UBUHLEBEZWE MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS

2015

| | | R | R |
|---|---|-----------|-----------|
| 2 | Rental income from investment property Direct operating expenses from rental generating property | | - |
| 2 | Details of investment property The investment property consists of land owned by the muni | cipality | |
| 3 | Intangible Assets | | |
| | Carrying value opening balance | 488.040 | *** |
| | Cost | 480,240 | 440,253 |
| | Accumulated Amortisation | 480,240 | 440,253 |
| | Acquisitions | 400,780 | 39,987 |
| | Carrying value closing balance | 881,020 | 480,240 |
| | Cost | 881,020 | 480,240 |
| | Accumulated Amortisation | ÷ | * |
| | The carrying value of intangible assets disclosed relates to computer software which is not amortised | | |
| | Reconciliation of Intangible Assets | | |
| | Opening Balance - Computer Software | 480,240 | 440,253 |
| | Additions | 400,780 | 39,987 |
| | Accumulated Amortisation | 0 | |
| | Total | 881,020 | 480,240 |
| 4 | Heritage Assets | | |
| | Cost - at 30 June 2014 | 2 849 000 | 2 849 000 |
| | Additions | 1,942,660 | |
| | Closing Balance - at 30 June 2015 | 4 791 660 | 2 849 000 |
| | Reconciliation of heritage assets 2015 | | |
| | Cost | 2 849 000 | |
| | Additions Total | 1,942,660 | |
| | 1 4,3941 | 4 791 660 | |
| | Reconciliation of Heritage Assets 2014 | | |
| | Cost | 2 849 000 | |
| | Total | 2 849 000 | 212 |
| | | - 300 344 | 213 |

UBUHLEBEZWE MUNICIPALITY NOTES TO THE FINANANCIAL STATEMENTS

for the year ended 30 June 2015

| | | 2015 | 2014 |
|---|---|-----------------|-----------|
| | | R | R |
| 5 | Inventories | | |
| | Opening Inventory | 4,600,000 | 4,600,000 |
| | Inventory written down | ± 379 m ± 1,000 | |
| | Sales | -928,860 | |
| | Closing Inventory | 3,671,140 | 4,600,000 |
| 6 | HOUSING OPERATING ACCOUNT | | |
| | Housing Operating Account | 373,787 | 373,787 |
| | The Housing Operating Account is represented by the following assets and liabilities: | | |
| | Housing selling schemes | 122,298 | 122,298 |
| | Cash and cash equivalents. | 251,489 | 251,489 |
| | | 373,787 | 373,787 |
| 7 | LONG-TERM RECEIVABLES | | |
| | Housing selling scheme loans | 122,298 | 122,298 |
| | Less : Provision for Bad Debts | (122,298) | (122,298) |
| | Total | <u></u> | |

| | | | | 1.2. |
|------------------|--|------------------------|-----|----------------|
| | | 2,015 R | | 2,01 R |
| Т | RADE RECEIVABLE FROM EXCHANGE TRANSACTIONS (CONSUMER DEBTORS) | | | |
| | | 16,758,708 | | 13,217,21 |
| | ates | 7,545 | | 7,54 |
| | Electricity | | | 105,66 |
| | Self help & Loans | 211,756 | | |
| | Refuse | 2,791,834 | | 2,730,34 |
| | Sundry | 110,268 | | 91,72 |
| | Rent | 468,958 | | 306,83 |
| | VAT Debtors | 432,818 | | 402,59 |
| | | 20,781,887 | | 16,861,92 |
| To | otal service debtors | 20,781,887 | | 16,861,92 |
| Le | ess provision for bad debts | -12,781,032 | | -11,089,1 |
| To | otal | 8,000,855 | | 5,772,780.0 |
| R | ates; Ageing | | | |
| | urrent (0 - 30 days) | -114,023 | | -427,6 |
| | 1 - 60 Days | 12,235 | | 539,8 |
| | 1 - 90 Days | 9,839 | | 511,0 |
| | 1 - 120 Days | 499,048 | | 482,9 |
| | ireater than 120 days. | 16,351,609 | | 12,111,0 |
| | otal | 16,758,708 | | 13,217,2 |
| | electricity: Ageing. Surrent (0 – 30 days) | | | |
| 3 | 1 - 60 Days | | | |
| 6 | 1 - 90 Days | | | |
| 9 | 1 - 120 Days | | | |
| | Greater than 120 days, | 7,545 | - | 7,5 |
| T | otal | 7,545 | | 7,5 |
| s | self Help Scheme: Ageing. | | | |
| 3 | 1 - 60 Days | | | |
| | 1 - 90 Days | - | | |
| | 1 - 120 Days | - | | |
| | Greater than 120 days | 211,756 | | 105,6 |
| | otal | 211,756 | | 105,6 |
| | No. 10. According | | | |
| | Rent: Ageing. Current (0 – 30 days) | 59,945 | | 23, |
| | 11 - 60 Days | 12,592 | | 2, |
| | 31 - 90 Days | 17,970 | | 1, |
| | 91 - 120 Days | 17,314 | | 4, |
| | Greater than 120 days. | 361,137 | | 274, |
| | Fotal | 468,958 | | 306, |
| | and the second | | | |
| | Refuse: Ageing. | 125,461 | | -6, |
| | Current (0 - 30 days) | 13,838 | | 94, |
| | 31 - 60 Days | 82,100 | | 80, |
| | 61 - 90 Days | 74,928 | | 77, |
| | 91 - 120 Days | | | 2,483, |
| | Greater than 120 days. Fotal | 2,495,507 2,791,834 | | 2,730, |
| 1.7 | (TRADE RECEIVABLE FROM EXCHANGE TRANSACTIONS -(CONSUMER DEBTORS) con | itinued | | |
| | TRADE RECEIVABLE PROMIENCHAMES TO TOTAL | | | |
| .1 | Sundry: Ageing. | | | |
| :1 | | 3,021 | | |
| 3.1 <u>\$</u> | Sundry: Ageing. Current (0 - 30 days) | 3,021 4 | 215 | 2, |
| 3.1 (| Sundry: Ageing. | | 215 | 2, 2, 2, |

| | | 2,015 R | 2,01- R |
|----|---|-------------|------------|
| | 100 days | 102,737 | 80,74 |
| | Greater than 120 days. Fotal | 110,268 | 91,72 |
| | fet Politer | | |
| | /at Debtors | -75,861 | 2,35 |
| | Current (0 – 30 days) | 1,712 | 13,65 |
| | 31 - 60 Days | 14,332 | 11,53 |
| | 51 - 90 Days | 27,555 | 11,48 |
| | 91 - 120 Days | 465,080 | 363,56 |
| | Greater than 120 days. Total | 432,818 | 402,59 |
| | | | |
| | Add back credits included above: Ageing | | 4 0000 00 |
| | Current (0 – 30 days) | -189,884 | -1,223,93 |
| | 31 - 60 Days | - | |
| | 61 - 90 Days | 7 | |
| | 91 - 120 Days | - | |
| | Greater than 120 days | | 4 000 0 |
| | Total | -189,884 | -1,223,93 |
| | Included in the consumer debtors balances are the amounts owed by other sphere of Government: | ş | |
| | Other spheres of Government: Ageing | | 5,507 |
| | Current (0 – 30 days) | 4 | 5,527 |
| | 31 - 60 Days | - | 56,5 |
| | 61 - 90 Days | * | 53,0 |
| | 91 - 120 Days | * | :53,1 |
| | Greater than 120 days | | 3,353,6 |
| | Total | - | 3,522,0 |
| .2 | Reconciliation of the doubtful debt provision | | |
| | Balance at beginning of the year | -11,095,531 | -9,200,4 |
| | Consumer Debtors | -11,095,531 | -8,726,1 |
| | Other Debtors (note 7:) | - | -474,2 |
| | (Release from) Contribution to provision. | -2,702,265 | -2,369,4 |
| | Consumer Debtors | -2,702,265 | -2,369,4 |
| | Vat Debtors | - | |
| | Bad Debts written of against provision. | 1,132,676 | 474,2 |
| | Consumer Debtors | -12,665,120 | -11,095,5 |
| | Vat Debtors | - | |
| | Vat Debtors and other debtors | - | |
| | Balance at end of year. | -12,665,120 | -11,095,8 |
| 9 | OTHER RECEIVABLES (TRADE RECEIVABLE FROM NON-EXCHANGE TRANSACTIONS) | | |
| | Sundry Debtors | 1,283,265 | 1,179, |
| | Other debtors and traffic fines | 162,933 | 85, |
| | Total Other Debtors | 1,446,198 | 1,265, |
| 10 | VAT RECEIVABLE | | |
| | VAT receivable | 4,821,506 | 5,133 |
| | | 4,821,506 | 5,133, |
| | VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is | 21 | c |

| | | 2,016 | 2,014 |
|----|---------------------------------------|------------|------------|
| | | R | R |
| _ | | | |
| 11 | CASH AND CASH EQUIVALENTS | | |
| | Cash and cash equivalents consist of: | 570 | 5,249 |
| | Cash on hand | 5,249 | 13.71 |
| | Bank Balances | 3,206,659 | 1,928,353 |
| | | 78,757,765 | 64,099,551 |
| | Short-term deposits | 81,969,673 | 66,033,153 |

| | 2,015 R | 2,014 R |
|--|----------------------|------------------------|
| The municipality had the following bank accounts | | |
| Current Account (Primary Bank Account) | | |
| First National Bank Limited - Ixopo Branch: Account Number 52552416194 | | |
| Cash book balance at beginning of year | 1,933,602 | 3,480,856 |
| Cash book balance at end of the financial period. | 3,206,659 | 1,933,602 |
| Bank statement balance at beginning of year | 1,448,149 | 3,483,276 |
| Bank statement balance at end of the financial period | 3,134,604 | 1,448,149 |
| Investment Bank account First National Bank - Ixopo Branch | | |
| Account Number 62143895988 Short Term Investment Account Bank statement balance at the beginning of the year Bank statement balance at the end of the year | 2,455,109 207,163 | 1,281,553 2,455,109 |
| Investment Bank account First National Bank - Ixopo Branch | | |
| Account Number 62248166218 Sangcwaba Short Term Investment Account | 200 547 | 648.502 |
| Bank statement balance at the beginning of the year Bank statement balance at the end of the year | 633,047 592,381 | 618,502 633,047 |
| Investment Bank account First National Bank - Ixopo Branch | | |
| Account Number 7 Day Call Short Term Investment Account | / Destination | |
| Bank statement balance at the beginning of the year | 4.192,999 | 4,192,999 |
| Bank statement balance at the end of the year | | |
| Investment Bank account Nedbank - Ixopo Branch | | |
| Account Number 7881076763/001 Fixed Deposit 1 month | | |
| Bank statement balance at the beginning of the year | 10,406,787 | 10,406,78 |
| Bank statement balance at the end of the year | | 10,400,78 |
| Investment Bank account Nedbank - Ixopo Branch | | |
| Account Number 7881076763/000047 Fixed Deposit 3 months | | |
| Bank statement balance at the beginning of the year | | 4,563,60 |
| Bank statement balance at the end of the year | | |

| | 2,015 R | 2,014 R |
|--|------------|------------|
| Investment Bank account | | |
| Nedbank - Ixopo Branch | | |
| Account Number 03/ 7881076763/002 Fixed Deposit 3 months | | |
| Bank statement balance at the beginning of the year | 5,314,469 | 5,064,274 |
| Bank statement balance at the end of the year | | 5,314,469 |
| Investment Bank account | | |
| Nedbank - Ixopo Branch | | |
| Account Number 7881076763/018 | | |
| Bank statement balance at the beginning of the year | 3,790,022 | 3,602,349 |
| Bank statement balance at the end of the year | | 3,790,022 |
| nvestment Bank account | | |
| Standard Bank Account - Ixopo Branch | | |
| Account Number 90 Days Equitable Share | | |
| Bank statement balance at the beginning of the year | 5,366,354 | 5,088,391 |
| Bank statement balance at the end of the year | - | 5,366,354 |
| Investment Bank account | | |
| Standard Bank Account - Ixopo Branch | | |
| Account Number 90 Days Equitable Share - 068730276 - 005 | | |
| Bank statement balance at the beginning of the year | | 5,196.770 |
| ank statement balance at the end of the year | 10,100,202 | • |
| nvestment Bank account | | |
| Standard Bank Account - Ixopo Branch | | |
| Account Number- MIG 068730276-007 | | |
| Bank statement balance at the beginning of the year | | 5,203,019 |
| Bank statement balance at the end of the year | <u> </u> | |
| nvestment Bank account | | |
| Standard Bank Account - Ixopo Branch | | |
| Account Number 068730276-004 | | |
| Bank statement balance at the beginning of the year | 2,950,382 | 2,804,016 |
| Bank statement balance at the end of the year | 2,950,382 | 2,950,382 |
| nvestment Bank account | | |
| Standard Bank Account - Ixopo Branch | | |
| Account Number 068730276-005 Short Term Investment Account | | |
| Bank statement balance at the beginning of the year | 10,143,972 | |
| Bank statement balance at the end of the year | 10,765,896 | 10,143,972 |
| nvestment Roads Grant | | |
| Standard Bank Account - Ixopo Branch | | |
| Account Number 068730276-006 Fixed Deposit 3 months | | |
| ank statement balance at the beginning of the year | 5,202,039 | |
| Bank statement balance at the end of the year | 5,568,451 | 5,202,039 |
| nvestment Bank account | | |
| thala - Ixopo Branch | _ | |
| Account Number | 2: | 19 |
| Bank statement balance at the beginning of the year | 5,069,737 | 2 |
| Bank statement balance at the end of the year | 5,384,085 | 5,069,737 |

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2015

| | 2,015 | 2,014 |
|---|-----------|-----------|
| | R | R |
| Investment Bank account | | |
| Ithala - Ixopo Branch | | |
| Account Number 46125086 | | |
| Bank statement balance at the beginning of the year | 3,239,468 | 3,082,221 |
| Bank statement balance at the end of the year | - | 3,239,466 |

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2015

| | 2,015 R | 2,014 R |
|---|------------|-------------|
| Investment Bank account | | |
| ithala - Ixopo Branch | | |
| Account Number | | |
| Bank statement balance at the beginning of the year | 5,069,737 | - |
| Bank statement balance at the end of the year | 5,384,085 | 5,069,737 |
| Investment Bank account | | |
| Ithala - Ixopo Branch | | |
| Account Number 46125086 | | |
| Bank statement balance at the beginning of the year | 3,239,456 | 3,082,221 |
| Bank statement balance at the end of the year | | 3,239,466 |
| Investment Bank account | | |
| Absa - Ixopo Branch | | |
| Account Number 20 - 7042-5909 | | |
| Bank statement balance at the beginning of the year | | 3,445,068 |
| Bank statement balance at the end of the year | - | - |
| Investment Bank account | | |
| Absa - Ixopo Branch | | |
| Account Number 40553523279/001 | | |
| Bank statement balance at the beginning of the year | | 4,154,023 |
| Bank statement balance at the end of the year | | 4,104,023 |
| Investment Bank account | | |
| Absa - Ixopo Branch | | |
| Account Number-ABSA: 60 Days Small Town Rehab. | | |
| Bank statement balance at the beginning of the year | 5,335,168 | 5,084,911 |
| Bank statement balance at the end of the year | * | 5,335,168 |
| Investment Bank account | | |
| Absa - Ixopo Branch | | |
| Account Number-ABSA: 3 Months: Small Town Rehab. | | |
| Bank statement balance at the beginning of the year | | 5,084,447 |
| Bank statement balance at the end of the year | 10,471,117 | =/ea-7:1-1/ |
| Account Number-ABSA: 3 Months: Small Town Rehab. | | |
| Bank statement balance at the beginning of the year | :4 | - |
| Bank statement balance at the end of the year | 10,000,000 | /= |
| Account Number-ABSA: 3 Months: Small Town Rehab. | | |
| Bank statement balance at the beginning of the year | | |
| Bank statement balance at the end of the year | 10,307,804 | |
| Account Number-ABSA: 3 Months: Small Town Rehab. | | |
| Bank statement balance at the beginning of the year | * | |
| Bank statement balance at the end of the year | 10,152,877 | - |
| Account Number-ABSA: 3 Months: Small Town Rehab. | | |
| Bank statement balance at the beginning of the year | | |
| Bank statement balance at the end of the year | 5,207,759 | p. |
| | 7 | 221 |
| | 2 | |

| | | 2,016 | 2,014 |
|----|--|--|--------------------|
| | | R | R. |
| 12 | FINANCE LEASE OBLIGATION | | |
| | Minimum lease payments due | | |
| | Within one year | 281.815 | 40E 00E |
| | in 2 to 5 years inclusive | 62.932 | 405,985 454,040 |
| | | 344,747 | 860,025 |
| | Present value minimum lease payments due | | |
| | Within one year | 281,815 | 405.005 |
| | in 2 to five years inclusive | 62,932 | 405,985 |
| | | 344,747 | 454,040 860,025 |
| 46 | Finance lease payments represent payments payable by the municipa No finance lease period is more than five years. All finance leases have | e signed contracts with the service providers. | |
| 13 | TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTION | NS | |
| | Trade payables | 5,951,785 | 8,840,561 |
| | Deposits Other | 361,779 | 194,723 |
| | Payments received in advance | 814,891 | 608,953 |
| | Staff leave accrual | 2,543,895 | 1,172,750 |
| | Retentions Payroll Suspense | 4,645,095 | 2,514,327 |
| | Other creditors | | |
| | Salet creditors | -60 | 204,562 |
| | Total creditors | 14,317,385 | 13,535,876 |
| | Leave provision is calculated on leave due up to 48 days (Over and ab provided for in terms of the Bargaining Council agreement.) | ove 48 days is not | |

| | 2,015 R | 2,014 R |
|---|-------------|------------------------|
| 4 UNSPENT CONDITIONAL GRANTS AND SUBSIDIES | | |
| Unspent Conditional Grants from other spheres of Government | | |
| Capital Investment Program | | 9,700 |
| G I S. Grant | - | 2,659 |
| Hawkers/Taxi Grant | | 1,033,341 |
| H R Systems Governance | - | 390 |
| Ixopo Sportsfields Maintenance | 143,182 | 656,496 |
| Small Town Rehabilitation | 12,825,345 | 8,791,803 |
| Land Use Management | | 220,238 |
| Library Building Grant | 25,225 | 47,718 |
| Market Stalls | 0 | 350,877 |
| LED Programmes | | 7.5 |
| Thusong Centre | - | 1 |
| Ixopo Sportsfields | 129,350 | |
| Project Management Unit Sangowaba Grant | | 163,377 |
| Electrification - Cogta | 565,387 | 623,220 |
| Electrification - Cogta | - | |
| Mackenzie Farm | - | |
| Total | 480,796 | |
| | 14,169,285 | 11,899,819 |
| Total Unspent Conditional Grants and Subsidies | 14,169,285 | 11,899,819 |
| See Note 18 for reconciliation of grants and receipts. | | |
| 15 Revenue | | |
| Service Charges | 1,463,902 | 1,478.348 |
| Rental of facilities | 810,788 | 855.697 |
| Interet received | 5,445,944 | 3,792,522 |
| Licences and permits | 3,506,864 | 3,234,340 |
| Miscellaneous other revenue | 1,675,263 | 1,186,342 |
| Property rates | 12,348,922 | 12,409,933 |
| Penalties imposed | -100 | 539,317 |
| Government grants and subsidies | 140,995,142 | 99,063,980 |
| Fines | 263,912 | 187,605 |
| | 166,510,637 | 122,748,084 |
| 5.1 The amounts included in revenue arising from exchange of goods and services are as follows | | |
| Soning allowers | | |
| Service charges Rental of facilities and equipment | 1,463,902 | 1,478,348 |
| Interest received (trading) | 810,788 | 855,697 |
| Licence and permits | 5,445,944 | 3,792,522 |
| Miscellaneous other revenue | 3,506,864 | 3,234,340 |
| The section received eight of the year rule. | 1,675,263 | 1,186,342 |
| | 12,902,761 | 10,547,249 |
| .2 The amount included in revenue arising from non-exchange transactions is a follows: | | |
| Taxation revenue | | |
| Property rates | 12,348,922 | alas latera a com |
| Penalties imposed | -100 | 12,409,933 |
| Transfer revenue | | 539,317 |
| Government grants and subsidies | 140,995,142 | 00 000 666 |
| Fines | 263,912 | 99.063,980 |
| | 153,607,876 | 187,605 112,200,835 |
| PROPERTY RATES | 222 | |
| Property rates | 223 | |
| Less Revenue Forgone | 19,935,452 | 19,000,161 |
| TOTAL ALTOGERATE E PRESENTE | -7,586,530 | -6,590,228 |

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2015

| | 2,015 | |
|--|---|--|
| | R | R |
| Total property rates | 12,348,922 | 12,409 |
| Property rates - penalties imposed and collection charges Total | | 539 |
| Total | 12,348,922 | 12,949 |
| Valuations | | |
| Residential | 220.055.000 | *** |
| Commercial | 229,855,000 | 229,855 |
| State | 268,779,000 | 268,779 |
| Industrial | 240,376,000 22,050,000 | 240,376 |
| Municipal | 19,564,000 | 22,050 |
| Agricultural | 1,815,200,000 | 19,564 |
| Donation: Sport & Welfare | 2,923,200,000 | 1,815,200 |
| Farms- Residential | 4,839,000 | 4,839 |
| Smallholdings- Agriculture | 2,525,000 | 2,525 |
| Public service Infrastructure | 2,578,000 | 2,578 |
| Smallholdings- Commercial | 6,547,000 | 6,547 |
| Ingonyama Trust | 24,360,000 | 24,360 |
| Vacant land | 28,957,000 | 28,957 |
| Communal Settlement | 12,245,000 | 12,245 |
| Total Property Valuations | 2,677,875,000 | 2,677,875 |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the | e | |
| Interim valuations are processed on an annual basis to take into account changes in individual property values due to payable by the end of April, alterations. Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. | ė | |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential | | 0.01416/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned | e 0.0141c/R 0.0145c/R | 0.0141c/R 0.0145c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture | 0.0141c/R | 0.0145c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure | 0.0141c/R 0.0145c/R | |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. - Residential - State owned - Agriculture - Infrastructure - Communal land | 0.0141c/R 0.0145c/R 0.0035c/R | 0.0145c/R 0.0035c/R 0.0035c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure Communal land Commercial | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. - Residential - State owned - Agriculture - Infrastructure - Communal land - Commercial - Industrial | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R | 0.0145c/R 0.0035c/R 0.0035c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure Communal land Commercial Industrial Place of worship | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R Exempt | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure Communal land Commercial Industrial Place of worship The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below. | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R Exempt | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure Communal land Commercial Industrial Place of worship The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below. Residential: | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R Exempt | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure Communal land Commercial Industrial Place of worship The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below. Residential: Agriculture; | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R Exempt | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure Communal land Commercial Industrial Place of worship The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below. Residential: Agriculture; Smallholding (Agriculture); Commercial; | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R Exempt | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure Communal land Commercial Industrial Place of worship The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below. Residential: Agriculture; Smallholding (Agriculture); | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R Exempt | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure Communal land Commercial Industrial Place of worship The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below. Residential: Agriculture; Smallholding (Agriculture); Commercial; | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R Exempt | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure Commercial Industrial Place of worship The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below. Residential: Agriculture; Gamalholding (Agriculture); Commercial; Industrial; and | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R Exempt | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agriculture Infrastructure Communal land Commercial Industrial Place of worship The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below. Residential: Agriculture; Smallholding (Agriculture); Commercial; Industrial; and Communal land. | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R Exempt | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R |
| Rates are levied in ten monthly equal instalments with the first instalment being due at the end of August and the last instalment is in May due at the end of June. Residential State owned Agniculture Infrastructure Communal land Commercial Industrial Place of worship The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below. Residential: Agriculture; Smallholding (Agriculture); Commercial; Industrial; and Communal land. The Municipality does not levy rates on the first 30% of the market value of Public service infrastructure and State owned properties. | 0.0141c/R 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R Exempt | 0.0145c/R 0.0035c/R 0.0035c/R 0.0035c/R 0.0145c/R 0.0152c/R |

| | | 2.015 | in mil |
|------|---|-------------|----------------------|
| _ | | R | 2,014 R |
| 18 | RENTAL OF FACILITIES AND EQUIPMENT | | |
| | Rental of facilities | 810,788 | |
| | Rental of equipment | 010,700 | 855,697 |
| | Other rentals | | • |
| | Total rentals | 810,788 | 855,697 |
| 19 | INTEREST EARNED - ON SHORT TERM DEPOSITS | | |
| | Call Interest | | |
| | Bank Current Account | 5,445,944 | 3,499,083 |
| | Total Interest | 5,445,944 | 293,440 |
| 20 | GOVERNMENT GRANTS AND RECEIPTS | 5,445,544 | 3,792,523 |
| - | STERMINENT SIGNATO AND RECEIPTS | | |
| | Equitable share | 66,977,000 | 56,315,505 |
| | Financial Management Grant Geographical Information Systems Grant | 1,800,000 | 1,684,048 |
| | Small Town Rehabilitation - Capital Grant | - | 5,807 |
| | Municipal Development Planning Capacity | 9,700,000 | 8,102,770 |
| | Sanowaba Grant | - | 24,973 |
| | Library Cyber Grant | 20.3 | 50,730 |
| | Mariathal Project | 535,000 | 519,326 |
| | Municipal Admin Development | - | 8,197 |
| | Library Assistant Grant | 400.000 | 9,000 |
| | Municipal Infrastructure Grant - Capital Grant | 126,000 | 40 |
| | Kuyasa School | 23,553,000 | 27,933,983 |
| | Project Consolidate (Municipal Systems Information Grant) | 934,000 | 4,302 |
| | EPWP | 1,090,000 | 1,023,513 |
| | LED Programes | 1,735,000 | 1,000,000 |
| | Thusong Centre | 1,100,000 | 1,808,582 387,173 |
| | Ixopo Sportsfields and maintenance | - | 63,318 |
| | Waste Disposal Site Grant Sponya Housing | ~ | 118,121 |
| | Electrification - Cogta - Capital Grant | 56,288 | |
| | Electrification - DOE - Capital Grant | 20,815,000 | - |
| | Management Assistance Grant | 8,000,000 | + |
| | Mackenzie Farm - Capital Grant | - | 4,632 |
| | | 8,000,000 | |
| | Total Grants and Receipts | 143,321,288 | 99,063,980 |
| 20.1 | Equitable Share | | |
| | Balance unspent at beginning of year | | |
| | Current allocation | | |
| | Amount withheld | 66,977,000 | 57,039,000 |
| | Current year receipts | ****** | 723,495 |
| | Conditions met - transferred to revenue | 66,977,000 | 56,315,505 |
| | Conditions still to be met - remain liabilities (see note 13) | -66,977,000 | -56,315,505 |
| | In terms of the Constitution, this grant is used to subsidise the provision of basic services | | |
| | to integer community members. | | |
| 20.2 | Capital Investment Programme Grant | | |
| | Balance unspent at beginning of year | 9,700 | * |
| | Current year receipts | 2,700 | 9,700 |
| | Conditions met - transferred to revenue | | |
| | Conditions still to be met - remain liabilities (see note 13) | 9,700 | 225 9,700 |
| | | -37.00 | 225 9,700 |

| | | 2,015 | 2,014 |
|------|---|------------|------------|
| | | R | R |
| 20.3 | Financial Management Grant | | |
| | Balance unspent at beginning of year | | 34,048 |
| | Current year receipts | 1,800,000 | 1,650,000 |
| | Conditions met - transferred to revenue | -1,800,000 | -1,684,048 |
| | Conditions still to be met - remain liabilities (see note 13) | - | * |

| | | 2,015 R | 2,014 R |
|---------|--|--------------------|-------------------------|
| 20.4 | Geographical Information Systems Grant | | |
| | Balance unspent at beginning of year | 2,659 | 8,466 |
| | Current year receipts (GIS grants consolodated transfereed from GIS 07/08) | _, | 0,400 |
| | Conditions met - transferred to revenue | -2,659 | -5,807 |
| | Conditions still to be met - remain liabilities (see note 13) | - | 2,659 |
| 20.5 | Hawkers/Taxi Grant | | |
| | Balance unspent at beginning of year | 1 000 044 | |
| | Current year receipts | 1,033,341 | 1,033,341 |
| | Conditions met - transferred to revenue | | |
| | Conditions still to be met - remain liabilities (see note 13) | 1,033,341 | 1,033,341 |
| 20.6 | HR Systems Governance | | |
| 20.0 | ny dystems dovernance | | |
| | Balance unspent at beginning of year | 390 | 7,170 |
| | Current year receipts | 4 | - |
| | Conditions met - transferred to revenue | -390 | -6,780 |
| -1 | Conditions still to be met - remain liabilities (see note 13) | | 390 |
| 20.7: 1 | nternal Roads / Small Town Rehabilitation Grant | | |
| E | Balance unspent at beginning of year | 8,791,802 | E 904 404 |
| | Current year receipts | 9,700,000 | 5,824,434 11,143,000 |
| (| Conditions met - transferred to revenue | -5,666,457 | -8.175,631 |
| (| Conditions still to be met - remain liabilities (see note 13) | 12,825,345 | 8,791,803 |
| 20.8 H | Kuyasa School Grant | | |
| | and the second second | | |
| | Balance unspent at beginning of year | | 4,302 |
| | Current year receipts | | - |
| | Conditions met - transferred to revenue | | -4,302 |
| | conditions still to be met - remain liabilities (see note 13) | | ** |
| 20.9 L | and Use Management | | |
| Е | Balance unspent at beginning of year | 220,238 | 220 220 |
| | Current year receipts | . 220,230 | 220,238 |
| | Conditions met - transferred to revenue | | |
| C | conditions still to be met - remain liabilities (see note 13) | 220,238 | 220,238 |
| 20.10 L | ibrary Assistant | | |
| Е | alance unspent at beginning of year | | |
| | urrent year receipts | | -134,945 |
| | onditions met - transferred to revenue | 126,000 | 120,000 |
| | onditions still to be met - remain liabilities (see note 13) | -126,000 | 14,945 |
| 0.11 L | ibrary Building Grant | | |
| | alance unspent at beginning of year | | |
| | urrent year receipts | 47,718 | -117,956 |
| | onditions met - transferred to revenue | 535,000 | 685,000 |
| | onditions still to be met - remain liabilities (see note 13) | -557,493 25,225 | -519,326 |
| | | 20,220 | 47,718 |
| | unicipal linfrastructure Grant | | 227 |
| | alance unspent at beginning of year | - | 227 5,895,983 |
| Ç | urrent year receipts | 23,553,000 | 22,038,000 |
| | anditions met - transferred to revenue | | |

| Conditions still to be met - remain liabilities (see note 13) | | | 2,015 R | 2,014 R |
|--|-------|---|------------|------------|
| Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.14 Markthal Project Grant Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.15 Market Stalls Grant Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.16 LED Programme Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.17 Mun Development Planning Capacity Building Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Belance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Conditions still of the met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Conditions still of the met - remain liabilities (see note 13) 20.10 Mziki LCH | | Conditions still to be met - remain liabilities (see note 13) | | r. |
| Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.14 Markthal Project Grant Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 7.4.973 7.57,880 7.57,880 7.57,880 7.57,880 | | | | |
| Current year receipts 4,652 | 20.13 | Management Assistance Grant | | |
| Conditions met - transferred to revenue | | | | 4,632 |
| Conditions still to be met - remain liabilities (see note 13) | | | ~ | 4 |
| Marithal Project Grant Salance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Current year receipts Conditions met - transferred to revenue Current year receipts Conditions met - transferred to revenue Current year receipts Current year receipts Current year receipts Conditions met - transferred to revenue Current year receipts Conditions met - transferred to revenue Current year receipts Conditions met - transferred to revenue Conditions met - transferred to revenue Conditions met - transferred to revenue Current year receipts Current year | | | <u> </u> | -4,632 |
| Current year receipts 8,197 | 20.14 | | : | |
| Current year receipts 8,197 | | Balance unspent at beginning of year | | |
| Conditions still to be met - remain liabilities (see note 13) | | Current year receipts | - | 8,197 |
| 20.15 Market Stalls Grant Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.16 LED Programme Belance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions met - transferred to revenue Current year receipts Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.17 Mun Development Planning Capacity Building Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Viniten-off - 31 Dec 2013 | | | - | 0.102 |
| Balance unspent at beginning of year 350,877 350,877 Current year receipts -350,877 -7 Conditions met - transferred to revenue -350,877 -7 -7 Conditions still to be met - remain liabilities (see note 13) 0 350,877 -7 -7 -7 -7 -7 -7 -7 | | Conditions still to be met - remain liabilities (see note 13) | - | -8,197 |
| Current year receipts | 20.15 | Market Stalls Grant | | |
| Current year receipts -350,877 -350,877 -350,87 | | | 350.877 | 250 077 |
| Conditions still to be met - remain liabilities (see note 13) 0 350,877 | | | - | 330,077 |
| 20.16 LED Programme Belance unspent at beginning of year Current year receipts 1,735,000 1,500,000 Conditions met - transferred to revenue 1,735,000 -1,808,582 Conditions still to be met - remain liabilities (see note 13) -1,735,000 -1,808,582 20.17 Mun Development Planning Capacity Building Balance unspent at beginning of year Current year receipts -24,973 Conditions met - transferred to revenue -24,973 Conditions still to be met - remain liabilities (see note 13) -24,973 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts -9,000 Conditions met - transferred to revenue -9,000 Conditions met - transferred to revenue -9,000 Conditions met - transferred to revenue -9,000 Conditions still to be met - remain liabilities (see note 13) -573,880 Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) -573,880 Current year receipts Viriten-off - 31 Dec 2013 | | | -350,877 | |
| Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.17 Mun Development Planning Capacity Building Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Viriten-off - 31 Dec 2013 | | To de met - remain nabilities (see note 13) | 0 | 350,877 |
| Current year receipts 1,735,000 1,500,000 Conditions met - transferred to revenue - 1,735,000 - 1,908,582 20.17 Mun Development Planning Capacity Building Balance unspent at beginning of year Current year receipts - 24,973 Conditions still to be met - remain liabilities (see note 13) - 24,973 20.18 Municipal administrative Development Balance unspent at beginning of year Conditions met - transferred to revenue - 24,973 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts - 9,000 Conditions met - transferred to revenue - 9,000 Conditions still to be met - remain liabilities (see note 13) - 9,000 Mziki LCH Balance unspent at beginning of year Current year receipts - 9,000 Mziki LCH Balance unspent at beginning of year Current year receipts Viriten-off - 31 Dec. 2013 | 20.16 | LED Programme | | |
| Sornal Tecepits Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.17 Mun Development Planning Capacity Building Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Current year receipts Viriten-off - 31 Dec. 2013 | | Balance unspent at beginning of year | | 750 000 |
| Conditions still to be met - remain liabilities (see note 13) 20.17 Mun Development Planning Capacity Building Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Viritten-off - 31 Dec. 2013 | | | 1.735 000 | |
| 20.17 Mun Development Planning Capacity Building Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 9,000 Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Written-off - 31 Dec. 2013 | | | | |
| Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Current year receipts Viriten-off - 31 Dec. 2013 | | Conditions still to be met - remain liabilities (see note 13) | | |
| Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Written-off - 31 Dec. 2013 | 20.17 | Mun Development Planning Capacity Building | | |
| Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Current year receipts Written-off - 31 Dec. 2013 | | | | 24 973 |
| Conditions still to be met - remain liabilities (see note 13) 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Written-off - 31 Dec. 2013 | | | | |
| 20.18 Municipal administrative Development Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Written-off - 31 Dec. 2013 | | | | -24,973 |
| Balance unspent at beginning of year Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Written-off - 31 Dec. 2013 | | | - | |
| Current year receipts Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Written-off - 31 Dec. 2013 | | | | |
| Conditions met - transferred to revenue Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Written-off - 31 Dec. 2013 | | | , | 9.000 |
| Conditions still to be met - remain liabilities (see note 13) 20.19 Mziki LCH Balance unspent at beginning of year Current year receipts Written-off - 31 Dec. 2013 | | | • | |
| Balance unspent at beginning of year Current year receipts Written-off - 31 Dec. 2013 | | | | -9,000 |
| Current year receipts -573,880 Written-off - 31 Dec. 2013 | | | | - |
| Current year receipts -573,880 Written-off - 31 Dec. 2013 | Е | Balance unspent at beginning of year | | |
| | (| current year receipts | * | -573,880 |
| Conditions still to be met - remain liabilities (see note 13) | | | | 573 ggn |
| | Ç | conditions still to be met - remain liabilities (see note 13) | | 373,000 |

| | | 2,015 R | 2,014 R |
|---------|--|------------|-----------------------|
| 20.20 | Nokweja Disaster Fund | | ., |
| | Balance unspent at beginning of year | | |
| | Current year receipts | | -8,558 |
| | Written-off - 31 Dec. 2013 | - | |
| | Balance owing transferred to debtors (Refer to note 8) | | 8,558 |
| 20.21 | Thusong Service Centre | | |
| | Balance unspent at beginning of year | 1 | 707 000 |
| | Current year receipts Conditions met - transferred to revenue | * | 387,000 |
| | Conditions still to be met - remain liabilities (see note 13) | -1 | -386,999 |
| | | | 1 |
| 20.22 | Project Consolidate (Municipal Systems Information Grant) | | |
| | Balance unspent at beginning of year | | 20 512 |
| | Current year receipts Conditions met - transferred to revenue | 934,000 | 34,513 890,000 |
| | Conditions still to be met - remain liabilities (see note 13) | -934,000 | -924,513 |
| | | | - |
| 20.23 | Project Management unit Balance unspent at beginning of year | | |
| | Adjustments | 163,377 | 163,377 |
| | Current year receipts | | - |
| | Conditions met - transferred to revenue | ÷ | _ |
| | Conditions still to be met - remain liabilities (see note 13) | | |
| | | 163,377 | 163,377 |
| | Sangcwaba Grant | | |
| | Balance unspent at beginning of year Current year receipts | 623,220 | 673,950 |
| | Conditions met - transferred to revenue | - | 073,330 |
| (| Conditions still to be met - remain liabilities (see note 13) | | -50,730 |
| | | 623,220 | 623,220 |
| | Vaste Disposal Site | | |
| E | Balance unspent at beginning of year | | |
| 9 | Conditions met - transferred to revenue | * - | 118,121 |
| (| Conditions still to be met - remain liabilities (see note 13) | | -118,121 |
| 0.26 | xopo Sportsfield | | |
| E | alance unspent at beginning of year | 120,000 | |
| | djustment | 420,000 | 5.45.004 |
| | furrent year receipts | | 143,931 |
| V | isclosed as a debtor in 2013 Vritten Off in the current year | - | 570,000 -144,366 |
| | onditions met - transferred to revenue | _ | 144,366 |
| C | onditions still to be met - remain liabilities (see note 13) | -276,818 | -57.435 |
| | | 143,182 | 656,496 |
| 0.27 Ix | opo Sports Field Maintenance | | |
| В | alance unspent at beginning of year | _ | 110.121 |
| 0 | onditions met - transferred to revenue | -107,145 | 118,121 -118,121 |
| | onditions still to be met - remain liabilities (see note 13) | -107,145 | -110,121 |
| | PWP Grant | | |
| Ba | alance unspent at beginning of year | | And Same |
| Ac | justments - Witheld and transferred to Equitable Share | • | 411,505 |
| 100 | arrent year receipts and titions met - transferred to revenue | 1,090,000 | -411,505 1,000,000 |
| Co | anditions that - transferred to revenue anditions still to be met - remain liabilities (see note 13) | | |
| | The same of the sa | | 1.000,000 |

| | 2,015 | 2. |
|---|-----------------------|--------------|
| | R | R |
| 0.29 Mckenzie Farm | | |
| Balance unspent at beginning of year | | |
| Current year receipts | • | |
| Conditions met - transferred to revenue | 8,000,000 | |
| Conditions still to be met - remain liabilities (see note 13) | -7,519,204 480,796 | |
| .30 Electrification - Cogta | 1,50,100 | |
| Balance unspent at beginning of year | | |
| Current year receipts | - | |
| Conditions met - transferred to revenue | 20,815,000 | |
| Conditions still to be met - remain liabilities (see note 13) | -20,815,000 | |
| (See Hote 10) | - | |
| 31 Electrification - DOE | | |
| Balance unspent at beginning of year | | |
| Current year receipts | | |
| Conditions met - transferred to revenue | 8,000,000 | |
| Conditions still to be met - remain liabilities (see note 13) | -8,000,000 | |
| 2 Sponya Housing | | |
| Balance unspent at beginning of year | | |
| Current year receipts | - | |
| Conditions met - transferred to revenue | 56,288 | |
| Conditions still to be met - remain liabilities (see note 13) | -56,288 | |
| OTHER INCOME | | |
| Included in other income are the following:- | | |
| Sundry income | | |
| Licence commission | 5,400 | 287,889 |
| Burial fees | 732,927 19,341 | 665,515 |
| Building fees Lost books | 48,233 | 31,025 |
| Library photostats | 70,200 | 63,890 |
| Entery protostats | | 134 3,037 |

| | | 2,015 | 2.0 |
|-----|--|-------------------------|------------|
| | | R | R |
| | Sale of assets | | |
| | Admin fees | 160,752 | |
| | Basic Charge- Fire Services | 26,949 | 25,17 |
| | Skills development | 36,103 | 27,07 |
| | Rates Clearance | 79,763 | 85,55 |
| | | 6,829 1,116,295 | 5,95 |
| 2 | EMPLOYEE RELATED COSTS == | 1,110,295 | 1,195,242 |
| | Employee related costs - Salaries and Wages | 20 200 = | |
| | Employee related costs - Contributions for UIF, pensions and medical aids | 29,228,745 | 24,817,48 |
| | rrayer, motor car, accommodation, subsistence and other elleumanes | 6,426,877 | 5,389,60 |
| | nousing denefits and allowances | 1,921,182 | 1,626,47 |
| | Overtime payments | 13,369 | 10,644 |
| | 13th Cheques | 1,176,295 | 726,232 |
| - 1 | Other employee related costs | 520,836 | 451,773 |
| | Total Employee Related Costs — | 1,904,553 41,191,857 | 1,694,050 |
| 1 | There were no advances to employees. | 41,101,007 | 34,716,267 |
| | Remuneration of the Municipal Manager | | |
| Ä | Annual Remuneration | | |
| F | Performance- and other bonuses | 874,937 | 781,104 |
| T | ravel, motor car, accommodation, subsistence and other allowages | 150,852 | 141.645 |
| 0 | Contributions to UIF, Medical and Pension Funds | 154,104 | 169,407 |
| Ţ | otal | 118,237 | 110,992 |
| | == | 1,298,130 | 1,203,148 |
| R | emuneration of the Chief Financial Officer | | |
| Α | nnual Remuneration | | |
| P | erformance- and other bonuses | 712,095 | 600,000 |
| T | ravel, motor car, accommodation, subsistence and other allowances | 115,917 | 108,843 |
| C | ontributions to UIF, Medical ,Pension Funds and Skills levy | 197,305 | 233,356 |
| | | 11,116 | 10,711 |
| 1(| otal | 1,036,433 | 952,910 |
| т. | and the control of th | = | |
| | echnical Services nual Remuneration | | |
| | rformance- and other bonuses | 717,013 | 697,500 |
| Tra | avel, motor car, accommodation, subsistence and other allowances | 111,154 | 67,095 |
| Co | ontributions to UIF, Medical and Pension Funds | 122,531 | 56,178 |
| | tal | 10,916 | 9,891 |
| | | 961,614 | 990.22 |
| apı | e Director infrastructure resigned in December 2012, subsequently a new director was pointed in January 2013. | | 830,664 |
| Co | rporate Services | | |
| Anı | nual Remuneration | | |
| | formance- and other bonuses | 699,364 | 625,500 |
| Tra | vel, motor car, accommodation, subsistence and other allowances | 71,456 | 67,095 |
| Cor | ntributions to UIF, Medical and Pension Funds | 121,080 | 145,574 |
| | | 10,534 | 9.956 |
| Tot | ai | 902,434 | 848,125 |
| | | | 046,125 |

| The remuneration for the Director: Corporate Services post is for the full financial year. | | 2,015 | 2.014 |
|--|--|---|-------------|
| Social Development | | R | 74,7,0 |
| Social Development | The remuneration for the Dispetor Co- | | |
| Annual Remuneration Performance- and other bonuses Travel, motor car, accommodation, subsistence and other allowances Travel, motor car, accommodation, subsistence and other allowances Contributions to UIF, Medical and Pension Funds 10,146 9, Total 10,146 9, Total 879,645 847, 23 REMUNERATION OF COUNCILLORS Mayor Deputy Mayor Deputy Mayor Speaker 504,832 334,1 216,2 Councillors kills lavy 903,284 486,0 Councillors kills lavy 903,284 486,0 Councillors allowances Councillors allowances Councillors' data cards 7,180,287 7, | or the birector Corporate Services post is for the full financi | ial year. | |
| Parformance - and other bonuses | Social Development | | |
| Travel, motor car, accommodation, subsistence and other allowances 71,456 67, Contributions to UIF, Medical and Pension Funds 191,085 212, 212, 212, 212, 212, 212, 212, 212, | Annual Remuneration | | |
| Travel, motor car, accommodation, subsistence and other allowances | Performance- and other bonuses | 606,958 | 558,500 |
| Total 10,146 9, | Travel, motor car, accommodation, subsistence and other allowers as | 71,456 | 67.095 |
| Total 10,146 9, | Contributions to UIF, Medical and Pension Funds | 191,085 | 212,021 |
| REMUNERATION OF COUNCILLORS Meyor 752,000 491,3 Deputy Mayor 752,000 491,3 Speaker 604,832 334,1 Exco Members 903,284 486,0 Councillor skills levy 903,284 486,0 Councillors' allowances 59,999 57,1 Cellular Allowance 495,615 91,0 Councillors' data cards 495,615 91,0 Total Councillors' Remuneration 7,180,257 6,893,3 In-kind Benefits 8,500 14,4 The Mayor and two of the Executive Committee members are full-time. Each is provided with an office and shared secretarial support at the cost of the Council. The Mayor and the Deputy Mayor has use of the Council owned vehicle. A municipal driver is allocated to the Mayor for official duties as indicated in the Municipal Vehicle CONTRACTED SERVICES 489,123 636,67 Contracted services for: | | 10,146 | 9.851 |
| ### REMUNERATION OF COUNCILLORS Mayor | Total | - | |
| Mayor 752,000 491,3 Deputy Mayor 504,832 334,1 Speaker 604,832 344,381 216,2 Exco Members 344,381 216,2 Councillors kills levy 903,284 486,0 Councillors' allowances 59,999 57,1 Cellular Allowance 495,615 91,0 Councillors' data cards 495,615 91,0 Total Councillors' Remuneration 85,500 14,4 In-kind Banefits 85,500 14,4 The Mayor and two of the Executive Committee members are full-time. Each is provided with an office and shared secretarial support at the cost of the Council. The Mayor and two of the Executive Committee members are full-time. Each is provided with an office and shared secretarial support at the cost of the Council. The Mayor and two of the Executive Committee members are full-time. Each is provided with an office and shared secretarial support at the cost of the Council. 486,257 Usage Policy. CONTRACTED SERVICES Contracted services for: Consultancy Fees Security 1,698,264 1,715,72 Rental of Hardware 306,273 604,63 other 424,658 343,78 cother <td></td> <td>879,645</td> <td>847,467</td> | | 879,645 | 847,467 |
| Mayor 752,000 491,3 Deputy Mayor 504,832 334,1 Speaker 604,832 344,381 216,2 Exc Members 344,381 216,2 Councillors kills levy 903,284 486,0 Councillors allowances 59,999 57,1 Cellular Allowance 495,615 91,0 Councillors' data cards 495,615 91,0 Total Councillors' Remuneration 85,500 14,4 The Mayor and two of the Executive Committee members are full-time. Each is provided with an office and shared secretarial support at the cost of the Council. The Mayor and two of the Executive Committee members are full-time. Each is provided with an office and shared secretarial support at the cost of the Council. The Mayor and the Deputy Mayor has use of the Council owned vehicle. A municipal driver is allocated to the Mayor for official duties as indicated in the Municipal Vehicle 44 CONTRACTED SERVICES Contracted services for: Consultancy Fees Security 489,123 636,67 Insurance 489,123 636,67 Rental of Hardware 306,273 604,63 other 424,658 343,78 2,043,899 1,104,661 | 23 REMUNERATION OF COLINCIAL ORS | | |
| Speaker 504,832 334,13 216.2 Exco Members 903,284 486,0 Councillors' allowances 59,999 57,1 Councillors' data cards 59,999 57,1 Councillors' data cards 495,615 91,0 Councillors' Remuneration 7,180,257 6,893,3 In-kind Benefits 7,1 | | | |
| Speaker 504,832 334,13 216.2 Exco Members 903,284 486,0 Councillors' allowances 59,999 57,1 Councillors' data cards 59,999 57,1 Councillors' data cards 495,615 91,0 Councillors' Remuneration 7,180,257 6,893,3 In-kind Benefits 7,1 | Deputy Mayor | 752,000 | 491 300 |
| Exco Members 344,381 216.2 Councillor skills levy 59.03,284 486.0 Councillors allowances 59.999 57,1 Councillors' allowance 3,934,646 5,260,0 Councillors' data cards 495,615 91,0 Total Councillors' Remuneration 85,500 114,4 In-kind Benefits The Mayor and two of the Executive Committee members are full-time. Each is provided with an office and shared secretarial support at the cost of the Council. The Mayor and the Deputy Mayor has use of the Council owned vehicle. A municipal driver is allocated to the Mayor for official duties as indicated in the Municipal Vehicle CONTRACTED SERVICES Contracted services for: Consultancy Fees Security 489,123 636,677 Consultancy Fees Security 1,693,264 1,715,72 Rental of Hardware 306,273 604,63 cher 424,658 343,78 cher 5,999 1,104,666 | | | 176 (00.7.1 |
| Councillor's allowances | Exco Members | 344,381 | 216.212 |
| Councillors' allowances | Councillar skills levy | 903,284 | 486.091 |
| Cellular Allowance | | 59,999 | 57,120 |
| Councillors' data cards | | 3,934,646 | 5,260,039 |
| Total Councillors' Remuneration 85,500 14,4 7,180,257 6,893,33 In-kind Benefits The Mayor and two of the Executive Committee members are full-time. Each is provided with an office and shared secretarial support at the cost of the Council. The Mayor and the Deputy Mayor has use of the Council owned vehicle. A municipal driver is allocated to the Mayor for official duties as indicated in the Municipal Vehicle Usage Policy. CONTRACTED SERVICES 489,123 636,67 Consultancy Fees 489,123 636,67 Insurance 1,698,264 1,715,72 Rental of Hardware 306,273 604,6 | Councillors' data cards | 495,615 | 91,052 |
| In-kind Benefits The Mayor and two of the Executive Committee members are full-time. Each is provided with an office and shared secretarial support at the cost of the Council. The Mayor and the Deputy Mayor has use of the Council owned vehicle. A municipal driver is allocated to the Mayor for official duties as indicated in the Municipal Vehicle CONTRACTED SERVICES Contracted services for: Consultancy Fees Security Insurance Rental of Hardware other 2,043,999 1,104,666 | | 85,500 | 14,400 |
| In-kind Benefits The Mayor and two of the Executive Committee members are full-time. Each is provided with an office and shared secretarial support at the cost of the Council. The Mayor and the Deputy Mayor has use of the Council owned vehicle. A municipal driver is allocated to the Mayor for official duties as indicated in the Municipal Vehicle CONTRACTED SERVICES Contracted services for: Consultancy Fees Security Insurance Rental of Hardware other 1,698,264 1,715,72 Rental of Hardware other 2,043,999 1,104,666 | The second secon | 7,180,257 | 6,893,329 |
| The Mayor and the Deputy Mayor has use of the Council owned vehicle. A municipal driver is allocated to the Mayor for official duties as indicated in the Municipal Vehicle CONTRACTED SERVICES Contracted services for: Consultancy Fees Security Insurance Insurance Rental of Hardware other A89,123 636,67 1,715,72 604,638 343,78 2,043,999 1,104,666 | In-kind Benefits | | |
| The Mayor and the Deputy Mayor has use of the Council owned vehicle. A municipal driver is allocated to the Mayor for official duties as indicated in the Municipal Vehicle CONTRACTED SERVICES Contracted services for: Consultancy Fees Security Insurance Insurance Rental of Hardware other A89,123 636,67 1,715,72 604,638 343,78 2,043,999 1,104,666 | The Mayor and two of the Executive Committee members are full time. Each to | and solution at | |
| CONTRACTED SERVICES | with an office and shared secretarial support at the cost of the Council | ovided | |
| Usage Policy. 24 CONTRACTED SERVICES Contracted services for: Consultancy Fees Security Insurance Rental of Hardware other Consultancy Fees 489,123 636,67 1,715,72 Rental of Hardware 424,658 343,78 2,043,999 1,104,666 | THE INDIVIDUAL THE LIBRARY MISSION BOOK STATE OF | nal | |
| Contracted services for: Consultancy Fees 489,123 636,67 Security 1,698,264 1,715,72 Insurance 306,273 604,63 other 424,658 343,78 2,043,999 1,104,666 | | icle | |
| Consultancy Fees 489,123 636,67 Security 1,698,264 1,715,72 Insurance 306,273 604,63 other 424,658 343,78 2,043,999 1,104,665 | 24 CONTRACTED SERVICES | | |
| Consultancy Fees 489,123 636,67 Security 1,698,264 1,715,72 Insurance 306,273 604,63 other 424,658 343,78 2,043,999 1,104,665 | Contracted applicants | | |
| Security 489,123 636,67 Insurance 1,698,264 1,715,72 Rental of Hardware 306,273 604,63 other 424,658 343,78 2,043,999 1,104,66 | | | |
| Insurance 1,698,264 1,715,72 Rental of Hardware 306,273 604,63 other 424,658 343,78 | | 489 123 | 222 |
| Rental of Hardware 306,273 604,63 other 424,658 343,78 2,043,999 1,104,66 | And the state of t | | |
| other 424,658 343,78 2,043,999 1,104,660 | | | 1 |
| | | 1 | |
| 1,104,00 | and take. | 1 | -1 |
| | | 4,962,318 | 4,405,479 |

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2015

| | 2,015 R | 2,1 |
|--|------------|-----------|
| 25 GENERAL EXPENSES | | R |
| Included in recovery | | |
| Included in general expenses are the following:- | | |
| Advertisements | | |
| Arts and Culture | 362,693 | 475.70 |
| Pest Control | 185,155 | 425,29 |
| Water | 8,596 | 342,84 |
| Audit-External | 522,399 | 5,39 |
| Bank Charges | 1,228,209 | 6,01 |
| Breakdown Services | 111,634 | 1,362,47 |
| HIV/Aids awareness | | 112,24 |
| Marketing & Tourism | 317,997 | |
| Stores and mainenance | 16,837 | 142,61 |
| Chemicals, Cleaning & First Aid | 23,557 | 312,40 |
| Cleaning Office | | 15,815 |
| Community Awareness | 57,461 | 25,717 |
| Compensation Commissioner | 122,406 | 94,349 |
| Computer & IT Support | * | 46,580 |
| Plan development | 6664 | 305,593 |
| Electricity | 829,146 | 469,394 |
| | * | 297,806 |
| Employment Creation Entertainment | 367.969 | 229.826 |
| | 1,125,626 | 1,425,836 |
| Free Basic Electricity. | 107,548 | 70,111 |
| Freight Costs/Hire Costs | 1.514,324 | 1,114,651 |
| Fuel & Oil | 12,330 | 24,561 |
| Gender Development | 1,199,124 | 1,284,070 |
| Bursary Youth | 195,786 | 188,510 |
| Bursary Staff | 268.557 | 313,800 |
| IDP Budget Review | 77,290 | 313,000 |
| Employees Assistance Programme | 200.287 | 07.000 |
| LED Projects | 86,754 | 97,272 |
| Legal Fees | 2,427,541 | 48,189 |
| Licences & Permits | 836,115 | 2,874,046 |
| Moral Regeneration | 98,198 | 839,973 |
| Occupational Safety/Protective clothing | 33,900 | 69,287 |
| Disaster Management, back to school and corporate branding | 496,468 | 20,020 |
| Postage Postage | 181,863 | 271,156 |
| Printing & Stationery | 86,203 | 178,977 |
| Public Paticipation | 623,910 | 80,691 |
| Library outreach programme | 303,620 | 672,983 |
| SMME Capacity Building | | 643,672 |
| Traffic Levy | 14,368 | |
| Refuse Expenses | 31,343 | 115,953 |
| Land Disposal Policy | 7,814 | 8,903 |
| Relmburive Travel | 897,721 | 325,639 |
| S & T Accommodation. | | 157,520 |
| Arts Promotions | 400,317 | 296,455 |
| | 1,170,772 | 862,253 |
| Town Planning Initiative | 109,233 | 171,685 |
| Software Licence Fees | 481,000 | |
| Special Programmes | 326,336 | 283,389 |
| Sports & Recreation | 750,384 | 378,115 |
| Strategic Plan, | 495,719 | 479.075 |
| Subs Membership & Publication. | 403,279 | 608,526 |
| Sundry. | 565,076 | 483,194 |
| Training | 48,721 | |
| Unemployment Training | 2.208,320 | 20,244 |
| ob Evaluation | 227,850 | 1,559,762 |
| /aluation Roll. | 10,000 | |
| Ward Committee | 93,922 233 | |
| D Campaign | 671,626 | 610,943 |
| | 071,025 | 710,081 |
| eam Building | | |
| eam Building | 116,613 | 26,070 |

| | | 2,015 | 2,014 |
|------|---|--|---|
| | | R | R |
| | Youth Upliftment | 422,774 | 303,830 |
| 26 | CASH GENERATED BY OPERATIONS | 23,483,690 | 21,813,814 |
| | | | |
| | Surplus/(deficit) for the year Adjustment for:- | 59,201,156 | 27,255,471 |
| | Interest earned | | |
| | Interest expense | 5.445,944 | -3,792,522 |
| | Depreciation and amortisation | 5 | |
| | Impairment of property, plant and equipment | 19,781,566 | 19,591,019 |
| | Provisions | e water since | |
| | Increase / Decrease in contribution to post retirement benefits. | -5,365,014 | 2,951,451 |
| | Sundry | -801,000 | 843,930 |
| | Working Capital Movements | * | × |
| | Increase / Decrease in trade receivables from non - exchange transactions. | 181,133 | -1,276,421 |
| | Increase /Decrease in trade receivables from Exchange transactions | 2,228,075 | -661.243 |
| | Decrease/Increase in VAT receivable | -422.320 | 835,227 |
| | Decrease / Increase in Inventory | -3,671,140 | 300,000 |
| | Increase /Decrease in trade payables Increase /Decrease in Unspent Grants | 781,509 | -1,798,231 |
| | Decrease/Increase in current portion of lease liability | 2.269,466 | -3.776,520 |
| | Cash generated by operations | -124,170 | 405,985 |
| | good by spansaring | 79,505,206 | 39,766,176 |
| 27.1 | Investment Property | | |
| | Balance previously reported | Cost | Accumulated Depreciation |
| | Balance previously reported Fair Value Cost not recorded previously recorded | 17,922,139 | |
| | Fair Value Cost not recorded previously recorded | 1 T T T T T T T T T T T T T T T T T T T | Depreciation -336,452 |
| | | 17,922,139 | Depreciation -335,452 -270,000 |
| | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded | 17,922,139 300,000 | Depreciation -335,452 -270,000 10,000 |
| | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 | 17,922,139 | Depreciation -335,452 -270,000 |
| 27.2 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 | 17,922,139 300,000 | Depreciation -335,452 -270,000 10,000 |
| 27.2 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings | 17,922,139 300,000 | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated |
| 27.2 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported | 17,922,139 300,000 18,222,139 Cost | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation |
| 27.2 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded | 17,922,139 300,000 18,222,139 | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated |
| 27.2 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for | 17,922,139 300,000 18,222,139 Cost | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation |
| 27.2 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for Depreciation for 2013/14 | 17,922,139 300,000 18,222,139 Cost 32,219,871 590,000 | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10,956,958 |
| 27.2 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for | 17,922,139 300,000 18,222,139 Cost | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10,956,958 -257,677 |
| | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for Depreciation for 2013/14 Restated balance at June 2014 | 17,922,139 300,000 18,222,139 Cost 32,219,871 590,000 | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10,956,958 -257,677 17,344 |
| | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for Depreciation for 2013/14 | 17,922,139 300,000 18,222,139 Cost 32,219,871 590,000 | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10,956,958 -257,677 17,344 |
| | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for Depreciation for 2013/14 Restated balance at June 2014 Community Assets | 17,922,139 300,000 18,222,139 Cost 32,219,871 590,000 | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10.956,958 -257,677 17,344 -11,197,291 |
| | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for Depreciation for 2013/14 Restated balance at June 2014 Community Assets Balance previously reported | 17,922,139 300,000 18,222,139 Cost 32,219,871 590,000 32,809,871 | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10.956,958 -257,677 17,344 -11,197,291 Accumulated |
| 27.3 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for Depreciation for 2013/14 Restated balance at June 2014 Community Assets Balance previously reported Impairment not correctly accounted for - cost | 17,922,139 300,000 18,222,139 Cost 32,219,871 590,000 32,809,871 Cost | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10,956,958 -257,677 17,344 -11,197,291 Accumulated Depreciation |
| 27.3 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for Depreciation for 2013/14 Restated balance at June 2014 Community Assets Balance previously reported Impairment not correctly accounted for - cost Cost of community assets previously not recognised Impairment not correctly accounted for - Accumilated depreciation | 17,922,139 300,000 18,222,139 Cost 32,219,871 590,000 32,809,871 | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10.956,958 -257,677 17,344 -11,197,291 Accumulated Depreciation -40,038,775 |
| 27.3 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for Depreciation for 2013/14 Restated balance at June 2014 Community Assets Balance previously reported Impairment not correctly accounted for - cost Cost of community assets previously not recognised Impairment not correctly accounted for - Accumilated depreciation Adjustment for fully depreciated assets | 17,922,139 300,000 18,222,139 Cost 32,219,871 590,000 32,809,871 Cost | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10,956,958 -257,677 17,344 -11,197,291 Accumulated Depreciation -40,038,775 |
| 27.3 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for Depreciation for 2013/14 Restated balance at June 2014 Community Assets Balance previously reported Impairment not correctly accounted for - cost Cost of community assets previously not recognised Impairment not correctly accounted for - Accumilated depreciation Adjustment for fully depreciated assets Depreciation for 2013/14 | 17,922,139 300,000 18,222,139 Cost 32,219,871 590,000 32,809,871 Cost | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10,956,958 -257,677 17,344 -11,197,291 Accumulated Depreciation -40,038,775 7,842,587 5,102,499 |
| 27.3 | Fair Value Cost not recorded previously recorded Accumalated Depreciation not previously recorded Depreciation for 2013/14 Restated balance at June 2014 Buildings Balance previously reported Fair Value Cost not recorded previously recorded Accumulated Depreciation not previously accounted for Depreciation for 2013/14 Restated balance at June 2014 Community Assets Balance previously reported Impairment not correctly accounted for - cost Cost of community assets previously not recognised Impairment not correctly accounted for - Accumilated depreciation Adjustment for fully depreciated assets | 17,922,139 300,000 18,222,139 Cost 32,219,871 590,000 32,809,871 Cost | Depreciation -335,452 -270,000 10,000 -596,452 Accumulated Depreciation -10.956,958 -257,677 17,344 -11,197,291 Accumulated Depreciation -40,038,775 |

| Fair Value Cost not recorded previously 225,329 1.176,65.5 1.1 | | | | 2,015 R | 2,014 R |
|--|------|--|------|-------------|--|
| Balance previously reported 3,508,678 225,329 3,508,678 1,679,918 225,329 3,508,678 1,679,918 225,329 3,508,678 1,679,918 225,329 3,508,678 1,679,918 225,329 3,508,678 1,679,918 225,329 3,508,678 1,679,918 2,509,000 1,277,645,00 1 | | | | | |
| Balance previously reported 3,308,678 1,679,472 225,329 3,508,678 1,679,472 225,329 225,32 | 27.4 | Furniture & Equipment | | | |
| Balance previously reported 3,508,678 1,679,91 1,777,685,6 1,7 | | | Cost | | |
| Accumulated dependiation not previously accounted for and / or incorrectly accounted for Dependiation not previously recorded 2014 27.5 Computer Equipment Cost Accumulated Dependiation Previously Reported 2.315,103 -359,117.0 -35 | | Balance previously reported | | 3,508,678 | -1.679,912 |
| Depreciation not previously recorded 2014 \$3,000 \$3,734,007 \$1,803,784.00 | | | | 225,329 | |
| Restated balance at June 2014 3,734,007 | | | | | -177,645.00 |
| 27.5 Computer Equipment 27.6 Cost Accumulated Depreciation Salarice Previously reported 2.315,103 382,169 3319,051.0 332,169 3319,051.0 332,169 3319,051.0 332,169 3319,051.0 332,169 3319,051.0 332,169 3319,051.0 332,169 3319,051.0 | | | | 3 734 007 | |
| Balance previously reported 2,315,103 382,169 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 1,144,286,0 2,697,272 2,124,286,39,0 2,224,246 2,224,246 2,224,246 2,224,246 2,224,246 2,234,246 2,2 | | The control of the co | | 5,754,007 | -1,803,754.00 |
| Balance previously reported 2,315,103 -899,117.0 | 27.5 | Computer Equipment | | | |
| Balance previously reported 2,315,103 385,117.0 382,169 -319,061.0 3,382,09 -319,061.0 -319, | | | Cost | | 31 C C C C C C C C C C C C C C C C C C C |
| Fair Value Cost not recorded previously 382, 169 -319,061.0 26,097,272 -319,061.0 33,882.0 339,820 3 | | Balance previously reported | | 2 215 102 | |
| Accumulated depreciation not previously accounted for and / or incorrectly accounted for | | | | | -859,117.00 |
| Depreciation 2013/14 3,382.0 2,697.272 1,144,286.0 2,697.272 1,144,286.0 2,697.272 1,144,286.0 2,697.272 1,144,286.0 2,697.272 1,144,286.0 2,697.272 1,144,286.0 2,697.272 1,144,286.0 2,697.272 1,144,286.0 2,697.272 2,6 | | | | 2001 (42) | -319,061.00 |
| 27.5 Plant & Equipment Cost Accumulated Depreciation 3.251,525 -1.651,375 -1.651,375 -1.651,375 -1.651,375 -1.651,375 -1.651,375 -1.651,375 -1.651,375 -1.2563,375 -1.25 | | A superior of the control of the con | | | 33,882.00 |
| Balance previously reported 3,251,525 -1,651,37 Fair Value Cost not recorded previously accounted for and / or incorrectly accounted for coperation and previously accounted for coperation 2013/14 -1,261,39,00 Restated balance at June 2014 Cost Accumulated Depreciation and Previously accounted for cost Accumulated Depreciation and Previously reported Cost Accumulated Depreciation | | Restated balance at June 2014 | | 2,697,272 | -1,144,296.00 |
| Balance previously reported 3,251,525 -1,651,37 Fair Value Cost not recorded previously accounted for and / or incorrectly accounted for period balance at June 2014 3,284,246 -1,601,405.0 27.7 Vehicles Cost Accumulated Depreciation and previously accounted for and / or incorrectly accounted for period balance at June 2014 3,284,246 -1,601,405.0 27.8 Vehicles Cost Accumulated Depreciation Balance previously reported 5,525,079 -2,125,36 Fair Value Cost not recorded previously Accumulated Depreciation not previously accounted for and / or incorrectly accounted for period -2,325,079 -2,110,88 Restated balance at June 2014 5,525,079 -2,110,88 Restated balance previously reported Cost Accumulated Depreciation accumulated Depreciat | 27.6 | Plant & Faultment | | | |
| Balance previously reported 3,251,525 -1,651,37 Fair Value Cost not recorded previously 32,721 Accumulated depreciation not previously accounted for pereintion 2013/14 62,639.0 Restated balance at June 2014 3,284,246 -1,601,405.0 Fair Value Cost not recorded previously 2,255,079 -2,125,36 Fair Value Cost not recorded previously 2,255,079 -2,125,36 Fair Value Cost not recorded previously 2,255,079 -2,125,36 Restated balance at June 2014 5,525,079 -2,125,36 Restated balance at June 2014 5,525,079 -2,110,88 Restated balance at June 2014 5,525,079 -2,110,88 Restated balance at June 2014 7,948,228 -123,816,53 Fair Value Cost not recorded previously 2,575,990 Restated balance at June 2014 1,039,015,2 Accumulated depreciation not previously accounted for and / or incorrectly accounted for pereintion 2013/14 -2,24,80 Restated balance at June 2014 182,057,218 -125,180,36 Restated balance at June 2014 28,788,072 -2,24,80 Restated balance at June 2014 28,788,072 -2,252,598 Balance Previously reported 28,788,072 -2,252,598 Restated Balance Previously reported 28,788,072 -2,252,598 Restated Balance 2,252,598 -2,252,598 Restated Balance 2,252,598 -2,252,598 Restated Balance 2,252,598 -2,2 | 21.0 | Frant & Equipment | Cost | | Accumulated |
| Fair Value Cost not recorded previously 32.721 62,639.0 Accoumulated depreciation not previously accounted for and / or incorrectly accounted for 3,284,246 -1,601,405.0 -12,669.0 -12,669.0 -12,669.0 -12,669.0 -12,669.0 -12,669 | | | | | |
| Accumulated depreciation not previously accounted for and / or incorrectly accounted for 52,639.0 Pepreciation 2013/14 Restated balance at June 2014 3,284,246 -1,601,405.0 -12 669.0 -12 | | | | | -1.651,375 |
| Depreciation 2013/14 Restated balance at June 2014 3,284,246 -1,601,405.00 | | | | 32,721 | 62 620.00 |
| Restated balance at June 2014 3,284,246 -1,601,405.00 | | | | | |
| 27.7 Vehicles Cost | | Restated balance at June 2014 | | 3,284,246 | -1,601,405,00 |
| Cost Accumulated Depreciation Balance previously reported 5,525,079 -2,126,36 Fair Value Cost not recorded previously accounted for and / or incorrectly accounted for Depreciation 2013/14 -6,844 Restated balance at June 2014 5,525,079 -2,110,88 27.8 Infrastructure Assets Cost Accumulated Depreciation | | | | | 7.5.7.5.5.5 |
| Depreciation Depreciation Depreciation S,525,079 -2,126,368 | 27.7 | Vehicles | | | |
| Balance previously reported 5,525,079 -2,125,36 Fair Value Cost not recorded previously Accumulated depreciation not previously accounted for and / or incorrectly accounted for. Depreciation 2013/14 -6,64 Restated balance at June 2014 5,525,079 -2,110,88 | | | Cost | | 102.000.000.000.000 |
| Fair Value Cost not recorded previously Accumulated depreciation not previously accounted for and / or incorrectly accounted for. Depreciation 2013/14 Restated balance at June 2014 7.8 Infrastructure Assets Cost Accumulate Balance previously reported Fair Value Cost not recorded previously Accumulated depreciation not previously accounted for and / or incorrectly accounted for. Depreciation 2013/14 Restated balance at June 2014 Personal Cost Accumulate of the previously accounted for and / or incorrectly accounted for. Depreciation 2013/14 Restated balance at June 2014 Restated balance at June 2014 Restated Balance Balance Previously reported Correction - Capitalising Asset Restated Balance 26,405,474 | | Balance previously reported | | 5.525.079 | |
| Depreciation 2013/14 -8,844 Restated balance at June 2014 5,525,079 -2,110,886 | | | | | . 41 (8-4) 4341 |
| Restated balance at June 2014 5,525,079 -2,110,881 -2,110,881 Cost Accumulate | | | | | 23327 |
| 27.8 Infrastructure Assets Cost Accumulate Balance previously reported 179,481,228 -123,816,53 Fair Value Cost not recorded previously 2,575,990 Accumulated depreciation not previously accounted for and / or incorrectly accounted for. Depreciation 2013/14 Restated balance at June 2014 27.9 Work In Progress Balance Previously reported 28,768,072 Correction - Capitalising Asset -2,362,598 Restated Balance 26,405,474 | | | | | -8,848 |
| Cost Accumulate Depreciation Depreciation Pair Value Cost Depreciation Pair Value Cost Pair Value Cost Depreciation Pair Value Cost Pair Value | | Restated balance at June 2014 | | 5,525,079 | -2,110,888 |
| Depreciation 179,481,228 -123,816,539 179,481,228 -123,816,539 179,481,228 -123,816,539 179,481,228 -123,816,539 179,481,228 -123,816,539 179,481,228 179,481,28 179,4 | 27.8 | Infrastructure Assets | | | |
| Balance previously reported 179,481,228 -123,816,536 Fair Value Cost not recorded previously 2,575,990 -1,039,015.25 -1,039,015.25 -1,039,015.25 -1,039,015.25 -1,039,015.25 -1,039,01 | | | | Cost | Accumulated |
| Fair Value Cost not recorded previously 2,575,990 | | Balance previously reported | | 179,481,228 | |
| Depreciation 2013/14 -324,809 Restated balance at June 2014 182,057,218 -125,180,369 27.9 Work In Progress 28,768,072 -2,362,598 Balance Previously reported Correction - Capitalising Asset Restated Balance -2,362,598 -2,362,598 | | Fair Value Cost not recorded previously | | 2,575,990 | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| Depreciation 2013/14 324,801 Restated balance at June 2014 182,057,218 -125,180,366 | | Accumulated depreciation not previously accounted for and / or incorrectly accounted for | | | 1 029 015 25 |
| Restated balance at June 2014 182,057,218 -125,180,363 27.9 Work In Progress 28,768,072 Balance Previously reported 28,768,072 Correction - Capitalising Asset -2,362,598 Restated Balance 26,405,474 | | | | | |
| Balance Previously reported 28,768,072 Correction - Capitalising Asset -2,362,598 Restated Balance 26,405,474 | | Restated balance at June 2014 | | 182,057,218 | -125,180,363 |
| Correction - Capitalising Asset -2,362,598 Restated Balance 26,405,474 | 27.9 | Work In Progress | | | |
| Correction - Capitalising Asset -2,362,598 Restated Balance 26,405,474 | | Balance Previously reported | | 28,768,072 | |
| | | | | -2,362,598 | |
| | | Restated Balance Correcting an asset that was previously not capitalised | | 26,405,474 | |

NOTES TO FINANCIAL STATEMENTS For the year ended 30 June 2015

| | | 2,015 | 2,01 |
|--------|--|--|--------------|
| de est | | R | R |
| 27.10 | Inventory | | |
| | Adjustments affecting the statement of financial position | | |
| | | Investment Property | Inventory |
| | Opening balance | | |
| | Correction of inventory poreviously classified as investment property | 17,585,687.00 | |
| | Restated balance as at June 2013 | -4,600,000.00 12,985,687.00 | 4,600,000,00 |
| | A control of the cont | | 4,600,000.00 |
| | Land, included in investment property in the year 2012/13 was not correctly transferred to inventor | ry in the financial year 2013/14 when there wa | 5 |
| | was a state of the develop the rand into a residential area for resale. Investment property was | as derecognised on the financial system | |
| | and asset register. The development has been re-classified as inventory as required by GRAP | | |
| 27.11 | Payable from exchange transactions | | |
| | Adjustments affecting the statement of financial position | 2015 | 2014 |
| | Opening balance | | |
| | Accruals not cleared in the previous financial year - 2010/11 | 374,591 | |
| | Accruals not cleared in the previous financial year - 2012/13 | -110,766 | |
| | Accruals not cleared in the previous financial year - 2013/14 | -99,000 | |
| | Closing balance | -100,904 | |
| | | 63.921.26 | 374,591.25 |
| | Accruals relating to the previous financial years were raised and not cleared in full due to unsatisfa | arton/locomolote dell'are ef | |
| | This resulted in part payments and a differences between the accruals raised and paid | and symbolishing the delivery of goods/services. | |
| 27.12 | Payable from exchange transactions | | |
| | | 2015 | |
| , | Adjustments affecting the statement of financial position | 2015 | 2014 |
| | Opening balance | 20,707 | 20.707 |
| (| Clearing of cancelled order that erroneously remained on the system | -20,707 | 20,707 |
| | Closing balance | -20,707 | 20,706.91 |
| | Clearing of orders relating to the previous financial years 2013/14 which were cancelled , but remain | | ,, |
| | | ned in the vote due to system error, | |
| 7.13 1 | Payable from exchange transactions | | |
| A | adjustments affecting the statement of financial position | 2015 | 2014 |
| | Opening balance | | |
| | Intraceable reconciling item | 102,036 | 102,036 |
| | losing balance | -102,036 | |
| | | | 102,036 |
| A | n untracable reconciling item on the cashbook expenditure had been carried over from previous fir | Danciel years Coucil approved a water and | |
| ā | mount of R102 036.91 which could not be traced and remained a re-occuring reconcilling item on the | ne cash book. | |
| .14 P | ayable from exchange transactions | | |
| * | distance of the state of the st | 2015 | 2014 |
| A. | djustments affecting the statement of financial position | | 5014 |
| A | llocating a portion of the invoice previously not accounted for in 2013/14 mount paid | 25,240 | 2 |
| | osing balance | -25,240 | _ |
| | TOTAL PRINCIPLE | | |

A portion of an invoiced submitted by the the service provider was not paid in full due to incomplete delivery of services. The remaining services were subsequently delivered, however the remaining amount had not been committed.

NOTES TO FINANCIAL STATEMENTS For the year ended 30 June 2015

| | | 2,015 R | 2,014 R |
|-------|--|--|------------|
| 27.15 | Receivables from exchange transactions | | |
| | Adjustments affecting the statement of financial position | 2015 | 2014 |
| | Opening balance | ¥= =<- | |
| | Correction of duplicate entry | 95,303 | |
| | Closing balance | -95,303 | - |
| | Reversal of duplicate entries posted twice | | |
| 27.16 | Receivables from exchange transactions | | |
| | Adjustments affecting the statement of financial position | 2015 | 2014 |
| | Opening balance | 4 | |
| | Untraceable balance - 2005/2006 | 3,439 | |
| | Closing balance | -3,439 | |
| | An untracable amount of R 3 439.14 for hall hire deposit had been carried over from the 2005/06 financial | years and remained in the municipal book | s . |
| | FRUITLESS AND WASTEFUL EXPENDITURE | | |
| | There was no fruitless and wasteful expenditure incurred as at 30 June 2015 | | |
| 29 | IRREGULAR EXPENDITURE AND DEVIATIONS | | |
| 29.1 | RREGULAR EXPENDITURE | | |
| | Reconciliation of irregular expenditure: | | |
| 3 | Opening balance | 229,916 | 229.916 |
| 3 | Section 36 - condoned or written off by Council | -229,916 | 277745 VF |
| | rregular | 4,156,107 | _ |
| | Section 36 - condoned or written off by Council | | |
| (| Closing balance | 4,156,107 | 229,916 |
| a | The above irregular expenditure consists of:(1) R4 787 is as a result of a truck that was erviced without following proper SCM processes. (2) R4 151 320 which was as a result of deviation from the documented process of evaluating functionality. | | |
| 9,2 0 | EVIATIONS | | |
| Т | otal - | 260,941 | 505 505 |
| | = | 200,341 | 309,800 |

The above deviations were due to the nature of the service as well as urgency of the procurement wherein the tenders could not be advertised and or three quotations were not acquired due to the disaster that struck in the municipality.

NOTES TO FINANCIAL STATEMENTS For the year ended 30 June 2015

2.015 2,014 R ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT 30 ACT 30.1 Contributions to organised local government Opening balance Council subscriptions 500,000 462,000 Amount paid - current 500,000 -462,000 Amount paid - previous years Balance unpaid (included in payables) 30.2 Audit fees Opening balance Current year audit fee 1,228,209 1,362,476 Amount paid - current year -1,228,209 -1.362,476 Amount paid - previous years Balance unpaid (included in payables) 30.3 VAT Vat received for the year -9,563,641 VAT paid for the year -3,860,770 -9,563,641 -3,860,770 Vat input receivable and VAT output payable are shown in note 8. 30.4 PAYE, UIF and Skills Opening balance Current year payroll deductions 6,012,080 5,312,549 Amount paid - current year 6,012,080 -5,312,549 Amount paid - previous years Balance unpaid (included in payables) 30.5 Pension and Medical Aid Deductions Opening balance Current year payroll deductions and Council Contributions 5,747,536 8,682,924 Amount paid - current year 5,747,536 -8,582,924 Amount paid - previous years Balance unpaid (included in payables) 30.6 Councillor's arrear consumer accounts Councillor N.J. Peterson - Speaker 3.446 Councillor D.Ram - Subsequently resigned 2,401 Total Councillor Arrear Consumer Accounts 5,847

| | | 2,015 | 2,014 |
|------|--|---------------|------------|
| | | R: | R |
| 31 | CAPITAL COMMITMENTS | | |
| 31.1 | Commitments in respect of capital expenditure | | |
| | Total commitments | 8,714,486 | 60,054,117 |
| | - Contract costs to complete | aranna na c | |
| | Infrastructure | 8,714,486 | 20,033,814 |
| | Community | 7,533,965 | 10,839,361 |
| | Other | 1,180,521 | 6,202,483 |
| | | | 2,991,970 |
| | - Approved but not yet contracted for | | |
| | Infrastructure | - | 40,020,303 |
| 3 | Community | | 20,373,382 |
| E | Electrification | | 4,779,921 |
| (| Other | | |
| | | | 14,867,000 |
| Ī | Total | 0.744.400 | |
| | | 8,714,486 | 60,054,117 |
| 31.2 | Other Commitments | | |
| 0 | Other | | |
| | | 770,391 | * |
| Ť | otal commitments | 0.404.000 | |
| | | 9,484,877 | 60,054,117 |
| Ť | his expenditure will be financed from: | | |
| | External Loans | | |
| - | Government Grants | # ## 2 \ 1000 | - 1 |
| | Own resources | 8,714,486 | 50.107,046 |
| | The second of th | | 9,947,071 |
| | | 8,714,486 | 60,054,117 |

NOTES TO FINANCIAL STATEMENTS For the year ended 30 June 2015

| 2,015 | 2.014 |
|-------|-------|
| | 2,014 |
| P | _ |

32 RETIREMENT BENEFIT INFORMATION

32.1 Retirement benefits

The Municipality's personnel are members of one of the Natal Joint Municipal Pension retirement funds, namely the Superannuation, Retirement and Provident Funds. As the aforementioned funds are multi-employer funds, the allocation of any surplus/deficit to individual municipalities cannot be determined. Furthermore disclosure of further details such as actuarial assumptions, cannot be attributed to any specific municipality and is of no relevance to users of the municipality's financial statements. As the required disclosure information cannot be obtained the funds are all treated as defined contribution plans.

32.2 Post-employment medical benefits

The municipality operates on 3 accredited medical aid schemes, namely Bonitas, Keyhealth, and Samwumed.

Pensioners continue on the option they belonged to on the day of their retirement. Independent valuers, Zagen Actuaries (Pty) Ltd, carried out a statutory valuation as at 30 June 2015.

The post-retirement medical obligations at 30 June 2015 quantified the present value of unfunded obligations at R3,780,000. The Current-service costs for the year ending 30 June 2014 is estimated at R283,000. The principal

actuarial assumptions used included a discount rate of Yield Curve , and a health care cost inflation rate of CPI + 1.

The movement in the liability recognised in the balance sheet is as follows:

The principal actuarial assumptions used were as follows:

| Balance at beginning of the year Current service cost Interest cost Benefit payments | 3,705,000 283,000 342,000 -111,000 | 3,305,000 305,000 235,000 -103,000 |
|--|---|---|
| Actuarial (gains)/losses | -439,000 | -37,000 |
| Expected Employer Benefit Payments Closing Accrued Liability | 3,780,000 | 3,705,000 |
| 32.3 The amounts recognised in the Statement of Financial Position were as follows: | | |
| Current service cost Interest cost Actuarial (gains)/losses | 283,000 342,000 -439,000 | 305,000 235,000 -37,000 |
| Benefit payments Transitional Liability | 186,000 -111,000 | 503,000 -103,000 |

| | 2,016 R | 2,014 |
|---|-------------------|-------------------|
| The amounts recognised in the Statement of Financial Performance were as f | | R |
| Current service cost | | |
| Interest cost | 283,000 | 305,000 |
| Benefit payments | 342,000 | 235,000 |
| Actuarial (gains)/losses | -111,000 | -103,000 |
| | -439,000 | -37,000 |
| | 75,000 | 400,000 |
| Key Assumptions | | |
| Discount rate per annum | Yield Curve | |
| Health care cost inflation rate | CPI+1 | 9.08% |
| Net effective discount rate | Yield Curve Based | 8.12% |
| Benchmark inflation (equal to salary inflation) | 0% | 0.89% |
| Average retirement age | 63 | 0% |
| Proportion continuing membership at retirement | 100% | 63 |
| Proportion of retiring members who are married | 90% | 100% |
| Mortality during employment | SA 85-90 ultimate | 90% |
| Mortality post-retirement | | SA 85-90 ultimate |
| (No explicit assumption was made about additional mortality or health care costs du AIDS). | e to | PA90-1 ultimate |
| Percentage of in-service members withdrawing before retirement: | | |
| Age 20 - 24 | Males | Females |
| Age 25 - 29 | 16% | 24% |
| Age 30 - 34 | 12% | 18% |
| Age 35 - 39 | 10% | 15% |
| Age 40 - 44 | 8% | 10% |
| Age 45 - 49 | 6% | 6% |
| Age 50 - 54 | 4% | 4% |
| Age 55 - 59 | 2% | 2% |
| Age 60+ | 1% | 1% |
| Age dut | 0% | 0% |
| The amounts recognised in the Statement of Financial Position | 3,780,000 | 3,705,000 |
| 32.4 Long Service Awards. | | 51.00100 |
| Independent valuers, Zagen Actuaries (Pty) Ltd, carried out a statutory valuation as a June 2015. | nt 30 | |
| The principal actuarial assumptions used were as follows: | | |
| Discount rate per annum General Salary Inflation (Long term) | Yield Curve | 8% |
| Net effective discount rate | CPI+1 | 7% |
| ver enective discontit (3fe | Yield Curve | 1% |
| Examples of mortality rates used were as follows: Average retirement age | | |
| Mortality during employment | 63 | 63 |
| | SA85-90 | SA85-90 |
| Members withdrawn from services: | | |
| Age 20 - 24 | Males | Females |
| Age 25 - 29 | 16% | 24% |
| Age 30 - 34 | 12% | 18% |
| Age 35 - 39 | 10% | 15% |
| Age 40 - 44 | 8% | 10% |
| Age 45 - 49 | 5% | 6% |
| Age 50 - 54 | 4% | 4% |
| Age 55 4 59 | 2% | 2% |
| Age 60+ | 1% | 241 1% |
| | 0% | 0% |

| | | 2,015 | 2,014 |
|------|---|---------------------------------|------------------------------|
| | | R | R |
| 32.5 | The amounts recognised in the Statement of Financial Position were determined as follows: | | |
| | Present value of funded obligations Fair value of plan assets | 1,700,000 | 1,547,000 |
| | Liability in the Statement of Financial Position | 1,700,000 | 1,547,000 |
| | Movements in the defined benefit obligation is as follows: | | |
| | Balance at beginning of the year Current service cost Interest cost | 1,547,000 227,000 127,000 | 918,000 183,000 66,000 |
| | Benefit payments Actuarial (gains)/losses | -75,000 -126,000 | -67,000 447,000 |
| | Balance at end of year = | 1,700,000 | 1,547,000 |

NOTES TO FINANCIAL STATEMENTS For the year ended 30 June 2015

| | | 2,015 | 2,014 |
|-----|--|------------|------------------------|
| | | K | R |
| | The amounts recognised in the Statement of Financial Performance were as follows: | ows: | |
| | Current service cost | | |
| | Interest cost | 227,000 | 183,000 |
| | Benefit payments | 127,000 | 66,000 |
| | Actuarial (gains)/losses | -75,000 | -67,000 |
| | Total included in annual control in the control in | -126,000 | 447,000 |
| | Total, included in employee benefits expense | 153,000 | 629,000 |
| | In conclusion the retirement benefits were: | | 420,000 |
| | Statement of Financial Position obligation for: | | |
| | Post-employment medical benefits | 3,780,000 | |
| | Long Services Award. | 1,700,000 | 3,705,000 |
| | | 5,480,000 | 1,547,000 5,252,000 |
| | Statement of Financial performance obligation for: | | |
| | Post-employment medical benefits loss | | |
| | Long Service Award loss | 75.000 | 400,000 |
| | | 153,000 | 629,000 |
| | Additional retirement costs. | 228,000 | 1,029,000 |
| | Annual Control of the | 228,000 | 1,029,000 |
| | Long service award gain | | |
| 33 | CONTINGENT LIABILITY | | |
| 3.1 | Possible claims and Litigation against the municipality by former employees | | 700 000 |
| | | | 700,000 |
| | | | 700,000 |
| 34 | CONTINGENT ASSET | | |
| | An asset estimated at R11million may be transferred to the municipality | 11,000,000 | |
| | | 11,000,000 | |
| 5.1 | MATERIAL LOSSES INCURRED | | |
| | Amount Paid as a result of theft of municipal funds | | - |
| | P NO TRACE MA | <u>.</u> | 76,491 |
| | | - | 76,491 |

There was an incident wherein municipal funds including the Dpt of Transport's revenue were stolen. The case was reported to the SAPS and investigation is still ongoing.

35 EVENTS AFTER THE REPORTING DATE

No events after the reporting date were identified for the year ended 30 June 2015.

36 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The following areas involve a significant degree of estimation uncertainty:

- Useful lives and residual values of property, plant, and equipment
- Recoverable amounts of property, plant and equipment
- Present value of defined benefit obligation
- Provision for doubtful debts
- Determining the collectible amount of traffic fines issued

243

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2015

| | | 2,015 R | 2,01 |
|------|---|------------|------------|
| 37 | FINANCIAL RISK MANAGEMENT | R | R |
| ., | | | |
| | Financial Risk Management Objectives | | |
| | Due to the largely non-trading nature of the activities and the way in which they are | | |
| | financed, municipalities are not exposed to the degree of financial risk faced by business | | |
| | entities | | |
| | The municipality's finance function monitors and manages the financial risks relating to | | |
| | the operations of the municipality. These risks include credit risk limited the market risk | | |
| | relating to interest rate risk. | | |
| 37.1 | Maximum credit risk exposure | | |
| | Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The | | |
| | municipality only deposits cash with major banks with high quality credit standing and | | |
| | limits exposure to any one counter-party. | | |
| | Except as detailed below, the carrying amount of financial assets recorded in the Annual | | |
| | Financial Statements, which is net of impairment losses, represents the municipality's | | |
| | maximum exposure to credit risk without taking account of the value of any collateral | | |
| | obtained: | | |
| | The maximum credit risk exposure in respect of the relevant financial instruments is as | | |
| | follows: | | |
| | Cash and Cash Equivalents | 04.000.000 | |
| | Trade and other receivables | 81,969,673 | 66,033,153 |
| | Maximum Credit Exposure — | 8,000,855 | 5,772,780 |
| | | 89,970,528 | 71,805,933 |
| 38 | FINANCIAL RISK MANAGEMENT continued | | |
| 38.1 | Liquidity risk | | |
| | The municipality's risk to liquidity is a result of the funds available to cover future | | |
| | commitments. The municipality manages liquidity risk through an ongoing review of future | | |
| | commitments and credit facilities. Unspent Grants are cash backed. Cash flow forecasts | | |
| | are prepared and adequate utilised borrowing facilities are monitored. | | |
| | The table below analyses the municipality's financial liabilities into amounts due within the | | |
| | 12 months after financial year end. The amounts disclosed in the table are the contractual | | |
| | undiscounted cash flows. | | |
| | Trade and other payables | 14,317,385 | 13,077,225 |
| | Other: Lease obligations | 344,747 | 860,025 |
| | Maximum Liquidity Exposure | 14,662,132 | 13,937,250 |
| | | 1,100 | 10,951,200 |
| | Interest rate risk | | |
| | As the municipality has no significant interest-bearing assets, the municipality's | | |
| | income and operating cash flows are substantially independent of changes in | | |
| | market interest rates. | | |
| | At year end, financial instruments exposed to interest rate risk were as follows: | | |
| | Bank Balances and Cash | 81,969,673 | 55 000 4-5 |
| | Maximum Interest Exposure — | | 66,033,153 |
| | | 81,969,673 | 66,033,153 |

38.3 Other price risk

Due to legislative restrictions, the municipality does not trade these investments.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2015

| | | 2,015 | 2,01 |
|-------|--|-----------|----------|
| | | R | R |
| 39 Re | epairs and maintanance | | |
| Re | pairs and maintanance relates to general mantainance of cars, minor repairs to | 2 220 422 | www. |
| Inf | rastructure assets, community assets and buildings. | 2,339,133 | 2,761,56 |
| IO Ch | ange in estimate: useful life of asset reviewed | | |
| Ac | change in the estimated useful life of assets has resulted in the | | |
| fol | lowing change in depreciation for the year: | | |
| De | preciation: Office furniture | | |
| | cording to initial estimated useful life | 64,746 | |
| | cording to re-estimated useful life | 59,107 | |
| Ade | ditional depreciation provided — | 5,639 | |
| De | preciation: Plant & Equipment | | |
| | cording to initial estimated useful life | 104,734 | |
| | cording to re-estimated useful life | 81,442 | |
| Add | ditional depreciation provided | 23,292 | |
| | preciation: Computer Equipment | | |
| Acc | ording to initial estimated useful life | 38,099 | |
| | ording to re-estimated useful life | 12,519 | |
| Add | ditional depreciation provided | 25,580 | |
| | preciation: Community assets | | |
| | ording to initial estimated useful life | 1,271,457 | |
| | ording to re-estimated useful life | 1,457,585 | |
| | fuction in depreciation provided | -186,127 | |
| | preciation: Infrastructure assets | | |
| | ording to initial estimated useful life | 5,290,570 | |
| | ording to re-estimated useful life | 5,043,599 | |
| Ago | litional depreciation provided — | 246,971 | |
| | preciation: Other assets | | |
| | ording to initial estimated useful life | 48,000 | |
| Acc | ording to re-estimated useful life | 36,000 | |
| Add | litional depreciation provided — | 12,000 | |

UBUHLEBEZWE MUNICIPALITY NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

41 Categories of financial instruments

| 2015 Financial Year | Loans and receivables | Financial liabilities at amortised cost | Total |
|--|-------------------------------------|---|-------------------------------------|
| Current assets | | | |
| Trade receivables Other receivables Inventories | 8,000,855 1,446,198 3,671,140 | - | 8,000,855 1,446,198 |
| Cash and cash equivalents VAT receivable | 81,969,673 4,821,506 | - | 81,969,673 4,821,506 |
| Non-current liabilities Finance lease liability Other non-current liabilities | - | 62,932 5,480,000 | 62,932 5,480,000 |
| Current liabilities Trade and other payables Short-term portion of finance lease Unspent conditional grants and receipts | | 14,317,385 281,815 14,169,285 | 14,317,385 281,815 14,169,285 |

| 2014 Financial Year | Loans and receivables | Financial liabilities at amortised cost | Total |
|---|-----------------------|---|------------|
| Current assets | | | |
| Trade receivables | 5,674,038 | | E 674 000 |
| Other receivables | 1,265,065 | | 5,674,038 |
| Inventories | 4,600,000 | - | 1,265,065 |
| Cash and cash equivalents | 66,033,153 | _ | 66,033,153 |
| VAT receivable | 5,133,487 | - | 5,133,487 |
| Non-current liabilities | | | |
| Finance lease liability | | 454,040 | 454,040 |
| Other non-current liabilities | - | 5,252,000 | 5,252,000 |
| Command lightillain | | | |
| Current liabilities | - | | - |
| Trade and other payables | - | 13,077,225 | 13,077,225 |
| Short-term portion of finance lease | - | 405,985 | 405,985 |
| Unspent conditional grants and receipts | - | 11,899,819 | 11,899,819 |
| | | | |

UNAUDITED SUPPLEMENTARY SCHEDULES ANALYSIS OF PROPERTY PLANT AND EQUIPMENT

| | | | Cost / Revaluation | u | | | | Accumulated | Accumulated Depreciation | 1 | | Contraction of the contraction o |
|-----------------------|--|----------------|--------------------|----------|---------------------|-------------------|--------------|-------------|--------------------------|--------------------------------|-------------|--|
| | 1. 14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | | | | # F | | | | | | | Carrying value |
| | 14 - 14 - 15 - 15 - 15 - 15 - 15 - 15 - | | | | | | | | | | | 1- |
| As at 30 June 2015 | Opening Balance | Additions | Disposals | Under | Glosing Balance | Opening | Deureciation | Disposale | Change in | toss/Reversal of impairment | Closing | Closing |
| | œ | œ | œ | DC. | œ | a | 0 | dipondo. | estimate | 1088 | Balance | Batance |
| | | | | | No Medical Services | | Ľ | ¥ | | 2 | | × |
| Buildings | 31 996 473 | 70.418 | | | 20 DRR RD4 | 0.044 987 | 0.00 | | | | | |
| Infrastructure Assets | 165 879 272 | | | | 180 000 70 | 2 344 308 | 1 129 509 | | .' | * | 11 073 868 | ECO FOR 00 |
| Community Assets | 407 222 624 | AND READ SHOWS | | | 165 879 272 | 118 996 900 | 3 677 906 | | | | 123 674 906 | 20 000 00 |
| Contract Account | 100 777 101 | 17 370 060 | | | 124 892 591 | 35 973 125 | 5 951 267 | | | | 122 514 800 | 43 204 465 |
| ricindge Assets | 2 849 000 | , | | - | 2 849 000 | | | | | _ | 41 924 392 | 82.988.200 |
| Work in Progress | 20 150 229 | 27 415 124 | | | 47 565 352 | 7 | | | | | | 2 849 000 |
| Specialised Vehicles | 3213149 | 653 260 | | | 000 000 | The second second | | | , | | 1 | 47 565 353 |
| Fumiliare & Equipment | 3 091 813 | 334 073 | 57.053 | | 5 000 4U3 | 492.886 | 278 120 | | | | 771.006 | 3.005,403 |
| Computer Equipment | 2 217 962 | 678 575 | Octo pool | | 3 398 863 | 1 380 842 | 210380 | 282 6 | | | 1 581 031 | 1040000 |
| Plant & Engineer | 700 100 4 | 1221 | 778 877 | | 2 593 417 | 691 468 | 372 387 | 61 808 | | | 200000 | 00000 |
| Mahada - Ampundu | 2.437.333 | 749 899 | | <i>y</i> | 3 247 498 | 1 200 621 | 275 421 | | | | 1002 047 | 1591370 |
| HORES | 4 667 389 | 857 691 | | 1 | 5 525 079 | 1.249.908 | EAR 224 | | | | 1 476 042 | 1771456 |
| Leased Assets | 1 490 411 | , | | | 1.450.414 | 70G 77E | 177 74.0 | | | | 1 791 132 | 3 733 947 |
| Other | 144 000 | 286 860 | | , | A 10 BED | 20000 | - Joseph GF | | L | | 726 776 | 763 636 |
| Total | 345,639,829 | 48,411,662 | 20 996 537 | 0 | 303 808 646 | VIO 002 | 7.9.2.00 | | 1 | | 107 206 | 323 854 |
| | \$4. 10.5 20.5 20.5 | | | | Otto Septiment | C00/400/0/4 | 12,515,420 | 71.100 | 0 | 0 | 183,129,205 | 210,676,441 |
| |). J. | | | | | | | | | | | |
| | - Champion | | | | | | | | | Impairment | | |
| As at 30 June 2014 | Balance | Additions | Disposals | Under | Glosing. Balance | Opening | Depreciation | Disposais | Change in estimate | of impairment | Closing | |
| | ¥ | œ | œ | œ | œ | R | × | ď | 400 | No. | Datance | Carryin Value |
| Buildings | 34 996 473 | 70.4+8 | | | | | | | | | | ď |
| Infrastructure Assets | 165 879 272 | | | 4 | 32 065 891 | 9 944 359 | 1 129 509 | | 1 | , | 11 073 868 | 20 993 023 |
| Community Assets | 107.322.431 | 17.520.080 | | 1 | 165 8/9 2/2 | 118 996 900 | 3.677.906 | | 4 | | 122 674 806 | 43 204 ARK |
| Hentage Assets | 2 849 000 | | | | 124 682 591 | 35 973 125 | 5 951 267 | | , | | 41 924 392 | 82.968.200 |
| Work in Progress | 20 150 229 | 27 415 124 | | | 2049.000 | • , | | | • | | -1 | 2 849 000 |
| Specialised Vehicles | 3 213 149 | 853.280 | | | 47 505 555 | 4 4 | | | 1 | | 1 | 47 565 353 |
| Furniture & Equipment | 3 091 813 | 524 073 | 37.032 | ' | 5.006 403 | 492 386 | 278 170 | | ' | | 771 006 | 3.095 403 |
| Computer Equipment | 2 337 962 | A78 277 | 2000000 | 1 | 2 336 003 | 1 380 842 | 210 380 | 9 292 | - | | 1 581 931 | 1 816 933 |
| Plant & Equipment | 2 497 599 | 749 899 | 4 10 UCA | 4 | 2 393 417 | 691 468 | 372 387 | 61 808 | | | 1 002 047 | 1 591 370 |
| Vehicles | 4 667 389 | 857.601 | | 1 | 085 /57 0 | 1 200 621 | 275 421 | | | | 1 478 042 | 1 771 458 |
| Leased Assets | 1 490 411 | | | | 670 070 0 | 1 249 908 | 541 224 | | , | | 1 791 132 | 3 733 947 |
| Other | 144 000 | 286 850 | | ŀ | 420 950 | 97797 | | | 1. | | 726 776 | 763 636 |
| 24 | 345,639,829 | 48.411.662 | c | 0 | 900 000 000 | 0.00 0.7 | 9076/ | | 4 | | 107 206 | 323 654 |
| , | The second secon | manda tarent | 2 | 0 | 333,000,046 | 1/0,684,885 | 12,515,420 | 71,100 | 0 | 0 | 400 400 404 | |

| | Carrying Value | œ | | 22 052 114 | 46 882 372 | 71 349 408 | 2 849 000 | 20 150 229 | 2 730 989 | 4750075 | 17.0371 | 1 000 000 | 8/8 987 | 3 417 481 | 763 636 | 116 000 | 175 870 251 |
|--|----------------|------------|-----------------------|----------------------|------------------|----------------|-------------------|----------------------|-----------------------|--------------------|-------------------|-----------|---------------|-----------|---------|-------------|----------------|
| Closing | ICB | ¥ | 3 | 9 844 359 | 118 996 900 | 35 973 125 | | | 492 B86 | 1 380 842 | R01 469 | 1 200 621 | 1 240 000 | 248 900 | 726 778 | 28 000 | 149.622.460 |
| Impairment loss/Reversal of impairment | SSO | | | 4 | 550 556 | 5 104 060 | , | • | , | 54 479 | 28 443 | 1 962 | 81 043 | | 4 | 4 | 102,364 |
| Change in | applica | | | • | 1 | • | 1 | • | i | j. | 4 | 4 | ì | | * | | -2,320,364 |
| Districtal | 2 | | | | - | | | 1 | * | - | | | 1 | | | 1 | 0 |
| Depreciation | ď | | 1 129 509 | 7.698.050 | 6 064 267 | /07 1000 | • | 1 1000 | 191 729 | (215 574) | (76 556) | (1558) | 76 775 | 298 088 | 28 000 | 46.040 640 | 910,010,01 |
| Opening | я | | 8 814 350 | 110 748 294 | 24 917 798 | | | 204 467 | 701 105 | 1 541 936 | 741 582 | 1 200 217 | 1 091 189 | 428 688 | | 136 024 944 | and the stores |
| Closing | ĸ | | 31 996 473 | 165 879 272 | 107 322 531 | 2 849 000 | 20 150 229 | 3 213 140 | 2004 040 | 0.001.013 | 2 337 952 | 2 497 599 | 4 667 389 | 1 480 411 | 144 000 | 325,502,311 | |
| Under | œ | | | | 1 | , | (20 200 125) | 7 | | , | | ' | 1 | 1 | • | 0 | |
| Disposals | × | | 4 | | 4 | 1 | ' | 1 | , | | | + | ř | ' | , | 0 | |
| Additions | æ | 000 | 200 200 | 2407.909 | 17.570.060 | 1 | 15 934 269 | 2 139 821 | (360 189) | 927 236 | (48 505) | 1 633 639 | | 222 600 | 144 000 | 27,430,147 | |
| Opening Balance | r | 24 206 966 | 159 404 040 | 0 0 0 0 | 89 752 471 | 2 849 000 | 24 416 085 | 1 073 328 | 3 452 003 | 1 410 726 | 2 546 104 | 3 033 750 | 1 490 411 | | 200 000 | 313,632,662 | |
| As at 30 June 2013 | | Buildings | Infrastructure Assots | Corners raths assess | Committee Assess | Terrage Assers | vvork in Progress | Specialised Vehicles | Furniture & Equipment | Computer Equipment | Plant & Equipment | Vehicles | Leased Assets | Other | Total | 2100 | |

UNAUDITED SUPPLIMENTARY SCHEDULE

| | | 0 | Cost / Revaluation | | | | Accum | Accumulated Depreciation | tion | | |
|------------------------|--------------------|---------------|--------------------------------------|--------------|--------------------|--------------------|------------|--------------------------|------------|-------------|---|
| As at 30 June 2015 | Opening Balance | Additions | Work in Progress brought into use | Disposals | Closing Balance | Opening Balance | Current | Change in | Impairment | Closing | ã |
| | œ | œ | œ | ac | R | nc. | oc | | æ | æ | |
| Budget & Treasury | 12,684,866 | 200,142 | 3,428,477,58 | 245,844.00 | 12,885,008 | 9,217,824 | 431,091 | | | 9 648 914 | |
| Sommunity Services | 85,758,681 | 17,570,060,00 | 380,719,73 | | 103,338,741 | 33,456,150 | 5,951,257 | | | 39 407 416 | |
| Corporate Services | 1,320,324 | | 428,309,70 | | 1,320,324 | 1,053,128 | 68,769 | | | 1 121 897 | |
| Executive & Council | 12,103,314 | 52,336 | 489,496.80 | | 12,155,850 | 8,230,283 | 386,484 | | | 8 616 767 | |
| Housing | 183,939 | | 571,079,60 | | 183,939 | 101,288 | 4 555 | | | 105.823 | |
| Planning & Development | 54,596,382 | 568,976 | 571,079,60 | | 55,165,358 | 18,309,312 | 825,978 | | | 10 135 280 | |
| Public Safety | 1,415,027 | | 685,295,52 | | 1,415,027 | 1,393,128 | 62.664 | | | 1 455 700 | |
| Roads | 165,879,272 | 771 222 00 | 300,496.65 | | 166,650,494 | 95,881,426 | 4,358,483 | | | 100 239 909 | |
| Solid Waste | 2,647,685 | 300,497 | | | 2,948,182 | 2,071,184 | 93,164 | | | 2 164 347 | |
| sports & Recreation | 1,196,403 | | • | | 1,195,403 | 971,184 | 332,965 | 12,515,420 | 0 | 1304149 | |
| Work in progress | 20,150,228 | 27,415,124 | • | 1 | 47,565,352 | | 0 | | | 0 | |
| | | | | 0 | | | | | | | |
| Total | 357 946 122 | 46 878 357 | 48 411 881 58 | 4 522 20A 2E | 40.4 074 470 | 740 007 007 | 40 545 400 | | | 400 000 | ľ |

3,238,094 63,931,325 198,427 3,538,883 78,116 38,030,068 40,765 66,410,585 783,835 107,746 47,565,362 0

Carrying value R

| | | 7 | Cost / Revaluation | | | | Accum | Accumulated Depreciation | ation | | |
|------------------------|--------------------|---------------|--------------------------------------|-----------|--------------------|--------------------|------------|--------------------------|--------------|--------------------|----------------|
| | | | | | | | | | | | |
| As at 30 June 2014 | Opening Balance | Additions | Work in Progress brought into use | Disposals | Closing Balance | Opening Balance | Current | Change in estimate | Impairment | Closing Balance | Carrying value |
| | E. | a. | æ | œ | œ | ac. | œ | | æ | E | R |
| Budget & Treasury | 12,360,528 | 324,238 | • | 4 | 12,684,866 | 7,345,000 | 1,581,852 | | 2500,872 | 9,217,824 | 3.487.042 |
| Community Services | 68,198,621 | 17,570,060.00 | | | 85,758,691 | 30,101,428 | 2,372,777 | | 981.944 | 33,456,150 | . K |
| Corporate Services | 383,410 | 936,914 | | | 1,320.324 | 489,286 | 450.926 | | 72,917 | 1.053,128 | |
| Executive & Council | 11,184,299 | 919,015 | | | 12,109,314 | 5,982,857 | 1,265,481 | | 981,944 | 8,230,283 | ୍ଟ |
| Housing | 61,404 | 122,636 | | | 183,939 | 85,000 | 10,296 | | 5,972.21 | 101,268 | 82,671 |
| Planning & Development | 53,677,367 | 919,015 | | | 54,696,382 | 14,978,571 | 1,881,852 | | 1,448,888.85 | 18,309,312 | 36,287,070 |
| Public Safety | 802,351 | 612,676,48 | | | 1,415,027 | 489,286 | 30,926 | | 872,917 | 1,395,128 | 21,899 |
| Roads | 152,401,919 | 13,477,353,26 | | | 165,879,272 | 88,735,713 | 6,563.768 | | 581,944 | 95,881,426 | 89,997,848 |
| Solid Waste | 2,341,347 | 306,338 | | | 2,647,585 | 989,286 | 790,926 | | 290,972.21 | 2 071 184 | 576,502 |
| Sports & Recreation | 111,485 | 1,084,917,94 | • | | 1,195,403 | 589,286 | 90,926 | | 290,972.21 | 971,184 | 225,219 |
| Work in progresss | 24,416,084 | 15,934,269 | -20,200,125,00 | | 20,150,228 | 1 | | | | | 20,150,228 |
| Total | 325,938,915 | 62,207,332 | -20,200,125.00 | | 357,946,122 | 149,785,711 | 15,079,729 | | 5,819,444 | 170,684,884 | 187,261,238 |
| | | | | | | | | | | | l |

UNAUDITED SUPPLIMENTARY SCHEDULE
DISCLOSURE DE GRAVES AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 58 OF 2003

| | | | | | | | | | 100 | Destruction Cont. on Jan. | | | | | | | |
|------------------------------------|--------------------|--|----------------|-------------|----------------|-------|--|--|------------|--|--|--|----------------|-----------------------|-------------|---|-----------------|
| Grams | affice constants | | | | | | おかられるなどと | | - | DESCRIPTION OF THE PARTY OF THE | | | | Grants and Reason ton | Reason tor | Dist your | Reservo for san |
| | Augus atens our | Opening Sal. | July | Det | tan | April | Fora | a special control of the special control of t | | , | | の一般の一般の一人の一人の一人の一人の一人の一人の一人の一人の一人の一人の一人の一人の一人の | - | | delay | municipality | Completion |
| | | 2014/2015 | ą | 9 | 9 | £ | Rocation | | | yau | April | Tetal | Graets Balance | Subsidies | withholding | comply with the | |
| | | | Stept | Dec | Mae | Acres | | Scpt | 0.00 | 2 2 | 2 5 | Capes diture | 2014/2015 | disayed/ | of Nunds 9 | givenil conditions in Memor of oreacle | _ |
| | | | be | , | - | | | | | | | | | Managa | | framework in the | |
| | | | ' | é. | vi- | | | ** | TH. | m | 4 | | | | | Revenue Act | |
| Equitable Share | Wattorial Treasury | - | -26.611:003 | 23.326.0000 | 1000 | | | | | | | | | | | | |
| Capit al Investment Program | Cogta | -2,700 | | | CONTRACTOR. | | 465, 977, 000 | 26,511,000 | 22,326,000 | 18,140,000 | - | . 66.377,000 | , | | | | |
| McKGN25 Farm | Cogna | | 000,000,0 | | | | が送り | | | | 9,700 | D07.6 | | Alo | 20.00 | - | - |
| Farancial Management Grant | Madecual Pressury | • | 1,850,000 | | | | 8,060,000 | | | 7,542,180 | 22,976 | 7,539,294 | 180,795,81 | 200 | 200 | 8 | N//8 |
| Electrification (copo - Cogta | | | | | 20.000 0000 | | -1,800,000 | 171,510 | 255,394 | 642,729 | 770,267 | 1,000,000 | | | 9/4/8 | Į. | N/3 |
| Electrification copio | | | canar (actor) | | 20,5,5,000 | | -20,315,000 | | _ | 1,936,754 | 183878.73rs | Phate on | , | 2 2 | N/4 | Yes | N/a |
| G is Grave | Cogta | 2,660 | 1000000 | 2,436,688 | 1,850,000 | | 100000000 | | 8,726,060 | 3.831,775 | 412.165 | S GOOD OVER | | 0 1 | W/4 | res | M/a |
| Hawkeet/TaxeHank-Grant | Corte | -3.023.947 | | | | | THE STATE OF THE PARTY. | • | | | 2,650 | 3 640 | F0:70 | o . | N/s | res | N/8 |
| H R Sychemic Goutenation | Cours | 1000 | | | | 10 | | | | | 1,083,841 | 1.017.41 | ٠, | No. | 6/10 | Yes | N/a |
| Small Town Rehab Roads | Treate | O See a second | | | | | 100日の日本日本日本日本日本日本日本日本日本日本日本日本日本日本日本日本日本日本 | | | | Con | THE PERSON NAMED IN | | Mo | 14/3 | Ta . | N/a |
| EPWP | | 200788700 | | | 9,700,000 | | 000'00'6 | 1,375,003 | 1.342.960 | 325,450 | 2017.000 | | | No | 1/19 | Yes | N/8 |
| Used Programmer | etitor. | 1 | 435,000 | 327,000 | -417,000 | | 7,430,000 | 236,308 | 158 520 | 367.863 | Section of the sectio | The state of | -12,625,345,31 | | | | |
| isano Secritados | | The Control of the Co | -1,700,000 | þ | -38,000 | | -1,735,900 | 250,000 | 275,000 | 235,000 | 100 000 | 70000000 | | _ | | | |
| Cand Otto Management | | noodore. | - | 4 | 4 | | THE RESIDENCE AND ADDRESS OF THE PERSON AND | 747.822 | | | 1000 | The state of the s | | S | N/e | Yes | 14/3 |
| Market Aprile | Cogra | 220,238 | | | | | | | | | 33,795 | 276,918 | -149,182,14 | Mo | N/4 | Yes | 8/18 |
| Personal Control Distant | College | -350M27 | | | | | Contractor of the | | | | MACOUT | 220,238 | | No | N/a | Ves. | NZa |
| Control of the Southern (for sto) | Coffe | | 9.54,000 | | | | 334,000 | | _ | - Change | 350,827 | 150,077 | 1 | No | N/a | Yes | N/Ja |
| Triples metallight DDR | Copte | -163,377 | | _ | | | The state of the s | | 1. | 410,423 | 717,127 | 934,000 | , | No | N/a | Yes | 47.74 |
| Sangcavita Graet. | Cogts | -623,220 | | | | | | and the second | | | 163,377 | 163,377 | , | t/a | M/a | , A | - |
| tougo Sportfields Maintenance | Cogta | -236,894° | | | | | | 57,932 | | _ | | 57,882 | -565,387,80 | Nes | N/a | 3 | 900 |
| Edward- cyther | Art and colline | | 126,000 | | | | O STATE OF THE PARTY OF | 34,303 | 23,863 | 40,003 | 6,777 | 107,165 | 129, 349, 80 | No | Neva | 200 | 200 |
| Mig Grand | Cogts | _ | -5.670,000 | -8.134.000 | 2000.000 | | 178,000 | 45,632 | 41,111 | 57,877 | 78,421 | 126,000 | | No | 100 | | 200 |
| USrany Grant | Art and culture | 47,718 | 335,000 | | DVNY (25 Y) 21 | | 23,553,000 | 1,072,708 | 1,488,4職 | 23,120,934 | 5,870,929 | 28,55,8,000 | | No | 100 | 163 | 100 |
| Spannya Housing | | | 28.189 | | | | 935,000 | 110,630 | 99,910 | 306'96T | 155,045 | 597.444 | -25,224,69 | N N | 200 | ¥ | P/28 |
| | _ | -11.899.818 | 46.168.388 | 20 100 000 | Sandaha Sand | | 56,258 | - | 56,300 | | | 56.788 | | - Clar | 0.0 | | 10/4 a |
| | ı | | and the second | 40,444,000 | 000'075'00 | | 143,321,288 | 30,073,0950 | 30,098,556 | 49,281,540 | 31,501,675 | 141,031,800 | 74 169 785 | e e | 9.60 | res. | 10/18 |
| Grants Ballance as 69 80 June 2015 | | | | | | | | | | | 1 | | | | | | |
| | | | | | | | | | | | | | 14,169,285 | | | | |

VOLUME III OVERSIGHT REPORT 2014/2015

UBUHLEBEZWE MUNICIPALITY

2014/2015 OVERSIGHT REPORT

Staff: GM Sineke Municipal Manager

NNF Buthelezi Director: Social Development

UP Mahlasela Chief Financial Officer

ME Mkhize Director: Corporate Services

Director: Infrastructure Planning and

SM Buthelezi Development

NF Ndlovu Manager: IDP/PMS
TN Mthalane Manager: Internal Audit

Councillors: Cllr HC Jili Councillor: MPAC Chairperson

Cllr WMQ Dlamini Member
Cllr ZC Khumalo Member
Cllr N Mdunge Member
Cllr GJ Ngcongo Member

Audit Committee and Performance Audit Committee Members:

Dr PS Zulu Chairperson Bowyer Member NR Shabalala Member

Others: Stakeholders

Auditor-General's Office Provincial COGTA Provincial Treasury

252

CONTENT

- 1. Terms of Reference of the MPAC / Oversight Committee (Appendix A)
- 2. Process Plan and Time Frames for the adoption of the Oversight Report and the Annual Report (Appendix B)

- Report (Appendix B)
 3. Annual report Check list (Appendix C)
 4. Auditor-General's Report 2014/2015
 5. Annual Audit and Performance Audit Committee's Report 2014/2015
 6. Action Plan to address issues raised by the Auditor-General
 7. Comments by the public
 8. Comments by the MPAC / Oversight Committee
 9. Recommendation/s of the MPAC / Oversight Committee

APPENDIX A

1. TERMS OF REFERENCE: OVERSIGHT COMMITTEE

All political parties are represented on the MPAC / Oversight Committee, and the Performance and Audit Committees members act as advisory members of the committee.

That the following five (5) non-executive members Councillors were elected to serve on the MPAC / Municipal Oversight Committee to develop a program to address the queries raised in the Auditor-General's Report:

1.ANC: HC Jili

ZC Khumalo

N Mdunge

2.NFP: WMQ Dlamini

3.IFP: GJ Ngcongo

3. That the elected MPAC / Municipal Oversight Committee will submit a report addressing the queries raised by the Auditor General to Council for deliberations.

4. That the Committee will table the Oversight Report to Council as per the following programme:

| STRUCTURE | DATE | ACTIVITY |
|--|------------------|--|
| Notice to local papers inviting the public to comment on the annual report | 18 January 2016 | Advert on local and provincial news paper |
| Council | 21 January 2016 | Tabling of the annual report |
| Auditor-General | 13 January 2016 | Submission of the annual report |
| COGTA and Treasury | 22 January 2016 | Submission of the annual report |
| Oversight / MPAC meeting | 11 February 2016 | Formulation of draft oversight report |
| Ward Committee | 25 March 2016 | Public participation |
| Council-Oversight Report | 23 March 2016 | Tabling of the oversight report to Council |

| |
|--|
| Undertake a review and analysis of the Annual Report going forward |
| Invite, receive and consider inputs from Councilors and Portfolio Committees, on the Annual Report. |
| Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report |
| Receive and consider Councils' Audit Committee views and comments on the annual financial statements and the performance report. |
| Prepare the Oversight Report taking into consideration, the views and inputs of the public, representative(s) of the Auditor General, Organs of State, Councils' audit committee and Councilors. |

The Oversight report is the final major step in the annual reporting process of a municipality. Section 129 of the MFMA requires the council to consider the annual reports of its Municipality and Municipal entities and to adopt an oversight report containing the council's comments on annual report, which must include a statement whether the council-

- (a) has approved the annual report with or without reservations;
- (b) has rejected the annual report; or

The functions of the MPAC / Oversight Committee are to:

(c) has referred the annual report back for revision of those components that can be revised.

The MPAC / Oversight Committee may use the attached checklist to organize its Report and to manage request for additional information. The questions suggested may be used by all councilors to gain clarification on contents of reports and also to verify compliance with the MFMA and MSA. Responses to many of these questions should be provided by the Accounting Officer of the Municipality.

APPENDIX B

2. PROCESS PLAN FOR THE ADOPTION OF THE OVERSIGHT REPORT AND THE ANNUAL REPORT $% \left(1\right) =\left(1\right) +\left(1\right) +\left($

| ACTIVITY | RESPONSIBILITY |
|--|------------------------------|
| Council Establishes the MPAC / Oversight Committee | Council |
| Advertise the availability of the Annual Report for Comments | Accounting Officer |
| Submit a copy to Provincial Department responsible for Local | |
| Government and the Office of the | Accounting |
| Auditor General | Officer/IDP/PMS |
| | Manager |
| 1st Meeting of the MPAC / Oversight Committee | Members |
| Last date for the submission of Comments and Public Participation | A |
| Process | Accounting |
| | Officer/IDP/PM |
| | Manager |
| Submission of Recommendations by the Accounting Officer | Accounting Officer |
| Meeting of the MPAC / Oversight Committee: Discussion of the Draft | Manahana |
| Oversight Report | Members |
| Recommendation for the Adoption of the MPAC / Oversight Committee Report by Council | EXCO |
| Adoption of the MPAC / Oversight Committee Report | Council |
| Make Oversight Report Public | Accounting |
| IMake Oversignt Neport Fublic | Officer/IDP/PM |
| | |
| Submit minutes of the meeting to the Auditor-General | Manager Accounting |
| | Officer/IDP/PM |
| | |
| Cub wait Oversight Depart to Dravingial and National Traceum. | Manager |
| Submit Oversight Report to Provincial and National Treasury | Accounting Officer/IDP/PM |
| | |
| Out with Our winds Deposit to Deposit wind Deposit works | Manager |
| Submit Oversight Report to Provincial Department responsible for Local Government | Accounting |
| Lucai Government | Accounting Officer/IDP/PM |
| | |
| | Manager |

APPENDIX C

3. ANNUAL REPORT CHECKLIST

| 1. Annual Financial Statements | For Consideration | Response(s) |
|---|---|---|
| - Section 121 (3) & (4) MFMA | | |
| 121 (3)(a) The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General | Where the municipality has sole or effective control of a municipal entity, consolidated financial Statements are required. The AFS are to be in the form as required by the applicable Accounting standards. MFMA Circular 18 with annexure, 23 June 2005, provides guidelines on the new accounting standards for Municipalities. | Audited Annual Financial Statements have been included in the Annual Report as Volume II |
| 121 (3)(a) | The above applies to the AFS of municipal entities. | N/A |
| 121 (3)(b) The Auditor-General's reports on the financial statements of the municipality. | | The audit report has been included in Chapter 6 of the Annual Report |
| 121 (4)(b) | The above applies to the AFS of municipal entities. | N/A |
| 121 (3)(h) Any explanations that may be necessary to clarify issues in connection with the financial statements | The accounting standards require that notes accompany the statements to provide explanations of issues and matters reported. Refer also points below on information in notes to AFS. | The Annual Financial Statements in Volume II have included notes |
| 121 (4) | The above applies also to the AFS of municipal entities. | N/A |
| 121 (3)(e) An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities | or municipal entities. | An Accounting Officer has made an assessment on arrears on municipal taxes and service charges in Chapter 5 |
| 121 (4)(c) | Above applies to AFS of municipal entities. | N/A |
| 121 (3)(g) Particulars of any corrective | The conclusions of the annual audit may be either – | The municipality has obtained a Clean Audit, as a |

| section 121 (3) & (4) MFMA action taken or to be taken in response to issues raised in the audit reports serious raised in the audit reports setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality, entity or its parent municipality and the statement opinion in the Annual Report. 121 (4)(d) An assessment by the municipal entities. Agreements between the municipal entity's performance against any measurable performance objectives set in terms of the service delivery to the community, financial targets, The audit committee - An unqualified audit opinion with or without management issues, which means that the financial statement sace acceptable; - A qualified audit opinion setting out reasons for qualification, which means that the financial statements are acceptable; - A qualified audit opinion setting out reasons for qualification, which means that the financial statements are acceptable; - A qualified audit opinion setting out reasons for qualification, which means that the financial statements are acceptable; - A qualified opinion and not offer an opinion. In this case there may be serious financial issues to be addressed before an unqualified opinion and not offer an opinion. In this case there may be serious financial issues to be addressed before an unqualified opinion and not offer an opinion. In this case there may be serious financial issues to be addressed before an unqualified audit opinion. Above applies to AFS of municipal entities. Review all tother information contained in the Annual Report. The information contained in the Annual Report. Agreements between the municipal entities. N/A N | - Section 121 (3) & (4) MFMA | | |
|--|---------------------------------------|---------------------------------|-------------------------------|
| - An unqualified audit opinion with or without management issues, issues raised in the audit reports which means that the financial statements are acceptable; - A qualified audit opinion setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality, entity or its parent municipal entities. Applies to mu | | | |
| or without management issues, which means that the financial statements are acceptable; - A qualified audit opinion setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality entity or its parent municipality. entity or its parent municipal entity's An assessment by the municipal entity's performance against any measurable performance objectives at in terms of the service delivery at the community, financial targets, | | - An unqualified audit opinion | result, no material findings |
| which means that the financial statements are acceptable; - A qualified audit opinion setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality, entity or its parent municipal entity's 121 (4)(h) Applies to municipal entities. Agreements between the municipality and its entities for service delivery are to include measures of services delivered objectives the community, financial targets, | taken or to be taken in response | with | were raised. See Chapter 6 of |
| statements are acceptable; - A qualified audit opinion setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. Review all other information contained in the Annual Report. 121 (4)(h) Applies to municipal entities. Agreements are acceptable; - A qualified audit opinion. N/A The information contained in the Annual Report. The information contained in the Annual Report is relevant and has been reviewed N/A Agreements between the municipality and its entities for service delivery are to include measures of services delivered objectives set in terms of the service the community, financial targets, | to | _ | the annual Report |
| - A qualified audit opinion setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality, entity or its parent municipal entities. Applies to municipal entities. Agreements between the municipal entity's Agreements between the municipality and its entities for service delivery are to include measurable performance objectives to the community, financial targets, | issues raised in the audit reports | | |
| setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipal entities. Review all other information contained in the Annual Report. Provisional in the Annual Report is relevant and has been reviewed 121 (4)(d) Applies to municipal entities. N/A 121 (4)(d) Agreements between the municipality and its entities for service delivery are to include measurable performance objectives to the community, financial targets, | | - | |
| out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality, entity or its parent municipal entities. 121 (4)(h) Applies to municipal entities. 121 (4)(d) Agreements between the municipality and its entities for service delivery are to include measurable performance objectives set in terms of the service delivery the community, financial targets, | | | |
| which means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality entity or its parent municipal entities. 121 (4)(h) Applies to municipal entities. N/A 121 (4)(d) Applies to municipal entities. N/A Ar assessment by the municipal entity's encounting officer of the entity's performance against any measurable performance objectives. This will include measures of services delivered to the community, financial targets, | | _ | |
| means that certain issues need to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. Review all other information contained in the Annual Report. Review all other information contained in the Annual Report is relevant and has been reviewed 121 (4)(h) Applies to municipal entities. N/A N/A N/A N/A N/A N/A N/A N/ | | - | |
| to be addressed before an unqualified opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality entity or its parent municipal entity's contained in the Annual Report. Applies to municipal entities. Applies to municipal entities. Applies to municipal entities. Appreements between the municipality and its entities for service delivery are to include measurable performance objectives. This will include measures of services delivered to the community, financial targets, | | | |
| be addressed before an unqualified opinion can be achieved; or The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality entity or its parent municipal entity's An assessment by the municipal entity's service delivery are to include measurable performance objectives set in terms of the service delivery the community, financial targets, | | | |
| opinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality, entity or its parent municipal entities 121 (4)(h) Applies to municipal entities. Applies to municipal entities. N/A 121 (4)(d) Agreements between the municipality and its entities for service delivery are to include measurable performance objectives set in terms of the service delivery do pinion can be achieved; or - The auditor will disclaim the statements and not offer an opinion. In this case there may be addressed. N/A N/A N/A N/A N/A N/A N/A N/ | | ** | |
| - The auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. Review all other information contained in the Annual Report. entity or its parent municipality, entity or its parent municipal entities. Applies to municipal entities. 121 (4)(h) Applies to municipal entities. N/A Applies to municipal entities. N/A Agreements between the municipality and its entities for service delivery are to include measures of services delivered objectives set in terms of the service delivery targets. | | unqualified | |
| statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. Review all other information contained in the Annual Report. Review all other information contained in the Annual Report. Review all other information contained in the Annual Report. Report is relevant and has been reviewed 121 (4)(h) Applies to municipal entities. Applies to municipal entities. Agreements between the municipality and its entities for service delivery are to include measurable performance objectives. This will include measures of services delivered to the community, financial targets, | | opinion can be achieved; or | |
| opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality, entity or its parent municipality 121 (4)(d) Applies to municipal entities. Applies to municipal entities. Applies to municipal entities. Agreements between the municipal entity's performance against any measurable performance objectives set in terms of the service delivery Accounting officer of the service delivery be serious financial issues to be addressed. The objective of the municipality should be to achieve an unquality should be to achieve an unquality should be to achieve an unquality addit opinion. N/A The information contained in the Annual Report. N/A Agreements between the municipal entities. N/A N/A N/A N/A N/A MA MA MA MA MA MA MA MA MA | | - The auditor will disclaim the | |
| be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality, entity or its parent municipality 121 (4)(h) Applies to municipal entities. 121 (4)(d) An assessment by the municipal entity's performance against any measurable performance objectives set in terms of the service delivery are to include measures of services delivered objectives set in terms of the service delivery are to include targets, | | | |
| serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality, entity or its parent municipality and assessment by the municipal entity's 121 (4)(d) An assessment by the municipal entity's performance against any measurable performance objectives set in terms of the service delivery serious financial issues to be addressed. The objective of the municipality and its entition contained in the Annual Report. Applies to municipal entities. N/A N/A N/A N/A N/A N/A N/A N/ | | | |
| addressed. The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality entity or its parent municipality 121 (4)(h) Applies to municipal entities. 121 (4)(d) An assessment by the municipal entity's Accounting officer of the entity's performance against any measurable performance objectives set in terms of the service delivery addressed. The objective and unquality and the municipal entities. N/A N/A N/A N/A N/A N/A N/A N/A | | | |
| The objective of the municipality should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality Applies to municipal entities. 121 (4)(h) Applies to municipal entities. Applies to municipal entities. Agreements between the municipal entity's Accounting officer of the entity's performance against any measurable performance objectives set in terms of the service delivery targets, The information contained in the Annual Report. N/A N/A N/A N/A N/A N/A N/A N/ | | | |
| should be to achieve an unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality, entity or its parent municipality 121 (4)(h) Applies to municipal entities. Applies to municipal entities. Applies to municipal entities. N/A 121 (4)(d) A greements between the municipal entity's revice delivery are to include measurable performance objectives. This will include measures of services delivered objectives to the community, financial delivery set in terms of the service delivery are to include targets, | | | |
| unqualified audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality 121 (4)(h) Applies to municipal entities. Applies to municipal entities. Applies to municipal entities. Applies to municipal entities. N/A 121 (4)(d) Agreements between the municipal entity's service delivery are to include measurable performance objectives set in terms of the service delivery targets, unqualified audit opinion. N/A N/A The information contained in the Annual Report. N/A N/A N/A N/A N/A N/A N/A N/ | | 1 | |
| audit opinion. 121 (4)(e) Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality 121 (4)(h) Applies to municipal entities. Applies to municipal entities. 121 (4)(d) An assessment by the municipal entity's service delivery are to include measurable performance objectives set in terms of the service delivery audit opinion. N/A N/A The information contained in the Annual Report. N/A Apreements between the municipal entities. N/A N/A N/A N/A N/A N/A N/A N/ | | | |
| Above applies to AFS of municipal entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality 121 (4)(h) Applies to municipal entities. N/A 121 (4)(d) Agreements between the municipal entity's service delivery are to include measurable performance objectives. This will include measures of services delivered to the community, financial targets, | | • | |
| entities. 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality 121 (4)(h) Applies to municipal entities. Argeements between the municipal entity's and its entities for service delivery are to include measurable performance objectives set in terms of the service delivery entities. Review all other information contained in the Annual Report. N/A The information contained in the Annual Report. N/A N/A N/A N/A N/A N/A N/A N/ | 121 (4)(e) | Above applies to AFS of | N/A |
| 121 (3)(i)&(k) Any information as determined by the municipality, entity or its parent municipality 121 (4)(h) Applies to municipal entities. 121 (4)(d) An assessment by the municipal entity's entity's Accounting officer of the entity's performance against any measurable performance objectives set in terms of the service delivery Review all other information contained in the Annual Report. N/A N/A N/A N/A N/A N/A N/A N/ | | · | |
| determined by the municipality, entity or its parent municipality 121 (4)(h) Applies to municipal entities. Applies to municipal entities. Agreements between the municipal entity's revice delivery are to include measurable performance objectives. This will include measures of services delivered objectives set in terms of the service delivery targets, contained in the Annual Report. Report is relevant and has been reviewed N/A N/A N/A N/A N/A N/A N/A N/ | | 1 | |
| entity or its parent municipality 121 (4)(h) Applies to municipal entities. 121 (4)(d) An assessment by the municipal entity's Accounting officer of the entity's performance against any measurable performance objectives set in terms of the service delivery Report is relevant and has been reviewed N/A N/A N/A N/A N/A N/A N/A N/ | | | |
| 121 (4)(h) Applies to municipal entities. 121 (4)(d) Agreements between the An assessment by the municipal entity's Accounting officer of the entity's performance against any measurable performance objectives. This will include measures of services delivered objectives set in terms of the service delivery been reviewed N/A N/A N/A N/A include measurable performance objectives. This will include measures of services delivered to the community, financial delivery targets, | | contained in the Annual Report. | |
| 121 (4)(h) Applies to municipal entities. 121 (4)(d) Agreements between the municipal entity's municipality and its entities for service delivery are to include measurable performance objectives. This will include measurable performance objectives to the community, financial delivery targets, | entity or its parent municipality | | - |
| 121 (4)(d) An assessment by the municipal entity's service delivery are to include measurable performance against any performance objectives to set in terms of the service delivery the municipality and its entities for service delivery are to include measurable performance objectives. This will include measures of services delivered to the community, financial targets, | 121 (4)(h) | Applies to municipal entities | |
| An assessment by the municipal entity's service delivery are to include measurable performance objectives. This will include measurable performance objectives to set in terms of the service delivery targets, municipality and its entities for service delivery are to include measurable performance objectives. This will include measures of services delivered to the community, financial targets, | | | |
| entity's service delivery are to include measurable performance objectives. This will include measurable performance objectives delivered to the community, financial delivery targets, | | _ | 1975 |
| Accounting officer of the entity's performance against any objectives. This will include measurable performance objectives to set in terms of the service delivery measures of services delivered to the community, financial targets, | | 1 | |
| measurable performance measures of services delivered to set in terms of the service targets, | · · · · · · · · · · · · · · · · · · · | • | |
| objectives to set in terms of the service the community, financial targets, | | - | |
| set in terms of the service the community, financial targets, | • | measures of services delivered | |
| delivery targets, | | 3.5 | |
| | | - | |
| 121 (3)(J) and 121 (4)(g) Conclusions on these The audit committee | · | | The audit committee |
| Recommendations of the audit recommendations and the recommendations and | | | |
| committee in relation to the AFS actions recommendations and the recommendations and report has been attached as | | | |
| and audit reports of the required should be incorporated an Appendix in the Annual | | | • |
| municipality in Report | - | | |
| and its entities the oversight report. | | | -1 |
| | Disclosures – Allocations | <u> </u> | |

| 1. Annual Financial Statements | For Consideration | Response(s) |
|---|--|--------------------------|
| - | | |
| Section 121 (3) & (4) MFMA | | |
| received and made – S 123 & | | |
| 125 MFMA | | |
| 123 (1)(a) | The annual financial statements | All disclosures has been |
| Allocations received by the | must disclose: | included in the AFS in |
| municipality from an organ or | 2. Details of allocations | Volume II of the Annual |
| state, | received from another | Report |
| a municipal entity or another municipality. | organ of state | |
| Annual Financial Statements - | | |
| Section 121 (3) & (4) MFMA | | |
| 125 | Municipalities and entities are | All disclosures has been |
| Other compulsory disclosures | reminded of the requirement to | included in the AFS in |
| and | include, in their annual financial | Volume II of the Annual |
| information in relation to | statements, amounts owed to | Report |
| outstanding debtors and creditors of the | them | |
| municipality and entities | and persistently delayed beyond 30 | |
| Indinospancy and energies | days, by national or provincial | |
| | departments and public entities. | |
| | Other disclosures required; | |
| | Contributions to organised local | |
| | labour and amount outstanding | |
| | at year end | |
| | Total amounts paid in audit fees, | |
| | taxes, levies, duties and | |
| | pensions | |
| | and medical aid contributions | |
| | and whether there where amounts | |
| | outstanding at year end | |
| | 0.11,11 | |
| | Name of bank where accounts | |
| | held | |
| | and year end balances | |
| | Summary of investments held Contingent Liabilities | |
| | Material irregular, fruitless or | |
| | Wasteful expenditure | |
| | Details of unauthorised | |
| | Expenditure | |
| | Particulars of non compliance | |
| | with the MFMA | |
| | The comments of the Auditor- | |
| | General and the views of the | |

| 1. Annual Financial Statements | For Consideration | Response(s) |
|---|--|---|
| - Section 121 (3) & (4) MFMA | | |
| | audit committee should be used to determine the accuracy and appropriateness of this information. | |
| 123 (1)© – (f) Information in relation to the use of allocations received | Section 123 of the MFMA and MFMA guidance circular 11, require that the municipality provide information per allocation received per vote and include: | The AFS includes the use of all allocations – Volume II of the Annual Report |
| | 1. The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided per vote. (For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects. | |
| | 2. Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214(1)© of the Constitution and allocations | |
| Performance Management System | performance report reflecting the performance of the municipality and each service provider, a comparison of the performance with targets set for the previous year and measures taken to improve performance. The report must form part of the annual report. In terms of key functions or | Annual Performance Report included, where targets were not met, corrective measures have been recorded (Chapter 3 of the annual report) |

| 1. Annual Financial Statements | For Consideration | Response(s) |
|---|---|--|
| - Section 121 (3) & (4) MFMA | | |
| | services, how has each performed? E.g. have backlogs for water, sanitation and electricity been reduced? What are the refuse collection volumes, library usage statistics etc? | |
| | To what extent has performance achieved targets set by council? Is the council satisfied with the performance levels achieved? Is the community satisfied with performance? Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report contents? What were the outcomes of public consultation and public hearings? | |
| | To what extent have actions planned for the previous year been carried over to the financial year reported upon? Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations been provided by the municipal manager and are these satisfactory? | |
| Audit reports on performance | Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes and annually. | No findings have been raised on performance |
| Performance of municipal entities and municipal service providers | The annual report of the municipality should provide an assessment of the performance | Performance of the external service providers have been included in Chapter 3 of the |

| | For Consideration | Response(s) |
|--|---|--------------------|
| - Section 121 (3) & (4) MFMA | | |
| For municipal entities – an assessment of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and municipality The service of the entity's performance of the service delivery agreement or other agreement between the entity and municipality The service of the s | of the municipal entities and all contracted service providers. This is in addition to the separate annual reports of the entities. The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered. Is the council satisfied with the evaluation and conclusions of the municipality? What other actions are considered necessary to be taken by the accounting officers? This is the separate report of the municipal entity and should contain details of service delivery agreements with the municipality and the performance measures therein. Council should consider similar issues to that outlined above for municipal performance to determine a view on the performance of municipal entities. To what extent were the objectives and performance measures of the entity aligned to the overall strategic objectives of the municipality and its IDP? Is the report of the municipal entity consistent with the conclusions on performance evaluation by the | annual report N/A |

| 1. Annual Financial Statements | For Consideration | Response(s) |
|---|--|--|
| - Section 121 (3) & (4) MFMA | | |
| | taken by the entity and the municipality to improve performance? | |
| Relevant information on municipal entities | The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality. Information to be disclosed includes names and types of entities, members of the board, addresses and contact details for entities, the purpose of the entity, the functions and services provided, the type and term of service level agreements with the entities. | N/A |
| Service delivery performance on key services provided Information on long-term | This may be a high level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the municipality. Overall results on the strategic functions and services should be summarised. This should cover all services whether provided by the municipality, entities or external mechanisms. Council may draw conclusions on the overall performance of the municipality. This information may be found in an executive summary section of the annual report or in statistical tables. Details of all long-term contracts | A summary of the service delivery performance has been included throughout the annual report All long term contracts have |

| 1. Annual Financial Statements | For Consideration | Response(s) |
|---|---|---|
| - Section 121 (3) & (4) MFMA | | |
| contracts | including levels of liability to the municipality should be included. Council should ensure all information is correctly supplied. | been included |
| compliance with statutory obligations | Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained. Details of any future IT proposals should be summarised. Council should comment and draw conclusions on the information provided. | It is included in the annual report |
| Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework | A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided. This should include details of types and scale of backlogs, projected cost implications, strategies to address the backlogs and plans proposed and/or approved. The summary here should cross reference to the performance reports in the annual report and also will be highlighted in the coming budgets. Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and needs of the | A summary of a capital plan have been disclosed |
| Supply Chain Management Regulations and Policy | community. Certain disclosures on Supply Chain matters are required to be in included in the Annual Report. | The Supply Chain matters have been disclosed in the AFS |
| Timing of reports | | The Annual Report was tabled on the 21 st January |

| 1. Annual Financial Statements | For Consideration | Response(s) |
|---|--|--|
| - Section 121 (3) & (4) MFMA | | |
| | | 2016 |
| Payment of performance bonuses to municipal officials | Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council. Preferably such evaluation should be considered along with the annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the annual report. Conclusions and comments on the evaluation and payment of performance bonuses of council should be included in the oversight report. | Payment of performance bonuses have been disclosed in chapter 4 of the annual report |

4. AUDITOR-GENERAL'S REPORT 2014/2015

PAGE 143 OF THE ANNUAL REPORT

5. ANNUAL AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT 2014/2015

PAGE 163 OF THE ANNUAL REPORT

6. ACTION PLAN TO ADDRESS ISSUES RAISED BY THE AUDITOR –
GENERAL IN THE AUDIT REPORT FOR THE 2014/2015 FINANCIAL
YEAR

NO ACTION PLAN HAS BEEN ATTACHED AS THERE ARE NO MATTERS OF EMPHASIS; HOWEVER AN ONGOING MONITORING OF PERFORMANCE INDICATORS SHALL BE PERFORMED.

7. COMMENTS BY THE PUBLIC

As per section 127 (5) (i) & (ii) of the Municipal Finance Management Act, No.56 of 2003, a notice was published on the newspapers (Local and Provincial Newspapers) on the 18th January 2016, advising the public that the Annual Report was available for their viewing and comments, we are happy to inform the Council that there were no comments received, even after constant reminders in the corridors and the streets of Ubuhlebezwe jurisdiction.

8. COMMENTS BY THE MPAC / OVERSIGHT COMMITTEE

8.1 The MPAC / Oversight Committee commend the hard work performed by the Management and staff as Clean Audit Opinions have been obtained three times in a row. It gives one an assurance that all pieces of legislation governing local government are being complied with. It is encouraged that this level of performance be sustained for all the upcoming years and that officials and the political leadership continue to work together.

9. RECOMMENDATIONS BY THE MPAC / OVERSIGHT COMMITTEE

- 9.1 That the report be noted.
- 9.2 That the report be adopted without any reservations.