



Mopani District Municipality  
(Demarcation code DC33)  
Unaudited Annual financial statements  
for the year ended 30 June 2014

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## General Information

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### Nature of business and principal activities

- Provision of a democratic and accountable Local Government for communities in the Mopani District area;
- Ensuring the provision of services to these communities in a sustainable manner;
- Promotion of social and economic development;
- Promotion a safe and healthy environment; and
- Encourage the involvement of communities and community organisations in the matters of Local Government in the Mopani District

### Mayoral committee

#### Executive Mayor

#### Speaker

#### Chief Whip

Mayoral Committee

Matlou L.J  
Mathonsi N.V  
Mushwana O.J  
Lewele M  
Machethe L.N  
Manganyi H.G  
Nkuna C  
Ramaremela T.P  
Moshobane S.H  
Hlatswayo C  
Ngobeni A  
Maloko M.L  
Nkanyani R.P  
Mabasa M.H  
Raganya M.P  
Monyela K.J  
Mokoele S.G  
Cronje P.W  
Mabunda M.A  
Makhubele P.P  
Baloyi H.I  
Makhubele T.A  
Mushwana T.J  
Rikhotso A  
Rikhotso M.Q  
Ncha M.L  
Moshwana D.G  
Mohale N.L  
Ndove D.L  
Mbhalati J.H.S  
Sibiya M  
Mokgobi M.L  
Mafona M.E  
Selowa G  
Magoro M.C  
Senyolo T  
Mamogale C  
Flemming G.J  
Makwala M.O  
Mashele G  
Mametja M.R

MPAC Chairperson

Other Councillors

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## General Information

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	Makhurupetji - Malatji M.G Makwala S.C Mashele M.B Mohlala M.F Manthlakga A.M Rababalela T.J Mabale S.P Malesa G Makhubele B.M
<b>Grading of local authority</b>	4
<b>Accounting Officer</b>	Maake M.T
<b>Acting - Chief Finance Officer (CFO)</b>	Lebopa K.B
<b>Registered office</b>	Government Building Main Road Giyani 0826
<b>Business address</b>	Government Building Main Road Giyani 0826
<b>Postal address</b>	Private Bag X9687 Giyani 0826
Website	<a href="http://www.mopani.gov.za">www.mopani.gov.za</a>
Currency	South African Rands
Rounding off	Nearest Rand
<b>Bankers</b>	ABSA
<b>Auditors</b>	Auditor General
<b>Audit Committee</b>	Modipane T.C (Chairperson) Mudau F.J Ngobeni S.A.B Hlomane G.H Adv. Kholong S.T

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

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### Abbreviations

CoGHSTA	Department of Co-Operative Governance, Human Settlements and Traditional Affairs
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the unaudited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the unaudited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the unaudited annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the unaudited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year ended 30 June 2014 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Accounting Officer certify that the salaries, allowances and benefits of the Councillors, loans made to Councillors, if any and payment made to Councillors for loss of office, if any, as disclosed in these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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

The unaudited annual financial statements set out on page 5 to 68, which have been prepared on the going concern basis, were approved by the Accounting Officer on 29 August 2014 and were signed on its behalf by

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**Accounting Officer  
Designation**

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Statement of Financial Position as at 30 June 2014

Figures in Rand	Note(s)	2014	2013
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	6	16 316 808	26 172 541
Other financial assets	5	-	5 600 000
Receivables from exchange transactions	7	254 061 501	340 642 780
VAT receivable	8	37 865 100	-
Consumer debtors	9	270 356 367	167 445 686
Cash and cash equivalents	10	83 126 281	-
		<b>661 726 057</b>	<b>539 861 007</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	3	4 707 061 777	4 731 034 978
Intangible assets	4	10 456 776	10 587 148
Other financial assets	5	-	189 052
		<b>4 717 518 553</b>	<b>4 741 811 178</b>
Non-Current Assets		4 717 518 553	4 741 811 178
Current Assets		661 726 057	539 861 007
<b>Total Assets</b>		<b>5 379 244 610</b>	<b>5 281 672 185</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	11	-	416 414
Payables from exchange transactions	14	680 726 412	524 419 849
VAT payable		-	813 479
Consumer deposits	15	3 542 139	3 930 536
Unspent conditional grants and receipts	12	219 194 195	215 059 146
Provisions	13	21 418 398	39 839 060
Leave Provision - Short Term Portion		12 658 515	-
Bank overdraft	10	-	6 787 631
		<b>937 539 659</b>	<b>791 266 115</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities		1 141 655	1 141 655
Provisions	13	23 020 079	19 479 275
		<b>24 161 734</b>	<b>20 620 930</b>
Non-Current Liabilities		24 161 734	20 620 930
Current Liabilities		937 539 659	791 266 115
Liabilities of disposal groups		-	-
<b>Total Liabilities</b>		<b>961 701 393</b>	<b>811 887 045</b>
Assets		5 379 244 610	5 281 672 185
Liabilities		(961 701 393)	(811 887 045)
<b>Net Assets</b>		<b>4 417 543 217</b>	<b>4 469 785 140</b>
<b>Net Assets</b>			
Accumulated surplus		4 417 543 217	4 469 785 140

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
<b>Revenue</b>			
<b>Revenue from Exchange Transactions</b>			
Service charges	17	137 642 728	165 015 010
Interest earned - Outstanding receivables		2 632 574	13 927 967
Other income	19	3 042 127	12 907 778
Interest received		2 858 966	676 173
<b>Revenue from Non - Exchange Transactions</b>			
Government grants & subsidies	18	997 806 539	749 062 870
<b>Total revenue</b>		<b>1 143 982 934</b>	<b>941 589 798</b>
<b>Expenditure</b>			
Employee costs	21	(206 037 255)	(222 440 670)
Remuneration of Councillors	22	(8 309 604)	(8 217 300)
Regional Bulk Infrastructure Projects Expenditure	23	(71 449 541)	-
Mopani Household Sanitation		(197 601 189)	(107 149 674)
Depreciation and amortisation	26	(163 610 802)	(157 941 234)
Impairment loss/ Reversal of impairments		(4 956 885)	-
Finance costs	27	(607 869)	(502 802)
Debt impairment	24	(16 841 795)	(23 888 424)
Repairs and maintenance		(120 164 109)	(85 225 709)
Bulk purchases	31	(252 494 974)	(39 905 753)
Contracted services	29	(30 009 201)	(23 555 375)
Grants and subsidies paid	30	(3 745 480)	(4 052 745)
General Expenses	20	(99 248 076)	(77 655 689)
<b>Total expenditure</b>		<b>(1 175 076 780)</b>	<b>(750 535 375)</b>
Total revenue		1 143 982 934	941 589 798
Total expenditure		(1 175 076 780)	(750 535 375)
<b>Operating (deficit) surplus</b>		<b>(31 093 846)</b>	<b>191 054 423</b>
Loss on disposal of assets and liabilities		(290 126)	(10 620 185)
(Deficit) surplus before taxation		(31 383 972)	180 434 238
<b>(Deficit) surplus for the year</b>		<b>(31 383 972)</b>	<b>180 434 238</b>

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at 01 July 2012</b>	<b>4 289 350 902</b>	<b>4 289 350 902</b>
Changes in net assets		
Surplus for the year	180 434 238	180 434 238
Total changes	180 434 238	180 434 238
Opening balance as previously reported	4 448 927 189	4 448 927 189
<b>Balance at 01 July 2013 as restated*</b>	<b>4 448 927 189</b>	<b>4 448 927 189</b>
Changes in net assets		
Surplus for the year	(31 383 972)	(31 383 972)
Total changes	(31 383 972)	(31 383 972)
<b>Balance at 30 June 2014</b>	<b>4 417 543 217</b>	<b>4 417 543 217</b>



# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Cash Flow Statement

Figures in Rand	Note(s)	2014	2013
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants		1 019 103 612	748 154 486
Interest income		2 858 966	676 173
Other receipts		16 625 831	14 492 334
		<b>1 038 588 409</b>	<b>763 322 993</b>
<b>Payments</b>			
Employee costs		(217 031 870)	(230 657 970)
Suppliers		(609 797 521)	(344 790 400)
Finance costs		(607 869)	(502 802)
		<b>(827 437 260)</b>	<b>(575 951 172)</b>
Total receipts		1 038 588 409	763 322 993
Total payments		(827 437 260)	(575 951 172)
<b>Net cash flows from operating activities</b>	32	<b>211 151 149</b>	<b>187 371 821</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(139 844 173)	(194 553 465)
Proceeds from sale of property, plant and equipment	3	1 549 091	12 457 768
Purchase of intangible assets	4	(683 182)	-
Loss on disposal of assets	4	(290 126)	(10 620 185)
Proceeds from sale of financial assets		5 789 052	4 550 000
<b>Net cash flows from investing activities</b>		<b>(133 479 338)</b>	<b>(188 165 882)</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		-	(8 400 000)
Movement in other liability		12 658 515	-
Finance lease payments		(416 414)	(822 854)
<b>Net cash flows from financing activities</b>		<b>12 242 101</b>	<b>(9 222 854)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>89 913 912</b>	<b>(10 016 915)</b>
Cash and cash equivalents at the beginning of the year		(6 787 631)	3 229 284
<b>Cash and cash equivalents at the end of the year</b>	10	<b>83 126 281</b>	<b>(6 787 631)</b>

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges	144 553 353	32 776 219	<b>177 329 572</b>	137 642 728	<b>(39 686 844)</b>	
Interest earned - Outstanding receivables	19 311 403	-	<b>19 311 403</b>	2 632 574	<b>(16 678 829)</b>	
Other income	5 180 000	(1 040 813)	<b>4 139 187</b>	3 042 127	<b>(1 097 060)</b>	
Interest received	-	-	-	2 858 966	<b>2 858 966</b>	
<b>Total revenue from exchange transactions</b>	<b>169 044 756</b>	<b>31 735 406</b>	<b>200 780 162</b>	<b>146 176 395</b>	<b>(54 603 767)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Government grants & subsidies	528 049 000	(1 739 000)	<b>526 310 000</b>	997 806 539	<b>471 496 539</b>	
'Total revenue from exchange transactions'	169 044 756	31 735 406	<b>200 780 162</b>	146 176 395	<b>(54 603 767)</b>	
'Total revenue from non-exchange transactions'	528 049 000	(1 739 000)	<b>526 310 000</b>	997 806 539	<b>471 496 539</b>	
<b>Total revenue</b>	<b>697 093 756</b>	<b>29 996 406</b>	<b>727 090 162</b>	<b>1 143 982 934</b>	<b>416 892 772</b>	
<b>Expenditure</b>						
Personnel	(306 137 180)	57 086 656	<b>(249 050 524)</b>	(206 037 255)	<b>43 013 269</b>	
Remuneration of councillors	(9 085 243)	(650 885)	<b>(9 736 128)</b>	(8 309 604)	<b>1 426 524</b>	
Regional Bulk Water Infrastructure Projects Expenditure	-	-	-	(71 449 541)	<b>(71 449 541)</b>	
Mopani Household Sanitation	-	-	-	(197 601 189)	<b>(197 601 189)</b>	
Depreciation and amortisation	(137 510 403)	141	<b>(137 510 262)</b>	(163 610 802)	<b>(26 100 540)</b>	
Impairment loss/ Reversal of impairments	-	-	-	(4 956 885)	<b>(4 956 885)</b>	
Finance costs	(650 000)	-	<b>(650 000)</b>	(607 869)	<b>42 131</b>	
Debt impairment	(19 530 801)	(1 080 294)	<b>(20 611 095)</b>	(16 841 795)	<b>3 769 300</b>	
Repairs and maintenance	(112 229 706)	(35 480 695)	<b>(147 710 401)</b>	(120 164 109)	<b>27 546 292</b>	
Bulk purchases	(69 080 645)	(39 040 000)	<b>(108 120 645)</b>	(252 494 974)	<b>(144 374 329)</b>	
Contracted Services	(13 465 551)	906 000	<b>(12 559 551)</b>	(30 009 201)	<b>(17 449 650)</b>	
Grants and subsidies paid	-	-	-	(3 745 480)	<b>(3 745 480)</b>	
General Expenses	(105 829 523)	8 173 288	<b>(97 656 235)</b>	(99 248 076)	<b>(1 591 841)</b>	
<b>Total expenditure</b>	<b>(773 519 052)</b>	<b>(10 085 789)</b>	<b>(783 604 841)</b>	<b>(1 175 076 780)</b>	<b>(391 471 939)</b>	
	697 093 756	29 996 406	<b>727 090 162</b>	1 143 982 934	<b>416 892 772</b>	
	(773 519 052)	(10 085 789)	<b>(783 604 841)</b>	(1 175 076 780)	<b>(391 471 939)</b>	
<b>Operating deficit</b>	<b>(76 425 296)</b>	<b>19 910 617</b>	<b>(56 514 679)</b>	<b>(31 093 846)</b>	<b>25 420 833</b>	
Loss on disposal of assets and liabilities	-	-	-	(290 126)	<b>(290 126)</b>	
	(76 425 296)	19 910 617	<b>(56 514 679)</b>	(31 093 846)	<b>25 420 833</b>	
	-	-	-	(290 126)	<b>(290 126)</b>	
<b>Deficit before taxation</b>	<b>(76 425 296)</b>	<b>19 910 617</b>	<b>(56 514 679)</b>	<b>(31 383 972)</b>	<b>25 130 707</b>	
Surplus before taxation	(76 425 296)	19 910 617	<b>(56 514 679)</b>	(31 383 972)	<b>25 130 707</b>	

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Taxation	-	-	-	-	-	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(76 425 296)</b>	<b>19 910 617</b>	<b>(56 514 679)</b>	<b>(31 383 972)</b>	<b>25 130 707</b>	

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1. Presentation of Unaudited Annual Financial Statements

The unaudited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These unaudited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these unaudited annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Presentation currency

These unaudited annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Going concern assumption

These unaudited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the unaudited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the unaudited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the unaudited annual financial statements. Significant judgements include:

##### **Trade receivables / Held to maturity investments and/or loans and receivables**

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

##### **Allowance for slow moving, damaged and obsolete stock**

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

#### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that a key assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible and other assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

#### Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions.

#### Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

#### Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### Cash and Cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash with banks. Cash equivalents are short term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

#### Trade and payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

#### Events after balance sheet date

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the Balance Sheet date. Events after the Balance Sheet date that are indicative of conditions that arose after the Balance Sheet date are with by way of note to the Financial Statements.

### 1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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## Accounting Policies

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### 1.4 Property, plant and equipment (continued)

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	30 Years
Plant and machinery	4 - 10 Years
Furniture and fixtures	5 - 7 Years
Motor vehicles	7 - 15 Years
Office equipment	4 - 5 Years
IT equipment	4 Years
Specialised Vehicles	15 Years
Water Reservoirs and reticulation	5 - 60 Years
Sewerage Purification	5 - 60 Years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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## Accounting Policies

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### 1.5 Intangible assets (continued)

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

<b>Item</b>	<b>Useful life</b>
Licenses and franchises	3 years
Computer software, other	3 years

### 1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one municipality and a financial liability or a residual interest of another municipality.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from a municipality's statement of financial position.



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## Accounting Policies

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### 1.6 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another municipality; or
- a contractual right to:
  - receive cash or another financial asset from another municipality; or
  - exchange financial assets or financial liabilities with another municipality under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an municipality after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unithold capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an municipality's net assets, either before the contribution occurs or at the time of the contribution; or

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## Accounting Policies

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### 1.6 Financial instruments (continued)

- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an municipality.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

<b>Class</b>	<b>Category</b>
Cash and Cash Equivalents	Financial asset measured at amortised cost
Other receivables	Financial asset measured at amortised cost
Consumer debtors	Financial asset measured at amortised cost
Loans and receivables	Financial asset measured at amortised cost
Held-to-Maturity Investments	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

<b>Class</b>	<b>Category</b>
Other Financial Liabilities	Financial liability measured at amortised cost
Trade and Other Payables	Financial liability measured at amortised cost
Consumer Deposits	Financial liability measured at fair value

The municipality has the following types of residual interests (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

### Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

# Mopani District Municipality

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## Accounting Policies

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### 1.6 Financial instruments (continued)

#### Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

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## Accounting Policies

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### 1.6 Financial instruments (continued)

#### Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

#### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

#### Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

#### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

#### Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

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## Accounting Policies

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### 1.6 Financial instruments (continued)

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

### 1.7 Taxation

#### Valued Added Tax

The municipality accounts for Value Added Tax on payment basis

### 1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the .

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

# Mopani District Municipality

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## Accounting Policies

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### 1.9 Inventories (continued)

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.10 Change in Accounting Policy, Accounting Estimates and Prior Period Errors.

#### 1.10.1 Change in accounting estimate

Change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Contractor is an entity that performs construction work pursuant to a construction contract.

Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors. Any changes to the relevant financial items (associated with assets and liabilities) are made prospectively.

#### 1.10.2 Change in accounting policy

Accounting policies are the specific principles, bases, rules and practices applied by a municipality in preparing and presenting financial statements. Any changes to these policies arising from new or amended GRAP standards will be applied wither retrospectively or prospectively if transitional provisions exists.

#### 1.10.3 Prior period Errors

Prior period errors are omissions from and misstatements in the municipality's financial statements for one or more prior periods arising from a failure to use or misuse of reliable information that

- (a) was available when financial statements for those periods were authorised for issue and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts and fraud

### 1.11 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

# Mopani District Municipality

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### 1.11 Non-current assets held for sale and disposal groups (continued)

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

### 1.12 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish cash-generating assets from non-cash-generating assets are as follow:

#### Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

# Mopani District Municipality

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## Accounting Policies

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### 1.12 Impairment of cash-generating assets (continued)

#### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.



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### 1.12 Impairment of cash-generating assets (continued)

#### Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

### 1.13 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.13 Impairment of non-cash-generating assets (continued)

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

### 1.14 Employee benefits

Employee benefits are all forms of consideration given by an municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.14 Employee benefits (continued)

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.14 Employee benefits (continued)

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an municipality pays fixed contributions into a separate municipality (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

#### Long term service awards

Employees qualify for additional leave for various period of uninterrupted service in accordance with SALGBC condition of service. The long term service award measured in accordance with GRAP 25 through an actuarial valuation.

#### Accumulated leave days

Accumulated leave benefit accrues to employees up to maximum of 48 leave days. The benefits are paid in the events of death, disability, retrenchment or/and retirement. Employees who have leave days in excess of the 48 days for periods, before the conditions of service came to effect, are measured in accordance with GRAP 25 through an actuarial valuation

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.15 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.15 Provisions and contingencies (continued)

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

### 1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.16 Revenue from exchange transactions (continued)

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

### 1.17 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.17 Revenue from non-exchange transactions (continued)

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

### 1.18 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.19 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Budget information in accordance with GRAP 1 and GRAP 24 has been provided in a note to these financial statements and forms part of the unaudited financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

### 1.20 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.21 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.22 Irregular expenditure

Irregular expenditure as defined in section 32 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.



# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.22 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

### 1.23 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

### 1.24 Commitments

A commitment arises when a decision is made to incur a liability e.g purchase order, delivery schedules or contract for construction of infrastructure assets. A commitment becomes a liability when the intention agree to an outflow of resources, outflow of resources becomes a present obligation.

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# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

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### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2014 or later periods:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
<ul style="list-style-type: none"><li>GRAP 18: Segment Reporting</li></ul>	01 April 2016	No impact
<ul style="list-style-type: none"><li>GRAP 105: Transfers of functions between entities under common control</li></ul>	01 April 2014	No impact as the Municipality is not under common control
<ul style="list-style-type: none"><li>GRAP 106: Transfers of functions between entities not under common control</li></ul>	01 April 2014	No impact as no transfer of functions are anticipated in the foreseeable future
<ul style="list-style-type: none"><li>GRAP 107: Mergers</li></ul>	01 April 2014	No impact as no merger is anticipated in the foreseeable future
<ul style="list-style-type: none"><li>GRAP 20: Related parties</li></ul>	01 April 2014	No material impact

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand

2014

2013

### 3. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	10 980 776	-	10 980 776	10 910 776	-	10 910 776
Buildings	110 308 263	(7 028 625)	103 279 638	102 952 053	(5 699 191)	97 252 862
Infrastructure	7 584 050 275	(3 029 731 877)	4 554 318 398	7 456 398 475	(2 871 888 354)	4 584 510 121
Other property, plant and equipment	44 206 177	(6 155 212)	38 050 965	40 989 105	(3 059 886)	37 929 219
Heritage	432 000	-	432 000	432 000	-	432 000
<b>Total</b>	<b>7 749 977 491</b>	<b>(3 042 915 714)</b>	<b>4 707 061 777</b>	<b>7 611 682 409</b>	<b>(2 880 647 431)</b>	<b>4 731 034 978</b>

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand

### 3. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Under Construction additions	Disposals	Depreciation	Total
Land	10 910 776	800 000	-	(730 000)	-	10 980 776
Buildings	97 252 862	3 020 016	4 336 194	-	(1 329 434)	103 279 638
Infrastructure	4 584 510 121	27 039 069	100 612 731	-	(157 843 523)	4 554 318 398
Other property, plant and equipment	37 929 219	4 036 163	-	(819 091)	(3 095 326)	38 050 965
Heritage	432 000	-	-	-	-	432 000
	<b>4 731 034 978</b>	<b>34 895 248</b>	<b>104 948 925</b>	<b>(1 549 091)</b>	<b>(162 268 283)</b>	<b>4 707 061 777</b>

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand

### 3. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Under Construction additions	Disposals	Depreciation	Total
Land	10 180 776	730 000	-	-	-	10 910 776
Buildings	90 663 039	674 270	7 086 037	-	(1 170 484)	97 252 862
Infrastructure	4 586 163 228	103 744 051	59 225 708	(12 029 526)	(152 593 340)	4 584 510 121
Other property, plant and equipment	16 729 131	23 093 399	-	(428 242)	(1 465 069)	37 929 219
Heritage	432 000	-	-	-	-	432 000
	<b>4 704 168 174</b>	<b>128 241 720</b>	<b>66 311 745</b>	<b>(12 457 768)</b>	<b>(155 228 893)</b>	<b>4 731 034 978</b>

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand 2014 2013

### 4. Intangible assets

	2014			2013		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 097 760	(1 017 586)	80 174	414 578	(204 032)	210 546
Blyde Water Utility	13 991 354	(3 614 752)	10 376 602	13 991 354	(3 614 752)	10 376 602
<b>Total</b>	<b>15 089 114</b>	<b>(4 632 338)</b>	<b>10 456 776</b>	<b>14 405 932</b>	<b>(3 818 784)</b>	<b>10 587 148</b>

#### Reconciliation of intangible assets - 2014

	Opening balance	Additions	Amortisation	Total
Computer software	210 546	683 182	(113 986)	80 174
Blyde Water Utility	10 376 602	-	(699 568)	10 376 602
	<b>10 587 148</b>	<b>683 182</b>	<b>(813 554)</b>	<b>10 456 776</b>

#### Reconciliation of intangible assets - 2013

	Opening balance	Amortisation	Total
Computer software	293 462	(82 916)	210 546
Blyde Water Utility	11 076 169	(699 567)	10 376 602
	<b>11 369 631</b>	<b>(782 483)</b>	<b>10 587 148</b>

#### Blyde Water Intangible Asset

The Blyde Water intangible asset relates to the water conveyance agreement between Blyde River Water Utility Company (Pty) Ltd and the municipality, which gives rise to a right for the municipality to use a pipe network for conveyance of water over a period of 20 years commencing on 1 April 2008 to 31 March 2028.

### 5. Other financial assets

#### At amortised cost

Other financial assets	-	5 789 052
Other financial loan relates to Ba - Phalaborwa loan was repaid in full during the financial year.	-	-
	-	-
	-	5 789 052

#### Non-current assets

At amortised cost	-	189 052
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#### Current assets

At amortised cost	-	5 600 000
Non-current assets	-	189 052
Current assets	-	5 600 000
	-	<b>5 789 052</b>

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>6. Inventories</b>		
Consumable stores	16 266 953	26 131 836
Water	49 855	40 705
	<b>16 316 808</b>	<b>26 172 541</b>

A large number of pipes were included under inventory and these were utilised for water infrastructure projects.

### Water Inventory is made up of the following:

Municipality		
Greater Tzaneen Municipality	26 668	32 943
Greater Giyani Municipality	3 055	3 055
Maruleng Local Municipality	-	-
Ba-Phalaborwa Municipality	-	-
Greater Letaba Municipality	20 131	4 707
	<b>49 854</b>	<b>40 705</b>

### 7. Receivables from exchange transactions

Staff Debtors	163 696	191 416
PMDS and Pay Progression	5 751 664	5 929 225
Audit Committee Proportion - LM's	2 612 341	2 071 926
Councillors	170 168	170 168
Service Providers	960 478	2 642 766
DWA (Greater Letaba Municipality)	399 243	399 243
Bursaries (Greater Tzaneen)	49 737	-
Ba-Phalaborwa Municipality	225 800 588	284 294 454
Greater Giyani Municipality	5 928 809	3 891 448
Greater Letaba Municipality	11 386 802	10 462 569
Department of Water Affairs	837 975	30 589 565
	<b>254 061 501</b>	<b>340 642 780</b>

Included in the PMDS & pay progression are overpayments made to officials transferred from DWA.

The DWA(Greater Letaba) debt relates to the financial 2009/10 which was lost due to migration from one system to another by the Local Municipality. The matter is being investigated by both Mopani District Municipality and Greater Letaba Municipality on the irrecoverability and once the investigations is finalised a provision will be made and the debt will be written off.

The high value of receivables of Ba - Phalaborwa Municipality pertains to water related transactions billed and collected on behalf of Mopani District Municipality as per the Water Service Provider agreements.

### 8. VAT receivable

VAT	37 865 100	-
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# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>9. Consumer debtors</b>		
<b>Gross balances</b>		
Water	405 828 252	336 099 083
Sewerage	80 572 207	66 375 113
	<b>486 400 459</b>	<b>402 474 196</b>
<b>Less: Allowance for impairment</b>		
Water	(186 976 298)	(211 013 377)
Sewerage	(29 067 794)	(24 015 133)
	<b>(216 044 092)</b>	<b>(235 028 510)</b>
<b>Net balance</b>		
Water	218 851 954	125 085 706
Sewerage	51 504 413	42 359 980
	<b>270 356 367</b>	<b>167 445 686</b>
<b>Water</b>		
Current (0 -30 days)	21 226 217	16 569 319
31 - 60 days	7 623 467	15 795 652
61 - 90 days	7 180 044	15 073 740
91 - 120 days	6 727 855	6 535 385
121 - 365 days	112 297 965	65 336 199
> 365 days	237 877 531	211 064 407
Impairment	(174 081 125)	(205 288 996)
	<b>218 851 954</b>	<b>125 085 706</b>
<b>Sewerage</b>		
Current (0 -30 days)	3 571 994	1 674 603
31 - 60 days	1 658 389	1 313 599
61 - 90 days	1 223 901	1 305 750
91 - 120 days	1 367 961	1 075 457
121 - 365 days	22 029 287	14 084 869
> 365 days	50 861 924	46 920 835
Impairment	(29 209 043)	(24 015 133)
	<b>51 504 413</b>	<b>42 359 980</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(235 028 510)	(174 612 768)
Contributions to allowance	18 984 418	(60 415 742)
	<b>(216 044 092)</b>	<b>(235 028 510)</b>
<b>Consumer debtors per local municipality</b>		
Municipality	-	-
Ba - Phalaborwa	310 205 126	246 465 638
Greater Tzaneen Municipality	86 334 469	84 966 287
Greater Giyani Municipality	57 557 354	44 428 044
Greater Letaba Municipality	31 048 941	26 152 991
Maruleng Municipality	1 126 019	461 235
	<b>486 271 909</b>	<b>402 474 195</b>



# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>10. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	20 980 815	-
Short-term deposits	62 145 466	-
Bank overdraft	-	(6 787 631)
	<b>83 126 281</b>	<b>(6 787 631)</b>
Current assets	83 126 281	-
Current liabilities	-	(6 787 631)
	<b>83 126 281</b>	<b>(6 787 631)</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash Book Balances		
	30 June 2014	30 June 2013	30 June 2012	30 June 2014	30 June 2013	30 June 2012
ABSA BANK - Current Account - 405 277 1364	20 980 815	(6 787 631)	3 229 284	-	-	3 233 816
ABSA BANK - Cheque Account - 4080911671	62 145 466	-	-	-	-	-
<b>Total</b>	<b>83 126 281</b>	<b>(6 787 631)</b>	<b>3 229 284</b>	<b>-</b>	<b>-</b>	<b>3 233 816</b>

### 11. Finance lease obligation

#### Minimum lease payments due

- within one year	-	437 266
- later than five years	-	-

less: future finance charges	-	(20 852)
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<b>Present value of minimum lease payments</b>	<b>-</b>	<b>416 414</b>
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#### Present value of minimum lease payments due

- within one year	-	416 414
- in second to fifth year inclusive	-	-
- later than five years	-	-
	<b>-</b>	<b>416 414</b>

It is municipality policy to lease certain equipment under operation leases.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

### 12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

DWA Refurbishment	14 170 219	7 361 825
Municipal Infrastructure Grant (MIG)	202 895 351	206 289 094
Rural Transport Grant	1 909 206	1 188 808
EPWP	219 419	219 419
	<b>219 194 195</b>	<b>215 059 146</b>

See note 18 for the reconciliation of grants from other subsidies of government

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand 2014 2013

### 12. Unspent conditional grants and receipts (continued)

The Municipality's application for the 2012/13 roll over was rejected by National Treasury and both parties have agreed on the repayment arrangement.

### 13. Provisions

#### Reconciliation of provisions - 2014

	Opening Balance	Additions	Utilised during the year	Total
Bonus provisions	8 146 605	-	(2 559 346)	5 587 259
Leave Provision	29 881 678	-	(16 433 172)	13 448 506
Post Retirement Medical Aid Benefits	8 110 586	3 291 635	-	11 402 221
Long Service Awards	13 179 466	821 025	-	14 000 491
	<b>59 318 335</b>	<b>4 112 660</b>	<b>(18 992 518)</b>	<b>44 438 477</b>

#### Reconciliation of provisions - 2013

	Opening Balance	Additions	Utilised during the year	Total
Performance Bonus Provision	5 992 294	2 335 123	(180 812)	8 146 605
Provision 2	22 870 319	7 011 359	-	29 881 678
Post Retirement Medical Aid Benefits	5 169 087	2 941 499	-	8 110 586
Long Service Awards	4 180 842	8 998 624	-	13 179 466
	<b>38 212 542</b>	<b>21 286 605</b>	<b>(180 812)</b>	<b>59 318 335</b>

Non-current liabilities	23 020 079	19 479 275
Current liabilities	21 418 398	39 839 060
	<b>44 438 477</b>	<b>59 318 335</b>

#### Long service awards

An actuarial valuation has been performed in respect of long service benefits which employees may become entitled to upon completion of a certain numbers of years service.

#### Employee benefit cost provision

##### Past year and future projected Liability

Opening Accrued Liability	11 768 048	10 960 717
Current - Service Cost	814 207	1 331 159
Interest Cost	755 227	652 191
Expected Benefit Vestings	(2 027 815)	(1 339 805)
	<b>(458 381)</b>	<b>643 545</b>
Total Annual Expense	(458 381)	643 545
Actuarial Loss/ (Gain)	1 112 853	163 786
Closing Accrued Liability	12 422 520	11 768 048

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>14. Payables from exchange transactions</b>		
Trade payables	260 742 097	152 889 014
Retention	71 561 242	57 961 210
Other payables	1 708 923	4 009 200
Ba - Phalaborwa Municipality	155 061 624	170 927 899
Greater Letaba Municipality	1 284 608	891 094
Greater Tzaneen Municipality	170 569 058	122 507 721
Maruleng Municipality	17 972 053	13 731 562
Greater Giyani Municipality	1 826 807	1 502 149
	<b>680 726 412</b>	<b>524 419 849</b>

Given the huge debt book the municipality experienced cash flow problems and was not able to pay its creditors within 30 days.

The huge balance of payables pertains to inter municipality transactions with the Local Municipalities for which the District Municipality has a Service Level Agreement for the provision of water and sanitation to the Locals

GRAP 104 has been considered in the valuation of these payables.

### 15. Consumer deposits

Water	3 542 139	3 930 536
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### 16. Revenue

Service charges	137 642 728	165 015 010
Interest earned - Outstanding receivables	2 632 574	13 927 967
Other income	3 042 127	12 907 778
Interest received	2 858 966	676 173
Government grants & subsidies	997 806 539	749 062 870
	<b>1 143 982 934</b>	<b>941 589 798</b>

#### The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	137 642 728	165 015 010
Interest earned - Outstanding receivables	2 632 574	13 927 967
Other income	3 042 127	12 907 778
Interest received	2 858 966	676 173
	<b>146 176 395</b>	<b>192 526 928</b>

#### The amount included in revenue arising from non-exchange transactions is as follows:

<b>Taxation revenue</b>		
<b>Transfer revenue</b>		
Government grants & subsidies	997 806 539	749 062 870

### 17. Service charges

Sale of water	114 612 934	143 609 244
Sewerage and sanitation charges	23 029 794	21 405 766
	<b>137 642 728</b>	<b>165 015 010</b>

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>18. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	504 909 000	458 567 000
DWA (O&M)	-	14 133 000
DWA (Refurbishment)	11 191 605	9 738 926
EPWP	1 000 000	3 588 581
Finance Management Grant (FMG)	1 250 000	1 558 856
LGW SETA	369 578	882 991
Municipal System Improvement Grant (MSIG)	890 000	1 000 000
LP Econ (Biosphere) Grant	-	240 000
	<b>519 610 183</b>	<b>489 709 354</b>
<b>Capital grants</b>		
Regional Bulk Water - Mameŧja Sekororo	82 406 825	19 075 991
Regional Bulk Water (DWA)	20 402 185	7 767 201
Municipal Infrastructure Grant (MIG)	348 975 744	218 346 033
DWA Nandoni	-	11 889 099
Rural Transport Grant	1 005 602	2 275 192
MWIG Projects	16 906 000	-
RHIG	8 500 000	-
	<b>478 196 356</b>	<b>259 353 516</b>
	<b>997 806 539</b>	<b>749 062 870</b>

### Equitable Share

In terms of the Constitution, this is an unconditional grant used to subsidise the provision of basic services to indigent community members.

### DWA Refurbishment

Balance unspent at beginning of year	7 361 825	7 100 751
Current-year receipts	18 000 000	10 000 000
Conditions met - transferred to revenue	(11 191 606)	(9 738 926)
	<b>14 170 219</b>	<b>7 361 825</b>

Conditions still to be met - remain liabilities (see note 12).

The purpose of the grant is to ensure that the transferred schemes are fully functional and are operational.

### Municipal Infrastructure Grant

Balance unspent at beginning of year	206 289 094	99 215 288
Current-year receipts	375 582 000	319 302 000
Conditions met - transferred to revenue	(348 975 743)	(212 228 194)
	(30 000 000)	-
	<b>202 895 351</b>	<b>206 289 094</b>

Conditions still to be met - remain liabilities (see note 12).

The purpose of the grant is to improve access to basic service infrastructure for poor communities.

### Finance Management Grant

Balance unspent at beginning of year	-	308 856
Current-year receipts	1 250 000	1 250 000
Conditions met - transferred to revenue	(1 250 000)	(1 558 856)
	-	-

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand 2014 2013

### 18. Government grants and subsidies (continued)

The purpose of the grant is to Improve capacity in financial management.

#### Rural Transport Grant

Balance unspent at beginning of year	1 188 808	1 688 000
Current-year receipts	1 726 000	1 776 000
Conditions met - transferred to revenue	(1 005 602)	(2 275 192)
	<b>1 909 206</b>	<b>1 188 808</b>

Conditions still to be met - remain liabilities (see note 12).

The purpose of the grant is to improve data on rural roads to guide infrastructure development.

#### EPWP

Balance unspent at beginning of year	219 419	-
Current-year receipts	1 000 000	3 808 000
Conditions met - transferred to revenue	(1 000 000)	(3 588 581)
	<b>219 419</b>	<b>219 419</b>

Conditions still to be met - remain liabilities (see note 12).

The purpose of the grant is to improve opportunities for sustainable employment due to experience and learning gained.

#### Disaster Relief Fund (Maruleng)

The purpose of the grant is to assist in providing access to water supply and sustainable infrastructure during the disaster.

### 19. Other income

Certificates - inflamables	117 495	-
Sundry income	218 528	94 304
Insurance claims	160 983	93 749
Mayors charity cup	2 125 853	2 231 627
Reconnection fees	57 443	10 402 673
Tender fees	722 871	769 295
Commission received	105 663	101 164
Rebates Sewarage	-	(20 024)
Income Forgone	(466 709)	(765 010)
	<b>3 042 127</b>	<b>12 907 778</b>

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>20. General expenses</b>		
Advertising	620 041	1 612 720
Auditors remuneration	1 535 794	1 536 077
Bank charges	152 093	372 228
Computer expenses	1 035	-
Consulting and professional fees (including legal expenses)	17 182 634	11 750 954
Entertainment	15 326	32 201
Insurance	1 938 031	1 305 541
Conferences and seminars	126 176	286 795
IT expenses	21 476	-
Lease rentals on operating lease	293 957	2 900 451
Agency Fee	-	1 015 771
Levies	3 696 643	1 095 712
Magazines, books and periodicals	110 000	4 384
Motor vehicle expenses	105 228	65 081
Fuel and oil	3 995 240	3 639 127
Postage and courier	1 106	4 094
Printing and stationery	-	1 235
Protective clothing	138 828	113 176
Software expenses	376 233	209 295
Performance Management	7 318	9 042
Telephone and fax	2 871 802	2 192 330
Travel - local	6 411 661	7 533 705
Electricity	38 051	915 024
Sewerage and waste disposal	11 355	38 991
Water & Electricity	739 662	190 686
Utilities - Other	766 296	510 634
Catering	159 528	340 948
Audit Committee Allowances	2 018 647	3 425 649
Contribution to Projects	17 343 962	27 565
Performance Management	1 248 130	158 852
Venue expenses	4 423 566	17 106 636
Other expenses	32 898 257	19 260 785
	<b>99 248 076</b>	<b>77 655 689</b>

The district implements various projects which are transferred to the Local Municipalities upon completion. The amount spent is reflected as contribution to projects.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>21. Employee related costs</b>		
Basic	125 072 496	140 869 426
Bonus	8 135 140	11 974 577
Medical aid - company contributions	8 711 559	7 529 904
UIF	1 304 945	1 328 692
Workman Compensation	154 749	216 092
SDL	1 837 079	1 779 620
Other payroll levies	5 175 585	5 722 705
Leave pay provision charge	-	560 739
Post Employment Benefits	1 204 457	-
Defined contribution plans	23 097 094	22 213 748
Overtime payments	13 880 328	14 878 120
Long-service awards	424 902	332 240
Car allowance	11 874 262	5 781 097
Housing benefits and allowances	7 150 891	7 661 855
Leave redemption	(2 535 689)	1 536 371
Bargaining council	12 790	13 759
Cellphone Allowance	40 660	23 575
Shift Allowance	496 007	18 150
	<b>206 037 255</b>	<b>222 440 670</b>

### Remuneration of Municipal Manager

Annual Remuneration	916 305	879 484
Car Allowance	636 423	631 997
Contributions to UIF, Medical and Pension Funds	16 039	1 713
	<b>1 568 767</b>	<b>1 513 194</b>

### Remuneration of Chief Finance Officer

Annual Remuneration	-	509 600
Car Allowance	-	101 563
Contributions to UIF, Medical and Pension Funds	-	12 880
	-	<b>624 043</b>

The position of the Chief Financial Officer is vacant as from the 01 December 2012.

### Remuneration of Director Community Services

Annual Remuneration	786 698	732 000
Car Allowance	232 101	200 870
Contributions to UIF, Medical and Pension Funds	54 208	150 905
	<b>1 073 007</b>	<b>1 083 775</b>

### Remuneration of Directors Corporate Services

Annual Remuneration	-	325 442
Car Allowance	-	15 974
Performance Bonuses	-	119 000
Contributions to UIF, Medical and Pension Funds	-	32 261
	-	<b>492 677</b>

The position of the Director Corporate Services is vacant as from the 01 August 2012.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>21. Employee related costs (continued)</b>		
<b>Remuneration of Director Planning and Development</b>		
Annual Remuneration	780 641	726 000
Car Allowance	228 646	223 793
Contributions to UIF, Medical and Pension Funds	59 903	101 513
	<b>1 069 190</b>	<b>1 051 306</b>
<b>Remuneration of Director Infrastructure Services</b>		
Annual Remuneration	707 820	654 000
Car Allowance	263 831	195 327
Contributions to UIF, Medical and Pension Funds	133 060	167 546
	<b>1 104 711</b>	<b>1 016 873</b>
<b>Remuneration of Director Water Services</b>		
Annual Remuneration	660 182	50 967
Car Allowance	287 858	20 028
Contributions to UIF, Medical and Pension Funds	127 100	27 933
Cell	36 000	-
	<b>1 111 140</b>	<b>98 928</b>
<b>Remuneration of Director Office of the Executive Mayor</b>		
Annual Remuneration	611 088	50 924
Car Allowance	273 074	21 236
Contributions to UIF, Medical and Pension Funds	128 580	-
	<b>1 012 742</b>	<b>72 160</b>
<b>Executive Mayor's Allowances</b>		
Annual Remuneration	410 028	415 306
Car Allowance	183 680	169 852
Contributions to UIF, Medical and Pension Funds	92 687	91 049
Cell	39 828	39 828
	<b>726 223</b>	<b>716 035</b>
The Executive Mayor has been provided with a Council vehicle.		
<b>Speaker's Allowances</b>		
Annual Remuneration	341 846	346 068
Car Allowance	243 488	245 831
Contributions to UIF, Medical and Pension Funds	60 326	59 015
Cell	19 872	19 872
	<b>665 532</b>	<b>670 786</b>
<b>Allowance of Members of Mayoral Committee</b>		
Annual Remuneration	3 013 910	2 669 422
Car Allowance	1 895 143	1 008 180
Cell	188 688	168 816
Contributions to UIF, Medical and Pension Funds	454 823	685 855



# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>21. Employee related costs (continued)</b>		
	<b>5 552 564</b>	<b>4 532 273</b>
<b>22. Remuneration of Councillors</b>		
Councillors	7 613 973	7 543 927
Councillors' pension contribution	695 631	673 373
	<b>8 309 604</b>	<b>8 217 300</b>
<b>23. Impairments</b>		
Property, Plant and Equipment	71 449 541	-
<b>24. Debt impairment</b>		
Debt impairment	16 841 795	(399 243)
Debts impaired	-	24 287 667
	<b>16 841 795</b>	<b>23 888 424</b>
Included in the debt impairment are long outstanding debtors from the five Local Municipalities within the District on Water and Sewer accounts.		
<b>25. Investment revenue</b>		
<b>Interest revenue</b>		
Current Account	2 858 966	676 173
<b>26. Depreciation and amortisation</b>		
Property, plant and equipment	163 610 802	157 941 234
<b>27. Finance costs</b>		
Current borrowings	607 869	502 802
<b>28. Auditors' remuneration</b>		
Fees	1 535 794	1 536 077
<b>29. Contracted services</b>		
Information Technology Services	4 010 397	5 053 602
Operating Leases	9 673 739	7 883 887
Specialist Services	13 009 184	5 404 838
Other Contractors	3 315 881	5 213 048
	<b>30 009 201</b>	<b>23 555 375</b>
<b>30. Grants and subsidies paid</b>		
<b>Other subsidies</b>		
Bursaries	2 659 109	3 431 175
Free basic services	1 086 371	621 570
	<b>3 745 480</b>	<b>4 052 745</b>

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>30. Grants and subsidies paid (continued)</b>		
Grants paid to ME's	-	-
Other subsidies	3 745 480	4 052 745
<b>31. Bulk purchases</b>		
Water	252 494 974	39 905 753

The District municipality purchase bulk water on behalf of Local municipality.

### 32. Cash generated from operations

(Deficit) surplus	(31 383 972)	180 434 238
<b>Adjustments for:</b>		
Depreciation and amortisation	163 610 802	157 941 234
Gain on disposal of assets and liabilities	290 126	10 620 185
Impairment deficit	4 956 885	-
Debt impairment	16 841 795	23 888 424
Movements in provisions	(14 879 858)	21 105 793
Water and Sanitation Transactions	(21 386 912)	(378 373 307)
<b>Changes in working capital:</b>		
Inventories	9 855 733	31 752 117
Receivables from exchange transactions	81 624 394	(33 759 025)
Consumer debtors	(119 752 476)	(102 745 156)
Payables from exchange transactions	156 306 559	116 570 615
VAT	(38 678 579)	54 338 230
Unspent conditional grants and receipts	4 135 049	106 314 266
Consumer deposits	(388 397)	(715 793)
	<b>211 151 149</b>	<b>187 371 821</b>

### 33. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Property, plant and equipment	89 617 947	424 716 673
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This committed expenditure relates to capital projects and will be financed by Grants and surpluses, existing cash resources and funds internally generated

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand

2014

2013

### 34. Contingencies

#### **Mbhalati J.P / Mopani District Municipality**

The Municipality dismissed Mbhalati J.P after he was found guilty of misconduct. The employee, challenged his dismissal in the South African Local Government Bargaining Council. The arbitration is part-heard and still pending. The claim against the Municipality is amounting to R643 389.17

#### **Motjieng T.C / Mopani District Municipality**

The Municipality dismissed Motjieng T.C after he was found guilty of misconduct. The employee challenged his dismissal in the South African Local Government Bargaining Council. The arbitration is part heard and still pending. The claim against the Municipality is amounting to R438 725.77

#### **Seerane M.W / Mopani District Municipality**

The Municipality dismissed Seerane M.W after he was found guilty of misconduct. The employee challenged his dismissal in the South African Local Government Bargaining Council. The arbitration is part heard and still pending. The claim against the Municipality is amounting to R438 725.77

#### **Visser J.D / Mopani District Municipality**

The Municipality dismissed Visser J.D after he was found guilty of misconduct but the Bargaining Council reinstated him with back pay. The reinstatement was confirmed by the Constitutional Court. There is a dispute about the calculation of back pay. The parties agreed to refer the matter for private arbitration and the arbitration is still pending. The claim against the Municipality is amounting to R3 146 058.00 with interest @ 15.5%

#### **Parm Nursery and 3 others / Mopani District Municipality**

The claimant / plaintiff sued the Municipality for damages allegedly occasioned by fire. They further allege that the Municipality is to blame for the damages.

The claim against the Municipality is amounting to R5 887 330.00 plus interest. Interest will be calculated from the date of judgment

#### **Flo-Tek pipes & irrigation / Mopani District Municipality**

The Municipality is sued allegedly for goods sold and delivered to MDM and its constructor. The claim against the Municipality is amounting to R150 988.00

#### **Esorfranki Pipelines (Pty) Ltd / Mopani District Municipality**

Esorfranki sued the Municipality for loss of income amounting to R10 284 387.10. The case is strenuously defended. Case waiting for trial date in the North Gauteng High Court.

The claim against the Municipality is R10 284 387.10 plus interest from the date of issue of summons and legal costs. Interest is calculated at 15.5% from 1st October 2010.

#### **EP Monyela / Mopani District Municipality**

In this matter the plaintiff claims R300 000 for damages allegedly caused by the Municipality. The claim against the Municipality is amounting to R300 000.00

#### **AM Botes / Mopani District Municipality**

This is a civil claim against the Municipality for R950 000.00 in respect of damages allegedly suffered by the plaintiff. The claim against the Municipality is amounting to R950 000.00

#### **Versatex Trading 469 cc / Mopani District Municipality**

This is a claim for payment of the sum of R219 201.13 for services allegedly rendered by the plaintiff

#### **Nolwandle & Ntimbani Construction J.v / Mopani District Municipality**

This is a civil case whereby MDM is sued by Nolwandle & Ntimbani Jv for R3 414 105.50 being for breach of contract and consequential damages. The claim against the Municipality is amounting to R3 414 105.50

#### **Cycad Pipelines (Pty) Ltd & Esorfranki Pipelines (Pty) Ltd**

The municipality lost the court battle and is now facing legal costs estimated at R5,000,000 and R10,000,000. This is disclosed as a contingent liability as, even though there is a present obligation, the amount cannot be measured reliably. Furthermore, this does not meet the GRAP 19 recognition criteria for recognition as a provision, since the best estimate of the legal costs cannot be reliably estimated.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

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### 34. Contingencies (continued)

#### Wage Curve Contingent Liability for the 2013-14 Financial Year

As per the SALGA directive dated 21 July 2014, a quantified contingent liability must be disclosed for all municipalities whose task results were not published by the SALGBC. As Mopani District Municipality's results had not been published, the wage curve contingent liability was calculated using the prescribed formula from SALGA. The contingent liability amounts to R631,517.97 as at 30 June 2014.

#### Basis used for determination of of the wage curve contingent liability (as per the SALGA template)

**Year 1:** As per SALGBC Circular No: 07/2010 dated 8 July 2010, the 2009/10 basic salaries were used as the basis for the calculations. These basic salaries were escalated by a 2.5 percent Non Pensionable Allowance and a 8.48 percent increase as per SALGBC Circular No: 07/2010. The result was compared to the amounts per the wage curve agreement (guided by the SALGBC schedule showing the Çatergorisation and Job Evaluation Wage Curves Collective Agreement signed on 21 April 2014). The difference was multiplied by 9 months to determine the amount of the back payment contingent liability.

**Year 2:** The 2010/11 basic salaries were used as the basis for the calculations. These basic salaries were escalated by a 6.08 percent increase. The result was compared to the amounts used in Year One (refer to paragraph above) as determined by the SALGBC schedule showing the Çatergorisation and Job Evaluation Wage Curves Collective Agreement signed on 21 April 2014). The difference was multiplied by 12 months to determine the amount of the back payment contingent liability.

### 35. Related parties

#### Relationships

Accounting Officer

Refer to disclosure note on remuneration of senior management

Constituent Local Municipalities of Mopani District

Ba - Phalaborwa Municipality

Greater Giyani Local Municipality

Greater Letaba Local Municipality

Greater Tzaneen Municipality

Maruleng Local Municipality

Audit Committee

Refer to General Information page for details on composition of the Audit Committee

Members of Key Management

Refer to disclosure note on remuneration of senior management

Remuneration of Councillors

Refer to disclosure note on remuneration of councillors

#### Related party balances

#### Amounts included in Trade receivables (Trade Payable) relating to related parties

##### (Councillors)

Cllr. Mohlala T.

91 645

91 645

Cllr. Tembe M.M

58 721

58 721

Cllr. Makhurupetji N.M

17 802

17 802

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

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### 36. Prior period errors

1. The Municipality incorrectly capitalised the Engineers and sub contractors fees amounting to R189 695.99 (the VAT amount thereon of R23,296 was also incorrectly capitalised) for the Development of Maruleng Waste Disposal Site Project. The municipality also recognised depreciation of R6,115 on this balance. The landfill site was developed on behalf of the Maruleng Local Municipality (MLM) and was transferred to MLM in April 2014.
  2. The Municipality incorrectly mapped a creditor under the income statement (expense section) in the caseware AFS, resulting in understatement of accumulated surplus and other creditors.
  3. The Municipality incorrectly recognised bulk purchases for Ba- Phalaborwa Municipality as debtors from exchange transactions by raising a debtor to the value of R39 874 124 in 2012-13 and R114 156 068 for the prior years against accumulated surplus.
  4. During the year ended 30 June 2013, the provisions for doubtful debts for the Local Municipalities amounting to R12 988 560.38 were incorrectly debited to the inter - municipality loan accounts instead of the debt impairment expense.
  5. The Municipality capitalised in its accounting records roads listed under Schedule B, which are declared as Provincial Roads under the ownership and management of Road Agency Limpopo. The cost of the roads was R150,215,911. Accumulated depreciation amounting to R16,205,25 had been recognised on these roads.
  6. During 2012-13 audit differences were noted between balances per the MIG grant register/ledger and the underlying supporting documentation. Consequently it was noted that there was overstatement of MIG grant revenue and understatement of MIG unspent grant liability to the amount of R6,117,840.
  7. The Municipality incorrectly mapped the Long Service Award provision for Greater Giyani Municipality under the Post Retirement Medical Aid Benefits in the Caseware AFS, resulting in misstatement R354,429 of both provisions.
  8. During the year ended 30 June 2013, the municipality understated the DWAF (Refurbishment) unspent grant liability by R431,985 due to accounting errors.
  9. The 2013-14 inventory balance was overstated by R18,350,280 due to adjustments to inventory after stock count as at 30 June 2013, which were processed twice in error.
  10. The Municipality's Input VAT balance was understated due to non-accounting for VAT on rental of photocopiers amounting to R339 120.56.
  11. The Municipality's VAT balance was mistated due to non - inclusion of the SARS assessments in determination of the VAT balance, resulting in overstatement of the VAT balances by R72 681 283.89
  12. Other debtors (Payroll Debtors) were understated by R68,973 due to accounting errors.
  13. The DWA RBHIG Grant debtors balance was overstated by R13,691,558 due to numerous accounting errors
  14. During the year ended 30 June 2013 the municipality understated the Water Reticulation assets (PPE) by R32,353,416 due to an accounting error.
  15. During the current financial year management reviewed all assets based on the improvement of the control environment and the update of the asset management policy. This resulted in a number of misstatement being identified that was subsequently corrected. Revision of the assets included in the asset register and the valuation of all assets as at 01 July 2012 was performed in the current year. The assets are carried at cost less accumulated depreciation and the difference in asset values will be charged to the accumulated surplus as it relates to the correction of prior period errors.
  16. The Municipality overstated the retentions liability on sanitation projects by R731 348.68 as the retentions payments were misposted to the sanitation project expense votes.
  17. The Municipality made a provision for bad debts which was irrecoverable for an amount of R399 242.75 from water and sanitation - Greater Letaba Municipality
  18. A number of adjustments were made to correct opening balances on the water and sanitation balance from the Local Municipalities.
- The detail of prior period errors corrected are shown below:-

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>36. Prior period errors (continued)</b>		
<b>Statement of financial position</b>		
PPE- Reversal of landfill site road incorrectly recognised	-	(189 696)
Recognition of previously unrecorded Input VAT on landfill site expense	-	23 296
Adjustment to reverse Accumulated Depreciation for Landfill site road	-	6 115
Adjustment for understatement of Other creditors	-	(1 000)
Adjustment for overstatement of Debtors from Exchange Transactions	-	(154 030 193)
Inter-municipality loan accounts	-	(12 988 561)
Adjustment for understatement of MIG Conditional Grant Liability	-	(6 117 840)
Adjustment for misclassification of Provision (Long Service Award)	-	(354 429)
Adjustment for misclassification of Provision (Post Retirement Medical Aid Benefits)	-	354 429
Adjustment for overstatement of DWAF RBHIG Conditional Grant Liability	-	431 985
Adjustment for duplication of 2012-13 Inventory adjustments	-	18 350 280
Recognition of Input VAT on rental of photocopiers	-	339 121
Adjustment to correct VAT control Balance	-	(72 681 284)
Other Debtors - Payroll debtors	-	68 973
Adjustment for overstatement of DWA RBHIG Grant Debtor	-	(13 691 558)
Adjustment for understatement of PPE (Water Reticulation Assets)	-	32 353 416
Increase in Property, Plant and Equipment	-	2 601 379 656
Increase in Intangible Assets	-	35 231
Retentions Liability	-	731 349
Provision for bad debts	-	(399 243)
Adjustment for Greater Giyani water inventory overstated	-	473 871
Adjustment to Greater Tzaneen trade creditors overstatement	-	(1 063 991)
Adjustment to borrowings for Greater Letaba water infrastructure	-	(539 015)
Adjustment to borrowings for Maruleng Municipality water infrastructure	-	(16 323)
Adjustment to Greater Giyani inter Municipality account	-	(13 066 976)

### 37. Going concern

The unaudited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 38. Unauthorised expenditure

Unauthorised expenditure	140 089 736	75 304 420
Add: Unauthorised expenditure during the year	17 126 808	64 785 316
Less: Amount Condoned	-	-
<b>Unauthorised expenditure awaiting condonement</b>	<b>157 216 544</b>	<b>140 089 736</b>

Included in the R152 216 544 is an amount of R75 304 420 (2012) which was approved by Council in terms of Section 32 of the MFMA as per Council resolution 19/2013 and awaiting National Treasury for condonement in terms of Section 170(1) of the MFMA.

The unauthorised expenditure relates to the over - expenditure on Legal Services Vote amounting R6 572 171.15 and over expenditure on Greater Giyani Municipality - Water and Sewer Vote amounting to R10 554 636.73

The balance of R81 912 124.00 is awaiting investigation by Council Committee.

### 39. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	935 977	801 693
Add: Fruitless and Wasteful expenditure during the year	574 188	134 284
Less: Amount Condoned	-	-
<b>Fruitless and Wasteful Expenditure awaiting condonement</b>	<b>1 510 165</b>	<b>935 977</b>

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

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Figures in Rand	2014	2013
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### 39. Fruitless and wasteful expenditure (continued)

Included in the R1 510 165 is an amount of R801 693 (2012) which was approved by council in terms of Section 32 of the MFMA as per Council resolution 19/2013 and awaiting National Treasury for condonement in terms of Section 170(1) of the MFMA.

The fruitless expenditure relates to Interest Paid on Eskom account amounting to R180 580.64, Interest Paid on Telkom amounting to R56 340.97, penalties paid to pension fund amounting to R3 407.94 and SARS penalties amounting to R333 858.47

The balance of R708 472.00 is awaiting investigations by Council Committee.

### 40. Irregular expenditure

Opening balance	159 260 478	152 470 478
Add: Irregular Expenditure - current year	-	6 790 000
	-	-
<b>Irregular Expenditure awaiting condonement</b>	<b>159 260 478</b>	<b>159 260 478</b>

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Included in the R159 260 478 is an amount of R90 530 066 (2012) which was approved by council in terms of Section 32 of the MFMA as per resolution 19/2013 and awaiting National Treasury for condonement in terms of Section 170 (1) of the MFMA.

The balance of R68 730 412.00 is awaiting investigations by Council Committee.

# Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

## Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>41. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to SALGA</b>		
Current year subscription / fee	3 483 271	1 095 712
Amount paid - current year	(3 483 271)	(1 095 712)
	-	-
<b>Audit fees</b>		
Current year subscription / fee	1 468 320	1 536 068
Amount paid - current year	(1 468 320)	(1 536 068)
	-	-
<b>PAYE and UIF</b>		
Current year subscription / fee	23 559 409	23 857 445
Amount paid - current year	(23 559 409)	(23 857 445)
	-	-
<b>Pension and Medical Aid Deductions</b>		
Current year subscription / fee	24 392 278	22 034 941
Amount paid - current year	(24 392 278)	(22 034 941)
	-	-
<b>VAT</b>		
VAT receivable	37 865 100	-
VAT payable	-	813 479
	<b>37 865 100</b>	<b>813 479</b>

VAT is payable on the cash basis as from the 30th May 2013. VAT input receivables and VAT output receivable is shown in note 8. All VAT returns have been submitted by the due date throughout the year.

### 42. Deviation from supply chain management regulations

In terms of Section 36 of the Municipal Supply Chain Management Regulations, any deviation from the supply chain management policy needs to be approved/condoned by the Municipal Manager. The total deviations for the year amounted to **R3 086 120.34**. (2013: **R8 456 560**) which has been tabled to council for noting in terms of Section 36(2).

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the unaudited annual financial statements.

### 43. In Kind Service

COGHSTA has provided an in kind service in the form of a Resident Accountant as from December 2012.



## Mopani District Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2014

### Notes to the Unaudited Annual Financial Statements

Figures in Rand	2014	2013
<b>44. Distribution Losses</b>		
Sales (kl) Total	2 909 939	-
Purchases (kl) Tot	2 025 325	-
<b>Differences (43,68%)</b>	<b>(884 614)</b>	-

Mopani District Municipality (MDM) as a Water Service Authority (WSA) has service level agreements with its five Local Municipalities, the Local Municipalities distribute water to the consumers on its behalf above are the distribution losses incurred.

The distribution loss percentage is high because it also includes the following elements that comprise non-revenue water:-

1. Unauthorised Consumption
2. Overflows from water storage
3. Unbilled metered consumption

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2014

<b>Cost/Revaluation</b>	<b>Accumulated depreciation</b>
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	Opening Balance Rand	Additions Rand	Disposals Rand	Opening Cost Adj Rand	Revaluations Rand	Under Construction Rand	Closing Balance Rand	Opening Balance Rand	Additions Rand	Disposals Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Land and buildings</b>														
Land	10 910 778	800 000	(730 000)	-	-	-	10 980 778	-	-	-	-	-	-	10 980 778
Landfill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	34 261 894	3 020 015	-	-	-	73 026 353	110 308 262	5 699 191	1 329 434	-	-	-	7 028 625	103 279 637
	<b>45 172 672</b>	<b>3 820 015</b>	<b>(730 000)</b>	-	-	<b>73 026 353</b>	<b>121 289 040</b>	<b>5 699 191</b>	<b>1 329 434</b>	-	-	-	<b>7 028 625</b>	<b>114 260 415</b>
<b>Infrastructure</b>														
Sanitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Water Treatment	555 592 109	-	-	-	-	-	555 592 109	302 558 137	13 440 277	-	-	-	315 998 414	239 593 695
Collection/Reticulation Network	1 192 416 153	-	-	-	-	81 534 782	1 273 950 935	388 952 101	23 848 323	-	-	-	412 800 424	861 150 511
Sewer Pump Station	40 021 067	-	-	-	-	-	40 021 067	19 511 047	1 994 367	-	-	-	21 505 414	18 515 653
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Boreholes	338 019 873	11 895 613	-	-	-	-	349 915 486	122 578 003	17 386 792	-	-	-	139 964 795	209 950 691
Storage	787 077 319	1 212 788	-	-	-	-	788 290 107	385 036 351	17 173 512	-	-	-	402 209 863	386 080 243
Water Pump Station	95 268 102	-	-	-	-	-	95 268 102	39 701 806	4 521 917	-	-	-	44 223 723	51 044 379
Distribution / Reticulation Network	3 966 508 894	13 339 798	-	-	-	159 598 104	4 139 446 796	1 464 472 606	67 205 323	-	-	-	1 531 677 929	2 607 768 867
Water Treatment	340 974 804	590 870	-	-	-	-	341 565 674	149 078 304	12 273 012	-	-	-	161 351 316	180 214 359
	<b>7 315 878 321</b>	<b>27 039 069</b>	-	-	-	<b>241 132 886</b>	<b>7 584 050 276</b>	<b>2 871 888 355</b>	<b>157 843 523</b>	-	-	-	<b>3 029 731 878</b>	<b>4 554 318 398</b>
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2014 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Opening Cost Adj Rand	Revaluations Rand	Under Construction Rand	Closing Balance Rand	Opening Balance Rand	Additions Rand	Disposals Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Heritage assets</b>														
Mayoral Chain	432 000	-	-	-	-	-	432 000	-	-	-	-	-	-	432 000
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>432 000</b>	-	-	-	-	-	<b>432 000</b>	-	-	-	-	-	-	<b>432 000</b>
<b>Finance leases</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>														
Emergency Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency and Rescue Equipment	1 212 252	90 792	-	-	-	-	1 303 044	136 323	236 788	-	-	-	373 111	929 933
Fire Fighting Equipments/ Fire Hoses	128 299	-	-	-	-	-	128 299	15 597	23 094	-	-	-	38 691	89 608
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles														
Passenger Vehicles	4 524 321	-	(2 500)	-	-	-	4 521 821	188 589	310 239	(1 080)	-	-	497 748	4 024 073
Trucks, Buses, LDV's	9 499 618	-	(333 800)	-	-	-	9 165 818	413 488	315 258	(151 929)	-	-	576 817	8 589 001
Trailers and accessories	531 700	-	-	-	-	-	531 700	64 051	-	-	-	-	89 573	442 127
Tracktors	3 739 400	-	-	-	-	-	3 739 400	335 194	119 661	-	-	-	454 855	3 284 545
Emergency Vehicles	9 018 230	3 485 120	(69 100)	-	-	-	12 434 250	359 436	711 338	(20 402)	-	-	1 050 372	11 383 879
Specialised Vehicles	1 677 000	-	-	-	-	-	1 677 000	13 224	53 664	-	-	-	66 888	1 610 112
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fittings														
Chairs and Couches	1 093 461	-	(28 826)	-	-	-	1 064 635	178 367	145 665	(21 967)	-	-	302 065	762 570
Tables & desks	1 155 471	-	-	-	-	-	1 155 471	143 832	156 940	-	-	-	300 772	854 698
Cabiners and Cupboards	591 164	-	-	-	-	-	591 164	74 783	82 027	-	-	-	156 810	434 354
Shelving and bookcases	104 638	30 158	-	-	-	-	134 796	9 619	23 137	-	-	-	32 756	102 040
Other Furniture and Fittings	134 700	-	-	-	-	-	134 700	12 731	24 246	-	-	-	36 977	97 724
Beds	187 120	-	-	-	-	-	187 120	33 441	34 182	-	-	-	67 623	119 497
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Equipment														
Radio Equipment	403 185	18 386	-	-	-	-	421 571	65 619	72 989	-	-	-	138 608	282 963
Plant and Equipment - Other	820 055	94 884	(770)	-	-	-	914 169	83 312	157 732	(539)	-	-	240 505	673 663
Workshop equipment and tools	370 139	94 068	-	-	-	-	464 207	35 348	81 342	-	-	-	116 690	347 517
Lawnmowers/gardening equipments	9 098	-	-	-	-	-	9 098	2 254	2 047	-	-	-	4 301	4 797
Generators	1 601 140	29 084	-	-	-	-	1 630 224	316 719	208 264	-	-	-	524 983	1 105 241
Compressors	60 893	30 868	-	-	-	-	91 761	15 658	11 319	-	-	-	26 977	64 784
Earth Moving Equipment	540 000	-	-	-	-	-	540 000	18 375	48 600	-	-	-	66 975	473 025
Sports Equipment	1 500	-	-	-	-	-	1 500	135	270	-	-	-	405	1 095
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment														
Computer Hardware	2 077 552	146 253	(357 370)	-	-	-	1 866 435	365 345	465 097	(312 423)	-	-	518 019	1 348 417
Office Equipment	91 947	-	(18 547)	-	-	-	73 400	24 332	16 016	(16 646)	-	-	23 702	49 698
Office Machines	402 817	16 550	-	-	-	-	419 367	48 774	78 323	-	-	-	127 097	292 270
Air Conditions	741 008	-	-	-	-	-	741 008	72 993	171 008	-	-	-	244 001	497 007
Domestic Equipment	117 211	-	-	-	-	-	117 211	16 357	21 567	-	-	-	37 924	79 287
Audiovisual Equipment	155 186	-	(8 178)	-	-	-	147 008	15 990	27 975	(3 979)	-	-	39 986	107 022
	<b>40 989 105</b>	<b>4 036 163</b>	<b>(819 091)</b>	-	-	-	<b>44 206 177</b>	<b>3 059 886</b>	<b>3 624 310</b>	<b>(528 965)</b>	-	-	<b>6 155 231</b>	<b>38 050 947</b>

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2014 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Opening Cost Adj Rand	Revaluations Rand	Under Construction Rand	Closing Balance Rand	Opening Balance Rand	Additions Rand	Disposals Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Total property plant and equipment</b>														
Land and buildings	45 172 672	3 820 015	(730 000)	-	-	73 026 353	121 289 040	5 699 191	1 329 434	-	-	-	7 028 625	114 260 415
Infrastructure	7 315 878 321	27 039 069	-	-	-	241 132 886	7 584 050 276	2 871 888 355	157 843 523	-	-	-	3 029 731 878	4 554 318 398
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	432 000	-	-	-	-	-	432 000	-	-	-	-	-	-	432 000
Finance leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	40 989 105	4 036 163	(819 091)	-	-	-	44 206 177	3 059 886	3 624 310	(528 965)	-	-	6 155 231	38 050 947
	<b>7 402 472 098</b>	<b>34 895 247</b>	<b>(1 549 091)</b>	-	-	<b>314 159 239</b>	<b>7 749 977 493</b>	<b>2 880 647 432</b>	<b>162 797 267</b>	<b>(528 965)</b>	-	-	<b>3 042 915 734</b>	<b>4 707 061 760</b>
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Intangible assets</b>														
Computers - software & programming	414 578	683 182	-	-	-	-	1 097 760	204 032	113 986	-	-	-	318 018	779 741
Other	13 991 354	-	-	-	-	-	13 991 354	3 614 753	699 568	-	-	-	4 314 321	9 677 034
	<b>14 405 932</b>	<b>683 182</b>	-	-	-	-	<b>15 089 114</b>	<b>3 818 785</b>	<b>813 554</b>	-	-	-	<b>4 632 339</b>	<b>10 456 775</b>
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>														
Land and buildings	45 172 672	3 820 015	(730 000)	-	-	73 026 353	121 289 040	5 699 191	1 329 434	-	-	-	7 028 625	114 260 415
Infrastructure	7 315 878 321	27 039 069	-	-	-	241 132 886	7 584 050 276	2 871 888 355	157 843 523	-	-	-	3 029 731 878	4 554 318 398
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	432 000	-	-	-	-	-	432 000	-	-	-	-	-	-	432 000
Finance leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	40 989 105	4 036 163	(819 091)	-	-	-	44 206 177	3 059 886	3 624 310	(528 965)	-	-	6 155 231	38 050 947
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	14 405 932	683 182	-	-	-	-	15 089 114	3 818 785	813 554	-	-	-	4 632 339	10 456 775
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>7 416 878 030</b>	<b>35 578 429</b>	<b>(1 549 091)</b>	-	-	<b>314 159 239</b>	<b>7 765 066 607</b>	<b>2 884 466 217</b>	<b>163 610 821</b>	<b>(528 965)</b>	-	-	<b>3 047 548 073</b>	<b>4 717 518 535</b>

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2013

**Cost/Revaluation**
**Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Under Construction Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Additions Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land & Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>														
Roads, Pavements & Bridges	48 255 625	-	-	-	-	-	48 255 625	(9 651 125)	-	-	(2 573 633)	-	(12 224 758)	36 030 867
Storm water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Reservoirs & Reticulation	1 742 182 523	60 816 134	-	-	50 916 470	-	1 853 915 127	(274 162 436)	-	-	(90 345 979)	(1 867 181)	(366 375 596)	1 487 539 531
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification & Reticulation	231 140 839	199 728	-	-	24 740 735	-	256 081 302	(31 409 819)	-	-	(9 622 726)	-	(41 032 545)	215 048 757
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastrucur)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>2 021 578 987</b>	<b>61 015 862</b>	-	-	<b>75 657 205</b>	-	<b>2 158 252 054</b>	<b>(315 223 380)</b>	-	-	<b>(102 542 338)</b>	<b>(1 867 181)</b>	<b>(419 632 899)</b>	<b>1 738 619 155</b>
<b>Community Assets</b>														
Land	2 900 000	4 549 526	-	-	-	-	7 449 526	-	-	-	-	-	-	7 449 526
Buildings	66 067 586	-	-	-	-	19 398 798	85 466 384	(4 175 435)	-	-	(1 130 489)	-	(5 305 924)	80 160 460
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>68 967 586</b>	<b>4 549 526</b>	-	-	-	<b>19 398 798</b>	<b>92 915 910</b>	<b>(4 175 435)</b>	-	-	<b>(1 130 489)</b>	-	<b>(5 305 924)</b>	<b>87 609 986</b>

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2013

<b>Cost/Revaluation</b>	<b>Accumulated depreciation</b>
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	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Under Construction Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Additions Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>														
General vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	5 122 774	6 946 401	(3 933)	-	-	-	12 065 242	(221 210)	1 771	-	(1 130 264)	-	(1 349 703)	10 715 539
Computer Equipment	2 094 705	453 500	(592 527)	-	-	-	1 955 678	(1 263 589)	572 668	-	(253 031)	-	(943 952)	1 011 726
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	2 578 966	91 641	(17 730)	-	-	-	2 652 877	(563 146)	14 544	-	(146 710)	(1 258)	(696 570)	1 956 307
Office Equipment	1 004 727	85 259	(4 175)	-	-	-	1 085 811	(311 026)	4 175	-	(96 877)	(858)	(404 586)	681 225
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	10 982 214	-	-	-	-	-	10 982 214	(4 495 929)	-	-	(806 384)	(17 622)	(5 319 935)	5 662 279
Fencing	97 569	-	-	-	-	-	97 569	(20 001)	-	-	(3 252)	-	(23 253)	74 316
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Equipment	184 536	-	-	-	-	-	184 536	(113 275)	-	-	(14 253)	-	(127 528)	57 008
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised Vehicles	6 847 188	-	-	-	-	-	6 847 188	(1 155 301)	-	-	(234 803)	-	(1 390 104)	5 457 084
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>28 912 679</b>	<b>7 576 801</b>	<b>(618 365)</b>	-	-	-	<b>35 871 115</b>	<b>(8 143 477)</b>	<b>593 158</b>	-	<b>(2 685 574)</b>	<b>(19 738)</b>	<b>(10 255 631)</b>	<b>25 615 484</b>

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2013 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Under Construction Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Additions Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Total property plant and equipment</b>														
Land & Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	2 021 578 987	61 015 862	-	-	75 657 205	-	2 158 252 054	(315 223 380)	-	-	(102 542 338)	(1 867 181)	(419 632 899)	1 738 619 155
Community Assets	68 967 586	4 549 526	-	-	-	19 398 798	92 915 910	(4 175 435)	-	-	(1 130 489)	-	(5 305 924)	87 609 986
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	28 912 679	7 576 801	(618 365)	-	-	-	35 871 115	(8 143 477)	593 158	-	(2 685 574)	(19 738)	(10 255 631)	25 615 484
	<b>2 119 459 252</b>	<b>73 142 189</b>	<b>(618 365)</b>	<b>-</b>	<b>75 657 205</b>	<b>19 398 798</b>	<b>2 287 039 079</b>	<b>(327 542 292)</b>	<b>593 158</b>	<b>-</b>	<b>(106 358 401)</b>	<b>(1 886 919)</b>	<b>(435 194 454)</b>	<b>1 851 844 625</b>
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Finance Lease</b>														
FINANCE LEASE ASSETS	2 774 534	-	(255 737)	-	-	-	2 518 797	(785 411)	-	255 937	(571 839)	-	(1 101 313)	1 417 484
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>2 774 534</b>	<b>-</b>	<b>(255 737)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 518 797</b>	<b>(785 411)</b>	<b>-</b>	<b>255 937</b>	<b>(571 839)</b>	<b>-</b>	<b>(1 101 313)</b>	<b>1 417 484</b>
<b>Investment properties</b>														
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>														
Land & Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	2 021 578 987	61 015 862	-	-	75 657 205	-	2 158 252 054	(315 223 380)	-	-	(102 542 338)	(1 867 181)	(419 632 899)	1 738 619 155
Community Assets	68 967 586	4 549 526	-	-	-	19 398 798	92 915 910	(4 175 435)	-	-	(1 130 489)	-	(5 305 924)	87 609 986
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	28 912 679	7 576 801	(618 365)	-	-	-	35 871 115	(8 143 477)	593 158	-	(2 685 574)	(19 738)	(10 255 631)	25 615 484
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance Lease	2 774 534	-	(255 737)	-	-	-	2 518 797	(785 411)	-	255 937	(571 839)	-	(1 101 313)	1 417 484
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>2 122 233 786</b>	<b>73 142 189</b>	<b>(874 102)</b>	<b>-</b>	<b>75 657 205</b>	<b>19 398 798</b>	<b>2 289 557 876</b>	<b>(328 327 703)</b>	<b>593 158</b>	<b>255 937</b>	<b>(106 930 240)</b>	<b>(1 886 919)</b>	<b>(436 295 767)</b>	<b>1 853 262 109</b>





Appendix D

**Segmental Statement of Financial Performance for the year ended**  
**Prior Year** **Current Year**

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
<b>Municipality</b>						
753 009 237	61 338 522	691 670 715	Executive & Council/Mayor and Council	003 826 771	62 355 783	941 470 988
-	35 945 823	(35 945 823)	Finance & Admin/Finance	-	49 772 075	(49 772 075)
-	8 912 826	(8 912 826)	Planning and Development/Economic Development/Plan	-	8 109 767	(8 109 767)
-	2 707 831	(2 707 831)	Health/Clinics	-	2 806 213	(2 806 213)
-	5 765 808	(5 765 808)	Comm. & Social/Libraries and archives	-	5 302 421	(5 302 421)
-	37 913 548	(37 913 548)	Public Safety/Police	-	36 496 409	(36 496 409)
188 560 615	111 043 264	77 517 351	Waste Water Management/Sewerage	139 836 735	362 463 781	(222 627 046)
-	5 861 068	(5 861 068)	Road Transport/Roads	-	3 233 893	(3 233 893)
(10 403 274)	476 389 214	(486 792 488)	Water/Water Distribution	-	420 447 991	(420 447 991)
-	659 033	(659 033)	Electricity /Electricity Distribution	-	746 683	(746 683)
(196 968)	3 998 438	(4 195 406)	Other/Air Transport	-	205 837 733	(205 837 733)
<b>930 969 610</b>	<b>750 535 375</b>	<b>180 434 235</b>		<b>143 663 506</b>	<b>157 572 749</b>	<b>(13 909 243)</b>
<b>Municipal Owned Entities Other charges</b>						
930 969 610	750 535 375	180 434 235	Municipality	143 663 506	157 572 749	(13 909 243)
<b>930 969 610</b>	<b>750 535 375</b>	<b>180 434 235</b>	<b>Total</b>	<b>143 663 506</b>	<b>157 572 749</b>	<b>(13 909 243)</b>

**Appendix F**  
**Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003**

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld				
FMG	NT	1 250	-	-	-	-	577	247	82	346	-	-	-	-	-	-
MIG	CoGTA	2 081	-	76 000	97 501	-	39 465	57 220	23 289	29 001	-	-	-	-	-	-
MSIG	CoGTA	890	-	-	-	-	391	34	465	-	-	-	-	-	-	-
MWIG	DWA	3 868	-	13 038	-	-	-	-	313	16 593	-	-	-	-	-	-
Nkambako(RBI G)	DWA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RHIG	DPH	-	-	8 500	-	-	-	-	3 143	5 357	-	-	-	-	-	-
Expanded Works Programme	DPW	-	400	600	-	-	-	-	1 000	-	-	-	-	-	-	-
Mametja Sekororo DWA (Refurbishment )	DWA	41 643	13 267	37 558	-	-	9 109	24 924	24 210	11 786	-	-	-	-	-	-
DWA Nandoni	DWA	-	10 000	8 000	-	-	-	400	9 220	1 571	-	-	-	-	-	-
Rural Road Assets Man Nkambako RBIG	DWA	22 242	6 924	4 883	-	-	1 357	759	10 991	498	-	-	-	-	-	-
	DRT	1 726	-	-	-	-	212	237	313	244	-	-	-	-	-	-
	DWA	41 643	13 267	37 558	-	-	9 109	24 924	24 210	11 786	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		15 343	43 858	86 137	97 501	-	60 220	08 745	97 236	77 182	-	-	-	-	-	-

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share. These figures are rounded off to the nearest one thousand rands (R'000)