUDTSHOORN LOCAL MUNICIPALITY

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# OUTDSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## GENERAL INFORMATION

### NATURE OF BUSINESS

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

### COUNTRY OF ORIGIN AND LEGAL FORM

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

### JURISDICTION

The Oudtshoorn Municipality includes the following areas:

*Oudtshoorn, Dysseisdorp, De Rust, Volmoed, De Hoop*

Demarcation code : WC045

### EXECUTIVE MAYOR

CD MacPherson

### DEPUTY EXECUTIVE MAYOR

VM Donson

### MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor	CD Macpherson
Deputy Executive Mayor	VM Donson
Speaker	JJ Allers
Executive Mayoral Committee	J Du Preez
Executive Mayoral Committee	RR Wildschut
Executive Mayoral Committee	DJ Fourie
Executive Mayoral Committee	BV Owen
Executive Mayoral Committee	C Muller
Executive Mayoral Committee	V Michaels

### ACCOUNTING OFFICOR

WF Hendricks

### CHIEF FINANCIAL OFFICER

GP De Jager

### REGISTERED OFFICE

69 Voortrekker Road  
OUTDSHOORN  
6625

### AUDITORS

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



AUDITOR - GENERAL  
SOUTH AFRICA

30 November 2023

Auditing to build public confidence

# OUTDSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## GENERAL INFORMATION

### PRINCIPLE BANKERS

Standard Bank

### ATTORNEYS

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

Harker Attorneys, 14 Van der Merwe Street, Oudtshoorn.

Oosthuizen Marais Pretorius Inc. - 16 Sioux Street, Mossel Bay.

Titus & Associates, 1st Floor Hycastle House, 58 Loop Street, Cape Town.

James King and Badenhorst - 144 St John Street, Oudtshoorn.

### 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)



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# OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## GENERAL INFORMATION

### MEMBERS OF THE OUDTSHOORN LOCAL MUNICIPALITY

#### WARD

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

#### COUNCILLORS

DJ Fourie  
J Duvenage  
J Du Preez  
N Jaxa  
A Tiemie  
D Moos  
A Berry  
M Tyatya  
C Louw  
L Van Rooyen  
J Van der Ross  
RR Wildschut  
J Canary

#### PROPORTIONAL

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

#### COUNCILLORS

JJ Allers  
CD Macpherson  
RJ April  
SN Bentley  
L Campher  
VM Donson  
JC Lambaatjeen  
C Muller  
BV Owen  
SA Jansen  
CF Sylvester  
V Michaels



# OUDTSHOORN LOCAL MUNICIPALITY

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2023, which are set out on pages 5 to 125 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2024 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

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

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

---

WF Hendricks  
Accounting Officer

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Date



OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Notes	2023 Actual R	2022 Restated R
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>1 167 671 045</b>	<b>1 111 400 985</b>
Property, Plant and Equipment	2	1 137 001 524	1 080 453 422
Investment Property	3	16 610 077	16 769 038
Intangible Assets	4	285 099	404 181
Heritage Assets	5	13 774 345	13 774 345
<b>Current Assets</b>		<b>228 810 553</b>	<b>232 885 001</b>
Inventory	7	5 006 165	5 015 078
Receivables from Exchange Transactions	8	78 681 684	68 659 127
Receivables from Non-exchange Transactions	9	15 965 634	15 254 504
Operating Lease Asset	6	26 109	23 415
Cash and Cash Equivalents	10	129 130 961	143 932 877
<b>Total Assets</b>		<b>1 396 481 597</b>	<b>1 344 285 986</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>212 610 383</b>	<b>216 371 695</b>
Long-term Borrowings	11	68 694 118	63 559 737
Non-current Provisions	12	35 555 265	34 429 958
Non-current Employee Benefits	13	108 361 001	118 382 001
<b>Current Liabilities</b>		<b>140 437 813</b>	<b>156 769 920</b>
Consumer Deposits	14	11 781 937	11 466 449
Current Employee Benefits	15	32 475 243	31 777 178
Trade and Other Payables from Exchange Transactions	16	49 127 743	49 107 652
Unspent Transfers and Subsidies	17	27 320 830	41 026 340
Taxes	18.3	4 168 428	5 092 766
Current Portion of Long-term Borrowings	11	15 563 632	18 299 534
<b>Total Liabilities</b>		<b>353 048 196</b>	<b>373 141 615</b>
<b>Net Assets</b>		<b>1 043 433 401</b>	<b>971 144 371</b>
Accumulated Surplus/(deficit)		1 043 433 401	971 144 371
<b>Total Net Assets and Liabilities</b>		<b>1 396 481 597</b>	<b>1 344 285 986</b>



ODTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 Actual R	2022 Restated R
<b>REVENUE</b>			
<b>Non-exchange Revenue</b>		<b>322 440 012</b>	<b>262 797 009</b>
<b>Taxation Revenue</b>		<b>116 472 948</b>	<b>104 562 942</b>
Property Rates	19	116 472 948	104 562 942
<b>Transfer Revenue</b>		<b>184 567 496</b>	<b>143 109 507</b>
Government Grants and Subsidies - Capital	20	79 980 319	45 910 548
Government Grants and Subsidies - Operating	20	103 865 177	96 932 656
Contributed Property, Plant and Equipment	21	722 000	266 303
<b>Other Revenue</b>		<b>21 399 568</b>	<b>15 124 560</b>
Availability Charges	22	3 195 813	3 064 894
Fines, Penalties and Forfeits		15 032 442	9 506 807
Interest Earned - Non-exchange Transactions		2 695 278	2 115 988
Government Incentives Received		476 035	436 871
<b>Exchange Revenue</b>		<b>457 566 847</b>	<b>437 384 481</b>
Service Charges	24	408 896 457	403 756 506
Entrance fees		15 420 911	7 169 751
Sales of Goods and Rendering of Services	25	4 023 703	6 145 848
Rental from Fixed Assets	26	3 190 708	2 120 252
Interest Earned - External Investments	27	11 877 851	6 818 257
Interest Earned - Exchange Transactions	28	6 152 549	4 361 960
Licences and Permits	23	381 242	265 339
Agency Services	53	5 647 468	5 627 794
Operational Revenue	29	1 975 958	1 118 773
<b>Total Revenue</b>		<b>780 006 859</b>	<b>700 181 490</b>
<b>EXPENDITURE</b>			
Employee related cost	30	(282 136 489)	(269 809 096)
Remuneration of Councillors	31	(11 375 315)	(10 949 544)
Bad Debts Written Off	8,9	(35 056 807)	(28 455 160)
Contracted Services	32	(27 682 463)	(27 078 577)
Depreciation and Amortisation	33	(52 883 563)	(48 248 163)
Finance Charges	34	(10 726 429)	(6 958 904)
Bulk Purchases	35	(201 997 373)	(209 246 642)
Inventory Consumed	7	(27 274 558)	(21 947 669)
Operating Leases		(4 793 404)	(4 837 137)
Transfers and Subsidies	36	(3 003 347)	(3 401 653)
Operational Cost	37	(57 887 526)	(47 562 479)
<b>Total Expenditure</b>		<b>(714 817 274)</b>	<b>(678 495 025)</b>
<b>Operating Surplus/(Deficit) for the Year</b>		<b>65 189 586</b>	<b>21 686 465</b>
Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	(12 509 869)	(2 614 435)
Gains/(Loss) on Sale of Fixed Assets	39	(1 370 713)	(4 358 132)
Gains/(Loss) on Fair Value Adjustments	13	20 980 026	5 772 450
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>72 289 030</b>	<b>20 486 349</b>





## OUDTSHOORN LOCAL MUNICIPALITY

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Surplus/ (Deficit)	Total
	R	R
<b>Balance at 1 July 2021</b>	<b>919 629 595</b>	<b>919 629 595</b>
Correction of Error - note 41	31 028 428	31 028 428
<b>Restated balance</b>	<b>950 658 023</b>	<b>950 658 023</b>
Net Surplus/(Deficit) for the year	26 021 593	26 021 593
<b>Balance at 30 June 2022</b>	<b>976 679 616</b>	<b>976 679 616</b>
Correction of Error - note 41	(5 535 245)	(5 535 245)
Correction of Error - note 41	-	-
<b>Restated balance</b>	<b>971 144 371</b>	<b>971 144 371</b>
Net Surplus/(Deficit) for the year	72 289 030	72 289 030
<b>Balance at 30 June 2023</b>	<b>1 043 433 401</b>	<b>1 043 433 401</b>



OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 Actual R	2022 Restated R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Ratepayers and other		517 548 465	506 106 450
Government Grants and Subsidies		170 307 000	173 433 248
Interest		19 739 024	12 874 741
Cash payments			
Suppliers and Employees		(609 106 499)	(591 071 775)
Finance Charges		(7 934 553)	(4 880 545)
Transfers and Grants		(3 003 347)	(3 401 653)
<b>Net Cash from Operating Activities</b>	<b>42</b>	<b>87 550 089</b>	<b>93 060 465</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(104 738 260)	(72 604 662)
Proceeds on Disposal of Fixed Assets		-	2 365 818
<b>Net Cash from Investing Activities</b>		<b>(104 738 260)</b>	<b>(70 238 844)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Borrowing - Long term/Refinancing		20 700 000	20 500 000
Repayment of Borrowing		(18 313 745)	(15 355 630)
<b>Net Cash from Financing Activities</b>		<b>2 386 255</b>	<b>5 144 370</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(14 801 916)</b>	<b>27 965 991</b>
Cash and Cash Equivalents at the beginning of the year		143 932 877	115 966 886
Cash and Cash Equivalents at the end of the year	<b>43</b>	<b>129 130 961</b>	<b>143 932 877</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(14 801 916)</b>	<b>27 965 991</b>



**ODTSHOORN MUNICIPALITY**  
**SEGMENTAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

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	
	Internal Audit	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 and Storm Water Management		Aggregated Economic and environmental services	
Sewerage 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 2023

	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>	34 755 198	8 055 146	-	414 344 125	457 154 468
Service Charges - Electricity Revenue	-	-	-	276 893 214	276 893 214
Service Charges - Water Revenue	-	-	-	70 498 828	70 498 828
Service Charges - Sanitation Revenue	-	-	-	35 771 250	35 771 250
Service Charges - Refuse Revenue	-	-	-	25 733 164	25 733 164
Rental Of Facilities And Equipment	2 006 681	619 544	-	-	2 626 224
Interest Earned - External Investments	11 877 851	-	-	-	11 877 851
Interest Earned - Outstanding Debtors	713 842	-	-	5 438 707	6 152 549
Licences and Permits	-	381 242	-	-	381 242
Agency Services	-	5 647 468	-	-	5 647 468
Other Revenue	20 156 824	1 406 892	-	8 961	21 572 677
<b>External revenue from non-exchange transactions</b>	197 444 905	22 156 825	2 582 300	40 946 069	263 130 098
Property Rates	116 472 948	-	-	-	116 472 948
Fines, Penalties And Forfeits	430 217	14 866 825	-	147 778	15 444 821
Interest Earned - Outstanding Debtors	2 695 278	-	-	-	2 695 278
Availability charges	-	-	-	3 195 813	3 195 813
Government Incentives Received	476 035	-	-	-	476 035
Transfers And Subsidies - Operating	56 390 400	7 290 000	2 582 300	37 602 478	103 865 177
Gains	20 980 026	-	-	-	20 980 026
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>232 200 103</b>	<b>30 211 971</b>	<b>2 582 300</b>	<b>455 290 194</b>	<b>720 284 567</b>
<b>SEGMENT EXPENDITURE</b>					
Employee Related Costs	94 214 286	78 084 785	38 010 363	71 827 056	282 136 489
Remuneration Of Councillors	11 375 315	-	-	-	11 375 315
Debt Impairment	20 053 979	996 133	-	26 516 565	47 566 676
Depreciation & Asset Impairment	3 415 221	1 466 799	13 586 037	34 415 505	52 883 563
Finance Charges	6 895 063	225 895	185 092	3 420 379	10 726 429
Bulk Purchases	-	-	-	201 997 373	201 997 373
Inventory consumed	1 557 215	5 482 584	5 653 169	14 581 590	27 274 558
Contracted Services	10 245 294	11 535 720	865 808	5 035 642	27 682 463
Transfers and Subsidies	587 300	-	2 416 047	-	3 003 347
Other Expenditure	30 008 239	16 619 662	3 305 493	12 747 536	62 680 930
Losses	1 370 713	-	-	-	1 370 713
<b>Total Segment Expenditure</b>	<b>179 722 624</b>	<b>114 411 577</b>	<b>64 022 008</b>	<b>370 541 646</b>	<b>728 697 856</b>
<b>Surplus/(Deficit)</b>	<b>52 477 478</b>	<b>(84 199 606)</b>	<b>(61 439 709)</b>	<b>84 748 548</b>	<b>(8 413 289)</b>
Transfers and Subsidies-Capital	-	642 732	33 911 966	45 425 620	79 980 319
Contributions Recognised - Capital	-	-	-	-	-
Contributed Assets	-	722 000	-	-	722 000
<b>Surplus/(Deficit) for the year</b>	<b>52 477 478</b>	<b>(82 834 874)</b>	<b>(27 527 743)</b>	<b>130 174 168</b>	<b>72 289 030</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>1 446 924</b>	<b>17 483 130</b>	<b>14 541 826</b>	<b>77 997 039</b>	<b>111 468 919</b>



**OUDTSHOORN 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	7 095 434	-	407 953 203	436 923 868
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	751 176	-	262 184	13 973 760
<b>External revenue from non-exchange transactions</b>	162 410 668	19 368 823	3 104 700	37 969 030	222 853 220
Property Rates	104 562 942	-	-	-	104 562 942
Fines, Penalties And Forfeits	462 084	9 310 700	-	194 636	9 967 420
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>26 464 257</b>	<b>3 104 700</b>	<b>445 922 233</b>	<b>659 777 089</b>
<b>SEGMENT EXPENDITURE</b>					
Employee Related Costs	87 212 260	74 287 355	37 288 492	71 020 989	269 809 096
Remuneration Of Councillors	10 949 544	-	-	-	10 949 544
Debt Impairment	4 039 715	12 367 173	-	14 662 706	31 069 595
Depreciation & Asset Impairment	4 033 142	1 362 211	11 589 387	31 263 423	48 248 163
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	11 280 123	11 620 282	170 858	4 007 315	27 078 577
Transfers and Subsidies	438 736	1 288 088	1 674 830	-	3 401 653
Other Expenditure	22 536 259	13 059 963	3 420 599	13 382 795	52 399 616
Losses	4 358 132	-	-	-	4 358 132
<b>Total Segment Expenditure</b>	<b>151 080 483</b>	<b>119 093 074</b>	<b>57 086 226</b>	<b>358 207 808</b>	<b>685 467 591</b>
<b>Surplus/(Deficit)</b>	<b>33 205 415</b>	<b>(92 628 817)</b>	<b>(53 981 526)</b>	<b>87 714 426</b>	<b>(25 690 502)</b>
Transfers and Subsidies-Capital	98 168	6 313 042	21 598 620	17 900 719	45 910 548
Contributed Assets	-	266 303	-	-	266 303
<b>Surplus/(Deficit) for the year</b>	<b>33 303 583</b>	<b>(86 049 473)</b>	<b>(32 382 906)</b>	<b>105 615 144</b>	<b>20 486 349</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>

**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.



**UDTSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023**

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	
						Variance %	
	R	R	R	R	2023 R		
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash	1 152 400	(1 782 300)	(629 900)	(629 900)	17 389 706	-2860.71%	
Call Investment Deposits	46 323 000	8 611 700	54 934 700	54 934 700	111 741 255	103.41%	
Consumer Debtors	106 393 600	(28 975 200)	77 418 400	77 418 400	92 653 539	19.68%	
Other Debtors	6 486 500	(2 150 000)	4 336 500	4 336 500	1 993 779	-54.02%	
Operating Lease Asset	19 100	-	19 100	19 100	26 109	36.69%	
Inventory	3 408 700	1 832 100	5 240 800	5 240 800	5 006 165	-4.48%	
<b>Total Current Assets</b>	<b>46.1.1</b>	<b>163 783 300</b>	<b>(22 463 700)</b>	<b>141 319 600</b>	<b>141 319 600</b>	<b>228 810 553</b>	<b>61.91%</b>
<b>Non-Current Assets</b>							
Investment Property	16 937 800	(168 800)	16 769 000	16 769 000	16 610 077	-0.95%	
Property, Plant and Equipment	1 074 113 200	49 010 000	1 123 123 200	1 123 123 200	1 137 001 524	1.24%	
Intangible Assets	1 248 200	(407 700)	840 500	840 500	285 099	-66.08%	
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>1 106 073 500</b>	<b>48 433 500</b>	<b>1 154 507 000</b>	<b>1 154 507 000</b>	<b>1 167 671 045</b>	<b>1.14%</b>
<b>TOTAL ASSETS</b>		<b>1 269 856 800</b>	<b>25 969 800</b>	<b>1 295 826 600</b>	<b>1 295 826 600</b>	<b>1 396 481 597</b>	<b>7.77%</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Borrowing	11 556 200	6 743 300	18 299 500	18 299 500	15 563 632	-14.95%	
Consumer Deposits	11 319 500	-	11 319 500	11 319 500	11 781 937	4.09%	
Trade and Other Payables	54 674 900	(1 995 700)	52 679 200	52 679 200	80 617 001	53.03%	
Provisions	31 985 100	846 500	32 831 600	32 831 600	32 475 243	-1.09%	
<b>Total Current Liabilities</b>	<b>46.1.2</b>	<b>109 535 700</b>	<b>5 594 100</b>	<b>115 129 800</b>	<b>115 129 800</b>	<b>140 437 813</b>	<b>21.98%</b>
<b>Non-Current Liabilities</b>							
Borrowing	46 880 800	18 878 900	65 759 700	65 759 700	68 694 118	4.46%	
Provisions	154 533 300	4 371 200	158 904 500	158 904 500	143 916 265	-9.43%	
<b>Total Non-Current Liabilities</b>	<b>46.1.4</b>	<b>201 414 100</b>	<b>23 250 100</b>	<b>224 664 200</b>	<b>224 664 200</b>	<b>212 610 383</b>	<b>-5.37%</b>
<b>TOTAL LIABILITIES</b>		<b>310 949 800</b>	<b>28 844 200</b>	<b>339 794 000</b>	<b>339 794 000</b>	<b>353 048 196</b>	<b>3.90%</b>
<b>NET ASSETS</b>							
Accumulated Surplus/(Deficit)		958 907 000	(2 874 400)	956 032 600	956 032 600	1 043 433 401	9.14%
<b>TOTAL NET ASSETS</b>		<b>958 907 000</b>	<b>(2 874 400)</b>	<b>956 032 600</b>	<b>956 032 600</b>	<b>1 043 433 401</b>	<b>9.14%</b>



**OUTDSHOORN LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023**

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	
						Variance %	
	R	R	R	R	2023 R		
<b>REVENUE</b>							
Property Rates	116 457 700	(303 200)	116 154 500	116 154 500	116 472 948	0.27%	
Service Charges - Electricity Revenue	300 620 800	(23 801 900)	276 818 900	276 818 900	276 893 214	0.03%	
Service Charges - Water Revenue	65 835 400	6 692 300	72 527 700	72 527 700	70 498 828	-2.80%	
Service Charges - Sanitation Revenue	48 443 000	(12 252 900)	36 190 100	36 190 100	35 771 250	-1.16%	
Service Charges - Refuse Revenue	23 414 400	2 069 200	25 483 600	25 483 600	25 733 164	0.98%	
Rental of Facilities and Equipment	1 668 600	699 600	2 368 200	2 368 200	3 190 708	34.73%	
Interest Earned - External Investments	5 988 200	-	5 988 200	5 988 200	11 877 851	98.35%	
Interest Earned - Outstanding Debtors	6 388 800	2 252 500	8 641 300	8 641 300	8 847 827	2.39%	
Fines	4 388 900	3 900	4 392 800	4 392 800	15 032 442	242.21%	
Licences and Permits	396 800	18 800	415 600	415 600	381 242	-8.27%	
Agency Services	5 655 900	1 310 700	6 966 600	6 966 600	5 647 468	-18.94%	
Transfers Recognised - Operational	102 682 200	27 364 000	130 046 200	130 046 200	103 865 177	-20.13%	
Other Revenue	15 479 200	7 625 200	23 104 400	23 104 400	25 092 420	8.60%	
Gains	8 000 000	-	8 000 000	8 000 000	20 980 026	162.25%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>46.2.1</b>	<b>705 419 900</b>	<b>11 678 200</b>	<b>717 098 100</b>	<b>717 098 100</b>	<b>720 284 567</b>	<b>0.44%</b>
<b>EXPENDITURE</b>							
Employee Related Costs	287 809 300	4 307 600	292 116 900	292 116 900	282 136 489	-3.42%	
Remuneration of Councillors	11 935 500	-	11 935 500	11 935 500	11 375 315	-4.69%	
Debt Impairment	9 537 700	22 140 100	31 677 800	31 677 800	47 566 676	50.16%	
Depreciation and Asset Impairment	43 850 600	2 537 000	46 387 600	46 387 600	52 883 563	14.00%	
Finance Charges	10 552 300	(4 099 300)	6 453 000	6 453 000	10 726 429	66.22%	
Bulk Purchases	227 669 900	(1 669 000)	226 000 900	226 000 900	201 997 373	-10.62%	
Other Materials	27 073 300	28 591 000	55 664 300	55 664 300	27 274 558	-51.00%	
Contracted Services	43 137 900	(1 499 200)	41 638 700	41 638 700	27 682 463	-33.52%	
Transfers and Grants	3 091 900	(100 000)	2 991 900	2 991 900	3 003 347	0.38%	
Other Expenditure	62 486 000	2 927 300	65 413 300	65 413 300	62 680 930	-4.18%	
Losses	8 000 000	-	8 000 000	8 000 000	1 370 713	-82.87%	
<b>Total Expenditure</b>	<b>46.2.2</b>	<b>735 144 400</b>	<b>53 135 500</b>	<b>788 279 900</b>	<b>788 279 900</b>	<b>728 697 856</b>	<b>-7.56%</b>
<b>Surplus/(Deficit)</b>		<b>(29 724 500)</b>	<b>(41 457 300)</b>	<b>(71 181 800)</b>	<b>(71 181 800)</b>	<b>(8 413 289)</b>	<b>-88.18%</b>
Transfers Recognised - Capital	<b>46.2.1</b>	69 158 700	11 999 900	81 158 600	81 158 600	79 980 319	-1.45%
Contributed Assets		166 000	238 600	404 600	404 600	722 000	100.00%
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>		<b>39 600 200</b>	<b>(29 218 800)</b>	<b>10 381 400</b>	<b>10 381 400</b>	<b>72 289 030</b>	<b>596.33%</b>
<b>Surplus/(Deficit) for the year</b>		<b>39 600 200</b>	<b>(29 218 800)</b>	<b>10 381 400</b>	<b>10 381 400</b>	<b>72 289 030</b>	<b>596.33%</b>



**OUDTSHOORN LOCAL MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2023**

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	2023 R	Variance %	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates	110 634 800	(1 449 600)	109 185 200	109 185 200	104 005 749	-4.74%	
Service Charges	427 074 600	(27 401 900)	399 672 700	399 672 700	380 713 308	-4.74%	
Other Revenue	24 586 300	9 878 000	34 464 300	34 464 300	32 829 407	-4.74%	
Government - Operating	102 682 200	27 364 000	130 046 200	130 046 200	128 967 000	-0.83%	
Government - Capital	32 674 700	8 015 000	40 689 700	40 689 700	41 340 000	1.60%	
Interest	5 988 200	-	5 988 200	5 988 200	19 739 024	229.63%	
<b>Payments</b>							
Suppliers and Employees	(653 656 500)	(32 809 000)	(686 465 500)	(686 465 500)	(609 106 499)	-11.27%	
Finance Costs	(10 552 300)	4 099 300	(6 453 000)	(6 453 000)	(7 934 553)	22.96%	
Transfers and Grants	(3 091 900)	100 000	(2 991 900)	(2 991 900)	(3 003 347)	0.38%	
<b>Net Cash from/(used) Operating Activities</b>	<b>46.3.1</b>	<b>36 340 100</b>	<b>(12 204 200)</b>	<b>24 135 900</b>	<b>24 135 900</b>	<b>87 550 089</b>	<b>262.74%</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE	-	-	-	-	-	-	
<b>Payments</b>							
Capital Assets	(100 788 100)	(15 175 800)	(115 963 900)	(115 963 900)	(104 738 260)	-9.68%	
<b>Net Cash from/(used) Investing Activities</b>	<b>46.3.2</b>	<b>(100 788 100)</b>	<b>(15 175 800)</b>	<b>(115 963 900)</b>	<b>(115 963 900)</b>	<b>(104 738 260)</b>	<b>-9.68%</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Borrowing long term/refinancing	20 700 000	-	20 700 000	20 700 000	20 700 000	0.00%	
<b>Payments</b>							
Repayment of Borrowing	(18 500 000)	-	(18 500 000)	(18 500 000)	(18 313 745)	-1.01%	
<b>Net Cash from/(used) Financing Activities</b>		<b>2 200 000</b>	<b>-</b>	<b>2 200 000</b>	<b>2 200 000</b>	<b>2 386 255</b>	<b>(0)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(62 248 000)</b>	<b>(27 380 000)</b>	<b>(89 628 000)</b>	<b>(89 628 000)</b>	<b>(14 801 916)</b>	<b>-83.49%</b>
Cash and Cash Equivalents at the year begin:	100 446 600	43 486 300	143 932 900	143 932 900	143 932 877	0.00%	
Cash and Cash Equivalents at the year end:	38 198 600	16 106 300	54 304 900	54 304 900	129 130 960	137.79%	





OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2023

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2023

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses					Carrying Value		
	Opening Balance	Transfers	Additions	Under Construction	Contributed Assets	Disposals	Impairment	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals		Impairment	Closing Balance
<b>Land and Buildings</b>															
Land	96 745 781	-	0	-	-	(61 453)	-	96 684 328	18 249 750	-	-	-	-	18 249 750	78 434 578
Buildings	48 252 034	-	-	188 292	-	-	-	48 440 327	11 689 830	838 898	-	-	-	12 528 728	35 911 598
	144 997 815	-	-	188 292	-	(61 453)	-	145 124 655	29 939 580	838 898	-	-	-	30 778 478	114 346 176
<b>Infrastructure</b>															
Roads and Stormwater	321 227 020	-	5 499 444	6 762 303	-	-	-	333 488 768	101 829 387	13 586 037	-	-	-	115 415 425	218 073 343
Electricity	209 035 773	-	2 473 977	7 158 040	722 000	-	-	219 389 789	88 121 358	8 529 707	-	-	-	96 651 065	122 738 725
Water Supply	507 976 824	-	1 406 043	63 131 971	-	-	-	572 514 838	134 081 057	12 185 637	-	-	-	146 266 694	426 248 144
Sanitation	134 604 158	-	499 993	476 368	-	-	-	135 580 519	35 316 014	3 673 018	-	-	-	38 989 032	96 591 487
Solid Waste Infrastructure	8 510 028	-	-	-	-	-	-	8 510 028	933 088	233 368	-	-	-	1 166 456	7 343 572
Communication Infrastructure	1 128 615	-	-	111 481	-	-	-	1 240 096	307 596	113 846	-	-	-	421 442	818 654
	1 182 482 418	-	9 879 457	77 640 163	722 000	-	-	1 270 724 038	360 588 500	38 321 613	-	-	-	398 910 113	871 813 925
<b>Capitalised Restoration Cost</b>															
	21 656 667	-	-	-	-	-	(1 666 569)	19 990 098	14 423 046	1 194 154	-	-	-	15 617 200	4 372 899
<b>Community Assets</b>															
Libraries	13 960 500	-	909 547	-	-	-	-	14 870 047	1 476 345	171 436	-	-	-	1 647 781	13 222 266
Civic Buildings	24 379 762	0	166 267	1 751 779	-	-	-	26 297 808	8 014 966	368 451	-	-	-	8 383 417	17 914 391
Recreational Facilities	82 027 769	0	1 219 804	13 299 549	-	-	-	96 547 122	33 277 748	736 308	-	-	-	34 014 056	62 533 066
Cemeteries	1 730 291	-	-	-	-	-	-	1 730 291	224 536	12 644	-	-	-	237 180	1 493 111
Other	14 565 591	-	174 795	-	-	-	-	14 740 386	3 633 240	177 960	-	-	-	3 811 200	10 929 186
	136 663 912	-	2 470 414	15 051 328	-	-	-	154 185 654	46 626 835	1 466 799	-	-	-	48 093 634	106 092 020
<b>Other Assets</b>															
Furniture and Office Equipment	14 585 208	-	1 030 709	-	-	(1 383 590)	-	14 232 327	7 866 350	1 283 909	-	(1 113 227)	-	8 037 032	6 195 294
Motor vehicles	24 700 783	-	3 873 875	-	-	(1 801 167)	-	26 773 491	10 754 719	1 221 932	-	(1 083 979)	-	10 892 672	15 880 819
Computer Equipment	7 993 961	-	697 230	-	-	(642 533)	-	8 048 658	3 367 810	900 525	-	(512 301)	-	3 756 033	4 292 624
Plant and Equipment	8 428 099	-	637 451	-	-	(452 912)	-	8 612 638	4 178 374	792 482	-	(261 436)	-	4 709 421	3 903 218
	55 708 051	-	6 239 265	-	-	(4 280 202)	-	57 667 113	26 167 252	4 198 848	-	(2 970 942)	-	27 395 158	30 271 955
<b>Leases</b>															
Vehicles and Office Equipment	19 755 621	-	-	-	-	-	-	19 755 621	3 065 846	6 585 207	-	-	-	9 651 053	10 104 568
	19 755 621	-	-	-	-	-	-	19 755 621	3 065 846	6 585 207	-	-	-	9 651 053	10 104 568
<b>Total</b>	1 561 264 484	-	18 589 136	92 879 783	722 000	(4 341 656)	(1 666 569)	1 667 447 178	480 811 059	52 605 520	-	(2 970 942)	-	530 445 636	1 137 001 543

OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2023

2.2 30 JUNE 2022 RESTATED

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses						Carrying Value	
	Opening Balance	Re-classification	Additions	Under Construction	Contributed Assets	Disposals	Impairment	Closing Balance	Opening Balance	Depreciation	Transfers	Disposals	Impairment		Closing Balance
<b>Land and Buildings</b>															
Land	97 081 781	-	-	-	-	(336 000)	-	96 745 781	18 289 750	-	-	(40 000)	-	18 249 750	78 496 031
Balance previously reported	93 897 781					(335 000)		93 562 781	18 289 750			(40 000)		18 249 750	75 313 031
Correction of error 41.1(k)						(1 000)		(1 000)							(1 000)
Correction of error 41.1(j)	3 184 000							3 184 000							3 184 000
<b>Buildings</b>	48 077 239	-	-	-	-	-	-	48 077 239	10 851 613	838 217	-	-	-	11 689 830	36 387 409
	145 159 020	-	-	-	-	(336 000)	-	144 823 020	29 141 363	838 217	-	(40 000)	-	29 939 580	114 883 440
<b>Infrastructure</b>															
Roads and Stormwater	307 617 679	-	8 370 689	5 238 652	-	-	-	321 227 020	90 496 654	11 332 733	-	-	-	101 829 387	219 397 633
Balance previously reported	280 667 644	-	8 370 689	5 238 652	-	-	-	294 276 985	89 557 747	9 322 146	-	-	-	98 879 893	195 397 092
Correction of error 41.1(p)	26 950 035	-	-	-	-	-	-	26 950 035	2 335 266	1 166 397	-	-	-	3 501 663	23 448 373
Correction of error 41.1(q)	-	-	-	-	-	-	-	-	(1 396 359)	844 190	-	-	-	(552 168)	552 168
Electricity	199 878 216	-	4 220 237	4 937 320	-	-	-	209 035 773	79 735 991	8 385 366	-	-	-	88 121 358	120 914 415
Balance previously reported	199 878 216	-	2 790 048	6 367 509	-	-	-	209 035 773	79 735 991	8 385 366	-	-	-	88 121 358	120 914 415
Correction of Error 41.1 (s)	-	-	1 430 189	(1 430 189)	-	-	-	-	-	-	-	-	-	-	-
Water Supply	469 360 546	7 550 301	18 779 298	17 380 913	-	(5 094 234)	-	507 976 824	125 136 071	11 398 219	-	(2 453 233)	-	134 081 057	373 895 767
Balance previously reported	469 360 546	-	18 779 298	17 380 913	-	(5 094 234)	-	500 426 523	125 085 906	11 066 930	-	(2 453 233)	-	133 699 603	366 726 920
Transfer from Sanitation WIP correction of error note 41.1( r )	-	7 550 301	-	-	-	-	-	7 550 301	-	-	-	-	-	7 550 301	7 550 301
Correction of Error 41.1 ( r )	-	-	-	-	-	-	-	-	50 165	331 289	-	-	-	381 454	(381 454)
Sanitation	147 518 477	(7 550 301)	984 382	1 112 132	-	(7 460 532)	-	134 604 158	35 365 331	3 891 736	-	(3 941 052)	-	35 316 014	99 288 144
Balance previously reported	147 518 477	-	984 382	1 112 132	-	(7 460 532)	-	142 154 459	35 365 331	3 891 736	-	(3 941 052)	-	35 316 014	106 838 445
Transfer To Water Supply WIP correction of error note 41.1 ( r )	-	(7 550 301)	-	-	-	-	-	(7 550 301)	-	-	-	-	-	-	(7 550 301)
Solid Waste Infrastructure	8 510 028	-	-	-	-	-	-	8 510 028	699 720	233 368	-	-	-	933 088	7 576 940
Communication Infrastructure	1 088 126	-	40 489	-	-	-	-	1 128 615	201 537	106 060	-	-	-	307 596	821 019
	1 133 973 072	(0)	32 395 095	28 669 017	-	(12 554 766)	-	1 182 482 418	331 635 304	35 347 482	-	(6 394 285)	-	360 588 500	821 893 918
<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	-	-	-	-	(185 000)	-	24 379 762	7 673 880	341 086	-	-	-	8 014 966	16 364 795
Balance previously reported	24 564 762	-	-	-	-	-	-	24 564 762	7 673 880	369 712	-	-	-	8 043 592	16 521 170
Correction of error 41.1(k)	-	-	-	-	-	(185 000)	-	(185 000)	-	(28 626)	-	-	-	(28 626)	(156 374)
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	14 576 336	-	-	199 050	-	(35 000)	-	14 740 386	3 456 143	177 097	-	-	-	3 633 240	11 107 146
Balance previously reported	14 551 840	-	-	199 050	-	-	-	14 750 890	3 456 143	177 097	-	-	-	3 633 240	11 117 650
Correction of error 41.1(k)	-	-	-	-	-	(35 000)	-	(35 000)	-	-	-	-	-	-	(35 000)
	131 487 631	-	-	5 571 077	-	(220 000)	-	136 838 708	45 260 802	1 366 033	-	-	-	46 626 835	90 211 872



OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2023

<b>Other Assets</b>																
Furniture and Office Equipment	13 239 288	-	1 928 123	-	11 949	(594 152)	-	14 585 208	7 155 358	1 175 438	-	(464 446)	-	7 866 350	6 718 859	
Balance previously reported	13 115 040		1 928 123		11 949	(594 152)		14 460 960	7 155 358	1 154 924		(464 446)		7 845 836	6 615 124	
Correction of error as per note 41.1(o)	124 248							124 248		20 514				20 514	103 735	
Motor vehicles	18 141 645	-	6 562 765	-	199 990	(203 617)	-	24 700 783	10 083 455	808 071	-	(136 807)	-	10 754 719	13 946 064	
Balance previously reported	18 133 680		6 562 765		199 990	(203 617)		24 692 818	10 083 455	806 891		(136 807)		10 753 539	13 939 279	
Correction of error as per note 41.1(o)	7 965							7 965		1 180				1 180	6 785	
Computer Equipment	6 808 895	-	1 553 345	-	54 364	(422 643)	-	7 993 961	2 722 585	828 310	-	(183 085)	-	3 367 810	4 626 151	
Balance previously reported	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	
Correction of error as per note 41.1(o)	45 317							45 317		8 821				8 821	36 496	
Plant and Equipment	8 466 626	-	775 491	-	-	(814 018)	-	8 428 099	3 836 890	791 125	-	(449 642)	-	4 178 374	4 249 726	
Balance previously reported	8 371 760		775 491		-	(814 018)		8 333 233	3 836 890	772 847		(449 642)		4 160 095	4 173 138	
Correction of error as per note 41.1(o)	94 866							94 866		18 278				18 278	76 589	
	46 656 454	-	10 819 724	-	266 303	(2 034 430)	-	55 708 051	23 798 288	3 602 943	-	(1 233 980)	-	26 167 252	29 540 799	
<b>Leases</b>																
Vehicles and Office Equipment	4 924 351	-	19 755 621	-	-	(4 924 351)	-	19 755 621	3 303 052	5 440 727	-	(5 677 933)	-	3 065 846	16 689 775	
Balance previously reported	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	
Correction of error note 41.1(n)						753 582		753 582		130 621				130 621	622 961	
	4 924 351	-	19 755 621	-	-	(4 924 351)	-	19 755 621	3 303 052	5 440 727	-	(5 677 933)	-	3 065 846	16 689 775	
<b>Total</b>	1 478 807 373	(0)	68 020 262	34 240 094	266 303	(20 069 547)	-	1 561 264 485	446 251 631	47 905 626	-	(13 346 198)	-	480 811 059	1 080 453 426	



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>		
<u>See previous sheet</u> page 56		
page 57		
page 58		
<b>2.3 Property, Plant and Equipment which is in the process of being constructed or developed:</b>		
Infrastructure Assets	201 578 407	129 896 520
Roads and Stormwater	12 677 659	5 915 356
Communication Infrastructure	111 481	-
Electricity	13 260 824	6 102 784
Water Supply	173 939 942	116 766 248
Sanitation	1 588 500	1 112 132
Community Assets	15 914 971	7 868 842
Other Assets	188 292	24 495
<b>Total Property, Plant and Equipment under construction</b>	<b>217 681 670</b>	<b>137 789 857</b>

<b>2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:</b>		
Infrastructure Assets	142 429 182	108 146 433
Water Supply	142 429 182	108 146 433
<b>Total</b>	<b>142 429 182</b>	<b>108 146 433</b>

Project relates to Blossoms pipeline that was delayed during prior years due to availability of funding from the National Government.

<b>2.5 Expenditure incurred to repair and maintain Property, Plant and Equipment:</b>		
Other materials	20 972 266	16 321 934
Contracted Services	1 310 518	50 603
Other Expenditure	678 161	244 607
<b>Total Repairs and Maintenance</b>	<b>22 960 945</b>	<b>16 617 144</b>

**2.6 Effect of changes in accounting estimates**

Disclose the effect of a change in accounting estimate will have on the current period and subsequent periods. If no changes in accounting estimate, clearly state the fact.

	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Effect on Property, plant and equipment	40 607	43 279	29 160

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>2.7 Contractual commitments for acquisition of Property, Plant and Equipment:</b>		
Approved and contracted for:	26 123 591	62 651 559
Infrastructure	18 971 898	58 416 553
Community	1 501 500	792 634
Other	5 650 194	3 442 371
<b>Total</b>	<b>26 123 591</b>	<b>62 651 559</b>
This expenditure will be financed from:		
External Loans	-	3 038 909
Government Grants	10 200 966	58 029 596
Own Resources	16 113 450	1 583 053
<b>Total</b>	<b>26 314 416</b>	<b>62 651 559</b>
<b>2.8 Land is controlled, but Oudtshoorn Municipality is not the legal owner/custodian</b>		
Carrying amount at year end	13 928 404	13 989 171
<b>Total</b>	<b>13 928 404</b>	<b>13 989 171</b>
<u>Key judgements and assumptions applied</u>		
- Right to direct access to land, and to restrict/deny the access of others. Erwe utilised for strategic purposes or service delivery needs of the municipality		
<b>3. INVESTMENT PROPERTY</b>		
<b>3.1 Net Carrying amount at 1 July</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)
Depreciation for the year	(158 961)	(158 961)
<b>Net Carrying amount at 30 June</b>	<b>16 610 077</b>	<b>16 769 038</b>
Cost	21 671 913	21 671 913
Accumulated Depreciation	(1 988 756)	(1 829 795)
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	430 078	372 606

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>4. INTANGIBLE ASSETS</b>		
<b>4.1 Net Carrying amount at 1 July</b>	<b>404 181</b>	<b>588 331</b>
Cost	1 176 921	3 438 394
Correction of error note 41.1(m)	-	(2 261 473)
Accumulated Amortisation	(772 740)	(2 295 199)
Correction of error note 41.1(m)	-	1 706 609
Amortisation	(119 082)	(402 687)
Correction of error note 41.1(m)	-	218 536
<b>Net Carrying amount at 30 June</b>	<b>285 099</b>	<b>404 181</b>
Cost	1 176 921	1 176 921
Accumulated Amortisation	(891 822)	(772 740)

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

<u>Description</u>	<u>Remaining Amortisation Period</u>		
Software	1-5 years	285 099	404 181

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.



**OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<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.</p> <p>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.</p> <p>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.</p> <p>The entrance is in the face of a hill beside the Grobbelaar's River. The maxe of caves with their beautiful stalactite formations are most impressive. It is generally accepted that the caves were discovered in 1780 by a herdsman of a farmer called Van Zyl of Doornrivier, while he was looking for lost cattle.</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	26 109	23 415
<u>Disclosed as follows:</u>		
Current Operating Lease Asset	26 109	23 415
	<b>26 109</b>	<b>23 415</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b><u>Reconciliation</u></b>		
Balance at the beginning of the year	23 415	19 142
Movement during the year	2 693	4 273
Balance at the end of the year	<u><b>26 109</b></u>	<u><b>23 415</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	161 131	159 536
1 to 5 Years	660 801	654 258
More than 5 Years	169 351	337 025
<b>Total Operating Lease Arrangements</b>	<u><b>991 283</b></u>	<u><b>1 150 819</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	4 535 217	4 591 056
Water – At Cost	470 948	424 021
<b>Total Inventory</b>	<u><b>5 006 165</b></u>	<u><b>5 015 078</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	13 470 318	9 136 229
Finished Goods	100 321	304 523
Materials and supplies	13 703 919	12 506 917
<b>Total</b>	<u><b>27 274 558</b></u>	<u><b>21 947 669</b></u>





**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>8. RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Electricity	24 742 905	29 402 102
Water	22 902 281	23 076 287
Property Rentals	506	506
Waste Management	11 926 798	11 373 197
Waste Water Management	13 724 241	12 707 296
Units not billed	30 943 480	19 180 881
Legal Fees Recovery	29 216	29 216
Klein Karoo Water Scheme	5 705 001	6 233 695
Sundry municipal charges	5 174 790	5 036 270
Prepaid expenditure	25 334	8 817
Other	22 756	29 550
Suspense Debtors	3 758 743	3 070 633
Correction of error note 41.1(h)	-	19 768
<b>Total: Receivables from exchange transactions (before provision)</b>	<b>118 956 051</b>	<b>110 168 220</b>
<b>Less:</b> Provision for Debt Impairment	(40 274 368)	(41 509 093)
<b>Total: Receivables from exchange transactions (after provision)</b>	<b>78 681 684</b>	<b>68 659 127</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)	10 937 160	13 547 655
31 - 60 Days	1 108 755	1 938 080
61 - 90 Days	813 723	1 116 004
+ 90 Days	11 883 268	12 800 362
<b>Total</b>	<b>24 742 905</b>	<b>29 402 102</b>

**(Water): Ageing**

Current (0 - 30 days)	5 126 203	4 763 608
31 - 60 Days	2 274 934	1 713 457
61 - 90 Days	1 418 558	1 299 622
+ 90 Days	14 082 587	15 299 599
<b>Total</b>	<b>22 902 281</b>	<b>23 076 287</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 2023

	2023 R	2022 R
<b><u>(Waste Management): Ageing</u></b>		
Current (0 - 30 days)	2 002 604	1 654 646
31 - 60 Days	760 788	624 108
61 - 90 Days	570 233	368 141
+ 90 Days	8 593 172	8 726 302
<b>Total</b>	<b>11 926 798</b>	<b>11 373 197</b>
<b><u>(Waste Water Management): Ageing</u></b>		
Current (0 - 30 days)	2 559 829	2 527 513
31 - 60 Days	937 468	726 223
61 - 90 Days	712 454	426 228
+ 90 Days	9 514 490	9 027 332
<b>Total</b>	<b>13 724 241</b>	<b>12 707 296</b>
<b><u>(Units not billed): Ageing</u></b>		
Current (0 - 30 days)	30 943 480	19 180 881
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	-
<b>Total</b>	<b>30 943 480</b>	<b>19 180 881</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)	382 979	615 554
31 - 60 Days	247 392	321 202
61 - 90 Days	233 740	287 081
+ 90 Days	4 840 889	5 009 859
<b>Total</b>	<b>5 705 001</b>	<b>6 233 695</b>
<b><u>(Sundry municipal charges): Ageing</u></b>		
Current (0 - 30 days)	883 159	399 609
31 - 60 Days	253 519	156 814
61 - 90 Days	190 668	119 718
+ 90 Days	7 606 188	7 430 763
<b>Total</b>	<b>8 933 534</b>	<b>8 106 903</b>



OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

	2023 R	2022 R
<b><u>(Prepaid expenditure): Ageing</u></b>		
Current (0 - 30 days)	25 334	8 817
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	-
<b>Total</b>	<b>25 334</b>	<b>8 817</b>

<b><u>(Other): Ageing</u></b>		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	22 756	29 550
<b>Total</b>	<b>22 756</b>	<b>29 550</b>

<b><u>(Total): Ageing</u></b>		
Current (0 - 30 days)	52 860 749	42 698 285
31 - 60 Days	5 582 855	5 479 884
61 - 90 Days	3 939 375	3 616 794
+ 90 Days	56 573 072	58 373 257
<b>Total</b>	<b>118 956 051</b>	<b>110 168 220</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 2023</b>				
Current (0 - 30 days)	513 791	43 240 545	8 040 566	1 040 512
31 - 60 Days	261 497	4 224 964	753 380	343 014
61 - 90 Days	217 581	3 111 801	577 414	32 580
+ 90 Days	5 714 970	41 701 106	8 677 094	505 236
<b>Total debtors by customer classification</b>	<b>6 707 839</b>	<b>92 278 416</b>	<b>18 048 454</b>	<b>1 921 343</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	40 887 163	10 697 881	782 722
<b>Total debtors by customer classification</b>	<b>7 324 655</b>	<b>78 162 182</b>	<b>20 664 051</b>	<b>4 017 332</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b><u>Reconciliation of Provision for Debt Impairment</u></b>		
Balance at beginning of year	41 509 093	37 491 461
Contribution to provision	-	4 017 632
Reversal of provision	(1 234 725)	-
Balance at end of year	<b><u>40 274 368</u></b>	<b><u>41 509 093</u></b>

The total amount of this provision is R40 274 368 and consist of:

Services	40 274 368	41 509 093
<b>Total Provision for Debt Impairment on Receivables from exchange transactions</b>	<b><u>40 274 368</u></b>	<b><u>41 509 093</u></b>

**Classification of Bad Debts Written-off**

Electricity	3 320 038	1 042 941
Refuse	5 007 038	1 345 243
Sewerage	5 925 897	1 865 124
Water	13 498 316	6 391 766
	<b><u>27 751 290</u></b>	<b><u>10 645 074</u></b>

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

Services	25 820 935	25 960 843
	<b><u>66 095 303</u></b>	<b><u>67 469 935</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	35 982 704	33 126 591
Availability Charges	5 271 399	4 799 693
Fines	18 607 997	3 103 850
Correction of Error note 41.1(t)		3 703 154
Correction of Error note 41.1(u)		3 401 970
Correction of Error note 41.1(u)		(3 057 194)
Correction of Error note 41.1(u)		328 310
	<b><u>59 862 100</u></b>	<b><u>45 406 375</u></b>
<b>Less:</b> Provision for Debt Impairment	<b>(43 896 465)</b>	<b>(30 151 871)</b>
<b>Total Receivables from non-exchange transactions</b>	<b><u>15 965 634</u></b>	<b><u>15 254 504</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.



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b><u>(Rates): Ageing</u></b>		
Current (0 - 30 days)	7 003 593	6 202 827
31 - 60 Days	1 846 809	1 730 101
61 - 90 Days	1 279 692	1 052 163
+ 90 Days	25 852 609	24 141 500
<b>Total</b>	<b>35 982 704</b>	<b>33 126 591</b>

<b><u>(Availability Charges): Ageing</u></b>		
Current (0 - 30 days)	275 648	284 691
31 - 60 Days	196 221	210 418
61 - 90 Days	166 366	188 227
+ 90 Days	4 633 164	4 116 357
<b>Total</b>	<b>5 271 399</b>	<b>4 799 693</b>

<b><u>(Fines): Ageing</u></b>		
Current (0 - 30 days)	1 803 497	1 182 050
31 - 60 Days	1 535 700	334 900
61 - 90 Days	945 600	396 825
+ 90 Days	14 323 200	5 566 316
<b>Total</b>	<b>18 607 997</b>	<b>7 480 091</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 2023</b>				
Current (0 - 30 days)	48 266	5 234 365	1 788 302	208 309
31 - 60 Days	5 589	1 591 640	336 878	108 923
61 - 90 Days	3 062	1 176 263	248 689	18 044
+ 90 Days	364 595	25 399 234	4 237 628	484 316
<b>Total debtors by customer classification</b>	<b>421 513</b>	<b>33 401 502</b>	<b>6 611 497</b>	<b>819 591</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>



**UDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b><u>Reconciliation of Provision for Debt Impairment</u></b>		
Balance at beginning of year	30 151 871	34 851 237
Contribution to provision	13 744 594	-
Reversal of provision	-	(4 699 366)
Balance at end of year	<b>43 896 465</b>	<b>30 151 871</b>

The total amount of this provision is R43 896 465 and consist of:

Taxes	22 954 223	21 012 418
Availability Charges	4 328 024	2 644 463
Fines	16 614 218	6 494 990
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	<b>43 896 465</b>	<b>30 151 871</b>

**Classification of Bad Debts Written-off**

Rates	5 313 252	1 942 736
Fines	1 992 265	15 867 350
	<b>7 305 517</b>	<b>17 810 086</b>

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

Rates	6 024 888	5 911 346
Availability charges	667 727	1 870 539
Fines	190 282	-
	<b>6 882 896</b>	<b>7 781 885</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	17 352 156	12 960 591
Call Deposits and Investments	111 741 255	130 934 736
Cash On-hand	37 550	37 550
<b>Total Cash and Cash Equivalents - Assets</b>	<b>129 130 961</b>	<b>143 932 877</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 R111 741 255 are held to fund the Unspent Conditional Grants of R27 320 829



**UDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
The municipality has the following bank accounts:		
<b><u>Current Accounts</u></b>		
Standard Bank 082808678	3 543 012	2 857 709
Standard Bank 082808724	13 744 857	9 977 782
Standard Bank 08288988	33 037	39 780
Standard Bank 082809097	31 251	85 320
	<b>17 352 156</b>	<b>12 960 591</b>

**Call Deposits and Investments**

ABSA Account no 20-8038-7442	-	15 993 395
ABSA Account no 93-7484-2333	17 215 204	-
ABSA Account no 93-7253-4156	16 133 562	-
ABSA Account no 93-7794-9102	27 269 402	-
Nedbank Account no 03/7881019344/29	125 911	117 816
Nedbank Account no 03/7881001143/130	596 413	558 069
Nedbank Account no 03/7881001143/131	3 267 654	3 057 579
Nedbank Account no 03/7881001143/137	3 160 184	2 957 018
Nedbank Account no 03/7881001143/175	5 485 010	5 132 382
Nedbank Account no 03/7881001143/250	8 278 563	7 746 551
Nedbank Account no 03/7881001143/251	3 265 786	3 055 830
Nedbank Account no 03/7881001143/252	887 757	830 706
Nedbank Account no 03/7881001143/258	6 158 754	15 180 509
Standard Account no 288835379039	3 754 100	-
Standard Account no 288835379047	3 868	25 356 926
Standard Account no 288835379048	1 977 161	37 689 892
Investec Account no 1400-171058-500	5 240 990	4 906 490
Investec Account no 1400-171058 501	8 920 940	8 351 571
	<b>111 741 258</b>	<b>130 934 736</b>

Details of current accounts are as follow:

***Standard bank 082808678 (Primary Bank Account)***

Cash book balance at beginning of year	2 857 709	6 429 770
Cash book balance at end of year	3 543 012	2 857 709

Bank statement balance at beginning of year  
Bank statement balance at end of year

	2 857 709	6 429 770
	3 545 369	2 857 709

***Standard bank 082808724 (Primary Bank Account)***

Cash book balance at beginning of year	9 977 782	9 625 841
Cash book balance at end of year	13 744 857	9 977 782

Bank statement balance at beginning of year  
Bank statement balance at end of year

	8 923 089	8 894 960
	12 412 276	8 923 089

***Standard Bank 082809097(Traffic Account)***

Cash book balance at beginning of year	85 320	32 490
Cash book balance at end of year	31 251	85 320

Bank statement balance at beginning of year  
Bank statement balance at end of year

	85 320	32 490
	31 251	85 320

***Standard Bank 08288988 (Primary Bank Account - CAVES)***

Cash book balance at beginning of year	39 780	-
Cash book balance at end of year	33 037	39 780

Bank statement balance at beginning of year  
Bank statement balance at end of year

	39 780	-
	33 037	39 780



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>11. LONG-TERM BORROWINGS</b>		
Annuity Loans - At amortised cost	72 836 840	63 168 400
Capitalised Lease Liability - At amortised cost	11 420 910	18 690 871
	<b>84 257 750</b>	<b>81 859 271</b>
<b>Less:</b> Current Portion transferred to Current Liabilities	<b>(15 563 632)</b>	<b>(18 299 534)</b>
Annuity Loans - At amortised cost	(7 790 177)	(11 043 795)
Capitalised Lease Liability - At amortised cost	(7 773 455)	(7 255 739)
	<b>68 694 118</b>	<b>63 559 737</b>
<b>Total Long-term Borrowings</b>	<b>68 694 118</b>	<b>63 559 737</b>

	<b>Minimum payments</b>	
<b>11.1</b> The obligations under annuity loans are scheduled below:		
Amounts payable under annuity loans:		
Payable within one year	13 491 872	15 776 362
Payable within two to five years	44 926 601	35 986 166
Payable after five years	53 055 566	34 770 130
	111 474 039	86 532 658
<b>Less:</b> Future finance obligations	<b>(38 637 199)</b>	<b>(23 364 258)</b>
<b>Present value of annuity loans obligations</b>	<b>72 836 840</b>	<b>63 168 400</b>

	<b>Minimum payments</b>	
<b>11.2</b> The obligations under the capitalised lease liability are scheduled below:		
Amounts payable under the capitalised lease liability:		
Payable within one year	8 344 277	8 367 394
Payable within two to five years	3 719 542	12 078 846
	12 063 819	20 446 240
<b>Less:</b> Future finance obligations	<b>(642 909)</b>	<b>(1 755 368)</b>
<b>Present value of finance lease obligations</b>	<b>11 420 910</b>	<b>18 690 871</b>

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

<b>12. NON-CURRENT PROVISIONS</b>		
Provision for Rehabilitation of Landfill-sites	35 555 265	34 429 958
<b>Total Non-current Provisions</b>	<b>35 555 265</b>	<b>34 429 958</b>

<b>12.1 Landfill Sites</b>		
Balance 1 July	34 429 958	27 301 778
Increase/(Decrease) due to discounting	2 791 876	2 078 358
Change in Provision for Rehabilitation Cost	(1 666 569)	5 049 822
<b>Total provision 30 June</b>	<b>35 555 265</b>	<b>34 429 958</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions	-	-
<b>Balance 30 June</b>	<b>35 555 265</b>	<b>34 429 958</b>





**OUDTSHOORN LOCAL MUNICIPALITY**  
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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>	597 564	792 853	322 862	1 012 992	9 038 482
<b>Site Clearance and Preparation</b>	6 999	9 526	3 019	13 187	157 663
<b>Storm water Control Measures</b>	583 547	704 392	411 746	939 284	4 360 923
<b>Capping</b>	2 183 401	3 153 592	956 877	4 205 152	50 449 210
<b>Gas Management</b>	-	-	-	-	-
<b>Leachate Management</b>	248 501	289 917	170 422	312 323	2 116 536
<b>Fencing</b>	752 432	851 119	497 492	929 245	12 838
<b>Other:</b>					
Environmental Authorisation ( Closure License)	-	441 773	-	441 773	441 773
Technical ROD	223 900	223 900	223 900	223 900	223 900
Install Groundwater Monitoring Boreholes with lockable caps(includes drilling contractor site establishment)	110 504	190 228	185 084	185 084	-
Landscape Architects	152 710	152 710	152 185	152 185	172 050
Water use license	38 000	38 000	38 000	38 000	38 000
Topographical Survey	7 500	7 500	7 500	7 500	13 950
<b>Contingencies (10% of total construction costs)</b>	437 244	580 140	236 242	741 218	6 613 565
<b>Engineering (ECSA Fees scale)</b>	586 683	775 305	321 359	987 928	5 897 805
<b>Site Supervision (Engineers Representation)</b>	203 294	249 868	182 552	260 300	1 535 760
<b>Site Supervision (Environmental Control Officer &amp; OHS Agent)</b>	160 770	160 770	134 928	164 912	589 760
<b>Total (Excl. VAT)</b>	<b>6 293 048</b>	<b>8 621 590</b>	<b>3 844 167</b>	<b>10 614 983</b>	<b>81 662 215</b>
Cost per rehab(m2)	1 205	1 213	1 706	1 079	694
Estimated construction period (weeks)	10	10	9	11	40

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	2023	2022
		R	R
De Rust (Closed)	2014	6 621 545	6 049 839
De Rust(Operational)	2036	16 705 722	16 577 158
Dysselsdorp(Closed)	2013	4 044 833	3 726 059
Dysselsdorp(Operational)	2033	17 656 405	16 742 768
Oudtshoorn	2050	322 608 041	267 409 727
		<b>367 636 546</b>	<b>310 505 550</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>13. NON-CURRENT EMPLOYEE BENEFITS</b>		
Provision for Post Retirement Health Care Benefits	98 210 001	107 037 001
Provision for Long Service Awards	10 151 000	11 345 000
<b>Total Non-current Employee Benefits</b>	<b>108 361 001</b>	<b>118 382 001</b>
<b><u>Post Retirement Health Care Benefits</u></b>		
Balance 1 July	112 516 001	108 974 001
Contribution for the year	3 680 000	3 535 000
Interest Cost	12 897 000	10 597 000
Expenditure for the year	(5 611 375)	(5 454 019)
Actuarial Loss/(Gain)	(19 703 625)	(5 135 981)
<b>Total provision 30 June</b>	<b>103 778 001</b>	<b>112 516 001</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 15	(5 568 000)	(5 479 000)
<b>Balance 30 June</b>	<b>98 210 001</b>	<b>107 037 001</b>
<b><u>Long Service Awards</u></b>		
Balance 1 July	13 054 000	12 369 000
Contribution for the year	1 085 000	1 065 000
Interest Cost	1 359 000	1 127 000
Expenditure for the year	(1 884 058)	(870 532)
Actuarial Loss/(Gain)	(1 261 942)	(636 468)
<b>Total provision 30 June</b>	<b>12 352 000</b>	<b>13 054 000</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 15	(2 201 000)	(1 709 000)
<b>Balance 30 June</b>	<b>10 151 000</b>	<b>11 345 000</b>
<b>13.1 Provision for Post Retirement Health Care Benefits</b>		
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	314	334
In-service (employee) non-members	353	367
Continuation members (e.g. Retirees, widows, orphans)	95	98
<b>Total Members</b>	<b>762</b>	<b>799</b>

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	36 154 000	41 068 000
In-service non-members	6 113 000	6 248 000
Continuation members	61 511 000	65 200 000
<b>Total Liability</b>	<b>103 778 000</b>	<b>112 516 000</b>

	2021 R	2020 R	2019 R
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:			
In-service members	38 200 000	31 168 000	33 919 383
In-service non-members	5 935 000	4 798 000	5 085 884
Continuation members	64 839 000	58 237 000	61 185 693
<b>Total Liability</b>	<b>108 974 000</b>	<b>94 203 000</b>	<b>100 190 960</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 412 000, whereas the Interest Cost for the next year is estimated to be R12 574 000.

Key actuarial assumptions used:	2023 %	2022 %
<b>i) Rate of interest</b>		
Discount rate	12.44%	11.74%
Health Care Cost Inflation Rate	8.18%	8.37%
Net Effective Discount Rate	3.94%	3.11%
<b>ii) Mortality rates</b>		
The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.		
<b>iii) Normal retirement age</b>		
The normal retirement age for employees of the municipality is 62 years.		
<b>iv) Expected rate of salary increases</b>		
2022/23 - 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	103 778 001	112 516 001
Fair value of plan assets	-	-
	<u>103 778 001</u>	<u>112 516 001</u>
<b>Net liability/(asset)</b>	<b>103 778 001</b>	<b>112 516 001</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	112 516 001	108 974 001
Total expenses	10 965 625	8 677 981
Current service cost	3 680 000	3 535 000
Interest Cost	12 897 000	10 597 000
Benefits Paid	(5 611 375)	(5 454 019)
Actuarial (gains)/losses	(19 703 625)	(5 135 981)
Present value of fund obligation at the end of the year	<u>103 778 001</u>	<u>112 516 001</u>

**Sensitivity Analysis on the Accrued Liability on 30 June 2023**

Assumption	Eligible Employees (Rm)	Continuation members (Rm)	Total liability (Rm)
Central Assumptions	42.267	61.511	103.778

The effect of movements in the assumptions are as follows:

Assumption	Change	Eligible Employees (Rm)	Continuation members (Rm)	Total liability (Rm)	% change
Health care inflation	1%	50.397	67.14	117.537	13%
Health care inflation	-1%	35.74	56.60	92.338	-11%
Discount Rate	1%	36.01	56.81	92.826	-11%
Discount Rate	-1%	50.13	66.96	117.097	13%
Post-retirement mortality	-1 year	41.22	59.55	100.764	-3%
Post-retirement mortality	1 year	43.30	63.48	106.778	3%
Average retirement age	-1 year	46.51	61.51	108.021	4%
Membership continuation	-10%	36.93	61.51	98.444	-5%

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

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	3 680 000	12 897 000	16 577 000

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%	4 534 000	14 756 000	19 290 000	17%
Health care inflation	-1%	3 015 000	11 365 000	14 380 000	-14%
Discount rate	1%	3 066 000	12 391 000	15 457 000	-6%
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%



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

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

	Current	Interest Cost (R)	Total (R)
<b>Assumption</b>			
Central Assumptions	3 412 000	12 574 000	15 986 000

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%	4 150 000	14 284 000	18 434 000	15%
Health care inflation	-1%	2 828 000	11 152 000	13 980 000	-13%
Discount rate	1%	2 879 000	12 113 000	14 992 000	-6%
Discount rate	-1%	4 092 000	13 086 000	17 178 000	7%
Post-retirement mortality	1%	3 329 000	12 199 000	15 528 000	-3%
Post-retirement mortality	-1%	3 494 000	12 947 000	16 441 000	3%
Average retirement age	-1 year	3 721 000	13 102 000	16 823 000	5%
Membership continuation	-10%	2 986 000	11 910 000	14 896 000	-7%

	2023 Rm	2022 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(7.901)	(4.460)

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

	2021 Rm	2020 Rm	2019 Rm
Liabilities: (Gain) / loss	(0.782)	4.032	3.730

**13.2 Provision for Long Service Bonuses**

The Long Service Bonus plans are defined benefit plans. As at year end, 667 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R993 000 whereas the Interest Cost for the next year is estimated to be R1 300 000.

	2023 %	2022 %
Key actuarial assumptions used:		
<b>i) Rate of interest</b>		
Discount rate	11.53%	11.12%
General Salary Inflation (long-term)	6.86%	7.30%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	4.37%	3.56%

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

Present value of fund obligations	12 352 000	13 054 000
Fair value of plan assets	-	-
	<u>12 352 000</u>	<u>13 054 000</u>
<b>Net liability/(asset)</b>	<u><b>12 352 000</b></u>	<u><b>13 054 000</b></u>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	13 054 000	12 369 000
Total expenses	559 942	1 321 468
Current service cost	1 085 000	1 065 000
Interest Cost	1 359 000	1 127 000
Benefits Paid	(1 884 058)	(870 532)
Actuarial (gains)/losses	(1 261 942)	(636 468)
Present value of fund obligation at the end of the year	<b>12 352 000</b>	<b>13 054 000</b>

**Sensitivity Analysis on the Accrued Liability at 30 June 2023**

Assumption	Change	Liability (Rm)	% change
Central assumptions		12 352 000	
General salary inflation	1%	13 061 000	6%
General salary inflation	-1%	11 708 000	-5%
Discount rate	1%	11 690 000	-5%
Discount rate	-1%	13 091 000	6%
Average retirement age	-2 yrs.	14 318 000	16%
Average retirement age	2 yrs.	10 793 000	-13%
Withdrawal rates	x2	10 259 000	-17%
Withdrawal rates	x0.5	13 783 000	12%

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

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

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%	1 173 000	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%



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

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

<b>Assumption</b>	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>
Central Assumptions	993 000	1 300 000	2 293 000

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%	1 071 000	1 382 000	2 453 000	7%
Health care inflation	-1%	923 000	1 226 000	2 149 000	-6%
Discount rate	+1%	931 000	1 331 000	2 262 000	-2%
Discount rate	-1%	1 063 000	1 265 000	2 328 000	2%
Average retirement age	2 yrs.	1 128 000	1 524 000	2 652 000	15%
Average retirement age	-2 yrs.	882 000	1 130 000	2 012 000	-12%
Withdrawal Rate	x2	745 000	1 059 000	1 804 000	22%
Withdrawal Rate	x0.5	1 174 000	1 465 000	2 639 000	16%

	<b>2023 R</b>	<b>2022 R</b>
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(671 402)	(411 468)

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

	<b>2021 R</b>	<b>2020 R</b>	<b>2019 R</b>
Liabilities: (Gain) / loss	291 415	693 031	566 124



**UDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</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 Consolidated 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 2022 revealed that the fund is in a sound financial position with a funding level of 131.6% (30 June 2021 - 133%).</p> <p>Contributions paid recognised in the Statement of Financial Performance</p>		
	28 901 225	26 977 675
<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	4 350 665	4 434 162
Rental Properties	152 486	155 733
Water	5 394 744	5 218 354
Building Plans	1 879 611	1 653 771
Hiring of Decorative Items	4 430	4 430
<b>Total Consumer Deposits</b>	<b>11 781 937</b>	<b>11 466 449</b>
<b>15. CURRENT EMPLOYEE BENEFITS</b>		
Performance Bonuses	1 049 027	491 923
Correction of error 41.1( e )	-	142 419
Staff Bonuses	7 726 744	7 017 942
Staff Leave	15 929 427	16 935 850
Other	1 045	1 045
Current Portion of Non-Current Employee Benefits	7 769 000	7 188 000
Current Portion of Post Retirement Benefits - Note 13	5 568 000	5 479 000
Current Portion of Long-Service Provisions - Note 13	2 201 000	1 709 000
<b>Total Provisions</b>	<b>32 475 243</b>	<b>31 777 178</b>





**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

The movement in current provisions are reconciled as follows:

	2023 R	2022 R
<b>15.1 <u>Performance Bonuses</u></b>		
Balance at beginning of year	491 923	493 245
Contribution to current portion	850 473	55 351
Expenditure incurred	(293 369)	(56 673)
Balance at end of year	<b>1 049 027</b>	<b>491 923</b>

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.

<b>15.2 <u>Staff Bonuses</u></b>		
Balance at beginning of year	7 017 941	6 785 877
Contribution to current portion	13 648 147	12 677 720
Expenditure incurred	(12 939 345)	(12 445 655)
Balance at end of year	<b>7 726 743</b>	<b>7 017 941</b>

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.

<b>15.3 <u>Staff Leave</u></b>		
Balance at beginning of year	16 936 368	16 192 896
Contribution to current portion	(39 067)	2 120 518
Expenditure incurred	(967 356)	(1 377 046)
Balance at end of year	<b>15 929 946</b>	<b>16 936 368</b>

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	34 072 946	36 422 973
Pre-paid electricity	650 914	483 644
Unallocated funds debtors	64 546	51 600
Payments received in advance	3 910 455	3 519 137
Control, Clearing and Interface Accounts	772 895	247 732
Sundry Deposits	8 730	8 730
Retentions	9 647 257	6 680 822
Correction of error note 41.1(a)	-	752 859
Correction of error note 41.1(b)	-	151 431
Correction of error note 41.1(c)	-	162 655
Correction of error note 41.1(d)	-	89 901
Correction of error note 41.1(f)	-	125 377
Correction of error note 41.1(g)	-	410 792
<b>Total Trade Payables</b>	<b>49 127 743</b>	<b>49 107 652</b>

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.



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>17. UNSPENT TRANSFERS AND SUBSIDIES</b>		
Unspent Transfers and Subsidies	27 320 830	41 026 340
National Government Grants	26 903 396	38 811 780
Provincial Government Grants	150 008	1 870 402
District Municipality	-	120 000
Other Sources	267 426	224 158
<b>Less:</b> Unpaid Transfers and Subsidies	-	-
<b>Total Unspent Transfers and Subsidies</b>	<b>27 320 830</b>	<b>41 026 340</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	2 294 655	2 350 530
VAT Output in Suspense	(14 339 200)	(14 599 816)
<b>Total VAT Payable</b>	<b>(12 044 544)</b>	<b>(12 249 286)</b>
<b>18.2</b> VAT Receivable	-	-
VAT Input in Suspense	7 876 117	7 175 626
Correction of error note 41.1(i)	-	(19 107)
<b>Total VAT Receivable</b>	<b>7 876 117</b>	<b>7 156 520</b>
<b>18.3 Net VAT (Payable)</b>	<b>(4 168 428)</b>	<b>(5 092 766)</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>		
<u>Actual</u>		
<b>Rateable Land and Buildings</b>	122 175 928	111 588 165
Business and Commercial Property	25 362 681	22 809 538
Farm Holdings	4 821 547	4 434 305
Mining Properties	97 618	88 745
Public Benefit Organisations	304 815	286 310
Public Service Infrastructure Properties	21 563	19 604
Residential Properties	78 048 745	71 660 064
State-owned Properties	13 518 961	12 289 597
<b>Less: Revenue Forgone</b>	(5 702 980)	(7 025 223)
<b>Total Property Rates</b>	<b>116 472 948</b>	<b>104 562 942</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b><u>Valuations - 30 June 2023</u></b>		
<b>Rateable Land and Buildings</b>	10 549 208 300	10 465 829 500
Business and Commercial Property	1 317 978 000	1 321 222 000
Churches	234 120 000	233 470 000
Pensioners	212 758 000	174 807 000
Mining Properties	5 070 000	5 070 000
Municipal Properties	359 801 000	335 279 000
Protected Areas	47 510 000	47 510 000
Public Benefit Organisations	87 065 000	88 335 000
Public Service Infrastructure Properties	9 950 500	9 950 500
Residential Properties	5 585 918 800	5 539 969 000
State-owned Properties	718 826 000	718 816 000
Agricultural Property	1 970 211 000	1 991 401 000
<b>Less: Rebates</b>	<b>(233 250 000)</b>	<b>(226 920 000)</b>
<b>Total Assessment Rates</b>	<b><u>10 315 958 300</u></b>	<b><u>10 238 909 500</u></b>

**Basic Rate**

Residential	1.400c/R	1.273c/R
Government	1.880c/R	1.709c/R
Commercial	1.925c/R	1.750c/R
Agricultural	0.245c/R	0.222c/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.



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>20. GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b><u>Unconditional</u></b>	89 431 000	80 955 000
Equitable Share	89 431 000	80 955 000
<b><u>Conditional</u></b>	94 414 496	61 888 204
Local Government Financial Management Grant (FMG)	2 800 000	2 663 000
Integrated National Electrification Programm	1 866 120	5 826 084
Municipal Infrastructure Grant	33 257 866	22 607 715
Extended Public Works Program	1 310 000	1 784 000
CDW operational support grant	56 000	57 000
Library Services	7 690 000	7 520 035
Rosevalley Library Grant	-	6 202 200
Emergency Housing Program	-	1 288 088
Thusong Centre Operational Grant	-	150 000
Western Cape Financial Management Capability Grant	700 000	-
Western Cape Municipal Interventions Grant	250 000	-
Municipal Drought Relief Grant	-	1 251 000
Municipal Disaster Relief Grant	37 030 600	10 119 476
Municipal Disaster Recovery Grant	1 061 878	-
Emergency Municipal Load Shedding Grant	4 665 000	-
WC Municipal Financial Management Capacity Building Grant	-	250 000
Maintenance Main Road Subsidy	-	125 000
Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry	1 613 900	-
Water Macro Planning	-	704 159
ASLA Rosevalley Library Contribution	122 732	110 842
Garden Route District Grant	120 000	-
Local Government Public Employment Support Grant	-	1 100 000
Upgrading of SMME Infrastructure Booster Fund	1 870 400	129 605
<b>Total Government Grants and Subsidies</b>	<b>183 845 496</b>	<b>142 843 204</b>
Government Grants and Subsidies - Operating	103 865 177	96 932 656
Government Grants and Subsidies - Capital	79 980 319	45 910 548
<b>Total Government Grants and Subsidies</b>	<b>183 845 496</b>	<b>142 843 204</b>
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	89 431 000	80 955 000
Corporate Services	356 000	307 000
Financial Services	3 200 000	2 663 000
Community and Public Safety	16 807 032	23 583 377
Technical Services	72 181 064	33 917 141
Human Settlement	-	1 288 088
Strategic Services	1 870 400	129 597
<b>Total Government Grants and Subsidies</b>	<b>183 845 496</b>	<b>142 843 204</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.



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>20.1 <u>Equitable Share</u></b>		
Grants received	89 431 000	80 955 000
Conditions met - Operating	(89 431 000)	(80 955 000)
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	2 800 000	2 663 000
Conditions met - Operating	(2 800 000)	(2 564 832)
Conditions met - Capital	-	(98 168)
Conditions still to be met	<u>-</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 Emergency Municipal Load Shedding Relief Grant**

Opening balance	-	-
Grants received	4 665 000	-
Conditions met - Capital	(4 665 000)	-
Conditions still to be met	<u>-</u>	<u>-</u>

Emergency grant received for the purchasing of generators at the water and sewerage plants to curb the effect of load shedding on water delivery in rural areas.

**20.4 Municipal Infrastructure Grant (MIG)**

Opening balance	167 270	607 000
Grants received	33 325 000	22 775 000
Repaid to National Revenue Fund	(167 000)	(607 000)
Conditions met - Operating	(1 216 300)	(1 138 800)
Conditions met - Capital	(32 041 577)	(21 468 930)
Conditions still to be met	<u>67 393</u>	<u>167 270</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	3 100 000	3 206 000
Conditions met - Capital	(1 866 120)	(5 826 083)
Conditions still to be met	<u>1 233 880</u>	<u>-</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 2023**

	2023 R	2022 R
<b>20.6 <u>Extended Public Works Program</u></b>		
Opening balance	-	-
Grants received	1 310 000	1 784 000
Conditions met - Operating	(1 310 000)	(1 784 000)
Conditions still to be met	<u>0</u>	<u>-</u>

Job creation projects in previous disadvantage areas.

**20.7 Western Cape Financial Management Capability Grant**

Opening balance	-	-
Grants received	700 000	-
Conditions met - Operating	(700 000)	-
Conditions still to be met	<u>-</u>	<u>-</u>

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

**20.8 Library Services**

Opening balance	-	0
Grants received	7 690 000	7 520 000
Conditions met - Operating	(7 290 000)	(7 520 000)
Conditions met - Capital	(400 000)	-
Conditions still to be met	<u>0</u>	<u>-</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.

**20.9 Rosevalley Library Grant**

Opening balance	-	6 202 235
Conditions met - Capital	-	(6 202 235)
Conditions still to be met	<u>-</u>	<u>-</u>

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

**20.10 WC Municipal Financial Management Capacity Building Grant**

Opening balance	-	-
Grants received	-	250 000
Conditions met - Operating	-	(250 000)
Conditions still to be met	<u>-</u>	<u>-</u>

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

**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<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 met - Capital	(1 613 986)	-
Conditions still to be met	<u>-</u>	<u>1 613 986</u>
This grant was received for completion of the Blossoms pipeline, a new sustainable water resource		
<b>20.12 <u>Municipal Disaster Relief Grant</u></b>		
Opening balance	37 030 524	-
Interest received	-	47 150 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(37 030 524)	(10 119 476)
Conditions still to be met	<u>-</u>	<u>37 030 524</u>
This grant was received for completion of the Blossoms pipeline, a new sustainable water resource		
<b>20.13 <u>Municipal Disaster Recovery Grant</u></b>		
Opening balance	-	-
Grants received	26 664 000	-
Conditions met - Operating	(1 061 877)	-
Conditions still to be met	<u>25 602 123</u>	<u>-</u>
This grant was received for repair of roads and stormwater infrastructure caused by the flooding		
<b>20.14 <u>Other Grants</u></b>		
Opening balance	2 214 560	(1)
Grants received	622 000	7 130 248
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(56 000)	(2 720 082)
Conditions met - Capital	(2 363 127)	(2 195 606)
Conditions still to be met	<u>417 433</u>	<u>2 214 560</u>
<b>20.15 <u>Total Grants</u></b>		
Opening balance	41 026 340	11 043 304
Grants received	170 307 000	126 283 248
Interest received	-	47 150 000
Repaid to National Revenue Fund	(167 000)	(607 000)
Conditions met - Operating	(103 865 177)	(96 932 714)
Conditions met - Capital	(79 980 334)	(45 910 498)
Conditions still to be met/(Grant expenditure to be recovered)	<u>27 320 829</u>	<u>41 026 340</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	<u>27 320 830</u>	<u>41 026 340</u>
<b>Total</b>	<u><u>27 320 830</u></u>	<u><u>41 026 340</u></u>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>21. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT</b>		
Department of Sport Arts and Culture	-	64 713
Donated infrastructure assets	722 000	-
Supplier Donations	-	201 590
<b>Total Contributed Property, Plant and Equipment</b>	<b>722 000</b>	<b>266 303</b>
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	722 000	266 303
<b>Total Contributed Property, Plant and Equipment</b>	<b>722 000</b>	<b>266 303</b>
<b>22. AVAILABILITY CHARGES</b>		
Electricity	1 445 931	1 375 358
Water	946 193	918 492
Waste Water Management	803 689	771 044
<b>Total Availability Charges</b>	<b>3 195 813</b>	<b>3 064 894</b>
<b>23. LICENCES AND PERMITS</b>		
Road and Transport	381 242	265 339
<b>Total Licences and Permits</b>	<b>381 242</b>	<b>265 339</b>
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	381 242	265 339
<b>Total Licences and Permits</b>	<b>381 242</b>	<b>265 339</b>
<b>24. SERVICE CHARGES</b>		
<b>Electricity</b>	<b>276 893 214</b>	<b>280 728 876</b>
Service Charges	286 110 216	290 194 491
<b>Less:</b> Revenue Foregone	(9 217 002)	(9 465 615)
<b>Water</b>	<b>64 818 777</b>	<b>57 732 465</b>
Service Charges	79 914 132	73 688 891
<b>Less:</b> Revenue Foregone	(15 095 355)	(15 956 426)
<b>Water Klein Karoo Rural Scheme</b>	<b>5 680 051</b>	<b>6 622 425</b>
Service Charges	5 680 051	6 622 425
<b>Less:</b> Revenue Foregone	-	-
<b>Waste Management</b>	<b>25 733 164</b>	<b>20 979 252</b>
Service Charges	38 640 010	33 910 322
<b>Less:</b> Revenue Foregone	(12 906 846)	(12 931 070)
<b>Waste Water Management</b>	<b>35 771 250</b>	<b>37 693 488</b>
Service Charges	52 528 620	49 580 064
<b>Less:</b> Revenue Foregone	(16 757 369)	(11 886 576)
<b>Total Service Charges</b>	<b>408 896 457</b>	<b>403 756 506</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.





**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>25. SALES OF GOODS AND RENDERING OF SERVICES</b>		
Academic Services	106	244
Advertisements	411 434	473 202
Application Fees for Land Usage	97 061	80 959
Building Plan Approval	846 318	808 841
Camping Fees	141 378	123 220
Cemetery and Burial	1 760 752	1 922 816
Computer Services	118 202	109 236
Encroachment Fees	169 601	140 475
Fire Services	87 807	89 598
Legal Fees Recovered	-	2 039 551
Library Fees	351	120
Parking Fees	850	-
Photocopies and Faxes	55 302	55 050
Sale of Goods	(12 807)	31 493
Valuation Services	294 136	271 045
<b>Total Sales of Goods and Rendering of Services</b>	<b><u>3 970 494</u></b>	<b><u>6 145 848</u></b>
<b>26. RENTAL FROM FIXED ASSETS</b>		
Investment Property	564 483	-
Property, Plant and Equipment	2 626 224	2 120 252
<b>Total Rental from Fixed Assets</b>	<b><u>3 190 708</u></b>	<b><u>2 120 252</u></b>
<b>27. INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Bank	2 177 557	1 476 574
Investments	9 700 294	5 341 683
<b>Total Interest Earned - External Investments</b>	<b><u>11 877 851</u></b>	<b><u>6 818 257</u></b>
<b>28. INTEREST EARNED - EXCHANGE TRANSACTIONS</b>		
Trade Receivables	6 152 549	4 361 960
<b>Total Interest Earned - Outstanding Receivables</b>	<b><u>6 152 549</u></b>	<b><u>4 361 960</u></b>
<b>29. OPERATIONAL REVENUE</b>		
Bad debts Recovery	776 914	328 310
Collection Charges	58 243	-
Commission	409 548	-
Development Charges	412 379	460 613
Incidental Cash Surpluses	(53 161)	228 449
Insurance Refund	23 164	-
Merchandising, Jobbing and Contracts	80 743	75 090
Registration Fees	3 587	4 667
Request for Information	1 964	-
Staff Recoveries	262 577	21 645
<b>Total Operational Revenue</b>	<b><u>1 975 958</u></b>	<b><u>1 118 773</u></b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>30. EMPLOYEE RELATED COST</b>		
Acting Allowance	817 404	1 606 697
Contributions to Group Insurance	4 795 998	4 598 892
Contributions to Workman's Compensation	1 752 495	1 590 948
Housing Benefits and Allowance	1 359 134	1 339 731
Leave payments	(39 067)	2 120 518
Standby Allowance	5 793 907	5 500 023
Shift Allowance	666 117	645 222
Basic Salaries and Wages	166 725 959	160 798 199
Pension and UIF Contributions	29 797 997	28 914 563
Medical Aid Contributions	12 860 693	12 096 047
Overtime	18 059 805	15 638 107
Bonuses	14 550 441	12 841 895
Motor Vehicle Allowance	4 546 361	4 185 372
Cellphone Allowance	1 271 042	1 293 492
Other benefits and allowances	156 558	152 735
Contribution to Long Service awards	2 444 000	2 192 000
Contribution to Post Employment Medical	16 577 644	14 132 000
Correction of error note 41.1(c)	-	162 655
<b>Total Employee Related Costs</b>	<b>282 136 489</b>	<b>269 809 096</b>

**KEY MANAGEMENT PERSONNEL**

Key Management personnel in Corporate Services, Community Services and the Municipal manager are permanently employed, but the Chief Financial Officer and Director Technical Services were appointed on a 5 year contract.

**REMUNERATION OF KEY MANAGEMENT PERSONNEL**

**Remuneration of the Municipal Manager - Mr W Hendricks (Appointed January 2023)**

Basic Salary	847 598	1 051 533
Pension and UIF Contributions	89 438	1 594
Cell Phone Allowance	45 254	53 404
Payments in lieu of leave	44 374	-
Other Benefits and Allowances	87 242	51 634
<b>Total</b>	<b>1 113 907</b>	<b>1 158 164</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
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	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>Remuneration of the Chief Financial Officer - GP De Jager</b>		
Basic Salary	767 405	712 382
Acting Allowance	93 900	-
Pension and UIF Contributions	130 783	130 604
Housing allowance	118 416	118 416
Medical Aid Contributions	42 804	30 884
Performance Bonus	103 542	56 673
Motor Vehicle Allowance	144 000	144 000
Cell Phone Allowance	76 210	72 650
Payments in lieu of leave	-	22 621
Other Benefits and Allowances	92 363	35 977
<b>Total</b>	<b>1 569 423</b>	<b>1 324 208</b>
<b>Remuneration of Director : Corporate Services - Mr Smit</b>		
Basic Salary	1 026 911	960 561
Acting Allowance	4 113	63 293
Pension and UIF Contributions	177 194	175 028
Performance Bonus	125 616	-
Cell Phone Allowance	76 210	72 650
Payments in lieu of leave	-	38 577
Other Benefits and Allowances	206 026	156 022
<b>Total</b>	<b>1 616 071</b>	<b>1 466 131</b>
<b>Remuneration of Director : Community Services - N van Stade ( Appointed June 2023)</b>		
Basic Salary	83 685	-
Pension and UIF Contributions	15 240	-
Cell Phone Allowance	6 351	-
Other Benefits and Allowances	2 550	-
<b>Total</b>	<b>107 826</b>	<b>-</b>
<b>Remuneration of Director : Technical Services - Mr JW Lesch</b>		
Basic Salary	925 078	921 646
Pension and UIF Contributions	158 889	154 673
Performance Bonus	126 551	-
Motor Vehicle Allowance	120 000	50 000
Cell Phone Allowance	75 913	72 420
Other Benefits and Allowances	130 982	68 554
<b>Total</b>	<b>1 537 414</b>	<b>1 267 293</b>



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	2023 R	2022 R
<b>Remuneration of Director Planning and Development Director: L Coetzee ( Appointed April 2023)</b>		
Basic Salary	239 220	-
Acting Allowance	-	-
Pension and UIF Contributions	42 556	-
Cell Phone Allowance	19 053	-
Housing Subsidy	-	-
Motor Vehicle Allowance	15 000	-
Other Benefits and Allowances	38 602	-
<b>Total</b>	<b>354 431</b>	<b>-</b>

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 48789, 14 June 2023. 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.

**31. REMUNERATION OF COUNCILLORS**

Basic Salaries And Wages	8 850 931	8 153 605
Pension	591 841	553 957
Travelling Allowance	981 967	1 042 945
Telephone Allowance	821 774	958 364
Medical Scheme	128 801	150 773
Correction of error note 41.1( d )	-	89 901
<b>Total Councillors' Remuneration</b>	<b>11 375 315</b>	<b>10 949 544</b>

Remuneration paid to Councillors can be summarised as follow:

2023 Financial year:	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	886 685	-	36 200	-	922 885
Executive Deputy-Mayor	518 712	172 904	31 481	-	723 096
Speaker	656 148	-	35 091	53 201	744 440
Executive Committee Members	2 920 820	668 762	296 945	293 557	4 180 084
Councillors	3 868 567	140 302	422 057	373 884	4 804 809
<b>Total Councillors' Remuneration</b>	<b>8 850 931</b>	<b>981 967</b>	<b>821 774</b>	<b>720 642</b>	<b>11 375 315</b>

2022 Financial year:	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	762 188	-	34 734	40 911	837 833
Executive 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	795 987	406 117	6 002 856
<b>Total Councillors' Remuneration</b>	<b>8 153 604</b>	<b>1 042 945</b>	<b>1 048 265</b>	<b>704 730</b>	<b>10 949 544</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.



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	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>32. CONTRACTED SERVICES</b>		
Outsourced Services		
Business and Advisory	2 063 502	1 311 468
Fire Services	373 277	173 000
Security Services	9 577 332	10 141 671
Catering services	444 611	154 650
Clearing and Grass Cutting Services	-	-
Meter management	-	263 295
Legal Cost Collection	437 797	260 861
Printing Services	848 607	283 170
Traffic Management	454 971	442 509
Cleaning Services	-	117 182
Refuse Removal	4 373 551	3 741 335
Consultants and Professional Services	-	
Business and Advisory	2 565 851	3 327 858
Engineering	443 751	224 230
Valuer and Assessors	253 340	139 354
Communications	35 735	1 908 299
Legal Services	3 754 404	3 401 032
Contractors	-	
Fire Services	968 341	583 749
Maintenance of Buildings and Facilities	685 913	42 880
Maintenance of Equipment	234 136	189 160
Stream Cleaning and Ditching	43 340	92 811
Employee Wellness	124 003	268 904
Aerial Surveillance	-	11 160
<b>Total Contracted Services</b>	<b>27 682 463</b>	<b>27 078 577</b>
<b>33. DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	52 605 520	47 905 053
Intangible Assets	119 082	184 151
Investment Property	158 961	158 961
<b>Total Depreciation and Amortisation</b>	<b>52 883 563</b>	<b>48 248 165</b>
<b>34. FINANCE CHARGES</b>		
Long-term Borrowings	5 974 802	3 877 414
Non-current Provisions	2 791 876	2 078 358
Payables	755 199	80 293
Finance leases	1 204 552	922 838
<b>Total Finance Costs</b>	<b>10 726 429</b>	<b>6 958 904</b>
<b>35. BULK PURCHASES</b>		
Electricity	201 997 373	209 246 642
<b>Total Bulk Purchases</b>	<b>201 997 373</b>	<b>209 246 642</b>

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	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>36. TRANSFERS AND SUBSIDIES</b>		
Operational	3 003 347	3 401 653
Monetary Allocations	3 003 347	3 401 653
Households	36 200	100 000
Non-profit Institutions	2 379 847	1 574 830
Provincial Government	-	1 288 088
Bursaries Non Employee	587 300	438 736
<b>Total Transfers and Subsidies</b>	<b>3 003 347</b>	<b>3 401 653</b>
<b>37. OPERATIONAL COST</b>		
Achievements and Awards	1 850	-
Advertising, Publicity and Marketing	1 606 795	1 603 337
Assets less than the Capitalisation Threshold	186 783	213 371
Bank Charges, Facility and Card Fees	1 794 758	1 802 220
Bursaries (Employees)	339 940	288 060
Cleaning Services	71 227	65 273
Commission	2 063 403	2 784 611
Courier and Delivery Services	28 281	28 486
Communication	3 142 959	2 991 773
Deeds	879 712	236 948
Entrance Fees	60 870	47 186
Entertainment	50 533	24 139
External Audit Fees	4 584 703	4 642 314
External Computer Service	5 361 312	2 200 782
Full Time Union Representative	175 120	209 312
Hire Charges	4 029 490	5 918 668
Indigent Relief	1 055 203	1 264 571
Insurance Underwriting	3 197 552	2 664 129
Learnerships and Internships	707 018	422 367
Levies Paid - Water Resource Management Charges	1 037 934	-
Licences	366 993	290 514
Membership fees SALGA	2 764 803	2 644 604
Printing, Publications and Books	1 269 735	1 489 654
Professional Bodies, Membership and Subscription	62 526	114 023
Registration Fees	287 914	955 837
Remuneration to Section 79 Committee Members	25 900	-
Remuneration to Ward Committees	322 357	11 037
Resettlement Cost	3 331 138	1 853 967
Samples and Specimens	138 667	116 675
Servitudes and Land Surveys	275	-
Skills Development Fund Levy	2 306 636	2 194 384
Travel and Subsistence	1 609 088	1 303 716
Uniform and Protective Clothing	1 710 962	1 651 568
Wet Fuel	13 315 089	7 528 954
<b>Total Operational Costs</b>	<b>57 887 526</b>	<b>47 562 479</b>



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	2023 R	2022 R
<b>38. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES</b>		
Receivables from Exchange Transactions and Non-Exchange	(12 509 869)	(2 614 435)
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables</b>	<b><u>(12 509 869)</u></b>	<b><u>(2 614 435)</u></b>
<b>39. GAINS/ (LOSS) ON SALE OF FIXED ASSETS</b>		
Property, Plant and Equipment	(1 370 713)	(4 358 132)
<b>Total Gains/ (Loss) on Sale of Fixed Assets</b>	<b><u>(1 370 713)</u></b>	<b><u>(4 358 132)</u></b>
<b>40. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON FIXED ASSETS</b>		
Investment Property	-	-
Property, Plant and Equipment	-	-
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>41. CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
<b>41.1</b>		
(a) Correction of Trade Payables from Exchange Transactions Opening balance. Bargaining council settlement was reached between the Municipality and Ms R September, that relates to prior years. This is now corrected with the following entries Dt Accumulated Surplus Opening balance R752 858.50 (Ct) Trade Payables from Exchange Transactions Opening balance R752 858.50		
(b) Correction of Trade payables From Exchange Transactions , creditor invoices relating to periods prior to July 2021 was only paid in 2022-23. This is now corrected with the following entries Dt Accumulated Surplus Opening balance R151 431 Trade Payables from Exchange Transactions Opening balance R151 431		
(c) Correction of Trade Payables From Exchange Transactions (Salary control ) 2021-22. Backpay towards directors were made for the 2021-22 financial year as proclaimed in the Government Gazette 02/11/2022 for Upper Limits. This is now corrected with the following entries Dt Accumulated Surplus (Employee Related Costs) 2021-22 R162 655 (Ct) Trade Payables from Exchange (Salary Control) R162 655		
(d) Correction of Trade Payables From Exchange Transactions (Salary control ) 2021-22. Backpay towards councillors was made for the 2021-22 financial year as proclaimed in the Government Gazette 02/11/2022 for Upper Limits. This is now corrected with the following entries Dt Accumulated Surplus (Employee Related Costs) 2021-22 R89 900.59 (Ct) Trade Payables from Exchange (Salary Control) R89 900.59		
(e) Correction of Current Employee Benefits Opening balance. Performance bonus disputes with regards to the 2020-21 Financial year was settled and back-pay was paid to Mr Paulse previous Municipal Manager and Mr R Smit (Manager Corporate Services). This is now corrected with the following entry Dt Accumulated Surplus Opening balance R142 418.76 (Ct) Current Employee Benefits Opening balance R142 418.76		
(f) Correction of Trade Payables from Exchange Transactions 2021-22. Invoices relating to Operational Cost for services rendered during the 2021-22 financial year was only paid in the 2022-23 financial year. This is now corrected with the following entries Dt Accumulate Surplus 2021-22(Operational Cost) R125 377 , (Ct) Trade Payables of Exchange Transactions 2021-22 R125 377		
(g) Correction of Trade Payables from Exchange Transactions 2021-22. Invoices relating to Contracted Services for services rendered during the 2021-22 financial year was only paid in the 2022-23 financial year. This is now corrected with the following entries Dt Accumulate Surplus 2021-22(Contracted Services) R410 792, (Ct) Trade Payables of Exchange Transactions 2021-22 R410 792		



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- (h) Correction of Receivables From Exchange Opening balance. Rental accounts for MTN and Vodacom adjusted to reflect correct amount that should have been levied This is now corrected with the following entries Dt Receivables from Exchange (Sundry) R19 768, (Ct) Accumulated Surplus Opening balance R19 768
- (i) Correction of Taxes Opening balance. Retention to Transand was paid in prior periods but VAT portion was not accounted for, now corrected VAT Input Provisional by the following entries. Accumulated Surplus Opening balance R19 106.53 (Ct) Taxes Input Opening balance R19 106.53
- (j) Correction of Land at Cost Opening balance. First time recognition of properties under control of municipality, that was identified during the supplementary valuation roll of the prior year. This is now corrected Dt Land at Cost R3 184 000, (Ct) Accumulated Surplus Opening balance R3 184 000
- (k) Derecognition of Community Assets and Land at Cost. Properties not under control of the municipality as per iGRAP 18 testing performed cresh operated by private institution or low cost housing occupied. This is now corrected with the following entries Dt Accumulated Surplus 2021-22 R221 000, (Ct) Land at Cost R1000, (Ct) Community Assets at Cost R220 000
- (l) Correction of Accumulated Depreciation Community Asset. Properties not under control of the municipality as per IGRAP 18 Testing, cresh operated by private institution or low housing occupied. This is now corrected by Dt Accumulated Depreciation R28 626 (Ct) Accumulated Surplus 2021-22 R28 626
- (m) Correction of Intangible Assets at Cost opening balance. Software have been replaced in prior years, that was still reflecting on the asset register after a full verification was performed. This is now corrected with the following entries DT Accumulated surplus opening balance R2 261 473, (Ct) Intangible Assets at Cost Opening balance R2 261 473. Dt Accumulated Impairment Intangible Assets Opening balance R1706 609 (Ct) Accumulated Surplus Opening balance R1 706 609. Dt Accumulated Impairment 2021/22 R218 536 and (Ct) Accumulated Surplus 2021/22 R218 536
- (n) Correction of Leased Assets at Cost 2021-22 balance, CG15133 was incorrectly disposed of in the prior year. This vehicle was repaired and in use for the full term of the lease. This is now corrected with the following entries Dt Leased Assets at Cost R753 582, (Ct) Accumulated Surplus 2021/22 R753 582. Dt Accumulated Surplus 2021/22 (Depreciation) R130 621, (Ct) Accumulated Depreciation 2021/22 Leased Assets R130 621.
- (o) Correction of Movable assets at Cost Opening balance. Assets identified during the annual physical verification that was not previously reflected on the asset register. This is now corrected with the following entries Dt Movable Assets at Cost Opening balance R272 396, (Ct) Accumulated Surplus Cost R272 396. Dt Accumulated Surplus 2021/22 (Depreciation) R48 792 , (Ct) Accumulated Depreciation Movable Assets R48 792.
- (p) Correction of Infrastructure Roads Stormwater Opening balance. After full physical inspection was done to verify all the roads and stormwater infrastructure, it was identified that infrastructure within the town was not reflecting on the fixed asset register. This is now corrected by the following entries Dt Infrastructure Assets Roads Stormwater Opening balance R26 950 035, (Ct) Accumulated Surplus Opening balance R26 960 035. Dt Accumulated Surplus Opening balance R2 335 266, (Ct) Accumulated Depreciation Opening balance R2 335 266. Dt Accumulated Surplus 2021/22(Depreciation) R1 166 397, (Ct) Accumulated Depreciation Infrastructure 2021/22 R1 166 397
- (q) Correction of Infrastructure Roads & Stormwater Accumulated Depreciation, after physical verification was performed the existing assets was unbundled in its correct components as per CIDMS guidelines, and the RUL was corrected retrospectively that lead to the change in depreciation. This is now corrected with the following entries Dt Accumulated Depreciation Roads Stormwater Opening balance R1 396 359, (Ct) Accumulated Surplus Opening balance R1 396 359. Dt Accumulated Surplus 2021/22 (Depreciation ) R844 190 and (Ct) Accumulated Depreciation Roads Stormwater 2021/22 R844 190.





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(r)

Correction of Water Infrastructure WIP. Projects incorrectly classified as WIP that was completed prior years. The total cost of projects Completed incorrectly reflected as WIP were R1 504 956.79 in Opening balance and R7 550 301.46 in WIP 2021-22 Addition, and the subsequent depreciation correction is now performed with the following entries Dt Accumulated Surplus Opening balance R50 165, (Ct) Accumulated Depreciation Infrastructure R50 165. Dt Accumulated Surplus 2021-22(Depreciation) R331 289, (Ct) Accumulated Depreciation Infra R331 289.

(s) Correction of Electricity Infrastructure WIP 2021-22. Electricity project was completed in prior year, but incorrectly classified as WIP. The WIP Additions 2021-22 was adjusted with R1 430 188.71 and the Opening balance WIP with R1 634 490.10 and moved to completed. MV Cables and Switchgear was installed already in prior years.

(t) Correction of Receivables from Non-Exchange Opening balance, Provincial Fines Debtor and subsequent Impairment was not complete as per the TCS reports from Department of Mobility. This is now corrected with the following entries Dt Receivables From Non-Exchange Opening balance R3 211 979 and (Ct) Accumulated Surplus Opening balance R3 211 979.

(u) Correction of Receivables from Non-Exchange 2021-22, Provincial Fines Debtor and subsequent impairment was not complete as per the TCS reports from Department of Mobility. This is now corrected with the following entries Dt Receivables from Exchange R3 401 970, (Ct) Accumulated Surplus 2021-22(Fines Revenue). Dt Accumulated Surplus 2021/22 (Bad Debts Written Off) R3 057 194 and (Ct) Receivables From-Non Exchange R3 057 194. Dt Receivables from Non-Exchange R328 310 and (Ct) Accumulated Surplus 2021-22(Bad Debts Recovered) R328 310. Dt Accumulated Surplus (Contribution to Bad Debts Provision) R3 678 060.58, (Ct) Receivables of Non-Exchange (Impairment) R3 678 060.58.

	2022 R	2021 R
<b>41.2 Accumulated Surplus/(Deficit)</b>	<b>945 651 188</b>	<b>919 629 595</b>
Balance previously reported		
Correction of Trade Payables from Exchange Transactions opening balance as per note 41.1(a)	(752 859)	(752 859)
Correction of Trade Payables from Exchange Transactions opening balance as per note 41.1(b)	(151 431)	(151 431)
Correction of Trade Payables from Exchange Transactions 2021-22 as per note 41.1(c)	(162 655)	
Correction of Trade Payables from Exchange Transactions 2021-22 as per note 41.1(d)	(89 901)	
Correction of Current Employee Benefits opening balance as per note 41.1(e)	(142 419)	(142 419)
Correction of Trade Payables from Exchange Transactions 2021-22 balance as per note 41.1(f)	(125 377)	
Correction of Trade Payables from Exchange Transactions 2021-22 balance as per note 41.1(g)	(410 792)	
Correction of Receivables from Exchange Transactions Opening balance as per note 41.1(h)	19 768	19 768
Correction of Taxes opening balance as per note 41.1(i)	(19 107)	(19 107)
Correction of Land at Cost opening balance as per 41.1(j)	3 184 000	3 184 000
Correction of Land at Cost opening balance as per 41.1(k)	(1 000)	
Correction of Community assets at Cost opening balance as per 41.1(k)	(220 000)	
Correction of Accumulated Depreciation Community Assets as per 41.1(l)	28 626	
Correction of Intangible Assets at Cost opening balance as per 41.1(m)	(2 261 473)	(2 261 473)
Correction of Intangible assets Accumulated Amortisation as per note 41.1(m)	1 706 609	1 706 609
Correction of Intangible Assets amortisation 2021-22 as per note 41.1(m)	218 536	
Correction of Leased Assets at Cost 2021-22 as per note 41.1(n)	753 582	
Correction of Accumulated Depreciation Leased Assets 2021-22 as per 41.1(n)	(130 621)	
Correction of Other Assets at Cost Opening balance as per note 41.1(o)	272 396	272 396
Correction of Other Assets Accumulated Depreciation 2021/22 as per note 41.1(o)	(48 792)	
Correction of Infrastructure at Cost as per note 41.1(p)	26 950 035	26 950 035
Correction of Accumulated Depreciation Opening balance Infrastructure as per note 41.1(p)	(2 335 266)	(2 335 266)
Correction of Accumulated Depreciation Infrastructure 2021-22 as per note 41.1(p)	(1 166 397)	
Correction of Accumulated Depreciation Opening balance Infrastructure as per note 41.1(q)	1 396 359	1 396 359
Correction of Accumulated Depreciation Infrastructure 2021-22 as per note 41.1(q)	(844 190)	
Correction of Accumulated Depreciation Water Infrastructure Opening balance as per note 41.1(r)	(50 165)	(50 165)
Correction of Accumulated Depreciation Water Infrastructure 2021/22 as per note 41.1(r)	(331 289)	
Correction of Opening balance Receivables from Non-Exchange as per note 41.1(t)	3 211 979	3 211 979
Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	3 401 970	
Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	(3 057 194)	
Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	328 310	
Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	(3 678 061)	
	<b>971 144 371</b>	<b>950 658 023</b>



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<b>41.3 Property, Plant and Equipment</b>			
	<b>Balance previously reported</b>	<b>1 052 996 144</b>	<b>1 003 138 403</b>
	Cost	30 939 013	30 406 431
	Correction of Land at Cost opening balance as per 41.1(j)	3 184 000	3 184 000
	Correction of Land at Cost opening balance as per 41.1(k)	(1 000)	-
	Correction of Community assets at Cost opening balance as per 41.1(k)	(220 000)	-
	Correction of Leased Assets at Cost 2021-22 as per note 41.1(n)	753 582	-
	Correction of Other Assets at Cost Opening balance as per note 41.1(o)	272 396	272 396
	Correction of Infrastructure at Cost as per note 41.1(p)	26 950 035	26 950 035
	Accumulated Depreciation	(3 481 735)	(989 072)
	Correction of Accumulated Depreciation Community Assets as per 41.1(l)	(28 626)	-
	Correction of Accumulated Depreciation Leased Assets 2021-22 as per 41.1(n)	130 621	-
	Correction of Other Assets Accumulated Depreciation 2021/22 as per note 41.1(o)	48 792	-
	Correction of Accumulated Depreciation Opening balance Infrastructure as per note 41.1(p)	2 335 266	2 335 266
	Correction of Accumulated Depreciation Infrastructure 2021-22 as per note 41.1(p)	1 166 397	-
	Correction of Accumulated Depreciation Opening balance Infrastructure as per note 41.1(q)	(1 396 359)	(1 396 359)
	Correction of Accumulated Depreciation Infrastructure 2021-22 as per note 41.1(q)	844 190	-
	Correction of Accumulated Depreciation Water Infrastructure Opening balance as per note 41.1(r)	50 165	50 165
	Correction of Accumulated Depreciation Water Infrastructure 2021/22 as per note 41.1(r)	331 289	-
	<b>Restated Balance</b>	<b>1 080 453 422</b>	<b>1 032 555 762</b>
<b>41.4 Intangible Assets</b>			
	<b>Balance previously reported</b>	<b>740 509</b>	<b>1 143 195</b>
	Correction of Intangible Assets at Cost opening balance as per 41.1(m)	(2 261 473)	(2 261 473)
	Correction of Intangible assets Accumulated Amortisation as per note 41.1(m)	1 706 609	1 706 609
	Correction of Intangible Assets amortisation 2021-22 as per note 41.1(m)	218 536	-
	<b>Restated Balance</b>	<b>404 181</b>	<b>588 331</b>
<b>41.5 Receivables from Non-Exchange</b>			
	<b>Balance previously reported</b>	15 047 500	14 584 483
	Correction of Opening balance Receivables from Non-Exchange as per note 41.1(s)	3 211 979	3 211 979
	Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	3 401 970	-
	Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	(3 057 194)	-
	Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	328 310	-
	Correction of Receivables from Non-Exchange 2021-22 as per note 41.1(u)	(3 678 061)	-
	<b>Restated Balance</b>	<b>15 254 505</b>	<b>17 796 463</b>
<b>41.6 Receivables from Exchange Transactions</b>			
	<b>Balance previously reported</b>	<b>68 639 359</b>	<b>59 355 879</b>
	Correction of Receivables from Exchange Transactions Opening balance as per note 41.1(h)	19 768	19 768
	<b>Restated Balance</b>	<b>68 659 127</b>	<b>59 375 647</b>
<b>41.7 Taxes</b>			
	<b>Balance previously reported</b>	<b>5 073 659</b>	<b>7 903 021</b>
	Correction of Taxes opening balance as per note 41.1(i)	19 107	19 107
	<b>Restated Balance</b>	<b>5 092 766</b>	<b>7 922 128</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

<b>41.8 Trade and Other Payables from Exchange Transactions</b>		
<b>Balance previously reported</b>	<b>47 414 638</b>	<b>51 962 342</b>
Correction of Trade Payables from Exchange Transactions opening balance as per note 41.1(a)	752 859	752 859
Correction of Trade Payables from Exchange Transactions opening balance as per note 41.1(b)	151 431	151 431
Correction of Trade Payables from Exchange Transactions 2021-22 as per note 41.1( c )	162 655	-
Correction of Trade Payables from Exchange Transactions 2021-22 as per note 41.1( d )	89 901	-
Correction of Trade Payables from Exchange Transactions 2021-22 balance as per note 41.1(f)	125 377	-
Correction of Trade Payables from Exchange Transactions 2021-22 balance as per note 41.1(g)	410 792	-
<b>Restated Balance</b>	<b>49 107 652</b>	<b>52 866 631</b>
<b>41.8 Current Employee Benefits</b>		
<b>Balance previously reported</b>	<b>31 634 759</b>	<b>29 639 545</b>
Correction of Current Employee Benefits opening balance as per note 41.1( e )	142 419	142 419
<b>Restated Balance</b>	<b>31 777 178</b>	<b>29 781 964</b>
	<b>2023</b>	<b>2022</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	72 289 030	20 486 349
<b>Adjustments for:</b>		
Depreciation and Amortisation	52 883 563	48 248 165
Loss/(Gain) on Sale of Fixed Assets	1 370 713	4 358 132
Impairment Loss/(Reversal of Impairment Loss)	12 509 869	(1 063 626)
Contributed Property, Plant and Equipment	(722 000)	(266 303)
Government Grants and Subsidies received	170 307 000	173 433 248
Government Grants and Subsidies recognised as revenue	(183 845 496)	(142 843 204)
Repaid to Revenue Fund	(167 000)	(607 000)
Change in Provision for Rehabilitation Cost	1 125 307	2 078 358
Contribution from/to provisions - Non-Current Employee Benefits	10 959 026	8 978 450
Contribution from/to - Current Employee Benefits	698 065	1 995 214
Accrued interest on borrowing	12 235	-
Bad Debts written off	35 056 807	28 455 160
Gains/(Loss) on Fair Value Adjustments	(20 980 026)	(5 772 450)
Operating lease expenses accrued	(2 693)	(4 273)
Operating Surplus/(Deficit) before changes in working capital	151 494 400	137 476 220
Changes in working capital	(63 944 311)	(44 415 756)
Increase/(Decrease) in Consumer Deposits	315 488	327 324
Increase/(Decrease) in Trade and Other Payables	(5 044 010)	(8 609 240)
Increase/(Decrease) in Taxes	(924 338)	(107 112)
(Increase)/Decrease in Inventory	8 912	(1 893 671)
(Increase)/Decrease in Receivables	(58 300 363)	(34 133 057)
<b>Cash generated/(absorbed) by operations</b>	<b>87 550 089</b>	<b>93 060 464</b>
<b>43. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 10	17 352 156	12 960 591
Call Deposits and Investments - Note 10	111 741 255	130 934 736
Cash Floats - Note 10	37 550	37 550
<b>Total cash and cash equivalents</b>	<b>129 130 961</b>	<b>143 932 877</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**44. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**

Cash and Cash Equivalents - Note 43	129 130 961	143 932 877
<b>Less:</b>	(31 892 072)	(52 211 802)
Unspent Transfers and Subsidies - Note 17	(27 320 830)	(41 026 340)
Unspent Borrowings	(402 814)	(6 092 696)
VAT - Note 18	(4 168 428)	(5 092 766)
Net cash resources available for internal distribution	97 238 889	91 721 075
<b>Resources available for working capital requirements</b>	<b>97 238 889</b>	<b>91 721 075</b>

**45. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**

Long-term Liabilities - Note 11	84 257 750	81 859 271
Used to finance property, plant and equipment - at cost	(84 257 750)	(81 859 271)
	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

**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**

Cash reflected in the bank account is R18 million more than original budgeted, due to higher debtors payment ratio improving the cash position of the municipality.

**Call Investment Deposits**

Call investment deposits R56 million more than budgeted, mainly due to unspent grants for the Disaster Relief that was transferred by the National Treasury for flood relief and interest capitalised more than forecasted during the budget process caused by the increase in investment rate

**Consumer Debtors**

Consumer debtors R15 million more than anticipated during the budget phase as it was anticipated that debtors would be less due to a higher payment ratio and increased debt collection procedures that were implemented. Prescribed debt was also written-off but had minimal impact on outstanding debtors

**Other Debtors**

Other debtors is R3.5 million less and comprises mainly out of the Traffic Fines debtor for municipal fines was issued during the year that was less than anticipated. Budget was based on actuals of the prior year.

**Operating Lease Asset**

Operating lease assets R7000 more than budgeted as the movement in leases based on the straightlining method was not taken into account when budget was performed.



**UDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**46.1.2 Current Liabilities**

Borrowing

Current portion of Long term liabilities R2.7 million less than budgeted, as it was budgeted for the repayment of the new long term loan taken up during 2022/23. First repayment will only be made in the 2023/24 budget year

Trade and Other Payables

Trade and Other Payables are more than budgeted due to the unspent grant for Disaster Relief to value of R26 million that was not spent and included in creditors. The grant was transferred in March 2023 and will be applied for roll-over to National Treasury and budgeted for spending in the 2023/24 financial year

**46.1.3 Non-Current Assets**

Intangible Assets

Intangible assets are R555 000 less than budgeted, due to the asset value decreasing in the prior year where assets not in existence anymore that were derecognized. Asset verification was performed and it was found that the software reflecting was on machines that was replaced in the prior years.

**46.1.4 Non-Current Liabilities**

Provisions

Provisions are R14.8 million less than budgeted, due to the change in market conditions the actuarial report on Post Employment Benefits indicated the accrued liability to be less than anticipated. The budget was based on the prior year actual.

**46.2 Statement of Financial Performance**

**46.2.1 Revenue**

Rental of Facilities and Equipment

Rental income more than budgeted by R204 211 as ad-hoc rentals increased during the year, as social functions and sporting events increased after Covid restrictions have been lifted in full. Budget was based on actuals of the previous year.

Interest Earned - External Investments

Interest earned on investments are R5.8 million more than budgeted due to more investments for unspent grants that were made during the year and interest rates increasing by more than anticipated. The budget was based on the prior year actual.

Fines

Fines issued are R3.5 million more than budgeted, as the municipality appointed a new service provider for camera fines and more strict law enforcement procedures that were implemented during the year. The budget was based on the prior year actual.

Licences and Permits

Licence and Permits are less than budgeted by a negligible amount, as more permits was issued during the current year than in prior periods. This item includes roadworthy certificates for vehicles, and budget was based on prior year actual.

Agency Services

Agency Fees are R1.3 million less than budgeted, as the estimated growth on this budgeted item was not realised. The agency fees are earned on the vehicle licencing and learners licences that are issued to residents of the town.

Other Revenue

Other revenue is R2 million more than budgeted, and includes entrance fees of the Cango Caves that increased sharply due to covid restrictions that were lifted country wide and the recovery of the tourism industry country wide. The budget was based on the prior year actual with a small growth percentage to be conservative but the actuals exceeds the estimations.



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

Gains

Actuarial Gains for Post Employment benefits are more than budgeted, but based on market conditions and determined by the council's appointed external actuarial specialist firm as at 30 June 2023. The budget was an estimation based on prior years. Discount rates increased sharply during the year, which reduced the liability and increased the gains.

Contributed Assets

Tribeca Electrical Infrastructure transferred during the current year. New developments not budgeted for as contributed assets as completion date is unknown

**46.2.2 Expenditure**

Debt Impairment

Debt Impairment comprises bad debts written-off and contribution to the bad debt provision aggregated together as per national treasury validation mscoa rules. This item is R8 million more than anticipated as it was estimated that the payment ratio would be more at year end and outstanding debtors less. Based on the debt impairment calculation for the current year a contribution to the provision needs to be made, that was not anticipated during the budget process

Depreciation and Asset Impairment

Depreciation is R8.2 million more than budgeted, mainly due to the Leased Assets annual depreciation not being budgeted. A new AVIS lease tender was awarded effective from 1 July 2023, for which the estimation of depreciation was not included in May 2023 when the budget was approved by council.

Finance Charges

Finance charges on long term liabilities are R4 million more than budgeted, as the repayments are based on floating interest rates on annuity loans that were much higher as increased by the Reserved bank

Bulk Purchases

Bulk Purchases are less R24 million than budgeted, but due to load shedding stages increasing, and the sharp increases in electricity tariffs by NERSA less electricity was used and purchased from Eskom. The budget was an estimation based on the actual purchase figures as at February 2023 forecasted

Other Materials

Other materials are R28 million less than budgeted, mainly due the Disaster Relief grant being unspent and included as maintenance for inventory materials and supplies to be purchased. The funding was only transferred in March 2023, and will be applied for roll-over to National treasury and spent in the 2023/24 financial year

Contracted Services

Contracted Services are R14 million less than budgeted, as cost containment measures on the use of external contractors and consultants were instituted. Also work to be performed by contractors were not completed that was budgeted for and therefore not paid within the financial year.

Other Expenditure

Other Expenditure are R3,6 million less than budgeted, due to strict cost containment measures implemented to curb all non-essential expenditure. The budget was estimated on the prior year actual.

Losses

Losses are R6.6 million less than budgeted, and included an estimated Actuarial Loss for Post Employment benefit plans. Due to the market conditions as at 30 June, the actuarial reports indicated an actuarial gain and not a loss. This could not be forecasted at the time of budget, and is based on assumptions of the prior year actuals

**OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**46.3 Cash Flow Statement**

**46.3.1 Net Cash from Operating Activities**

Interest

Interest earned is R13 million more than budgeted. As per National Treasury validation rules on the budget schedule the interest revenue billed on services and rates are aggregated to Ratepayers and Other, whereas on the Statement of Cashflows it is disclosed as part of Interest earned. This is a mapping difference between the mSCOA schedule and GRAP accounting principles for presentation.

Suppliers and Employees

Suppliers and Employees are R77 million less than budgeted, mainly due to the unspent Disaster Relief grant of R26 million that was not spent and formed part of the budgeted operational expenditure on suppliers. The remainder of the expenditure is lower than budgeted due to strict containment measures implemented to curb non-essential expenditure.

Finance Costs

Finance charges are R1,4 million more than budgeted, because of the annuity loans being on floating interest rate that was influenced by the increase in interest rates by the Reserve bank during the year. This was not anticipated during the budget process

**46.3.2 Net Cash from Investing Activities**

Capital Assets

Expenditure on Capital are R11 million lower than budgeted, which can mainly be contributed to retention not yet payable also included in the budget. This needs to be excluded as the payments are not yet due and forms part of Trade Creditors. Unspent portions of capital projects will be rolled forward to the August 2023/24 financial year as projects was not yet completed but committed.

	2023 R	2022 R
<b>47. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
<b>47.1 <u>Unauthorised expenditure</u></b>		
Reconciliation of unauthorised expenditure:		
Opening balance	20 591 017	-
Restated opening balance	20 591 017	-
Unauthorised expenditure current year - operational	-	20 591 017
Unauthorised expenditure current year - capital	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	(20 591 017)	-
Current period	-	-
Prior Period	20 591 018	-
Unauthorised expenditure awaiting authorisation	-	<b>20 591 017</b>

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

The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:

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



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b><u>Analysed as follows: Non-cash</u></b>		
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>20 591 018</b>

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

	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>Actual</b>	<b>Final Budget</b>	<b>Variance</b>	<b>Unauthorised</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b><u>Unauthorised expenditure current year - operating</u></b>				
Community And Public Safety	135 423 020	136 290 700	867 680	-
Corporate Services	28 587 475	30 732 900	2 145 425	-
Executive & Council	71 523 426	73 215 300	1 691 874	-
Financial Services	51 403 357	56 258 800	4 855 443	-
Human Settlement	14 660 012	15 059 300	399 288	-
Municipal Manager	21 916 117	25 066 100	3 149 983	-
Strategic Services	22 672 563	24 187 900	1 515 337	-
Technical Services	382 511 885	427 468 900	44 957 015	-
	<b>728 697 856</b>	<b>788 279 900</b>	<b>59 582 044</b>	-

	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>Actual</b>	<b>Final Budget</b>	<b>Variance</b>	<b>Unauthorised</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b><u>Unauthorised expenditure current year - capital</u></b>				
Community And Public Safety	17 483 130	17 806 800	323 670	-
Corporate Services	185 786	198 000	12 214	-
Executive & Council	-	-	-	-
Financial Services	1 261 138	1 263 000	1 862	-
Human Settlement	-	50 000	50 000	-
Municipal Manager	-	-	-	-
Strategic Services	1 918 046	2 202 400	284 354	-
Technical Services	90 620 818	95 094 500	4 473 682	-
	<b>111 468 919</b>	<b>116 614 700</b>	<b>5 145 781</b>	-

**47.2 Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current period	-	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting further action	-	-





**OUDTSHOORN LOCAL MUNICIPALITY**  
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	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>47.3 Irregular expenditure</b>		
Reconciliation of irregular expenditure:		
Opening balance	4 356 393	18 558 860
Irregular expenditure current year	5 356 869	9 932 589
Expenditure authorised i.t.o. Section 32 of MFMA	(7 152 092)	(24 135 056)
Current Period ( July 2022 - May 2023)	(2 795 698)	(5 576 196)
Prior Period	(4 356 394)	(18 558 860)
Irregular expenditure awaiting further action	<b>2 561 171</b>	<b>4 356 393</b>

Irregular expenditure can be summarised as follow:

Incident/Cases identified written-off by council in current year	Disciplinary steps/criminal proceedings		
No procurement process followed or less than 3 quotes	Refer to narrative	-	137 658
Payments made to suppliers exceeding contract period	Refer to narrative	-	221 045
Awards made to bidder not Tax Compliant	Refer to narrative	-	71 500
Local Content- MBD 6 not completed	Refer to narrative	-	38 711
Non compliance scm reg 19 no competitive bidding	Refer to narrative	7 149 295	-
Non-compliance with PPR	Refer to narrative	2 797	5 107 281
		<b>7 152 092</b>	<b>5 576 196</b>

Incident/Cases identified in the current year awaiting action	Disciplinary steps/criminal proceedings		
Non compliance scm reg 19 no competitive bidding process implemented after contract expired	Refer to narrative	528 878	4 353 597
Non-Compliance SCM Regulation 36- deviation not justifiable	None	38 435	-
Non Compliance with regulation 12(3)(a) - Splitting of goods and services in lesser values	None	333 969	-
Non-Compliance MFMA Sec 116(2)(a) - contract monitoring not performed monthly	None	300 000	-
Non Compliance with MFMA Sec 116(2) - Payments made to suppliers exceed contract price	None	30 000	-
Non-Compliance with SCM Regulation 19 - competitive bidding process not followed	None	1 300 000	-
Non-compliance with PPR - incorrect calculation of preference points	None	29 889	2 797
		<b>2 561 171</b>	<b>4 356 394</b>

Section Committee 32 investigated and as per council per resolution no: 60.37/06/23 accept and approved the recommendation from MPAC to write-off irregular expenditure for prior and current period up and until 31 May 2023. 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.

Irregular Expenditure for June 2023 to value of R528 878 have been reported to the Sec 32 committee for investigation and have been recommended to council for write-off after reporting date.



OUDTSHOORN LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

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	2 760 266	2 636 388
Amount paid - current year	(2 760 266)	(2 636 388)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>

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

Opening balance	(0)	-
Current year audit fee	5 419 581	5 453 568
External Audit - Auditor-General	5 272 409	5 338 661
Audit Committee	147 173	114 907
Amount paid - current year	(5 419 581)	(5 453 568)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<b>(0)</b>	<b>(0)</b>

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

Opening balance	(5 092 766)	(7 903 021)
Nett movements	924 338	2 810 255
<b>Closing balance</b>	<b>(4 168 428)</b>	<b>(5 092 766)</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	-	-
Current year payroll deductions	40 364 479	38 243 295
Amount paid - current year	(40 364 479)	(38 243 295)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

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

Opening balance	-	-
Current year payroll deductions and Council Contributions	74 477 448	70 858 424
Amount paid - current year	(74 477 448)	(70 858 424)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

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 2023:

	<b>Outstanding more than 90 days</b>
L CAMPHER	32 838



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**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 2023**

	Amount	Single Supplier	Type of Deviation		
			Impossible	Impractical	Emergency
July	10 721	-	-	10 721	-
August	252 789	-	-	-	252 789
September	-	-	-	-	-
October	-	-	-	-	-
November	-	-	-	-	-
December	-	-	-	-	-
January	-	-	-	-	-
February	405 941	-	-	-	405 941
March	-	-	-	-	-
April	-	-	-	-	-
May	1 522 009	1 338 354	-	183 655	-
June	182 160	182 160	-	-	-
	<b>2 373 619</b>	<b>1 520 514</b>	<b>-</b>	<b>194 376</b>	<b>658 730</b>

**30 June 2022**

	Amount	Single Supplier	Type of Deviation		
			Impossible	Impractical	Emergency
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>

**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.

	2023 R	2022 R
<b>48.9 Material losses</b>		
<b>Electricity distribution losses</b>		
Units purchased (Kwh)	120 720 064	142 086 914
Units lost during distribution (Kwh)	6 638 319	12 316 432
Percentage lost during distribution	5.50%	8.67%
<b>Water distribution losses</b>		
Units purchased (ml)	5 456 974	5 089 310
Units lost during distribution (ml)	757 553	616 135
Percentage lost during distribution	13.88%	12.11%

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



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**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.

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

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
1% (2022: 0.5%) Increase in interest rates	290 312	119 613
0.25% (2022: 0.25%) Decrease in interest rates	(72 578)	(59 807)

**(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

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 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.



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b> %	<b>2023</b> R	<b>2022</b> %	<b>2022</b> R
<u>Non-exchange Receivables</u>				
Availability charges	100.00%	4 995 751	100.00%	4 515 002
	<u>100.00%</u>	<u>4 995 751</u>	<u>100.00%</u>	<u>4 515 002</u>
<u>Exchange Receivables</u>				
Electricity	20.89%	13 805 745	23.50%	15 854 447
Water	26.89%	17 776 078	27.14%	18 312 679
Property Rentals	0.00%	506	0.00%	506
Waste Management	15.01%	9 924 193	14.40%	9 718 551
Waste Water Management	16.89%	11 164 412	15.09%	10 179 783
Klein Karoo Water Scheme	8.05%	5 322 022	8.33%	5 618 142
Legal Fees Recovery	0.04%	29 216	0.04%	29 216
Sundry municipal charges	12.18%	8 050 374	11.45%	7 727 062
Other receivables	0.03%	22 756	0.04%	29 550
	<u>100.00%</u>	<u>66 095 303</u>	<u>100.00%</u>	<u>67 469 935</u>

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>2023</b> %	<b>2023</b> R	<b>2 022</b> %	<b>2 022</b> R
<u>Non-exchange Receivables</u>				
Availability Charges	9.70%	4 328 024	5.99%	2 644 463
<u>Exchange Receivables</u>				
Services	90.30%	40 274 368	94.01%	41 509 093
	<u>100.00%</u>	<u>44 602 392</u>	<u>100.00%</u>	<u>44 153 556</u>

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

	<b>2023</b> %	<b>2023</b> R	<b>2022</b> %	<b>2022</b> R
Government	1.30%	578 186	0.72%	318 653
Business	13.40%	5 978 614	12.94%	5 714 243
Residential	62.43%	27 843 221	62.97%	27 803 772
Indigents	13.32%	5 942 119	12.57%	5 551 841
Other	9.55%	4 260 252	10.79%	4 765 049
	<u>100.00%</u>	<u>44 602 392</u>	<u>100.00%</u>	<u>44 153 557</u>

	<b>2023</b> %	<b>2023</b> R	<b>2022</b> %	<b>2022</b> R
<u>Balances past due not impaired:</u>				
<u>Non-exchange Receivables</u>				
Availability Charges	100.00%	667 727	100.00%	1 870 539
	<u>100%</u>	<u>667 727</u>	<u>100.00%</u>	<u>1 870 539</u>
<u>Exchange Receivables</u>				
Services	100.00%	25 820 935	100.00%	25 960 843
	<u>100.00%</u>	<u>25 820 935</u>	<u>100.00%</u>	<u>25 960 843</u>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	78 681 684	68 659 127
Receivables from non-exchange transactions	943 375	2 155 230
Cash and Cash Equivalents	129 093 411	143 895 327
	<u>208 718 470</u>	<u>214 709 684</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.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
<b>2023</b>				
Long-term Liabilities	21 836 149	48 646 144	53 055 566	-
Provision for Rehabilitation of Landfill-sites	10 666 378		17 656 405	339 313 763
Trade and Other Payables	49 127 743	-	-	-
Unspent Conditional Grants and Receipts	27 320 830	-	-	-
	<u>108 951 100</u>	<u>48 646 144</u>	<u>70 711 971</u>	<u>339 313 763</u>
	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>Between 5 and 10 years</b>	<b>More than 10 years</b>
<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	49 107 652	-	-	-
Unspent Conditional Grants and Receipts	41 026 340	-	-	-
	<u>124 053 646</u>	<u>48 065 012</u>	<u>34 770 130</u>	<u>300 729 653</u>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

		2023 R	2022 R
<b>50. FINANCIAL INSTRUMENTS</b>			
	In accordance with GRAP 104.45 the financial liabilities and assets of the municipality are classified as follows:		
<b>50.1</b>	<b><u>Financial Assets</u></b>		
	<b><u>Classification</u></b>		
	<b>Receivables from Exchange Transactions</b>		
	Electricity	24 742 905	29 402 102
	Water	22 902 281	23 076 287
	Property Rentals	506	506
	Waste Management	11 926 798	11 373 197
	Waste Water Management	13 724 241	12 707 296
	Legal Fees Recovery	29 216	29 216
	Klein Karoo Water Scheme	5 705 001	6 233 695
	<b>Cash and Cash Equivalents</b>		
	Primary Bank Account	17 352 156	12 960 591
	Call Deposits	111 741 255	130 934 736
	<b>Total Financial Assets</b>	<b><u>208 124 358</u></b>	<b><u>226 717 627</u></b>
	<b>Financial Instruments at amortised cost:</b>		
	Receivables from Exchange Transactions	24 742 905	29 402 102
	Receivables from Exchange Transactions	22 902 281	23 076 287
	Receivables from Exchange Transactions	506	506
	Receivables from Exchange Transactions	11 926 798	11 373 197
	Receivables from Exchange Transactions	13 724 241	12 707 296
	Receivables from Exchange Transactions	29 216	29 216
	Receivables from Exchange Transactions	5 705 001	6 233 695
	Cash and Cash Equivalents	17 352 156	12 960 591
	Cash and Cash Equivalents	111 741 255	130 934 736
	<b>Total Financial Assets</b>	<b><u>208 124 358</u></b>	<b><u>226 717 627</u></b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

		2023 R	2022 R
<b>50.2</b>	<b><u>Financial Liabilities</u></b>		
	<b><u>Classification</u></b>		
	<b>Long-term Liabilities</b>		
	Annuity Loans	72 836 840	63 168 400
	Capitalised Lease Liability	11 420 910	18 690 871
	<b>Trade and Other Payables</b>		
	Trade Payables	34 072 946	38 115 987
	Control, Clearing and Interface Accounts	772 895	247 732
	Retentions	9 647 257	6 680 822
		<u><b>128 750 848</b></u>	<u><b>126 903 812</b></u>

**SUMMARY OF FINANCIAL LIABILITIES**

**Financial instruments at amortised cost:**

Long-term Liabilities	Annuity Loans	72 836 840	63 168 400
Long-term Liabilities	Capitalised Lease Liability	11 420 910	18 690 871
Trade and Other Payables	Trade Payables	34 072 946	38 115 987
Trade and Other Payables	Other Payables	772 895	247 732
Trade and Other Payables	Retentions	9 647 257	6 680 822
		<u><b>128 750 848</b></u>	<u><b>126 903 812</b></u>

**51. STATUTORY RECEIVABLES**

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

**Taxes**

VAT Receivable

-

-

**Receivables from Non-Exchange Transactions**

54 590 701

40 606 682

Rates

35 982 704

33 126 591

Fines

18 607 997

7 480 090

**Total Statutory Receivables (before provision)**

**54 590 701**

**40 606 682**

**Less:** Provision for Debt Impairment

(39 568 442)

(27 507 408)

**Total Statutory Receivables (after provision)**

**15 022 259**

**13 099 274**

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	27 507 408	28 354 002
Reversal of provision	12 061 034	(846 594)
Balance at end of year	<u><b>39 568 442</b></u>	<u><b>27 507 408</b></u>





**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

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

Non-exchange	6 215 169	5 911 346
	<b>6 215 169</b>	<b>5 911 346</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**

No in-kind donations or assistance was provided to the municipality for the current or prior year under review

**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	5 647 468	5 627 794
<b>Total Compensation received</b>	<b>5 647 468</b>	<b>5 627 794</b>

**Reconciliation of Agency Funds and Disbursements**

Principal name	2023 R		2022 R	
	Total Agency funds received	Amount remitted to the principal	Total Agency funds received	Amount remitted to the principal
Western Cape Government- Department of Transport	5 647 468	19 045 171	5 627 794	18 674 666
	<b>5 647 468</b>	<b>19 045 171</b>	<b>5 627 794</b>	<b>18 674 666</b>

**Resources under custodianship at year-end**

None



**OUTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 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 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, and pleadings closed in February 2020.	155 040	185 040
<b>54.2 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 that declined the claim. An investigation was performed by council's attorneys and merits are in our favour, however settlement negotiations are under consideration by the municipality.	10 239 601	10 000 000
<b>54.3 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. No Further actions in the current year and more than 40 months since last correspondence from the 3d Party, seems matter was abandoned.	-	190 000
<b>54.4 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. On the date of trial, the Plaintiff withdrew his claim, and each party was to pay his own costs in current financial year	-	290 000
<b>54.5 NJ Terblanche vs Oudtshoorn Municipality</b>		
Claim for damages to their property was made against the municipality by NJ Terblanche. Coetzee vd Berg Attorneys was appointed by the council's short-term insurance service providers to deal the matter. Matter was resolved in current financial year	-	270 000
<b>54.6 Manormanie Moodley vs Oudtshoorn Municipality</b>		
The plaintiff fell into a hole in the pavement and sustained injuries for which claims was made against the municipality. Investigations are still ongoing surrounding the circumstances of the alleged incident. Currently in the process of drafting the municipality's plea. If found guilty the municipality will be held liable for injuries incurred.	1 265 427	1 265 427
<b>54.7 Thomas Mathee vs Oudtshoorn Municipality</b>		
Application to set aside an arbitration ruling for reinstatement of dismissed employee, merits are in the municipality's favour and answering of affidavit filed. Awaiting applicant's supplementary affidavit to the Labour Court and possible liability remains.	1 000 000	1 500 000
<b>54.8 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	487 120
<b>54.9 S Tarentaal vs Oudtshoorn Municipality</b>		
In Supreme court, plaintiff attorneys issued a summance to the municipality for injuries sustained when touching the electrical box. If council is found negligent, the municipality will be held liable for the full amount	100 000	-



**OUTDSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

	2023 R	2022 R
<b>51.10 Reginald Smit vs Oudtshoorn Municipality</b>		
Application for compensation by a current employee for alleged unfair suspension. Merits are in municipality's favour, because employee was suspended with full benefits. Next-day for arbitration scheduled for 19 September 2023	100 000	-
<b>54.11 Winston Adams ob. Juwayne Adamns vs Oudtshoorn Municipality</b>		
Claim for damages by the parents of Winston Adams against the municipality. Currently council attorneys advised we have good prospect of success but if found to be negligent, council will be held liable for the full amount.	3 000 000	-
<b>54.12 Oudtshoorn Municipaliteit/SARS</b>		
Department of Cultural Affairs and Sport is currently working on formally assigning the library function to the municipalities. Initiation of the process for assignment to municipalities in terms of the Draft Bill will begin in the early part of 2024 with a deadline of March 2025 as Gazetted in the Division of Revenue Act for the Province to resolve the assignment of the library function. This may have VAT implications for the municipality and an estimation was made on the past 5 years subsidies that was received by the Department.	4 482 652	-
	<b>20 829 840</b>	<b>14 187 587</b>
<b>55. CONTINGENT ASSETS</b>		
<b>55.1 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, and a ruling was made to collect settlement from former employees but no taxation performed as yet.	9 065 244	4 475 896
<b>55.2 Gaihaos (Pty) Ltd vs Oudtshoorn Municipality</b>		
Gailhaos 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 but no taxation yet performed in current year and no prospect of recocery.	-	100 000
<b>55.3 Oudtshoorn Municipality vs D Hartzenberg</b>		
Ex-employee did not honour his re-imbusement 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.	70 000	70 000
<b>55.4 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 and High Court dismissed claims for reimbursement to council	-	2 000 000
<b>55.5 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 and High Court dismissed claims for reimbursement to council	-	2 000 000
	<b>9 135 244</b>	<b>8 645 896</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

**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.

	2023 R	2023 R	2022 R	2022 R
	Rates & Services	Outstanding Balance	Rates & Services	Outstanding Balance
<b>56.1 Related Party Transactions</b>				
<b>Year ended 30 June 2023</b>				
Councillors				
LPO Wagenaar			2 316	2 316
JC Lambaatjeen	124	124	-	-
DJ Fourie	4 749	4 749	4 933	4 933
J Allers	4 535	4 535	13 912	13 912
SN Bently	1 000	1 000	910	910
A Berry	2 700	2 700	2 544	2 544
L Campher	37 190	37 190	42 869	42 869
JL Du Preez	3 418	3 418	974	974
JN Duvenage	4 170	4 170	4 028	4 028
DV Moos	1 456	1 456	1 960	1 960
C Muller	-	-	703	703
SA Jansen	-	-	550	550
J van der Ross	5 648	5 648	10 794	10 794
LSS van Rooyen	341	341	456	456
	<b>65 332</b>	<b>65 332</b>	<b>86 949</b>	<b>86 949</b>
Senior Management - Directors				
Mr GP De Jager	-	-	2 855	2 855
	-	-	<b>2 855</b>	<b>2 855</b>

**56.2 Related Party Loans**

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

**56.3 Compensation of key management personnel**

The compensation of key management personnel is set out in note 30 to the Annual Financial Statements.

**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 2023:

Name	Position	Staff Leave Obligations	Bonus Obligations
W Hendricks	Municipal Manager	44 374	-
GP De Jager	Chief Financial Officer	-	103 542
J Lesch	Director: Technical Services	-	126 551
R Smit	Director: Corporate Services	-	63 276
L Coetzee	Director: Planning and Development	-	-
N Van Stade	Director: Community Services	-	-
		<b>44 374</b>	<b>293 369</b>



**OUDTSHOORN LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

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

	<b>2023</b>	<b>2022</b>
<b>Key Management Personnel</b>	<b>R</b>	<b>R</b>
<b>Staff Leave Obligations</b>	<b>Performance Bonus</b>	
W Hendricks	Municipal Manager	-
GP De Jager	Chief Financial Officer	22 621
J Lesch	Director: Technical Services	-
R Smit	Director: Corporate Services	38 517
		<b>61 137</b>
		<b>110 658</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		
Souther Ambition 1085	D. Moos	Councillor	Spouse of the owner	145 630	-
Inzalo UMS (Pty) Ltd	N.T. Mazibuko	Disaster Management Officers	Disaster Management Officers Brother	38 934	-
GH Towing	G. Wolmerans	Disaster Management Officers	Disaster Management Officers Brother	55 544	169 878
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
				<b>240 108</b>	<b>175 577</b>
				<b>240 108</b>	<b>175 577</b>

**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. Revenue Enhancement and Protection strategies have been developed by management for implementation in the next cycle to optimize all revenue streams.

The municipality cash position declined from R143 932 877 (2022) to R129 130 961 (2023) indicating a nett cash decrease R14 801 916 as at 30 June 2023, this is mainly due to the municipalities additional investment from own and borrowed funds to replace and refurbish aging infrastructure that is needed for service delivery

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

**Financial Indicators**

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

- The current assets to current liabilities ratio is 1:49 which is just below the norm of between 1.5 to 2:1 as stated in the National Treasury MFMA circular no. 71.
- This ratio remained relatively stable where 1.6:1 was reported in the prior year, and measures have been implemented to in an effort to remain within the National Treasury norm.
- Debtors payment ratio decreased from 95.8% in 2022 to 93.8% in 2023. The decrease is evident of the local economy that is negatively influenced by the country wide interest rate increases and rising inflation, causing the consumers to have less cash available to repay their debt.
- A consecutive operating 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 2023**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2022	Received during the period	Accrued Interest	Redeemed written off during the period	Balance at 30 June 2023
<b>ANNUITY LOANS</b>								
Standard Bank	11.09%	536761	2022/12/31	592 331	-	-	(592 332)	(1)
Standard Bank	11.70%	537021	2023/06/20	4 320 395	-	-	(4 320 395)	0
Standard Bank	7.65%	594602	2029/12/31	15 394 545	-	-	(1 463 400)	13 931 144
Standard Bank	5.80%	654722	2031/12/31	15 252 947	-	-	(1 334 091)	13 918 856
Standard Bank	6.92%	710574	2027/06/30	4 500 000	-	-	(718 658)	3 781 342
	7.18%	710625	2037/06/30	16 000 000	-	-	(350 738)	15 649 262
Development Bank of SA				-	-	-	-	-
Urban Infrastructure Project 10608/1	14.00%	10608/1'01	2017/06	1 955 783	-	-	(928 311)	1 027 472
Multiple Infrastructure 101096/2	10.16%	101096/2	2019/12	828 948	-	-	(236 842)	592 106
Multiple Infrastructure 101647/3	6.88%	101647/3	2015/06	2 026 316	-	-	(578 947)	1 447 369
Infrastructure 102003/1	6.56%	102003/1	2025/12	1 213 039	-	-	(303 260)	909 779
Deep Aquifer Hydrogeological 13774	15.67%	13774	2021/06	1 084 094	-	-	(216 819)	867 275
Nedbank	8.46%	110548762400001	2038/06	-	18 400 000	10 935	-	18 410 935
Nedbank	8.46%	110548762400002	2028/06	-	2 300 000	1 300	-	2 301 300
<b>Total Annuity Loans</b>				<b>63 168 399</b>	<b>20 700 000</b>	<b>12 235</b>	<b>(11 043 795)</b>	<b>72 836 840</b>
<b>LEASE LIABILITY</b>								
ISUZU TRUCKS N SERIES NPR 400 CREW CAB AMT	10.25%		2022/07	12 412	-	-	(12 412)	0
Renault Duster 1.5 DCI Techroad - CG5739	7.00%		2024/10/15	171 668	-	-	(70 164)	101 504
Isuzu D-Max 250 HO single cab - CG32190	7.00%		2024/10/26	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34075	7.00%		2024/10/27	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34079	7.00%		2024/10/26	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34092	7.00%		2024/10/25	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG28235	7.00%		2024/10/25	198 166	-	-	(80 994)	117 172
Isuzu D-Max 250 HO single cab - CG34074	7.00%		2024/10/25	177 923	-	-	(72 720)	105 203
Isuzu D-Max 250 HO single cab - CG34100	7.00%		2024/10/28	184 972	-	-	(75 601)	109 371
Isuzu D-Max 250 HO single cab - CG34085	7.00%		2024/10/28	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34098	7.00%		2024/10/27	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34104	7.00%		2024/10/28	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG29198	7.00%		2024/11/09	178 132	-	-	(72 806)	105 326
Isuzu D-Max 250 HO single cab - CG30833	7.00%		2024/11/09	178 106	-	-	(72 795)	105 311
Isuzu D-Max 250 HO single cab - CG34106	7.00%		2024/10/28	178 106	-	-	(72 795)	105 311
VW Polo 1.4 trendline sedan - CG16139	7.50%		2025/02/14	176 787	-	-	(64 415)	112 371
VW Polo 1.4 trendline sedan - CG17052	7.50%		2025/02/13	176 787	-	-	(64 415)	112 371
Nissan NP200 1.6 - CG20667	7.25%		2024/12/01	166 885	-	-	(89 792)	77 093
VW Polo 1.4 trendline sedan - CG17259	7.50%		2025/02/14	176 787	-	-	(64 415)	112 371
VW Polo 1.4 trendline sedan - CG17958	7.50%		2025/02/14	176 787	-	-	(64 415)	112 371
VW Polo 1.4 trendline sedan - CG18397	7.50%		2025/02/13	176 787	-	-	(64 415)	112 371
VW Polo 1.4 trendline sedan - CG19389	7.50%		2025/02/13	176 787	-	-	(64 415)	112 371
Isuzu D-Max 250 HO single cab - CG17929	7.00%		2024/11/16	167 390	-	-	(55 817)	111 573
Isuzu D-Max 250 HO single cab - CG13016	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG31605	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG19513	7.00%		2024/11/16	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG32805	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG33157	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG29316	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG27781	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG25272	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG19699	7.00%		2024/11/15	183 946	-	-	(72 373)	111 573
Isuzu D-Max 250 HO single cab - CG34136	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG34124	7.25%		2024/11/30	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG34137	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG34119	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG34130	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
Isuzu D-Max 250 HO single cab - CG34141	7.25%		2024/11/22	183 391	-	-	(72 022)	111 368
UD Trucks Croner PKE 250 (H37) - CG24967	7.25%		2025/01/03	1 151 369	-	-	(435 747)	715 622
UD Trucks Croner PKE 250 (H28) - CG33277	7.25%		2024/12/08	643 083	-	-	(252 556)	390 527
Isuzu truck N-series NPR 400 - CG33343	7.25%		2025/01/11	452 136	-	-	(171 115)	281 021
Isuzu truck N-series NPR 400 - CG33347	7.25%		2025/01/13	452 136	-	-	(171 115)	281 021
Nissan NP200 1.6 - CG14873	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093
Isuzu trucks N Series NPR400 - CG12098	7.25%		2024/12/22	395 031	-	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG12651	7.25%		2024/12/21	395 031	-	-	(149 503)	245 527
Nissan NP200 1.6 - CG15283	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093
Nissan NP200 1.6 - CG17759	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093
Nissan NP200 1.6 - CG17153	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093
Nissan NP200 1.6 - CG22902	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093
Nissan NP200 1.6 - CG23521	7.25%		2024/12/01	126 949	-	-	(49 856)	77 093



**APPENDIX A**  
**OUDTSHOORN LOCAL MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2023**

Isuzu trucks F Series FTR 850 - CAW3997P	7.25%		2024/12/01	712 494	-	(279 815)	432 679
Nissan NP200 1.6 - CG13939	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Isuzu trucks N Series NPR400 - CG20124	7.50%		2025/02/16	730 620	-	(257 067)	473 553
Nissan NP200 1.6 - CG17852	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG23624	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG18624	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG14008	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG21254	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG17535	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG21931	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG12837	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Nissan NP200 1.6 - CG15033	7.25%		2024/12/01	126 949	-	(49 856)	77 093
Isuzu D-Max 300 LX Ext Cab - CG22275	7.25%		2024/11/30	352 727	-	(138 525)	214 202
Isuzu D-Max 250 Hi Rider - CG25050	7.00%		2024/10/25	208 451	-	(85 197)	123 253
Isuzu D-Max 250 Hi Rider - CG28104	7.00%		2024/11/11	208 451	-	(85 197)	123 253
Isuzu D-Max 250 Hi Rider - CG8430	7.25%		2024/11/22	214 636	-	(84 293)	130 343
Isuzu D-Max 250 Hi Rider - CG5821	7.25%		2024/11/22	214 636	-	(84 293)	130 343
Toyota Hiace 2.7 16 Seat - CG33140	7.25%		2024/12/12	241 415	-	(94 810)	146 605
Toyota Land Cruiser Pickup 79 series - CG31184	7.25%		2024/12/08	658 125	-	(258 463)	399 662
Isuzu trucks N Series NPR400 - CG29555	7.25%		2025/01/11	395 031	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG12161	7.25%		2024/12/22	395 031	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG32595	7.25%		2025/01/13	395 031	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG15043	7.25%		2024/12/21	395 031	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG14040	7.25%		2024/12/21	395 031	-	(149 503)	245 527
Isuzu trucks N Series NPR400 - CG33342	7.25%		2025/01/13	395 031	-	(149 503)	245 527
Toyoto Rumion 1.5 - CG33167	7.25%		2025/01/13	151 001	-	(57 148)	93 853
TOYOTA HIACE 2.7 16 SEAT - CG12749	7.50%		2025/03/06	248 237	-	(93 765)	154 472
<b>Total Lease Liabilities</b>				<b>18 690 862</b>	<b>-</b>	<b>(7 269 950)</b>	<b>11 420 912</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>81 859 262</b>	<b>20 700 000</b>	<b>(18 313 745)</b>	<b>84 257 752</b>



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

Grant Description	Balance 30 June 2022	Correction of Error	Restated Balance 30 June 2022	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 2023	Unspent 30 June 2023 (Creditor)	Unpaid 30 June 2023 (Debtor)
<b><u>National Government Grants</u></b>											
Equitable Share	-	-	-	89 431 000	-	-	(89 431 000)	-	-	-	-
Local Government Financial Management Grant	(0)	-	(0)	2 800 000	-	-	(2 800 000)	(0)	-	(0)	-
Municipal Infrastructure Grant	167 270	-	167 270	33 325 000	-	(167 000)	(1 216 300)	67 393	67 393	-	-
Integrated National Electrification Grant	0	-	0	3 100 000	-	-	-	1 233 880	1 233 880	-	-
Regional Bulk Infrastructure Grant - Department of Water Affairs and I	1 613 986	-	1 613 986	-	-	-	-	-	-	-	-
Extended Public Works Program	0	-	0	1 310 000	-	-	(1 310 000)	0	0	-	-
Municipal Disaster Relief Grant	37 030 524	-	37 030 524	-	-	-	-	(37 030 524)	(0)	-	(0)
Municipal Disaster Recovery Grant	-	-	-	26 664 000	-	-	(1 061 877)	25 602 123	25 602 123	-	-
Water Macro Planning	0	-	0	-	-	-	-	0	0	-	-
<b>Total National Government Grants</b>	<b>38 811 780</b>	<b>-</b>	<b>38 811 780</b>	<b>156 630 000</b>	<b>-</b>	<b>(167 000)</b>	<b>(95 819 177)</b>	<b>(72 552 207)</b>	<b>26 903 396</b>	<b>26 903 396</b>	<b>(0)</b>
<b><u>Provincial Government Grants</u></b>											
CDW operational support grant	-	-	-	56 000	-	-	(56 000)	0	0	-	-
Library Services	(0)	-	(0)	7 690 000	-	-	(7 290 000)	(400 000)	0	0	-
Emergency Municipal Load Shedding Relief Grant	-	-	-	4 665 000	-	-	-	(4 665 000)	-	-	-
Maintenance Main Road Subsidy	6	-	6	-	-	-	-	6	6	-	-
Thusong Service Centre Grant	-	-	-	150 000	-	-	-	150 000	150 000	-	-
Western Cape Financial Management Capability Grant	-	-	-	700 000	-	-	(700 000)	-	-	-	-
Upgrading of SMME Infrastructure Booster Fund	1 870 395	-	1 870 395	-	-	-	-	(1 870 395)	-	-	-
Western Cape Municipal Interventions Grant	-	-	-	250 000	-	-	-	(250 000)	-	-	-
<b>Total Provincial Government Grants</b>	<b>1 870 402</b>	<b>-</b>	<b>1 870 402</b>	<b>13 511 000</b>	<b>-</b>	<b>-</b>	<b>(8 046 000)</b>	<b>(7 185 395)</b>	<b>150 007</b>	<b>150 008</b>	<b>(0)</b>
<b><u>District Municipality</u></b>											
Garden Route District Municipality	120 000	-	120 000	-	-	-	-	(120 000)	(0)	-	(0)
	-	-	-	-	-	-	-	-	-	-	-
<b>Total District Municipality Grants</b>	<b>120 000</b>	<b>-</b>	<b>120 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(120 000)</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>
<b><u>Other Grant Providers</u></b>											
ASLA Rosevalley Library Contribution	224 158	-	224 158	166 000	-	-	-	(122 732)	267 426	267 426	-
<b>Total Other Grant Providers</b>	<b>224 158</b>	<b>-</b>	<b>224 158</b>	<b>166 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(122 732)</b>	<b>267 426</b>	<b>267 426</b>	<b>-</b>
<b>Total Grants</b>	<b>41 026 340</b>	<b>-</b>	<b>41 026 340</b>	<b>170 307 000</b>	<b>-</b>	<b>(167 000)</b>	<b>(103 865 177)</b>	<b>(79 980 334)</b>	<b>27 320 829</b>	<b>27 320 830</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	2022/23							2021/22
	Original Budget	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
	1	2	3	4	6	7	8	12
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	116 458	(303)	116 155	116 473	318	100.3%	100.0%	104 563
Service charges	438 314	(27 293)	411 020	408 896	(2 124)	99.5%	93.3%	403 757
Investment revenue	5 988	-	5 988	11 878	5 890	198.4%	198.4%	6 818
Transfers recognised - operational	102 682	27 364	130 046	103 865	(26 181)	79.9%	101.2%	96 933
Other own revenue	41 978	11 911	53 889	79 172	25 283	146.9%	188.6%	39 320
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>705 420</b>	<b>11 678</b>	<b>717 098</b>	<b>720 285</b>	<b>3 186</b>	<b>100.4%</b>	<b>102.1%</b>	<b>651 390</b>
Employee costs	287 809	4 308	292 117	282 136	(9 980)	96.6%	98.0%	269 809
Remuneration of councillors	11 936	-	11 936	11 375	(560)	95.3%	95.3%	10 950
Depreciation & asset impairment	43 851	2 537	46 388	52 884	6 496	114.0%	120.6%	48 248
Finance charges	10 552	(4 099)	6 453	10 726	4 273	166.2%	101.7%	6 959
Materials and bulk purchases	254 743	26 922	281 665	229 272	(52 393)	81.4%	90.0%	231 194
Transfers and grants	3 092	(100)	2 992	3 003	11	100.4%	97.1%	3 402
Other expenditure	123 162	23 568	146 730	139 301	(7 429)	94.9%	113.1%	106 519
<b>Total Expenditure</b>	<b>735 144</b>	<b>53 136</b>	<b>788 280</b>	<b>728 698</b>	<b>(59 582)</b>	<b>92.4%</b>	<b>99.1%</b>	<b>677 081</b>
<b>Surplus/(Deficit)</b>	<b>(29 725)</b>	<b>(41 457)</b>	<b>(71 182)</b>	<b>(8 413)</b>	<b>62 769</b>	<b>11.8%</b>	<b>28.3%</b>	<b>(25 691)</b>
Transfers recognised - capital	69 159	12 000	81 159	79 980	(1 178)	98.5%	115.6%	45 911
Contributions recognised - capital & contributed assets	166	-	405	722	-	-	-	266
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>39 600</b>	<b>(29 457)</b>	<b>10 381</b>	<b>72 289</b>	<b>61 590</b>	<b>696.3%</b>	<b>182.5%</b>	<b>20 486</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>39 600</b>	<b>(29 457)</b>	<b>10 381</b>	<b>72 289</b>	<b>61 590</b>	<b>696.3%</b>	<b>182.5%</b>	<b>20 486</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>								
Transfers recognised - capital	60 356	10 673	71 029	69 471	(1 558)	97.8%	115.1%	40 783
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	20 700	6 093	26 793	26 236	(557)	97.9%	126.7%	25 582
Internally generated funds	10 991	7 802	18 793	15 655	(3 137)	83.3%	142.4%	11 091
<b>Total sources of capital funds</b>	<b>92 047</b>	<b>24 568</b>	<b>116 615</b>	<b>111 362</b>	<b>(5 253)</b>	<b>95.5%</b>	<b>121.0%</b>	<b>77 455</b>
<b>Cash flows</b>								
Net cash from (used) operating	36 340	(12 204)	24 136	87 550	63 414	362.7%	240.9%	93 060
Net cash from (used) investing	(100 788)	(15 176)	(115 964)	(104 738)	11 226	90.3%	103.9%	(70 239)
Net cash from (used) financing	2 200	-	2 200	2 386	186	108.5%	108.5%	5 144
<b>Cash/cash equivalents at the year end</b>	<b>38 199</b>	<b>16 106</b>	<b>54 305</b>	<b>129 131</b>	<b>74 826</b>	<b>237.8%</b>	<b>338.1%</b>	<b>143 933</b>



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

Description	2022/23							2021/22
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	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	6	7	8	12
<b>Revenue - Standard</b>								
<b>Governance and administration</b>	205 645	8 744	214 390	232 256	17 867	108.3%	112.9%	186 807
Executive and council	84 985	8 148	93 132	111 751	18 619	120.0%	131.5%	78 926
Finance and administration	120 661	597	121 258	120 505	(753)	99.4%	99.9%	107 881
<b>Community and public safety</b>	18 271	2 617	20 889	31 577	10 688	151.2%	172.8%	33 044
Community and social services	8 006	274	8 280	7 850	(430)	94.8%	98.1%	14 019
Sport and recreation	281	894	1 176	1 124	(52)	95.6%	399.3%	1 848
Public safety	9 984	1 450	11 433	22 603	11 170	197.7%	226.4%	15 888
Housing	-	-	-	-	-	0.0%	0.0%	1 288
<b>Economic and environmental services</b>	34 760	1 870	36 630	36 438	(192)	99.5%	104.8%	24 646
Planning and development		1 870	1 870	1 870	-	100.0%	100.0%	130
Road transport	34 760	-	34 760	34 568	(192)	99.4%	99.4%	24 517
<b>Trading services</b>	516 068	10 685	526 753	500 716	(26 037)	95.1%	97.0%	463 823
Energy Sources	310 879	(20 304)	290 575	290 380	(194)	99.9%	93.4%	297 348
Water Management	114 462	40 753	155 215	128 645	(26 569)	82.9%	112.4%	89 010
Waste water management	57 933	(12 075)	45 859	46 297	438	101.0%	79.9%	47 501
Waste management	32 795	2 310	35 105	35 393	289	100.8%	107.9%	29 964
<b>Total Revenue - Standard</b>	<b>774 745</b>	<b>23 917</b>	<b>798 661</b>	<b>800 987</b>	<b>2 326</b>	<b>100.3%</b>	<b>103.4%</b>	<b>708 320</b>
<b>Expenditure - Standard</b>								
<b>Governance and administration</b>	180 950	10 760	191 710	179 950	(11 760)	93.9%	99.4%	153 518
Executive and council	77 936	8 467	86 403	89 605	3 202	103.7%	115.0%	77 332
Finance and administration	100 301	2 254	102 555	87 594	(14 961)	85.4%	87.3%	73 675
Internal audit	2 713	38	2 751	2 750	(1)	100.0%	101.4%	2 510
<b>Community and public safety</b>	119 146	(3 260)	115 886	114 412	(1 475)	98.7%	96.0%	119 093
Community and social services	25 207	24	25 231	24 465	(766)	97.0%	97.1%	21 895
Sport and recreation	40 838	(2 381)	38 457	37 839	(619)	98.4%	92.7%	37 159
Public safety	37 355	(217)	37 138	37 447	309	100.8%	100.2%	46 738
Housing	15 745	(686)	15 059	14 660	(399)	97.3%	93.1%	13 301
<b>Economic and environmental services</b>	64 547	25 411	89 958	63 797	(26 162)	70.9%	98.8%	57 058
Planning and development	24 937	(749)	24 188	22 673	(1 515)	93.7%	90.9%	21 262
Road transport	39 610	26 160	65 770	41 124	(24 646)	62.5%	103.8%	35 796
<b>Trading services</b>	370 501	20 225	390 726	370 540	(20 186)	94.8%	100.0%	358 165
Energy Sources	265 841	1 616	267 457	247 554	(19 903)	92.6%	93.1%	243 722
Water Management	45 222	10 647	55 869	56 296	427	100.8%	124.5%	56 729
Waste water management	28 083	3 853	31 936	31 018	(918)	97.1%	110.5%	27 493
Waste management	31 355	4 109	35 464	35 671	208	100.6%	113.8%	30 221
<b>Other</b>	-	-	-	-	-	0.0%	0.0%	-
<b>Total Expenditure - Standard</b>	<b>735 144</b>	<b>53 136</b>	<b>788 280</b>	<b>728 698</b>	<b>(59 582)</b>	<b>92.4%</b>	<b>99.1%</b>	<b>687 833</b>
<b>Surplus/(Deficit) for the year</b>	<b>39 600</b>	<b>(29 219)</b>	<b>10 381</b>	<b>72 289</b>	<b>61 908</b>	<b>696.3%</b>	<b>182.5%</b>	<b>20 486</b>



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

Vote Description  R thousand	2022/23								2021/22
	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
	1	2	3	4	5	6	7	8	12
<b>Revenue by Vote</b>									
Executive & Council	68 175	995	69 170	96 657		27 487	139.7%	141.8%	71 792
Municipal Manager	8 810	7 153	15 963	15 094		(868)	94.6%	171.3%	7 134
Corporate Services	698	300	998	832		(166)	83.4%	119.2%	744
Financial Services	127 963	297	128 260	119 673		(8 587)	93.3%	93.5%	107 137
Community and Public Safety	51 066	4 927	55 993	66 970		10 977	119.6%	131.1%	61 720
Technical Services	518 033	8 375	526 408	499 891		(26 517)	95.0%	96.5%	458 375
Human Settlement		-	-	-		-	0.0%	0.0%	1 288
Strategic Services		1 870	1 870	1 870		-	100.0%	100.0%	130
<b>Total Revenue by Vote</b>	<b>774 745</b>	<b>23 917</b>	<b>798 661</b>	<b>800 987</b>		<b>2 326</b>	<b>100.3%</b>	<b>103.4%</b>	<b>708 320</b>
<b>Expenditure by Vote</b>									
Executive & Council	56 047	9 169	65 215	71 523	-	6 308	109.7%	127.6%	60 204
Municipal Manager	25 727	(661)	25 066	21 916	-	(3 150)	87.4%	85.2%	20 800
Corporate Services	28 184	2 549	30 733	28 587	-	(2 145)	93.0%	101.4%	25 594
Financial Services	65 478	(1 219)	64 259	51 403	-	(12 855)	80.0%	78.5%	41 985
Community and Public Safety	134 756	1 535	136 291	135 423	-	(868)	99.4%	100.5%	136 013
Technical Services	384 271	43 198	427 469	382 512	-	(44 957)	89.5%	99.5%	368 674
Human Settlement	15 745	(686)	15 059	14 660	-	(399)	97.3%	93.1%	13 301
Strategic Services	24 937	(749)	24 188	22 673	-	(1 515)	93.7%	90.9%	21 262
<b>Total Expenditure by Vote</b>	<b>735 144</b>	<b>53 136</b>	<b>788 280</b>	<b>728 698</b>	<b>-</b>	<b>(59 582)</b>	<b>92.4%</b>	<b>99.1%</b>	<b>687 833</b>
<b>Surplus/(Deficit) for the year</b>	<b>39 600</b>	<b>(29 219)</b>	<b>10 381</b>	<b>72 289</b>		<b>61 908</b>	<b>696.3%</b>	<b>182.5%</b>	<b>20 486</b>



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

Description	2022/23							2021/22
	Original Budget	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>Revenue By Source</b>								
Property rates	116 458	(303)	116 155	116 473	318	100.3%	100.0%	104 563
Service charges - electricity revenue	300 621	(23 802)	276 819	276 893	74	100.0%	92.1%	280 729
Service charges - water revenue	65 835	6 692	72 528	70 499	(2 029)	97.2%	107.1%	64 355
Service charges - sanitation revenue	48 443	(12 253)	36 190	35 771	(419)	98.8%	73.8%	37 693
Service charges - refuse revenue	23 414	2 069	25 484	25 733	250	101.0%	109.9%	20 979
Rental of facilities and equipment	1 669	700	2 368	3 191	823	134.7%	191.2%	2 120
Interest earned - external investments	5 988	-	5 988	11 878	5 890	198.4%	198.4%	6 818
Interest earned - outstanding debtors	6 389	2 253	8 641	8 848	207	102.4%	138.5%	6 478
Fines, penalties and forfeits	4 389	4	4 393	15 032	10 640	342.2%	342.5%	9 507
Licences and permits	397	19	416	381	(34)	91.7%	96.1%	265
Agency services	5 656	1 311	6 967	5 647	(1 319)	81.1%	99.9%	5 628
Transfers and subsidies	102 682	27 364	130 046	103 865	(26 181)	79.9%	101.2%	96 933
Other revenue	15 479	7 625	23 104	25 092	1 988	108.6%	162.1%	17 936
Gains	8 000	-	8 000	20 980	12 980	262.3%	262.3%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>705 420</b>	<b>11 678</b>	<b>717 098</b>	<b>720 285</b>	<b>3 186</b>	<b>100.4%</b>	<b>102.1%</b>	<b>654 005</b>
<b>Expenditure By Type</b>								
Employee related costs	287 809	4 308	292 117	282 136	(9 980)	96.6%	98.0%	269 809
Remuneration of councillors	11 936	-	11 936	11 375	(560)	95.3%	95.3%	10 950
Debt impairment	9 538	22 140	31 678	47 567	15 889	150.2%	498.7%	31 070
Depreciation & asset impairment	43 851	2 537	46 388	52 884	6 496	114.0%	120.6%	48 248
Finance charges	10 552	(4 099)	6 453	10 726	4 273	166.2%	101.7%	6 959
Bulk purchases	227 670	(1 669)	226 001	201 997	(24 004)	89.4%	88.7%	209 247
Other materials	27 073	28 591	55 664	27 275	(28 390)	49.0%	100.7%	21 948
Contracted services	43 138	(1 499)	41 639	27 682	(13 956)	66.5%	64.2%	27 079
Transfers and grants	3 092	(100)	2 992	3 003	11	100.4%	97.1%	3 402
Other expenditure	62 486	2 927	65 413	62 681	(2 732)	95.8%	100.3%	52 400
Loss	8 000	-	8 000	1 371	(6 629)	17.1%	17.1%	(1 414)
<b>Total Expenditure</b>	<b>735 144</b>	<b>53 136</b>	<b>788 280</b>	<b>728 698</b>	<b>(59 582)</b>	<b>92.4%</b>	<b>99.1%</b>	<b>679 695</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers recognised - capital	69 159	12 000	81 159	79 980	(1 178)	98.5%	115.6%	45 911
Contributed assets	166	239	405	722	317	178.4%	434.9%	266
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>39 600</b>	<b>(29 219)</b>	<b>10 381</b>	<b>72 289</b>	<b>61 908</b>	<b>696.3%</b>	<b>182.5%</b>	<b>20 486</b>



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

Vote Description	2022/23							2021/22
	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>								
Community and Public Safety	16 946	(5 250)	11 695	12 872	1 176	110%	76%	362
Technical Services	54 540	15 459	69 999	67 393	(2 606)	96%	124%	43 361
<b>Capital multi-year expenditure</b>	<b>71 486</b>	<b>10 209</b>	<b>81 694</b>	<b>80 265</b>	<b>-</b>	<b>98%</b>	<b>112%</b>	<b>43 723</b>
<b>Single-year expenditure</b>								
Corporate Services	48	150	198	186	(12)	94%	387%	31
Financial Services	875	388	1 263	1 261	(2)	100%	144%	1 563
Community and Public Safety	5 689	423	6 112	4 611	(1 500)	75%	81%	12 545
Technical Services	13 800	11 295	25 095	23 228	(1 867)	93%	168%	19 036
Human Settlement	50	-	50	-	(50)	0%	0%	-
Strategic Services	100	2 102	2 202	1 918	(284)	87%	1918%	519
<b>Capital single-year expenditure</b>	<b>20 562</b>	<b>14 359</b>	<b>34 920</b>	<b>31 204</b>	<b>-</b>	<b>89%</b>	<b>152%</b>	<b>33 732</b>
<b>Total Capital Expenditure - Vote</b>	<b>92 047</b>	<b>24 568</b>	<b>116 615</b>	<b>111 469</b>	<b>-</b>	<b>96%</b>	<b>121%</b>	<b>77 455</b>
<b>Capital Expenditure - Standard</b>								
<b>Governance and administration</b>	<b>923</b>	<b>538</b>	<b>1 461</b>	<b>1 447</b>	<b>-</b>	<b>99%</b>	<b>157%</b>	<b>1 631</b>
Executive and council	-	-	-	-	-	0%	#DIV/0!	38
Finance and administration	923	538	1 461	1 447	(14)	99%	157%	1 594
Internal audit	-	-	-	-	-	0%	#DIV/0!	-
<b>Community and public safety</b>	<b>22 684</b>	<b>(4 827)</b>	<b>17 857</b>	<b>17 483</b>	<b>(374)</b>	<b>98%</b>	<b>77%</b>	<b>11 483</b>
Community and social services	1 816	239	2 055	1 397	(658)	68%	77%	8 053
Sport and recreation	19 500	(5 170)	14 330	15 386	1 056	107%	79%	3 175
Public safety	1 318	104	1 422	700	(722)	49%	53%	255
Housing	50	-	50	-	(50)	0%	0%	-
Health	-	-	-	-	-	0%	0%	-
<b>Economic and environmental services</b>	<b>12 840</b>	<b>1 785</b>	<b>14 625</b>	<b>14 542</b>	<b>(83)</b>	<b>99%</b>	<b>113%</b>	<b>13 854</b>
Planning and development	100	2 102	2 202	1 918	(284)	87%	1918%	519
Road transport	12 740	(317)	12 423	12 624	201	102%	99%	13 335
Environmental protection	-	-	-	-	-	0%	0%	-
<b>Trading services</b>	<b>55 600</b>	<b>27 072</b>	<b>82 672</b>	<b>77 997</b>	<b>(4 675)</b>	<b>94%</b>	<b>140%</b>	<b>50 486</b>
Energy Sources	6 250	5 306	11 556	9 841	(1 715)	85%	157%	9 667
Water Management	48 100	21 766	69 866	67 154	(2 712)	96%	140%	38 376
Waste water management	1 250	-	1 250	1 002	(248)	80%	80%	1 020
Waste management	-	-	-	-	-	0%	0%	1 424
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>92 047</b>	<b>24 568</b>	<b>116 615</b>	<b>111 469</b>	<b>(5 132)</b>	<b>96%</b>	<b>0%</b>	<b>77 455</b>
<b>Funded by:</b>								
National Government	59 790	4 430	64 220	63 089	(1 131)	98%	106%	33 325
Provincial Government	400	5 900	6 300	6 278	(22)	100%	1570%	7 361
District Municipality	-	104	104	104	0	100%	100%	-
Other transfers and grants	166	239	405	-	(405)	0%	0%	96
<b>Transfers recognised - capital</b>	<b>60 356</b>	<b>10 673</b>	<b>71 029</b>	<b>69 471</b>	<b>-</b>	<b>98%</b>	<b>115%</b>	<b>40 783</b>
<b>Public contributions &amp; donations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>107</b>	<b>100%</b>	<b>100%</b>	<b>-</b>
<b>Borrowing</b>	<b>20 700</b>	<b>6 093</b>	<b>26 793</b>	<b>26 236</b>	<b>(557)</b>	<b>98%</b>	<b>127%</b>	<b>25 582</b>
<b>Internally generated funds</b>	<b>10 991</b>	<b>7 802</b>	<b>18 793</b>	<b>15 655</b>	<b>(3 137)</b>	<b>83%</b>	<b>142%</b>	<b>11 091</b>
<b>Total Capital Funding</b>	<b>92 047</b>	<b>24 568</b>	<b>116 615</b>	<b>111 469</b>	<b>(5 146)</b>	<b>96%</b>	<b>121%</b>	<b>77 455</b>



Oudtshoorn Municipality - Reconciliation of Table A7 Budgeted Cash Flows

Description	2022/23							2021/22
	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	110 635	(1 450)	109 185	104 006	(5 179)	95.3%	94.0%	98 930
Service charges	427 075	(27 402)	399 673	380 713	(18 959)	95.3%	89.1%	384 838
Other revenue	24 586	9 878	34 464	32 829	(1 635)	95.3%	133.5%	22 339
Transfers and Subsidies - Operational	102 682	27 364	130 046	128 967	(1 079)	99.2%	125.6%	102 807
Transfers and Subsidies - Capital	32 675	8 015	40 690	41 340	650	101.6%	126.5%	38 439
Interest	5 988	-	5 988	19 739	13 751	329.6%	329.6%	12 875
<b>Payments</b>								
Suppliers and employees	(653 657)	(32 809)	(686 466)	(609 106)	77 359	88.7%	93.2%	(591 072)
Finance charges	(10 552)	4 099	(6 453)	(7 935)	(1 482)	123.0%	75.2%	(4 881)
Transfers and Grants	(3 092)	100	(2 992)	(3 003)	(11)	100.4%	97.1%	(3 402)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>36 340</b>	<b>(12 204)</b>	<b>24 136</b>	<b>87 550</b>	<b>63 414</b>	<b>362.7%</b>	<b>240.9%</b>	<b>60 874</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	-	-	-	-	-	100.0%	100.0%	-
<b>Payments</b>								
Capital assets	(100 788)	(15 176)	(115 964)	(104 738)	11 226	90.3%	103.9%	(70 239)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(100 788)</b>	<b>(15 176)</b>	<b>(115 964)</b>	<b>(104 738)</b>	<b>11 226</b>	<b>90.3%</b>	<b>103.9%</b>	<b>(70 239)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	20 700	-	20 700	20 700	-	100.0%	100.0%	20 500
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
<b>Payments</b>								
Repayment of borrowing	(18 500)	-	(18 500)	(18 314)	-	99.0%	99.0%	(15 356)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>2 200</b>	<b>-</b>	<b>2 200</b>	<b>2 386</b>	<b>-</b>	<b>108.5%</b>	<b>108.5%</b>	<b>5 144</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(62 248)</b>	<b>(27 380)</b>	<b>(89 628)</b>	<b>(14 802)</b>				<b>(4 221)</b>
Cash/cash equivalents at the year begin:	100 447	43 486	143 933	143 933				115 967
Cash/cash equivalents at the year end:	38 199	16 106	54 305	129 131	74 826	0.0%	0.0%	143 933

