

JOE GQABI

DISTRICT MUNICIPALITY



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2015

JOE GQABI DISTRICT MUNICIPALITY

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JOE GQABI DISTRICT MUNICIPALITY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GENERAL INFORMATION

NATURE OF BUSINESS

Joe Gqabi District Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Joe Gqabi District Municipality includes the following areas:

Gariep Local Municipality (Burgersdorp, Venterstad and Steynsburg)
Maletswai Local Municipality (Aliwal North and Jamestown)
Senqu Local Municipality (Lady Grey, Sterkspruit, Rhodes and Barkly East)
Elundini Local Municipality (Maclear, Ugie and Mount Fletcher)

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	Z I Dumzela	
Speaker	N P Mposelwa	
Councillor	B Salman	Portfolio head: Financial Services
Councillor	T Z Notyeke	Portfolio head: Technical Services
Councillor	N Ngubo	Portfolio head: Corporate Services
Councillor	D D Mvumvu	Portfolio head: Community Services

MUNICIPAL MANAGER

Mr Z A Williams

CHIEF FINANCIAL OFFICER

Mr J M Jackson	Resigned 30 April 2015
Miss S du Toit	Acting 15 April 2015

OTHER DIRECTORS

Mr R J Fortuin	- Director: Technical Services
Ms F J Sephton	- Director: Community Services
Mr H Z Jantjie	- Director: Corporate Services
Ms N Mshumi	- Chief Operations Officer

REGISTERED OFFICE

P/Bag X102	C/o Cole and Graham Street
Barkly East	Barkly East
9786	9786

AUDITORS

Office of the Auditor General (EC)
Vincent
East London

ATTORNEYS

MI Ntshiba & Associates Mthatha 5099	Smith Tabata Attorneys King Williams Town 5601	Peyper Attorneys Bloemfontein 9301
Clark Laing Inc East London 5241	Mjululwa Hlalukana Attorneys Mthatha 5099	Kirchmanns Incorporated East London 5241

PRINCIPAL BANKERS

ABSA
P O Box 323
Bloemfontein
9300

JOE GQABI DISTRICT MUNICIPALITY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GENERAL INFORMATION

AUDIT COMMITTEE

Z Luswazi	- Chairperson	Resigned 30 April 2015
J Emslie	- Member	Appointed 1 May 2015
P G Du Toit	- Member	
F K P Ntlemeza	- Member	

RELEVANT LEGISLATION

Abattoir Hygiene Act 121 of 1992
Arbitration Act 42 of 1965
Basic Conditions of Employment Act 75 of 1997
Black Authorities Service Pension Act 53 of 2003
Broad Based Black Economic Empowerment Act 53 of 2003
Business Act 71 of 1991
Communal Property Associations Act 28 of 1998
Community Development Act 3 of 1996
Constitution of the Republic of South Africa Act, 1996
Deeds Registries Act 47 of 1937
Development Bank of Southern Africa Act 13 of 1997
Development Facilitation Act 67 of 1995
Disaster Management Act 57 of 2002
Division of Revenue Act 2 of 2002
Electoral Act 73 of 1998
Electoral Commission Act 51 of 1996
Electricity Act 41 of 1987
Employment Equity Act 55 of 1998
Environment Conservation Act 73 of 1989
Eskom Act 40 of 1987
Expropriation Act 63 of 1975
Financial and Fiscal Commission Act 99 of 1997
Fire Brigade Services Act 99 of 1987
Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972
Formalities in respect of Leases of Land Act 18 of 1969
Hazardous Substances Act 15 of 1973
Independent Commission for the Remuneration of Public office-bearers Act 92 of 1997
Institution of Legal Proceedings against certain Organs of State Act 40 of 2002
Intergovernmental Fiscal Relations Act 97 of 1997
Intergovernmental Relations Framework Act 13 of 2005
Interim Protection of Informal Lands Rights Act 31 of 1996
Labour Relations Act 66 of 1995
Land Survey Act 8 of 1997
Less Formal Township Establishment Act 113 of 1991
Local Authorities Loans Fund Act 67 of 1984
Local Government: Municipal Demarcation Act 27 of 1998
Local Government: Municipal Electoral Act 27 of 2000
Local Government: Municipal Finance Management Act 56 of 2003
Local Government: Municipal Property Rates Act 6 of 2004
Local Government: Municipal Structures Act 117 of 1998
Local Government: Municipal Systems Act 32 of 2000
Local Government: Transition Act 209 of 1993
National and Records Services of South Africa Act 43 of 1996
National Building Regulation and Building Standards Act 103 of 1977
National Environmental Management: Air Quality Act 39 of 2004
National Environmental Management: Biodiversity Act 10 of 2004
National Environmental Management: Protected Areas Act 57 of 2003
National Veld and Forest Fire Act 101 of 1998
National Water Act 36 of 1998
National Health Act of 1997
Occupational Health and Safety Act and Regulation 85 of 1993
Organised Local Government Act 52 of 1997
Pension Benefits for Councillors of Local Authorities Act 105 of 1987
Pension Funds Act 25 of 1956
Preferential Procurement Policy Framework Act 5 of 2000

JOE GQABI DISTRICT MUNICIPALITY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GENERAL INFORMATION

RELEVANT LEGISLATION (CONTINUED)

Prescription Act 18 of 1943
Prescription Act 68 of 1969
Prevention and Combating of Corrupt Activities Act
Prevention of Illegal Eviction from an Unlawful Occupation of Land Act 19 of 1998
Promotion of Access to Information Act 2 of 2000
Promotion of Administrative Justice Act 3 of 2000
Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000
Protected Disclosures Act 26 of 2000
Public Audit Act 25 of 2004
Re-Determination of the Boundaries of Cross-Boundary Municipality Act 6 of 2005
Reconstruction and Development Programme Fund Act 7 of 1994
Regional Services Councils Act 109 of 1985
Regulation of Gatherings Act 205 of 1993
Removal of Restrictions Act 84 of 1967
Remuneration of Public Office Bearers Act 20 of 1998
Skills Development Act 97 of 1998
Skills Development Levies Act 9 of 1999
South African National Roads Agency Limited and National Roads Act 7 of 1998
Tobacco Products Control Act 83 of 1993
Traditional Leadership and Governance Framework Act 41 of 2003
Transfer of Staff to Municipalities Act 17 of 1998
Unemployment Insurance Act 63 of 2001
United Municipal Executive (Pension) Act 12 of 1958
Value Added Tax, 1991
Water Services Act 108 of 1997

MEMBERS OF THE JOE GQABI DISTRICT MUNICIPALITY

PROPORTIONAL ELECTED COUNCILLORS

Executive Mayor	Z I Dumzela
Speaker	N P Mposelwa
Councillors: JGDM	S Mei V Mbulawa B Salman D F Hartkopf X G Motloi N Ngubo L N Gova N F Mphithi

REPRESENTATIVE COUNCILLORS

Senqu Local Municipality	M W Mpelwane I Mosisidi A Kwinana G Mvunyiswa L Tokwe I van der Walt
Elundini Local Municipality	L S Baduza G M Moni SPMS Leteba D D Mvumvu L Pili
Maletswai Local Municipality	N S Mathetha S E Mbana
Gariep Local Municipality	T Z Notyke

JOE GQABI DISTRICT MUNICIPALITY

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I am responsible for the preparation of these annual consolidated financial statements year ended 30 June 2015, which are set out on pages 1 to 84 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Economic Entity. The annual consolidated financial statements have been prepared in accordance with GRAP.

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

I have reviewed the Economic Entity's cash flow forecast for the year to 30 June 2016 and I am satisfied that the Economic Entity can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Economic Entity's financial statements.

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

Mr Z A Williams
Municipal Manager

Date

JOE GQABI DISTRICT MUNICIPALITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

	Notes	ECONOMIC ENTITY		MUNICIPALITY	
		2015 R	2014 R	2015 R	2014 R
NET ASSETS AND LIABILITIES					
Net Assets		1 267 489 371	1 219 733 656	1 273 090 826	1 219 733 655
Accumulated Surplus		1 267 489 371	1 219 733 656	1 273 090 826	1 219 733 655
Non-Current Liabilities from Exchange Transactions		15 464 187	5 653 603	15 464 187	5 653 603
Long-term Liabilities	2	15 464 187	5 653 603	15 464 187	5 653 603
Non-Current Liabilities		31 819 745	28 461 773	31 819 745	28 461 773
Employee Benefits	3	31 819 745	28 461 773	31 819 745	28 461 773
Current Liabilities		22 548 912	18 485 756	22 315 618	18 263 476
Current Employee Benefits	4	22 548 912	18 485 756	22 315 618	18 263 476
Current Liabilities from Exchange Transactions		83 414 712	60 971 162	83 414 712	60 889 885
Consumer Deposits	5	868 694	834 552	868 694	834 552
Payables from Exchange Transactions	6	79 331 616	59 609 460	79 331 616	59 609 460
South African Revenue Service	8	-	81 277	-	-
Current Portion of Long-term Liabilities	2	3 214 402	445 873	3 214 402	445 873
Current Liabilities from Non-Exchange Transactions		24 243 771	25 261 750	23 718 061	24 655 502
Unspent Conditional Government Grants and Receipts	7	24 243 771	25 261 750	23 718 061	24 655 502
Total Net Assets and Liabilities		1 444 980 698	1 358 567 701	1 449 823 149	1 357 657 894
ASSETS					
Non-Current Assets		1 368 006 067	1 290 067 035	1 366 838 094	1 288 280 138
Property, Plant and Equipment	9	1 361 007 033	1 282 409 858	1 359 066 192	1 280 255 845
Investment Property	10	3 696 648	4 145 607	2 575 461	2 620 956
Intangible Assets	11	1 907 029	2 210 230	1 907 029	2 207 942
Non-Current Investments	12	1 395 357	1 301 340	3 289 412	3 195 395
Current Assets		38 066 312	41 254 806	37 683 223	41 240 517
Inventory	13	3 891 214	3 018 121	3 891 214	3 018 121
Cash and Cash Equivalents	15	34 175 098	38 236 685	33 792 009	38 222 396
Current Assets from Exchange Transactions		24 499 626	22 290 062	30 893 139	23 515 441
Receivables from Exchange Transactions	14	19 116 733	15 299 118	25 642 539	16 524 497
South African Revenue Services	8	5 382 893	6 990 944	5 250 600	6 990 944
Current Assets from Non-Exchange Transactions		14 408 693	4 955 798	14 408 693	4 621 798
Unpaid Conditional Government Grants and Receipts	7	14 408 693	4 955 798	14 408 693	4 621 798
Total Assets		1 444 980 699	1 358 567 701	1 449 823 149	1 357 657 894

JOE GQABI DISTRICT MUNICIPALITY

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

	Notes	ECONOMIC ENTITY		MUNICIPALITY	
		2015 R	2014 R	2015 R	2014 R
REVENUE					
Revenue from Non-exchange Transactions		443 713 860	434 184 243	443 643 212	433 582 575
Transfer Revenue		441 570 673	431 203 704	441 500 025	430 597 563
Government Grants and Subsidies - Capital	16	129 947 364	106 143 911	129 947 364	106 143 911
Government Grants and Subsidies - Operating	16	311 623 310	318 255 021	311 552 662	317 698 881
Public Contributions and Donations	17	-	4 375 630	-	4 325 630
Transfer of Function	18	-	2 429 142	-	2 429 142
Other Revenue		2 143 187	2 980 539	2 143 187	2 985 012
Foreign Exchange Gains	19	(23 783)	722 904	(23 783)	722 904
Actuarial Gains	20	2 166 970	2 257 635	2 166 970	2 257 635
Reversal of Impairments	21	-	-	-	4 473
Revenue from Exchange Transactions		98 303 599	68 946 759	98 300 872	68 890 271
Service Charges	22	83 995 495	41 857 414	83 995 495	41 857 414
Government Services	23	4 248 864	18 405 706	4 248 864	18 405 706
Interest Earned - External Investments	24	3 903 522	3 296 072	3 900 795	3 239 584
Interest Earned - Outstanding Debtors	25	5 808 469	4 379 314	5 808 469	4 379 314
Other Income	26	347 249	1 008 253	347 249	1 008 253
Total Revenue		542 017 459	503 131 002	541 944 084	502 472 846
EXPENDITURE					
Employee Related Costs	27	156 586 995	132 938 521	153 126 238	130 157 607
Remuneration of Councillors	28	5 266 072	5 024 336	5 266 072	5 024 336
Remuneration of Directors	29	394 775	315 375	-	-
Debt Impairment	30	74 777 017	41 523 170	74 777 017	41 522 420
Impairments	31	404 250	45 831 406	-	45 831 406
Depreciation and Amortisation	32	44 450 338	42 516 578	44 239 826	42 311 115
Repairs and Maintenance	33	15 717 803	30 492 858	15 717 803	30 490 687
Actuarial Losses	20	-	-	-	-
Finance Charges	34	5 001 847	3 967 934	5 001 847	3 967 934
Contracted services	35	20 934 522	20 740 626	20 934 522	20 740 626
Bulk Purchases	36	3 003 666	2 473 512	3 003 666	2 473 512
Grants and Subsidies Paid	37	-	-	2 444 509	5 154 594
Inventory Adjustments		(10 409)	(24 383)	(10 409)	(24 383)
Operating Grant Expenditure	38	77 824 552	111 148 245	77 824 552	111 148 245
Emergency Drought Relief		4 539 939	3 940 821	4 539 939	3 940 821
General Expenses	39	81 142 517	67 196 830	77 492 824	64 696 989
Loss on disposal of Property, Plant and Equipment	40	4 227 857	3 201 291	4 228 506	3 201 291
Total Expenditure		494 261 741	511 287 122	488 586 912	510 637 201
NET (DEFICIT)/SURPLUS FOR THE YEAR		47 755 718	(8 156 119)	53 357 172	(8 164 355)

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JOE GQABI DISTRICT MUNICIPALITY

**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED
30 JUNE 2015**

	ECONOMIC ENTITY	MUNICIPALITY
	Accumulated Surplus	Accumulated Surplus R
Balance at 1 July 2012	1 218 803 055	1 218 811 290
Correction of Error - Note 42	9 086 724	9 086 724
Restated balance at 1 July 2012	1 227 889 779	1 227 898 014
Net Surplus for the year	(8 156 122)	(8 164 359)
Balance at 30 June 2013	1 219 733 656	1 219 733 655
Net Deficit for the year	47 755 715	53 357 171
Balance at 30 June 2014	1 267 489 371	1 273 090 826

JOE GQABI DISTRICT MUNICIPALITY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	ECONOMIC ENTITY		MUNICIPALITY	
		2015 R	2014 R	2015 R	2014 R
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Service charges and other		36 631 563	22 678 419	31 885 815	23 347 747
Government grants		431 085 907	441 731 081	430 751 907	441 467 923
Interest		9 711 991	7 675 386	9 709 264	7 618 898
Payments					
Suppliers and Employees		(358 379 296)	(359 698 942)	(350 874 071)	(354 119 249)
Finance Charges		(851 895)	(721 338)	(851 895)	(721 338)
Transfers and Grants		-	-	(2 786 740)	(3 129 000)
Net Cash from Operating Activities	43	118 198 270	111 664 605	117 834 280	114 464 981
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment		(126 818 087)	(100 270 512)	(126 816 897)	(100 212 690)
Proceeds from sale of Property, Plant and Equipment		-	-	-	-
Purchase of Intangible Assets		(115 374)	-	(115 374)	-
Purchase of Investment Property		-	-	-	-
(Increase)/Decrease in Non-current Investments		(94 017)	(94 017)	(94 017)	(94 017)
Net Cash from Investing Activities		(127 027 477)	(100 364 529)	(127 026 287)	(100 306 707)
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in Consumer Deposits		34 142	663 803	34 140	663 803
Decrease in Long-term Liabilities		4 732 920	(444 996)	4 726 922	(445 000)
Net Cash from Financing Activities		4 767 062	218 807	4 761 062	218 803
NET INCREASE IN CASH AND CASH EQUIVALENTS		(4 062 145)	11 518 883	(4 430 945)	14 377 077
Cash and Cash Equivalents at the beginning of the year		38 237 243	26 718 360	38 222 954	23 845 877
Cash and Cash Equivalents at the end of the year	44	34 175 098	38 237 243	33 792 009	38 222 954
NET INCREASE IN CASH AND CASH EQUIVALENTS		(4 062 145)	11 518 883	(4 430 945)	14 377 077

JOE GQABI DISTRICT MUNICIPALITY

CONSOLIDATED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2015

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
Total current assets	65 976 738	(37 076 809)	28 899 929	76 974 631	48 074 702
Total non-current assets	1 416 350 000	(121 460 480)	1 294 889 520	1 368 006 067	73 116 547
Total current liabilities	77 376 000	80 117 081	157 493 081	130 207 395	(27 285 685)
Total non-current liabilities	20 106 000	27 849 090	47 955 090	47 283 932	(671 158)
Total Net Assets	1 384 844 738	(266 503 459)	1 118 341 279	1 267 489 371	149 148 092
STATEMENT OF FINANCIAL PERFORMANCE					
Revenue					
Government Grants and Subsidies - Capital	209 478 000	13 637 976	223 115 976	129 947 364	(93 168 612)
Government Grants and Subsidies - Operating	260 457 487	(7 507 768)	252 949 719	311 623 310	58 673 591
Foreign Exchange Gains	-	-	-	(23 783)	(23 783)
Actuarial Gains	-	-	-	2 166 970	2 166 970
Service Charges	55 945 848	11 167 540	67 113 388	83 995 495	16 882 107
Government Services	-	1 072 209	1 072 209	4 248 864	3 176 655
Interest Earned - External Investments	2 403 905	1 959 136	4 363 041	3 903 522	(459 519)
Interest Earned - Outstanding Debtors	4 214 236	-	4 214 236	5 808 469	1 594 233
Other Income	2 894 784	81 885	2 976 669	347 249	(2 629 420)
Total Revenue	535 394 260	20 410 978	555 805 238	542 017 459	(13 787 779)
Expenditure					
Employee Related Costs	150 201 039	11 621 726	161 822 765	156 586 995	(5 235 770)
Remuneration of Councillors	5 743 409	-	5 743 409	5 266 072	(477 337)
Remuneration of Directors	297 000	100 000	397 000	394 775	(2 225)
Debt Impairment	26 090 958	11 511 903	37 602 861	74 777 017	37 174 156
Impairments	-	-	-	404 250	404 250
Depreciation and Amortisation	46 538 456	540 000	47 078 456	44 450 338	(2 628 118)
Repairs and Maintenance	9 220 701	5 997 028	15 217 729	15 717 803	500 074
Finance Charges	4 120 926	(1 369 139)	2 751 787	5 001 847	2 250 060
Contracted services	43 019 536	1 735 864	44 755 400	20 934 522	(23 820 878)
Bulk Purchases	5 068 800	(1 300 000)	3 768 800	3 003 666	(765 134)
Grants and Subsidies Paid	2 786 740	-	2 786 740	-	(2 786 740)
Inventory Adjustments	-	-	-	(10 409)	(10 409)
Operating Grant Expenditure	92 517 202	(8 601 972)	83 915 230	77 824 552	(6 090 678)
Emergency Drought Relief	5 000 000	-	5 000 000	4 539 939	(460 061)
General Expenses	97 238 652	9 812 865	107 051 517	81 142 517	(25 909 000)
Loss on disposal of Property, Plant and Equipment	-	-	-	4 227 857	4 227 857
Total Expenditure	487 843 419	30 048 275	517 891 694	494 261 741	(23 629 953)
Net surplus for the year	47 550 841	(9 637 297)	37 913 544	47 755 718	9 842 174
CASH FLOW STATEMENT					
Net Cash Flow from Operating Activities	107 951 891	(23 450 588)	84 501 303	118 198 270	33 696 967
Net Cash Flow from Investing Activities	(119 997 322)	(25 828 410)	(145 825 732)	(127 027 477)	18 798 255
Net Cash Flow from Financing Activities	(1 000 800)	15 651 119	14 650 319	4 767 062	(9 883 256)
Net increase/(decrease) in cash and cash equivalents	(13 046 230)	(33 627 880)	(46 674 110)	(4 062 145)	42 611 965

The Consolidated Statement of Comparison of Budget and Actual is disclosed in terms of paragraph 32 of GRAP 24. Paragraph 32 of GRAP 24 states that separate budgets may be recompiled in order for consolidated disclosure purposes. The Economic Entity applied to National Treasury for exemption from having to prepare a Consolidate Budget for which National Treasury has granted the exemption. Therefore, the Economic Entity opted to apply paragraph 32 in order to recompile a consolidated budget based on the approved budgets of Joe Gqabi District Municipality and Joe Gqabi Economic Development Agency (SoC) Ltd.

Refer to note 58 for explanations of material variances between the original and final budget.

Refer to note 58 for explanations of material variances between actual amounts and the final budget.

Material variances are considered to be any variances greater than R4 million.

JOE QGABI DISTRICT MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2015

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
Total current assets	65 921 738	(37 076 809)	28 844 929	82 642 824	53 797 895
Total non-current assets	1 413 008 000	(121 460 480)	1 291 547 520	1 366 838 094	75 290 574
Total current liabilities	76 031 000	80 117 081	156 148 081	129 448 392	(26 699 688)
Total non-current liabilities	20 106 000	27 849 090	47 955 090	47 283 932	(671 158)
Total Net Assets	1 382 792 738	(266 503 459)	1 116 289 279	1 272 748 594	156 459 315

STATEMENT OF FINANCIAL PERFORMANCE

Revenue					
Government Grants and Subsidies - Capital	209 478 000	13 637 976	223 115 976	129 947 364	(93 168 612)
Government Grants and Subsidies - Operating	254 204 227	(8 214 768)	245 989 459	311 552 662	65 563 203
Public Contributions and Donations	-	-	-	-	-
Transfer of Function	-	-	-	-	-
Foreign Exchange Gains	-	-	-	-	-
Actuarial Gains	-	-	-	2 166 970	2 166 970
Reversal of Impairment	-	-	-	-	-
Service Charges	55 945 848	11 167 540	67 113 388	83 995 495	16 882 107
Government Services	-	1 072 209	1 072 209	4 248 864	3 176 655
Interest Earned - External Investments	2 393 905	1 959 136	4 353 041	3 900 795	(452 246)
Interest Earned - Outstanding Debtors	4 214 236	-	4 214 236	5 808 469	1 594 233
Other Income	2 894 784	81 885	2 976 669	347 249	(2 629 420)
Total Revenue	529 131 000	19 703 978	548 834 978	541 967 867	(6 867 111)
Expenditure					
Employee Related Costs	147 124 039	11 621 726	158 745 765	153 126 238	(5 619 527)
Remuneration of Councillors	5 743 409	-	5 743 409	5 266 072	(477 337)
Debt Impairment	26 090 958	11 511 903	37 602 861	74 777 017	37 174 156
Impairments	-	-	-	-	-
Depreciation and Amortisation	46 357 456	500 000	46 857 456	44 239 826	(2 617 630)
Repairs and Maintenance	9 220 701	5 997 028	15 217 729	15 717 803	500 074
Finance Charges	4 120 926	(1 369 139)	2 751 787	5 001 847	2 250 060
Contracted services	43 019 536	1 735 864	44 755 400	20 934 522	(23 820 878)
Bulk Purchases	5 068 800	(1 300 000)	3 768 800	3 003 666	(765 134)
Grants and Subsidies Paid	2 786 740	-	2 786 740	2 786 740	-
Inventory Adjustments	-	-	-	(10 409)	(10 409)
Operating Grant Expenditure	92 517 202	(8 601 972)	83 915 230	77 824 552	(6 090 678)
Emergency Drought Relief	5 000 000	-	5 000 000	4 539 939	(460 061)
General Expenses	91 858 652	9 245 865	101 104 517	77 492 824	(23 611 693)
Loss on disposal of Property, Plant and Equipment	-	-	-	4 228 506	4 228 506
Total Expenditure	478 908 419	29 341 275	508 249 694	488 929 143	(19 320 551)
Net surplus for the year	50 222 581	(9 637 297)	40 585 284	53 038 724	12 453 440

CASH FLOW STATEMENT

Net Cash Flow from Operating Activities	105 241 891	(20 843 588)	84 398 303	117 834 280	33 435 977
Net Cash Flow from Investing Activities	(120 105 322)	(25 828 410)	(145 933 732)	(127 026 288)	18 907 444
Net Cash Flow from Financing Activities	(1 000 800)	15 651 119	14 650 319	4 761 064	(9 889 255)
Net increase/(decrease) in cash and cash equivalents	(15 864 230)	(31 020 880)	(46 885 110)	(4 430 945)	42 454 165

OPERATING EXPENDITURE BY VOTE

Management Services	32 162 199	1 602 425	33 764 624	32 689 290	(1 075 334)
Financial Services	67 311 316	15 807 774	83 119 090	82 189 720	(929 370)
Corporate Services	39 723 838	8 649 324	48 373 162	44 410 866	(3 962 296)
Technical Services	293 532 401	(2 649 859)	290 882 542	286 893 610	(3 988 932)
Community Services	46 178 665	5 931 611	52 110 276	42 745 654	(9 364 622)
Total	478 908 419	29 341 275	508 249 694	488 929 140	(19 320 554)

CAPITAL EXPENDITURE BY VOTE

Management Services	-	-	-	-	-
Financial Services	250 000	-	250 000	-	(250 000)
Corporate Services	1 584 580	16 275	1 600 855	859 941	(740 914)
Technical Services	117 801 756	25 963 135	143 764 891	125 727 878	(18 037 013)
Community Services	700 000	80 000	780 000	229 078	(550 922)
Total	120 336 336	26 059 410	146 395 746	126 816 897	(19 578 849)

Refer to note 58 for explanations of material variances between the original and final budget.

Refer to note 58 for explanations of material variances between actual amounts and the final budget.

Material variances are considered to be any variances greater than R4 million.

JOE QQABI DISTRICT MUNICIPALITY

CONSOLIDATED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2015

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
Total current assets	49 130 231	(4 118 249)	45 011 982	82 985 055	37 973 073
Total non-current assets	1 287 645 201	20 105 662	1 307 750 863	1 366 838 094	59 087 231
Total current liabilities	59 128 461	26 185 332	85 313 792	129 448 391	44 134 599
Total non-current liabilities	20 106 211	22 016 469	42 122 680	47 283 932	5 161 252
Total Net Assets	1 257 540 761	(32 214 388)	1 225 326 373	1 273 090 826	47 764 453

STATEMENT OF FINANCIAL PERFORMANCE

Revenue					
Government Grants and Subsidies - Capital	185 294 000	31 284 000	216 578 000	129 947 364	(86 630 636)
Government Grants and Subsidies - Operating	227 467 835	52 888 000	280 355 835	311 552 662	31 196 827
Public Contributions and Donations	-	3 365 000	3 365 000	-	(3 365 000)
Transfer of Function	-	27 553 163	27 553 163	-	(27 553 163)
Foreign Exchange Gains	-	-	-	(23 783)	(23 783)
Actuarial Gains	-	-	-	2 166 970	2 166 970
Reversal of Impairment	-	-	-	-	-
Service Charges	23 680 424	16 024 693	39 705 117	83 995 495	44 290 378
Government Services	17 826 000	3 998 616	21 824 616	4 248 864	(17 575 752)
Interest Earned - External Investments	2 665 900	645 445	3 311 345	3 900 795	589 450
Interest Earned - Outstanding Debtors	1 533 199	2 131 355	3 664 554	5 808 469	2 143 915
Other Income	2 628 268	987 000	3 615 268	347 249	(3 268 019)
Total Revenue	461 095 626	138 877 272	599 972 898	541 944 084	(58 028 814)
Expenditure					
Employee Related Costs	120 544 494	19 998 389	140 542 883	153 126 238	12 583 355
Remuneration of Councillors	5 352 231	(84 219)	5 268 012	5 266 072	(1 940)
Debt Impairment	8 386 214	43 144 262	51 530 476	74 777 017	23 246 541
Impairments	8 274 425	40 133 500	48 407 925	-	(48 407 925)
Depreciation and Amortisation	44 812 137	1 170 000	45 982 137	44 239 826	(1 742 311)
Repairs and Maintenance	27 151 905	9 001 979	36 153 884	15 717 803	(20 436 081)
Finance Charges	3 271 543	780 849	4 052 392	5 001 847	949 455
Contracted services	47 274 724	(22 461 227)	24 813 497	20 934 522	(3 878 975)
Bulk Purchases	742 000	3 258 000	4 000 000	3 003 666	(996 334)
Grants and Subsidies Paid	14 132 998	(8 358 998)	5 774 000	2 444 509	(3 329 491)
Inventory Adjustments	27 030	19 100	46 130	(10 409)	(56 539)
Operating Grant Expenditure	71 683 994	51 534 464	123 218 458	77 824 552	(45 393 906)
Emergency Drought Relief	848 000	3 612 000	4 460 000	4 539 939	79 939
General Expenses	72 676 836	8 480 238	81 157 074	77 492 824	(3 664 250)
Loss on disposal of Property, Plant and Equipment	310 655	-	310 655	4 228 506	3 917 851
Total Expenditure	425 489 186	150 228 337	575 717 523	488 586 912	(87 130 611)
Net surplus for the year	35 606 440	(11 351 065)	24 255 375	53 357 172	29 101 797

CASH FLOW STATEMENT

Net Cash Flow from Operating Activities	92 263 416	16 162 318	108 425 734	117 834 280	9 408 546
Net Cash Flow from Investing Activities	(92 377 227)	(21 052 611)	(113 429 838)	(127 026 287)	(13 596 449)
Net Cash Flow from Financing Activities	(395 811)	(359 567)	(755 378)	4 761 062	5 516 440
Net increase/(decrease) in cash and cash equivalents	(509 622)	(5 249 860)	(5 759 482)	(4 430 945)	1 328 537

OPERATING EXPENDITURE BY VOTE

Management Services	24 540 874	9 540 697	34 081 571	30 877 973	(3 203 598)
Financial Services	24 054 778	618 306	24 673 084	21 888 005	(2 785 079)
Corporate Services	32 750 731	5 050 047	37 800 778	35 862 653	(1 938 125)
Technical Services	273 009 535	154 837 187	427 846 722	385 477 594	(42 369 128)
Community Services	71 133 268	(19 817 900)	51 315 368	41 740 379	(9 574 989)
Total	425 489 186	150 228 337	575 717 523	515 846 604	(59 870 919)

CAPITAL EXPENDITURE BY VOTE

Management Services	378 000	(268 000)	110 000	-	(110 000)
Financial Services	250 000	-	250 000	21 750	(228 250)
Corporate Services	145 000	783 000	928 000	412 072	(515 928)
Technical Services	105 745 614	67 005 590	172 751 204	99 610 310	(73 140 894)
Community Services	-	534 768	534 768	168 557	(366 211)
Total	106 518 614	68 055 358	174 573 972	100 212 689	(74 361 283)

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Material variances are considered to be any variances greater than R4 million.

JOE QQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
2 LONG-TERM LIABILITIES				
Annuity Loans - At amortised cost	18 678 589	6 099 476	18 678 589	6 099 476
Less: Current Portion transferred to Current Liabilities	(3 214 402)	(445 873)	(3 214 402)	(445 873)
Total - At amortised cost using the effective interest rate method	15 464 187	5 653 603	15 464 187	5 653 603

Annuity loans at amortised cost are calculated at 10.00% - 11.52% interest rate, with the first maturity date of 30 June 2016 and the last maturity date of 31 December 2024. The loans are for the main municipal building in Barkly East and sanitation infrastructure.

Included in Non-current Investments as per note 12 is an amount of R1 301 340 (2013 - R1 207 323) held as guarantee by the DBSA.

The obligations under annuity loans are scheduled below

	Minimum annuity payments		Minimum annuity payments	
	2015 R	2014 R	2015 R	2014 R
Amounts payable under annuity loans				
Payable within one year	2 457 530	1 132 215	2 457 530	1 132 215
Payable within two to five year:	9 176 663	4 038 766	9 176 663	4 038 766
Payable after five year:	4 359 826	5 328 676	4 359 826	5 328 676
	15 994 020	10 499 657	15 994 020	10 499 657
Less: Future finance obligations	(5 167 621)	(4 000 663)	(5 167 621)	(4 000 663)
Present value of annuity obligations	10 826 398	6 099 476	10 826 398	6 099 476

The obligations under finance leases are scheduled below

	Minimum annuity payments		Minimum annuity payments	
	2015 R	2014 R	2015 R	2014 R
Amounts payable under annuity loans				
Payable within one year	2 549 315	-	2 549 315	-
Payable within two to five year:	6 480 625	-	6 480 625	-
Payable after five year:	-	-	-	-
	9 029 940	-	9 029 940	-
Less: Future finance obligations	(1 177 749)	-	(1 177 749)	-
Present value of annuity obligations	7 852 191	-	7 852 191	-

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
3 EMPLOYEE BENEFITS				
Post Retirement Medical Obligations - refer to note 3.1	27 568 916	24 913 655	27 568 916	24 913 655
Ex Gratia Gratuities - refer to note 3.2	226 041	241 443	226 041	241 443
Long Service Awards - refer to note 3.3	4 024 788	3 306 675	4 024 788	3 306 675
Total Non-current Employee Benefit Liabilities	31 819 745	28 461 773	31 819 745	28 461 773

Post Retirement Medical Obligations

	2015 R	2014 R	2015 R	2014 R
Balance 1 July	26 042 591	23 852 475	26 042 591	23 852 475
Contribution for the year	5 782 683	4 415 368	5 782 683	4 415 368
Expenditure for the year	(955 643)	(954 766)	(955 643)	(954 766)
Actuarial (Gain)/Loss	(2 157 631)	(1 792 476)	(2 157 631)	(1 792 476)
Transfer of function from Local Municipalities - note 1f	-	521 990	-	521 990
Total post retirement medical obligation 30 June	28 712 000	26 042 591	28 712 000	26 042 591
Less: Transfer of current portion to Current Employee Benefits - note 4	(1 143 084)	(1 128 936)	(1 143 084)	(1 128 936)
Balance 30 June	27 568 916	24 913 655	27 568 916	24 913 655

Ex Gratia Gratuities

	2015 R	2014 R	2015 R	2014 R
Balance 1 July	438 929	458 511	438 929	458 511
Contribution for the year	37 720	47 087	37 720	47 087
Expenditure for the year	(21 586)	(52 167)	(21 586)	(52 167)
Actuarial Gain	(65 118)	(14 502)	(65 118)	(14 502)
Total ex gratia provision 30 June	389 945	438 929	389 945	438 929
Less: Transfer of current portion to Current Employee Benefits - note 4	(163 904)	(197 486)	(163 904)	(197 486)
Balance 30 June	226 041	241 443	226 041	241 443

Long Service Awards

	2015 R	2014 R	2015 R	2014 R
Balance 1 July	4 391 168	3 865 395	4 391 168	3 865 395
Contribution for the year	983 127	861 623	983 127	861 623
Expenditure for the year	(599 734)	(276 079)	(599 734)	(276 079)
Actuarial Gain	55 780	(450 657)	55 780	(450 657)
Transfer of function from Local Municipalities - note 1f	-	390 886	-	390 886
Total long service 30 June	4 830 341	4 391 168	4 830 341	4 391 168
Less: Transfer of current portion to Current Employee Benefits - note 4	(805 553)	(1 084 493)	(805 553)	(1 084 493)
Balance 30 June	4 024 788	3 306 675	4 024 788	3 306 675

JOE QQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
TOTAL EMPLOYEE BENEFITS				
Balance 1 July	30 872 688	28 176 381	30 872 688	28 176 381
Contribution for the year	6 803 530	5 324 078	6 803 530	5 324 078
Expenditure for the year	(1 576 962)	(1 283 012)	(1 576 962)	(1 283 012)
Actuarial (Gain)/Loss	(2 166 970)	(2 257 635)	(2 166 970)	(2 257 635)
Transfer of function from Local Municipalities - note 1f	-	912 876	-	912 876
Total employee benefits 30 June	33 932 286	30 872 688	33 932 286	30 872 688
Less: Transfer of current portion to Current Employee Benefits - note 4	(2 112 541)	(2 410 915)	(2 112 541)	(2 410 915)
Balance 30 June	31 819 745	28 461 773	31 819 745	28 461 773

	2015 Employees	2014 Employees	2015 Employees	2014 Employees
3.1 Post Retirement Medical Obligations				
The Post Retirement Medical Obligation is a defined benefit plan, of which the members are made up as follows:				
In-service (employee) members	168	175	168	175
Continuation members (e.g. Retirees, widows, orphans)	32	34	32	34
Total Members	200	209	200	209

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

Bonitas
LA Health
Hosmed
SAMWU Medical Aid

	2015 %	2014 %	2015 %	2014 %
Key actuarial assumptions used				
i) Rate of interest				
Discount rate	9.02	9.09	9.02	9.09
Health Care Cost Inflation Rate	8.18	8.34	8.18	8.34
Net Effective Discount Rate	0.78	0.70	0.78	0.70

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping".

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age

iii) Normal retirement age

The normal retirement age for employees of the Economic Entity is

Male: 63 years
Female: 58 years

The liability in respect of past service recognised in the Statement of Financial Position is as follows (both Economic Entity and Municipality):

	In-Service Members R	Continuation Members R	Present value of fund obligations R
30 June 2015	19 080 662	9 631 382	28 712 044
30 June 2014	16 280 000	9 762 591	26 042 591
30 June 2013	13 959 000	9 893 475	23 852 475
30 June 2012	7 546 000	10 067 224	17 613 224
30 June 2011	5 027 000	9 387 811	14 414 811
30 June 2010	6 127 444	8 626 501	14 753 945

The Economic Entity has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows (both Economic Entity and Municipality):

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2015	(875 000)	-
30 June 2014	2 068 000	-
30 June 2013	5 866 000	-
30 June 2012	815 000	-
30 June 2011	(4 109 000)	-
30 June 2010	(416 000)	-

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
Reconciliation of present value of fund obligation:				
Present value of fund obligation at the beginning of the year	26 042 591	23 852 475	26 042 591	23 852 475
Total contributions	4 827 040	3 460 602	4 827 040	3 460 602
Current service cost	2 541 768	1 816 619	2 541 768	1 816 619
Interest Cost	3 240 915	2 598 749	3 240 915	2 598 749
Benefits Paid	(955 643)	(954 766)	(955 643)	(954 766)
Actuarial (Gain)/Loss	(2 157 631)	(1 792 476)	(2 157 631)	(1 792 476)
Transfer of function from Local Municipalities - note 1E	-	521 990	-	521 990
Present value of fund obligation at the end of the year	28 712 000	26 042 591	28 712 000	26 042 591
Less: Transfer of current portion to Current Employee Benefits - note 4	(1 143 084)	(1 128 936)	(1 143 084)	(1 128 936)
Balance 30 June	27 568 916	24 913 655	27 568 916	24 913 655

Sensitivity Analysis on the Current-service and Interest Costs (both Economic Entity and Municipality):

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		2 541 800	3 240 900	5 782 700	
Health care inflation	+1%	3 158 300	3 021 900	6 180 200	20%
Health care inflation	-1%	2 066 400	2 256 200	4 322 600	-16%
Discount rate	+1%	2 091 900	3 106 100	5 198 000	-10%
Discount rate	-1%	3 131 100	3 383 000	6 514 100	13%
Post-retirement mortality	-1 year	2 633 500	2 706 300	5 339 800	4%
Average retirement age	-1 year	2 556 100	2 790 600	5 346 700	4%
		2015	2014	2015	2014
		%	%	%	%

3.2 Ex Gratia Gratuities

The Ex Gratia Gratuities plans are defined benefit plans. As at year end 46 employees (2013 - 56) were eligible for Ex Gratia Gratuities

Key actuarial assumptions used

i) Rate of interest

Discount rate	7.97	7.80
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The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping".

Present value of fund obligations

The liability in respect of past service recognised in the Statement of Financial Position is as follows (both Economic Entity and Municipality):

30 June 2015	389 945
30 June 2014	438 929
30 June 2013	458 511
30 June 2012	524 447
30 June 2011	516 817
30 June 2010	548 160

The Economic Entity has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
-----------------------------	------------------------

Experience adjustments were calculated as follows (both Economic Entity and Municipality):

30 June 2015	112 184	-
30 June 2014	(7 526)	-
30 June 2013	76 238	-
30 June 2012	91 931	-
30 June 2011	23 956	-
30 June 2010	101 109	-

JOE QGABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
Reconciliation of present value of fund obligation:				
Present value of fund obligation at the beginning of the year	438 929	458 511	438 929	458 511
Total contributions	16 134	(5 080)	16 134	(5 080)
Current service cost	11 028	19 185	11 028	19 185
Interest Cost	26 692	27 902	26 692	27 902
Benefits Paid	(21 586)	(52 167)	(21 586)	(52 167)
Actuarial Gain	(65 118)	(14 502)	(65 118)	(14 502)
Present value of fund obligation at the end of the year	389 945	438 929	389 945	438 929
Less: Transfer of current portion to Current Employee Benefits - note 4	(163 904)	(197 486)	(163 904)	(197 486)
Present value of fund obligation at the end of the year	226 041	241 443	226 041	241 443

The liability is unfunded

Sensitivity Analysis on the Current-service and Interest Costs (both Economic Entity and Municipality):

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		11 028	26 692	37 720	
Discount Rate	+1%	10 752	29 221	39 973	6%
Discount Rate	-1%	11 322	24 007	35 329	-6%
Average retirement age	-1 year	10 056	26 525	36 581	-3%

3.3 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. Long service awards were calculated for 502 employees (2013 - 416), but they are not all eligible for payment in the same year.

Key actuarial assumptions used	2015 %	2014 %	2015 %	2014 %
i) Rate of interest				
Discount rate	7.78	7.59	7.78	7.59
General Salary Inflation (long-term)	6.96	6.89	6.96	6.89
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.77	0.65	0.77	0.65

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping".

The liability in respect of past service recognised in the Statement of Financial Position is as follows (both Economic Entity and Municipality):

	Present value of fund obligations R
30 June 2015	4 830 341
30 June 2014	4 391 167
30 June 2013	3 865 395
30 June 2012	2 735 251
30 June 2011	1 871 614
30 June 2010	1 582 371

The Economic Entity has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows (both Economic Entity and Municipality):

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2015	577 526	-
30 June 2014	54 616	-
30 June 2013	762 433	-
30 June 2012	325 639	-
30 June 2011	(82 814)	-
30 June 2010	(322 434)	-

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
Reconciliation of present value of fund obligation:				
Present value of fund obligation at the beginning of the year	4 391 168	3 865 395	4 391 168	3 865 395
Total contributions	383 393	585 544	383 393	585 544
Current service cost	690 301	611 937	690 301	611 937
Interest Cost	292 826	249 686	292 826	249 686
Benefits Paid	(599 734)	(276 079)	(599 734)	(276 079)
Actuarial Gain	55 780	(450 657)	55 780	(450 657)
Transfer of function from Local Municipalities - note 1c	-	390 886	-	390 886
Present value of fund obligation at the end of the year	4 830 341	4 391 168	4 830 341	4 391 168
Less: Transfer of current portion to Current Employee Benefits - note d	(805 553)	(1 084 493)	(805 553)	(1 084 493)
Balance 30 June	4 024 788	3 306 675	4 024 788	3 306 675

The liability is unfunded

Sensitivity Analysis on the Current-service and Interest Costs (both Economic Entity and Municipality):

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		690 300	292 800	983 100	
General salary inflator	+1%	734 700	308 800	1 043 500	6%
General salary inflator	-1%	650 000	278 200	928 200	-6%
Average retirement age	-2 years	642 200	264 500	906 700	-8%
Average retirement age	+2 years	730 500	312 900	1 043 400	6%
Withdrawal Rate	-50%	871 300	348 100	1 219 400	24%

3.4 Retirement Funds

The Cape Retirement Fund is a multi-employer plan. This means that there are multiple local authorities that participate in this fund. In terms of GRAP 25, a multi-employer plan is defined as defined benefit plans. GRAP 25 also states that where insufficient information is available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

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

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

Therefore, although the Cape Retirement Fund is defined as a defined benefit plan, it will be accounted for as a defined contribution plan

CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund was in a sound financial position with a funding level of 100.2% (30 June 2012 - 99.9%).

	2015 R	2014 R	2015 R	2014 R
Contributions paid recognised in the Statement of Financial Performance	7 035 588	5 847 969	7 035 588	5 847 969

DEFINED CONTRIBUTION FUNDS

Council contributes to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund, SAMWU National Provident Fund and SALA Pension fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Government Employees Pension Fund	699 120	696 309	699 120	696 309
Municipal Councillors Pension Fund	392 931	370 068	392 931	370 068
IMATU Retirement Fund	23 491	35 777	23 491	35 777
SAMWU National Provident Fund	2 647 174	2 365 580	2 647 174	2 365 580
SALA Pension Fund	1 227 846	904 090	1 227 846	904 090
	4 990 563	4 371 825	4 990 563	4 371 825

JOE QGABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
4 CURRENT EMPLOYEE BENEFITS				
Staff Bonuses Accrued	4 530 686	3 929 971	4 418 437	3 828 927
Provision for Staff Leave	12 551 382	9 599 023	12 430 338	9 477 787
Provision for Performance Bonuses	2 920 609	2 162 028	2 920 609	2 162 028
Other Provisions	433 694	383 819	433 694	383 819
Current Portion of Non-Current Employee Benefits	2 112 541	2 410 915	2 112 541	2 410 915
Current Portion of Post Retirement Benefits - note 3	1 143 084	1 128 936	1 143 084	1 128 936
Current Portion of Ex Gratia Gratuities - note 3	163 904	197 486	163 904	197 486
Current Portion of Long-Service Awards - note 3	805 553	1 084 493	805 553	1 084 493
Total Current Employee Benefits	22 548 912	18 485 756	22 315 618	18 263 476

The movement in current employee benefits is reconciled as follows:

Staff Bonuses Accrued

Balance at beginning of year	3 929 971	3 398 086	3 828 927	3 305 720
Contribution to current portion	8 323 669	3 780 304	8 211 420	3 679 260
Expenditure incurred	(7 722 954)	(3 398 086)	(7 621 910)	(3 305 720)
Transfer of function from Local Municipalities - note 1f	-	149 667	-	149 667
Balance at end of year	4 530 686	3 929 971	4 418 437	3 828 927

Bonuses are being paid to all municipal staff, excluding Directors Technical Services, Community Services and Financial Services who have structured their contracts differently. The balance at year end represents the portion of the bonus that have already vested for the current salary cycle. This bonus will be paid out in November of each year or pro-rata when employment is terminated.

Provision for Staff Leave

Balance at beginning of year	9 599 023	7 910 695	9 477 787	7 821 446
Contribution to current portion	4 621 678	2 247 432	4 547 929	2 194 316
Expenditure incurred	(1 669 319)	(947 277)	(1 595 378)	(926 148)
Transfer of function from Local Municipalities - note 1f	-	388 173	-	388 173
Balance at end of year	12 551 382	9 599 023	12 430 338	9 477 787

Staff leave is accrued to employees according to a collective agreement. Provision is made for the full cost of accrued leave at the reporting date. This provision will be realised as employees take leave or when employment is terminated.

Provision for Performance Bonuses

Balance at beginning of year	2 162 028	1 475 159	2 162 028	1 475 159
Contribution to current portion	2 136 073	1 634 150	2 136 073	1 634 150
Expenditure incurred	(1 377 492)	(947 281)	(1 377 492)	(947 281)
Balance at end of year	2 920 609	2 162 028	2 920 609	2 162 028

Performance bonuses are being provided for and only paid to the Municipal Manager, Directors and middle management after an evaluation of performance by the council.

Other Provisions

Balance at beginning of year	383 819	626 742	383 819	626 742
Finance charges	49 875	370 259	49 875	370 259
Expenditure incurred	-	(613 182)	-	(613 182)
Balance at year end	433 694	383 819	433 694	383 819

Other provisions are non-recurring provisions which consists out of the following at year end:

Shortfall in annual earnings of Cape Joint Pension Fund

It was reported that the established investment return of the fund for the 2009 financial year was -0.94%. Local authorities, including the Economic Entity, associated with the fund are under an obligation to contribute pro-rata to the fund such a sum as will make up for any shortfall between the actual earnings and an investment return of 5.5% on all its assets.

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
5 CONSUMER DEPOSITS				
Water	868 694	834 552	868 694	834 552
Total Consumer Deposits	868 694	834 552	868 694	834 552

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
6 PAYABLES FROM EXCHANGE TRANSACTIONS				
Trade Payables	70 708 330	49 973 778	70 708 330	49 973 778
Interest Accrued	339 177	174 231	339 177	174 231
Other Payables	101 514	-	101 514	-
Unallocated Receipts	29 102	-	29 102	-
Payments received in advance	3 202 226	3 397 434	3 202 226	3 397 434
Local Municipalities	4 951 267	6 064 017	4 951 267	6 064 017
Elundini Local Municipality	-	1 109 390	-	1 109 390
Sengqu Local Municipality	4 951 267	4 954 627	4 951 267	4 954 627
Total Payables from Exchange Transactions	79 331 616	59 609 460	79 331 616	59 609 460
As previously reported		64 916 157		64 916 157
Correction of error (Local Municipalities - Elundini Local Municipality) - note		(364 831)		(364 831)
Correction of error (Trade Payables) - note		(4 941 866)		(4 941 866)
Restated balance		59 609 460		59 609 460

Payables are being recognised net of any discounts

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

The carrying value of payables approximates its fair value

Deposits amounting to R486 744 (2014 - R486 744) serve as security for Payables. The remainder of Payables are unsecured

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
7 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS				
Unspent Grants	24 243 771	25 261 750	23 718 061	24 655 502
National Government Grants	24 214 308	24 750 683	23 688 598	24 144 435
Provincial Government Grants	29 463	511 067	29 463	511 067
Other Grant Providers	-	-	-	-
Less: Unpaid Grants	(14 408 693)	(4 955 798)	(14 408 693)	(4 621 798)
National Government Grants	(12 142 345)	(554 145)	(12 142 345)	(554 145)
Claimed amount	(12 142 345)	(50 114 905)	(12 142 345)	(50 114 905)
Impairment	-	49 560 760	-	49 560 760
Provincial Government Grants	(2 023 388)	(2 735 232)	(2 023 388)	(2 735 232)
Other Grant Providers	(242 960)	(1 666 421)	(242 960)	(1 332 421)
Claimed amount	(242 960)	(2 364 328)	(242 960)	(2 030 328)
Impairment	-	697 907	-	697 907
Total Conditional Grants and Receipts	9 835 078	20 305 952	9 309 368	20 033 704
As previously reported		29 629 939		29 023 691
##		(8 989 987)		(8 989 987)
Restated balance		20 639 952		20 033 704

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

Included in unpaid grants is an amount of R49 560 760 from National Government which arose due to a published Provincial Government Gazette with regards to drought relief. The payments were not honoured due to a mistake by DLGTA which meant they did not have the authority to publish the gazette. The Economic Entity is challenging their stance and have taken the matter up with the SG, COGTA and National Treasury. A full impairment was raised on this grant.

Reconciliation of Provision for Impairment

Balance at beginning of the year:	50 258 667	4 427 261	50 258 667	4 427 261
Contributions to provision	-	45 831 406	-	45 831 406
Balance at end of year	50 258 667	50 258 667	50 258 667	50 258 667
National Government Grants	49 560 760	49 560 760	49 560 760	49 560 760
Other Grant Providers	697 907	697 907	697 907	697 907

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
8 SOUTH AFRICAN REVENUE SERVICES				
VAT Receivable	5 034 059	1 997 927	4 901 766	1 997 927
VAT Payable	-	(81 277)	-	-
VAT output on Grants and Subsidies paid	342 231		342 231	
VAT Input in Suspense	9 827 418	5 767 322	9 827 418	5 767 322
VAT Output in Suspense - net	(9 820 815)	(774 305)	(9 820 815)	(774 305)
VAT Output in Suspense	(15 937 638)	(5 154 527)	(15 937 638)	(5 154 527)
Less: VAT on Provision for Debt Impairment	6 116 823	4 380 222	6 116 823	4 380 222
Total South African Revenue Services	5 382 893	6 909 667	5 250 600	6 990 944
Disclosed as follow:				
Current Liabilities from Exchange Transactions	-	(81 277)	-	-
Current Assets from Exchange Transactions	5 382 893	6 990 944	5 250 600	6 990 944
	5 382 893	6 909 667	5 250 600	6 990 944
Reconciliation of VAT on Provision for Debt Impairment				
Opening balance	4 380 222	1 211 338	4 380 222	1 211 338
Transfer of function from Local Municipalities - note 1E	-	2 565 277	-	2 565 277
Debt Impairment for current year - note 3C	1 736 601	603 607	1 736 601	603 607
Closing balance	6 116 823	4 380 222	6 116 823	4 380 222

JOE QGABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
10 INVESTMENT PROPERTY				
Net Carrying amount at 1 July	4 145 607	4 194 567	2 620 956	2 666 452
Cost	5 149 891	5 149 891	2 883 357	2 883 357
Accumulated Depreciation	(291 756)	(242 796)	(262 401)	(216 905)
Accumulated Impairment	(712 528)	(712 528)	-	-
Additions	-	-	-	-
Disposals/Transfers	-	-	-	-
- Cost	-	-	-	-
- Accumulated Depreciation	-	-	-	-
Depreciation for the year	(48 960)	(48 960)	(45 496)	(45 496)
Impairment	(400 000)	-	-	-
Net Carrying amount at 30 June	3 696 648	4 145 607	2 575 461	2 620 956
Cost	5 149 891	5 149 891	2 883 357	2 883 357
Accumulated Depreciation	(340 715)	(291 756)	(307 896)	(262 401)
Accumulated Impairment	(1 112 528)	(712 528)	-	-
Revenue derived from the rental of investment property	33 243	37 306	33 243	37 306

No operating expenditure was incurred on investment property during the 2014/2015 and 2013/2014 financial years.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop the investment property or for repairs, maintenance or enhancements.

The impairment on investment property relates to the Rhodes properties to which erosion occurred due to floods. The latest municipal valuation roll was used in order to determine the impairment.

11 INTANGIBLE ASSETS

Computer Software

Net Carrying amount at 1 July	2 210 230	2 780 161	2 207 942	2 777 293
Cost	4 398 476	4 398 476	4 395 576	4 395 576
Accumulated Amortisation	(2 188 246)	(1 618 315)	(2 187 634)	(1 618 283)
Additions and transfers from work in progress	115 374	-	115 374	-
Amortisation	(416 818)	(569 931)	(416 287)	(569 351)
Net Carrying amount at 30 June	1 907 029	2 210 230	1 907 029	2 207 942
Cost	4 513 850	4 398 476	4 510 950	4 395 576
Disposal Cost	(2 900)	-	-	-
Accumulated Amortisation	(2 605 065)	(2 188 246)	(2 603 921)	(2 187 634)
Disposal Accumulated Amortisation	1 144	-	-	-

No intangible assets were assessed as having an indefinite useful life. There are no internally generated intangible assets at the reporting date. There are no intangible assets whose title is restricted and no intangible assets are pledged as security for liabilities.

The following material intangible asset is included in the carrying value above

Description	Remaining Period	Carrying Value		Carrying Value	
		2015 R	2014 R	2015 R	2014 R
SAMRAS (Accounting system)	4 years	1 205 412	1 808 118	1 205 412	1 808 118

JOE QGABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
12 NON-CURRENT INVESTMENTS				
Financial Instruments				
Fixed Deposits	1 395 357	1 301 340	1 395 357	1 301 340
Unlisted				
Municipal Entity - Joe Qgabi Economic Development Agency (Soc) Ltd.	-	-	1 894 055	1 894 055
Cost	-	-	6 886 141	6 886 141
Provision for Impairment	-	-	(4 992 086)	(4 992 086)
Total Non-Current Investments	1 395 357	1 301 340	3 289 412	3 195 395

The Municipality has a 100% shareholding in Joe Qgabi Economic Development Agency (Soc) Ltd (JoGEDA). The purpose of the entity is to promote economic development in the district.

Prior to 1 July 2012, JoGEDA was still in its establishment phase. All contributions made by the Municipality during the establishment phase was capitalised as part of the investment. In the 2012/13 year, JoGEDA has become operational as a result thereof, contributions made by the Municipality are no longer capitalised. These contributions are treated as Grants and Subsidies Paid.

The provision for impairment is based on the difference between the amount invested and the net asset value of JoGEDA. The provision for impairment is calculated on an annual basis.

Fixed Deposits are investments with a maturity period of more than 12 months and an average interest rate of 9.13% per annum, (2014 - 9.13%). Interest rates are considered to be market related. The carrying amount of these fixed deposits approximates their fair value.

Investments are made in terms of the Economic Entity's Cash Management and Investment Policy, as required by Regulation R 308 of 1 April 2005 gazetted in the Government Gazette No 27431 of 1 April 2005 and issued by the Minister of Finance.

Fixed deposit consist of the following accounts

ABSA - Acc no 660000135	- Building - DBSA Loan	1 395 357	1 301 340	1 395 357	1 301 340
		1 395 357	1 301 340	1 395 357	1 301 340

The fixed deposit serve as collateral security for the DBSA Building loan as per note 2.

13 INVENTORY				
Fuel and oil – at cost	488 741	1 196 974	488 741	1 196 974
Stationery and materials - at cost	1 346 059	122 457	1 346 059	122 457
Spare parts - at cost	1 664 306	1 327 619	1 664 306	1 327 619
Water stock - net realisable value	392 108	371 071	392 108	371 071
Total Inventory	3 891 214	3 018 121	3 891 214	3 018 121
Consumable stores materials losses/(gains) identified during stock count	(10 409)	(24 383)	(10 409)	(24 383)
Inventory recognised as an expense during the year	7 141 981	6 886 784	7 141 981	6 886 784

No inventory was pledged as security

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

14	RECEIVABLES FROM EXCHANGE TRANSACTIONS	ECONOMIC ENTITY		MUNICIPALITY	
		2015 R	2014 R	2015 R	2014 R
	Water	97 173 232	34 794 443	97 173 232	34 794 443
	Sewerage	41 193 157	23 831 537	41 193 157	23 831 537
	Joe Gqabi Economic Development Agency (Soc) Ltd	-	-	6 544 266	1 237 839
	Local Municipalities	19 462 687	16 799 410	19 462 687	16 799 410
	Gariep Local Municipality	10 077 396	5 520 860	10 077 396	5 520 860
	Eundini Local Municipality	2 406 503	-	2 406 503	-
	Maletswai Local Municipality	6 978 788	11 278 550	6 978 788	11 278 550
	Other Receivables	5 882 949	7 894 002	5 864 489	7 881 542
	Working for Wetlands	1 425 536	2 435 600	1 425 536	2 435 600
	Deposits	126 721	499 234	114 261	486 774
	Other Debtors	1 441 758	2 120 952	1 435 758	2 120 952
	Staff Debtors	225 723	210 570	225 723	210 570
	Ex-Staff Debtors	-	828 990	-	828 990
	Pensioners	1 640 988	453 971	1 640 988	453 971
	Expenses paid in advance	1 022 223	1 344 685	1 022 223	1 344 685
		163 712 025	83 319 392	170 237 831	84 544 771
	Less: Allowance for Doubtful Debts	(144 595 292)	(68 020 274)	(144 595 292)	(68 020 274)
	Total Net Receivables from Exchange Transactions	19 116 733	15 299 118	25 642 539	16 524 497

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

Both Maletswai Local Municipality, Elundini Local Municipality and Gariep Local Municipality owe the Municipality for revenue received for water and sanitation as per the billing agreement.

Reconciliation of the Total Doubtful Debt Provision

Balance at beginning of the year	68 020 274	14 049 736	68 020 274	14 049 736
Transfer of function from Local Municipalities - note 1f	-	26 314 429	-	26 314 429
Contributions to provision	76 575 018	42 126 777	76 575 018	42 126 027
Doubtful debts written off against provisor	-	(14 470 668)	-	(14 469 918)
Balance at end of year	144 595 292	68 020 274	144 595 292	68 020 274
Water	87 973 927	29 693 415	87 973 927	29 693 415
Sewerage	39 166 803	20 872 298	39 166 803	20 872 298
Local Municipalities	15 409 620	15 409 620	15 409 620	15 409 620
Other Receivables	2 044 942	2 044 942	2 044 942	2 044 942

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

	Gross Balance R	Allowance for Doubtful Debts R	Net balance R
Economic Entity			
2015			
Water	97 173 232	(87 973 927)	9 199 305
Sewerage	41 193 157	(39 166 803)	2 026 354
Local Municipalities	19 462 687	(15 409 620)	4 053 067
Other Receivables	5 882 949	(2 044 942)	3 838 007
Total	163 712 025	(144 595 292)	19 116 733
2014			
Water	34 794 443	(29 693 415)	5 101 028
Sewerage	23 831 537	(20 872 298)	2 959 239
Local Municipalities	16 799 410	(15 409 620)	1 389 790
Other Receivables	7 894 002	(2 044 942)	5 849 060
Total	83 319 392	(68 020 275)	15 299 117
Municipality			
2015			
Water	97 173 232	(87 973 927)	9 199 305
Sewerage	41 193 157	(39 166 803)	2 026 354
Joe Gqabi Economic Development Agency (Soc) Ltd	6 544 266	-	6 544 266
Local Municipalities	19 462 687	(15 409 620)	4 053 067
Other Receivables	5 864 489	(2 044 942)	3 819 547
Total	170 237 831	(144 595 292)	25 642 539
2014			
Water	34 794 443	(29 693 415)	5 101 028
Sewerage	23 831 537	(20 872 298)	2 959 239
Joe Gqabi Economic Development Agency (Soc) Ltd	1 237 839	-	1 237 839
Local Municipalities	16 799 410	(15 409 620)	1 389 790
Other Receivables	7 881 542	(2 044 942)	5 836 600
Total	84 544 771	(68 020 275)	16 524 496

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
Ageing of Receivables from Exchange Transactions				
<u>Water:</u>				
Current (0 - 30 days)	6 476 864	4 081 737	6 476 864	4 081 737
31 - 60 Days	8 940 432	2 941 861	8 940 432	2 941 861
61 - 90 Days	5 442 490	2 284 471	5 442 490	2 284 471
91 - 120 Days	6 896 665	1 997 949	6 896 665	1 997 949
121 - 150 Days	6 878 668	4 533 789	6 878 668	4 533 789
150+ Days	62 538 247	18 954 635	62 538 247	18 954 635
Total	97 173 232	34 794 443	97 173 232	34 794 443
<u>Sewerage:</u>				
Current (0 - 30 days)	2 026 289	1 327 116	2 026 289	1 327 116
31 - 60 Days	1 846 784	1 084 216	1 846 784	1 084 216
61 - 90 Days	1 629 977	1 026 833	1 629 977	1 026 833
91 - 120 Days	1 621 259	993 343	1 621 259	993 343
121 - 150 Days	1 550 826	1 459 340	1 550 826	1 459 340
150+ Days	32 518 023	17 940 688	32 518 023	17 940 688
Total	41 193 157	23 831 537	41 193 157	23 831 537
<u>Other Receivables: Ageing</u>				
Current (0 - 30 days)	1 425 536	2 574 378	1 425 536	2 574 378
31 - 60 Days	-	122 934	-	122 934
61 - 90 Days	-	15 966	-	15 966
+ 90 Days	4 457 413	5 180 724	4 438 953	5 168 264
Total	5 882 949	7 894 002	5 864 489	7 881 542

15 CASH AND CASH EQUIVALENTS

	2015 R	2014 R	2015 R	2014 R
<u>Assets</u>				
Call Investments Deposits	35 932 753	35 103 297	35 920 001	35 093 101
Primary Bank Account	(1 773 955)	3 117 088	(2 144 292)	3 112 995
Cash Floats	16 300	16 300	16 300	16 300
Total Cash and Cash Equivalents - Assets	34 175 098	38 236 685	33 792 009	38 222 396
As previously reported				38 222 954
Correction of error - note				(558)
Restated balance				38 222 396

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

Call Investment Deposits amounting to R35 920 001 are held to fund Unspent Conditional Grants (2013 - R35 093 101).

An amount of R2 000 000 was transferred into the Primary Bank account on the 30th of June 2015. Since the request is done via letter to the local branch, it was transferred by them and instead of transferring R2 000 000 only R200 000 was transferred. They only corrected this mistake on the 1 July 2015.

The Economic Entity has the following bank accounts:

Current Accounts

ABSA - account no 23-8000-0019 (Municipality)	(2 144 292)	3 113 553	(2 144 292)	3 113 553
ABSA - account no 40-7880-3628 (JoGEDA)	370 337	4 093	-	-
	(1 773 955)	3 117 646	(2 144 292)	3 113 553

ABSA - account no 23-8000-0019 (Municipality)

Cash book balance at beginning of year	3 113 553	10 422 101	3 113 553	10 422 101
Cash book balance at end of year	(2 144 292)	3 113 553	(2 144 292)	3 113 553

Bank statement balance at beginning of year	3 113 553	10 453 499	3 113 553	10 453 499
Bank statement balance at end of year	262 119	3 113 553	262 119	3 113 553

ABSA - account no 40-7880-3628 (JoGEDA)

Cash book balance at beginning of year	4 093	418 767	-	-
Cash book balance at end of year	370 337	4 093	-	-
Bank statement balance at beginning of year	4 093	418 767	-	-
Bank statement balance at end of year	370 337	4 093	-	-

Call Investments Deposits

ABSA - Acc no 9084169245 - MIG	22 827 971	23 650 602	22 827 971	23 650 602
ABSA - Acc no 9185426744 - General Fund Operational Funds	266 642	189 291	266 642	189 291
ABSA - Acc no 9072226158 - Public Works Special Programme	32 047	30 434	32 047	30 434
ABSA - Acc no 9122637071 - Wetlands Projects	33 666	218 469	33 666	218 469
ABSA - Acc no 9270029895 - Environmental Affairs Mazibuyele Emasaswen	30 776	807 850	30 776	807 850
ABSA - Acc no 9276836949 - Joe Gqabi Capital Purchasing	14 528 990	196 455	14 528 990	196 455
ABSA - Acc no 9275708888 - JoGEDA	12 752	10 196	-	-
Standard Bank - Acc no 58809373001 - Joe Gqabi District Municipality	-	-	-	-
Nedbank - Acc no 1039818803 - Joe Gqabi District Municipality	-	10 000 000	-	10 000 000
	37 732 844	35 103 297	37 720 092	35 093 101

The cash which backs up the unspent grants is invested as individual investments or part of the general investments of the Economic Entity until it is utilised.

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
16 GOVERNMENT GRANTS AND SUBSIDIES				
Unconditional Grants	196 162 583	180 091 113	196 162 583	179 534 973
Equitable Share	194 848 000	179 049 300	194 848 000	179 049 300
LG Seta	1 314 583	485 673	1 314 583	485 673
Elundini Local Municipality	-	263 158	-	-
Senqu Local Municipality	-	292 982	-	-
Conditional Grants	245 408 090	244 307 819	245 337 443	244 307 819
Accelerated Community Infrastructure Programme (ACIP)	-	14 991 219	-	14 991 219
Alphine Tourism	-	-	-	-
Department Water Affairs	-	-	-	-
DWA Bylaws	100 548	796 812	100 548	796 812
Environmental Health Practitioners	-	2 929 302	-	2 929 302
EPWP Programme	1 309 437	1 000 000	1 309 437	1 000 000
Finance Management Grant (FMG)	1 252 424	1 248 439	1 252 424	1 248 439
Grant for Gariep	-	-	-	-
Heritage, Tourism & Economic Strategy	-	-	-	-
Heritage Management Plan (UCG)	-	-	-	-
Industrial Development Corporation (IDC)	70 647	-	-	-
Invoice Based Finance	-	-	-	-
LED Capacity	381 528	556 887	381 528	556 887
Municipal Infrastructure Grant (MIG)	167 359 944	168 619 075	167 359 944	168 619 075
Municipal Systems Improvement Grant (MSIG)	932 878	661 247	932 878	661 247
Municipal Water Infrastructure Grant (MWIG)	19 992 600	15 004 290	19 992 600	15 004 290
RBIG	2 177 404	-	2 177 404	-
Orio	-	1 987 916	-	1 987 916
Public Works - Special Programme	30 034 952	24 824 711	30 034 952	24 824 711
Rural Households Infrastructure Grant	-	3 996 000	-	3 996 000
Rural Roads Asset Management Grant	2 083 528	1 777 845	2 083 528	1 777 845
Department of Human Settlement	5 134 499	-	5 134 499	-
Water Services Operating Subsidy	14 577 701	5 914 076	14 577 701	5 914 076
Total Government Grants and Subsidies	441 570 673	424 398 932	441 500 026	423 842 792
Government Grants and Subsidies - Capita	129 947 364	106 143 911	129 947 364	106 143 911
Government Grants and Subsidies - Operating	311 623 310	318 255 021	311 552 662	317 698 881
	441 570 673	424 398 932	441 500 026	423 842 792

The Economic Entity does not expect any significant changes to the level of grants.

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

Equitable share	194 848 000	179 049 300	194 848 000	179 049 300
Management Services	1 314 406	1 218 134	1 314 406	1 218 134
Financial Services	1 252 424	1 248 439	1 252 424	1 248 439
Corporate Services	1 314 583	485 673	1 314 583	485 673
Technical Services	242 770 613	238 911 945	242 770 613	238 911 945
Community Services	-	2 929 302	-	2 929 302
Joe Gqabi Economic Development Agency (Soc) Ltd	70 647	556 140	-	-
	441 570 673	424 398 933	441 500 026	423 842 793

16.01 Equitable share

Opening balance	-	-	-	-
Grants received	194 848 000	179 049 300	194 848 000	179 049 300
Conditions met - Operating	(194 848 000)	(179 049 300)	(194 848 000)	(179 049 300)
Conditions met - Capital	-	-	-	-
Conditions still to be met/(Grant expenditure to be recovered)	-	-	-	-

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

16.02 Finance Management Grant (FMG)

Opening balance	2 459	898	2 459	898
Grants received	1 250 000	1 250 000	1 250 000	1 250 000
Conditions met - Operating	(1 252 424)	(1 248 439)	(1 252 424)	(1 248 439)
Conditions met - Capital	-	-	-	-
Conditions still to be met	35	2 459	35	2 459

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

16.03 Municipal Systems Improvement Grant (MSIG)

Opening balance	0	320 547	0	320 547
Grants received	934 000	890 000	934 000	890 000
Conditions met - Operating	(932 878)	(661 247)	(932 878)	(661 247)
Conditions met - Capital	-	-	-	-
Paid back to Treasury	-	(549 300)	-	(549 300)
Conditions still to be met	1 122	-	1 122	0

The purpose of the grant is to support municipalities in implementing new systems as provided in the Municipal Systems Act, Municipal Structures Act and other related local government policy and legislation so that they can carry out mandated functions effectively

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	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
16.04 Municipal Infrastructure Grant (MIG)				
Opening balance	19 525 842	4 089 916	19 525 842	4 089 916
Grants received	171 469 000	184 055 000	171 469 000	184 055 000
Conditions met - Operating	(75 486 434)	(95 368 365)	(75 486 434)	(95 368 365)
Conditions met - Capital	(91 873 510)	(73 250 710)	(91 873 510)	(73 250 710)
Conditions still to be met	23 634 898	19 525 842	23 634 898	19 525 842
<p>The vision of the MIG programme is to provide all South Africans with at least a basic level of service through the provision of grant finance aimed at covering the capital cost of basic infrastructure for the poor. This also includes the rehabilitation and upgrading of existing infrastructure. The Economic Entity's programmes covers both Sanitation and Water projects.</p>				
16.05 Public Works - Special Programme				
Opening balance	(461 004)	(461 004)	(461 004)	(461 004)
Grants received	25 302 627	24 824 711	25 302 627	24 824 711
Conditions met - Operating	(30 034 952)	(24 824 711)	(30 034 952)	(24 824 711)
Conditions met - Capital	-	-	-	-
Grant expenditure to be recoverec	(5 193 329)	(461 004)	(5 193 329)	(461 004)
<p>This grant is used for the maintenance of gravel roads in the Gariep and Maletswai parts of the district. At times special projects are also allocated to the Economic Entity by the Department of Roads and Public Works in other parts of the district.</p>				
16.06 Accelerated Community Infrastructure Programme (ACIP)				
Opening balance	(85 102)	(773 098)	(85 102)	(773 098)
Grants received	-	15 679 215	-	15 679 215
Conditions met - Operating	-	-	-	-
Conditions met - Capital	-	(14 991 219)	-	(14 991 219)
Conditions still to be met	(85 102)	(85 102)	(85 102)	(85 102)
<p>This grant is used for the upgrade of infrastructure</p>				
16.07 Water Services Operating Subsidy				
Opening balance	4 612 134	526 210	4 612 134	526 210
Grants received	10 000 000	10 000 000	10 000 000	10 000 000
Conditions met - Operating	-	-	-	-
Conditions met - Capital	(14 577 701)	(5 914 076)	(14 577 701)	(5 914 076)
Conditions still to be met	34 433	4 612 134	34 433	4 612 134
<p>This grant is used for the refurbishment of water infrastructure</p>				
16.08 Enviromental Health Pracitioners				
Opening balance	(2 735 232)	(122 618)	(2 735 232)	(122 618)
Grants received	711 844	316 688	711 844	316 688
Conditions met - Operating	-	(2 929 302)	-	(2 929 302)
Conditions met - Capital	-	-	-	-
Conditions still to be met/(Grant expenditure to be recovered)	(2 023 388)	(2 735 232)	(2 023 388)	(2 735 232)
<p>This grant is paid by the Department of Health and was initiated when the EHP staff from the province were transferred to the district municipalities. This grant is used for the EHP staff's salaries.</p>				
16.09 Municipal Water Infrastructure Grant (MWIG)				
Opening balance	(2 290)	-	(2 290)	-
Grants received	20 009 000	15 002 000	20 009 000	15 002 000
Conditions met - Operating	(3 808 350)	(5 004 300)	(3 808 350)	(5 004 300)
Conditions met - Capital	(16 184 250)	(9 999 990)	(16 184 250)	(9 999 990)
Conditions still to be met	14 109	(2 290)	14 109	(2 290)
<p>This grant is used to facilitate the planning, acceleration and implementation of various projects that will insure water supply to communities identified as not receiving a basic water supply service.</p>				
16.10 Rural Households Infrastructure Grant				
Opening balance	4 000	-	4 000	-
Grants received	-	4 000 000	-	4 000 000
Conditions met - Operating	-	(3 996 000)	-	(3 996 000)
Conditions met - Capital	-	-	-	-
Conditions still to be met	4 000	4 000	4 000	4 000
<p>This grant is used to provide specific capital funding for the reduction of rural sanitation backlogs and to target existing households where bulk-dependent services are not viable</p>				
16.11 Other Grants				
Opening balance	(41 823 535)	(39 525 073)	(42 095 783)	(41 718 055)
Grants received	6 561 435	7 812 590	6 227 435	6 950 309
Conditions met - Operating	(5 270 163)	(7 066 232)	(5 189 624)	(4 617 217)
Conditions met - Capital	(7 311 903)	(1 987 916)	(7 311 903)	(1 987 916)
Foreign Exchange Gains	23 783	(722 904)	23 783	(722 904)
VAT portion on unpaid grant monies	-	-	-	-
Grant expenditure to be recoverec	(47 820 382)	(41 489 536)	(48 346 091)	(42 095 784)

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	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
Other Grants consist of the following and is utilised as follows				
<u>Department Water Affairs</u> Implementation of Water Service Authority business plan to supply water				
<u>Emergency Drought Relief</u> To supply water when district was declared a disaster area				
<u>Disaster Management Forum</u> To ensure operation of the disaster management forum				
<u>Disaster Management Establishment of Centres</u> Construct and equip disaster centres.				
<u>Disaster Management Plan</u> To develop and review disaster management plan				
<u>Disaster Management Fire & Emergency Services</u> Support to run a fire service.				
<u>Disaster Management Policy Framework</u> Development of disaster policies				
<u>EPWP Programme</u> Incentive grant for creating jobs, whereby unemployed persons get employed on projects to create employment.				
<u>LED Capacity</u> This grant is funded by Local Government to pay for the salary and administration costs of the LED specialist for the JGDM area.				
<u>DWA Bylaws</u> This grant is for the review of the bylaws of water and sanitation function				
<u>Stimulation of Economy through Marketing</u> This is an European Union funded grant for the implementation of the tourism master plan.				
<u>Alpine Tourism</u> This is an European Union funded grant for the assessment of potential of highlying areas of Senqu Municipal area for tourism.				
<u>DBSA Municipal Support Framework</u> To assess Local Municipalities' requirements for support by JGDM				
<u>Grant for Gariep</u> This grant was received to assist Gariep LM in their financial recover				
<u>Rural Roads Asset Management Grant (Public Transport)</u> This grant is to determine the extent of the municipal road network, the condition and maintenance requirements.				
<u>LG Seta</u> This grant is used to assist with the training needs of the Economic Entity				
<u>Orlo</u> This grant is used to assist in providing water in the Etundini rural areas. This grant is funded by the Netherlands Government.				
<u>Industrial Development Corporation (IDC)</u> The grant is used to promote economic growth in the district				
<u>Etundini Local Municipality</u> This is an unconditional grant which is made to JoGEDA in terms of the service level agreement with the IDC.				
<u>Senqu Local Municipality</u> This is an unconditional grant which is made to JoGEDA in terms of the service level agreement with the IDC.				

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
Other Grants received during the year				
EPWP Programme	1 309 000	1 000 000	1 309 000	1 000 000
DWA Bylaws	-	597 360	-	597 360
Industrial Development Corporation (IDC)	-	-	-	-
Invoice Based Finance	-	-	-	-
LED Capacity	-	358 000	-	358 000
Grant for Gariep	-	-	-	-
Rural Roads Asset Management Grant	2 084 000	1 778 000	2 084 000	1 778 000
LG Seta	1 071 875	486 134	1 071 875	486 134
Orio	1 308 386	2 730 815	1 308 386	2 730 815
Elundini Local Municipality	-	263 158	-	-
Senqu Local Municipality	-	292 982	-	-
Total Other Grants received during the year	5 773 261	7 506 449	5 773 261	6 950 309
Other Grants consist out of the following:				
Department Water Affairs	-	(5 749)	-	(5 749)
Emergency Drought Relief	-	(49 560 760)	-	(49 560 760)
Disaster Management Forum	-	36 115	-	36 115
Disaster Management Establishment of Centres	-	5 449 773	-	5 449 773
Disaster Management Plan	-	1 497 929	-	1 497 929
Disaster Management Fire & Emergency Services	-	1 667 736	-	1 667 736
Disaster Management Policy Framework	-	338 434	-	338 434
EPWP Programme	(1 309 437)	-	(1 309 437)	-
Industrial Development Corporation (IDC)	525 710	606 248	-	-
LED Capacity	(381 528)	381 528	(381 528)	381 528
DWA Bylaws	(100 548)	100 548	(100 548)	100 548
DBSA Municipal Support Framework	-	(697 907)	-	(697 907)
Rural Roads Asset Management Grant	(2 083 528)	28 991	(2 083 528)	28 991
Department of Human Settlement	(5 134 499)	-	(5 134 499)	-
LG Seta	(1 314 583)	(252)	(1 314 583)	(252)
Orio	-	(1 332 169)	-	(1 332 169)
Senqu Local Municipality	-	-	-	-
Total unpaid Other Grants	(9 798 413)	(41 489 535)	(10 324 123)	(42 095 783)
16.12 Total Grants				
Opening balance	(20 962 728)	(35 944 222)	(21 234 976)	(38 137 204)
Correction of error	(8 989 987)	-	(8 989 987)	-
Grants received	431 085 907	442 879 504	430 751 907	442 017 223
Conditions met - Operating	(311 633 201)	(320 147 896)	(311 552 662)	(317 698 881)
Conditions met - Capital	(129 947 364)	(106 143 911)	(129 947 364)	(106 143 911)
Paid back to Treasury/Impaired	50 258 667	(549 300)	50 258 667	(549 300)
Foreign Exchange Gains	23 783	(722 904)	23 783	(722 904)
VAT portion on unpaid grant monies	-	-	-	-
Grant expenditure to be recoverec	9 835 077	(20 628 729)	9 309 368	(21 234 977)
<i>Disclosed as follows as per note 7</i>				
Unspent Conditional Government Grants and Receipts	34 251 737	34 251 737	23 718 061	33 645 489
Unpaid Conditional Government Grants and Receipts	(55 214 465)	(54 880 466)	(14 408 694)	(54 880 466)
	(20 962 728)	(20 628 729)	9 309 367	(21 234 977)
17 PUBLIC CONTRIBUTIONS AND DONATIONS				
Property, Plant and Equipment	-	2 668 232	-	2 668 232
Inventory	-	1 492 398	-	1 492 398
Cash	-	215 000	-	165 000
Total Public Contributions and Donations	-	4 375 630	-	4 325 630

Property, Plant and Equipment relates to the water services which were taken over from the service provider Amatola Water as well as Senqu Plastics which was transferred from Senqu Local Municipality.

Inventory relates to the water services which was taken over from the service provider Amatola Water.

The cash received (R165 000) was from the COGTA VUNA awards for having maintained an unqualified audit opinion for three consecutive years. The remaining cash received was from ABSA Bank for the hosting of a business breakfast with the IDC.

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	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
18 TRANSFER OF FUNCTION				
18.01 Transfer of Water and Sanitation Function from Local Municipalities				
The water and sanitation service was transferred on 1 July 2012 from Senqu, Elundini and Maletswai Local Municipalities while Gariep Local Municipality was transferred on 1 July 2013. The assets and liabilities related to the service were transferred to the Economic Entity as a going concern. This transfer also included the related employees. Assets and liabilities were valued at fair value as on recognition date.				
Assets				
Receivables from Exchange Transactions - fair value	-	4 212 255	-	4 212 255
Gross contractual amounts receivable	-	30 526 684	-	30 526 684
Contractual cash flows not expected to be collected	-	(26 314 429)	-	(26 314 429)
Inventory	-	75 847	-	75 847
Fair value of assets associated with transfer of function	-	4 288 102	-	4 288 102
Liabilities				
Employee Benefits	-	(912 876)	-	(912 876)
Post Retirement Medical Obligations	-	(521 990)	-	(521 990)
Long Service Awards	-	(390 886)	-	(390 886)
Current Employee Benefits	-	(537 840)	-	(537 840)
Bonuses Accrued	-	(149 667)	-	(149 667)
Provision for Staff Leave	-	(388 173)	-	(388 173)
South African Revenue Service	-	(408 244)	-	(408 244)
Output VAT as per gross contractual amounts receivable	-	(2 973 521)	-	(2 973 521)
Output VAT on contractual cash flows not expected to be collected	-	2 565 277	-	2 565 277
Fair value of liabilities associated with transfer of function	-	(1 858 960)	-	(1 858 960)
Net asset value transferred	-	2 429 142	-	2 429 142
18.02 Total Transfer of Function				
Transfer of Water and Sanitation Function from Local Municipalities	-	2 429 142	-	2 429 142
Total net asset value transferred	-	2 429 142	-	2 429 142
19 FOREIGN EXCHANGE GAINS/(LOSS)				
Orio Grant	(23 783)	722 904	(23 783)	722 904
Total Foreign Exchange Gains	(23 783)	722 904	(23 783)	722 904
Foreign exchange gains relate to the Orio grant which is denominated in Euro. Claims submitted to Orio are done by using an exchange rate of R11.33 to the Euro as per the agreement. Payment are made in Euro at the exchange rate as on date of payment. Subsequently, the Rand has devalued against the Euro and has an exchange rate of R14.46 as on 30 June 2015 (2014 - R12.99).				
20 ACTUARIAL (GAINS)/LOSSES				
Post Retirement Medical Obligations	(2 157 631)	(1 792 476)	(2 157 631)	(1 792 476)
Ex Gratia Gratuities	(65 118)	(14 502)	(65 118)	(14 502)
Long Service Awards	55 780	(450 657)	55 780	(450 657)
Total Actuarial Losses	(2 166 970)	(2 257 635)	(2 166 970)	(2 257 635)
Actuarial gains or losses are calculated at year-end when the actuarial valuation is performed.				
21 REVERSAL OF IMPAIRMENTS				
Investment in Municipal Entity - note 12	-	-	-	4 473
Total Reversal of Impairments	-	-	-	4 473
22 SERVICE CHARGES				
Water	74 798 318	47 104 436	74 798 318	47 104 436
Sewerage and Sanitation Charges	28 065 749	20 220 599	28 065 749	20 220 599
	102 864 067	67 325 035	102 864 067	67 325 035
Less: Rebates (including free basic services for indigents)	(18 868 573)	(25 467 621)	(18 868 573)	(25 467 621)
Total Service Charges	83 995 495	41 857 414	83 995 495	41 857 414
Rebates can be defined as any income that the Economic Entity is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.				

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	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
23 GOVERNMENT SERVICES				
Working for Water	1 063 148	12 558 732	1 063 148	12 558 732
Working for Wetlands	3 185 716	5 846 974	3 185 716	5 846 974
Total Government Services	4 248 864	18 405 706	4 248 864	18 405 706
24 INTEREST EARNED - EXTERNAL INVESTMENTS				
Call Investment Deposits	3 552 027	2 989 390	3 549 300	2 932 902
Primary Bank Account	351 495	212 665	351 495	212 665
Fixed Deposits	-	94 017	-	94 017
Total Interest Earned - External Investments	3 903 522	3 296 072	3 900 795	3 239 584
25 INTEREST EARNED - OUTSTANDING DEBTORS				
Water Debtors	3 836 774	2 590 168	3 836 774	2 590 168
Sewerage Debtors	1 971 695	1 789 146	1 971 695	1 789 146
Total Interest Earned - Outstanding Debtors	5 808 469	4 379 314	5 808 469	4 379 314
26 OTHER INCOME				
Sundry Income	314 006	837 493	314 006	837 493
Rental of Facilities and Equipment	33 243	37 306	33 243	37 306
Unknown Receipts recognised as income	-	-	-	-
Insurance claims	-	133 454	-	133 454
Total Other Income	347 249	1 008 253	347 249	1 008 253
27 EMPLOYEE RELATED COSTS				
Bonuses	8 396 326	6 442 381	8 211 420	6 257 104
Contribution to current employee benefits - Staff Leave - Note 4	4 621 678	2 247 432	4 547 929	2 194 316
Contribution to non-current employee benefits - Long Service Awards - Note 5	690 301	611 937	690 301	611 937
Contribution to non-current employee benefits - Post Retirement Medical - Note 6	2 541 768	1 816 619	2 541 768	1 816 619
Contribution to non-current employee benefits - Ex Gratia Gratuities - Note 7	11 028	19 185	11 028	19 185
Contributions for UIF, Pensions and Medical Aids	20 945 830	17 688 153	20 841 044	17 636 598
Salaries and Wages	100 415 754	83 787 238	97 481 730	81 456 425
Housing Benefits and Allowances	727 063	907 427	727 063	907 427
Overtime Payments	4 509 038	6 140 638	4 509 038	6 140 638
Performance Bonuses	2 136 073	1 634 150	2 136 073	1 634 150
Travel, Motor Car, Telephone, Subsistence and Other Allowances	11 592 136	11 643 361	11 428 844	11 483 208
Total Employee Related Costs	156 586 995	132 938 521	153 126 238	130 157 607
As previously reported				130 425 143
Correction of error - note 1				(267 536)
Restated balance				130 157 607
REMUNERATION OF MANAGEMENT PERSONNEL				
The Municipal Manager and all Section 57 Managers are appointed on a 5-year fixed contract.				
Municipal Manager - Z A Williams				
Annual Remuneration	1 316 325	1 240 475	1 316 325	1 240 475
Performance Bonuses	224 359	211 161	224 359	211 161
Travel Allowance	108 200	112 200	108 200	112 200
Telephone allowance	30 000	30 000	30 000	30 000
Contributions to UIF, Medical and Pension Funds	208 923	192 755	208 923	192 755
Total	1 887 807	1 786 591	1 887 807	1 786 591
Director Technical Services - R J Fortuin				
Annual Remuneration	1 126 843	1 037 310	1 126 843	1 037 310
Performance Bonuses	190 706	167 996	190 706	167 996
Travel Allowance	170 220	170 220	170 220	170 220
Telephone allowance	13 857	12 597	13 857	12 597
Contributions to UIF, Medical and Pension Funds	81 612	83 499	81 612	83 499
Total	1 583 237	1 471 623	1 583 237	1 471 623
Director Corporate Services - H Z Jantjie				
Annual Remuneration	1 216 933	1 132 274	1 216 933	1 132 274
Performance Bonuses	190 706	167 996	190 706	167 996
Travel Allowance	84 000	84 000	84 000	84 000
Telephone allowance	13 857	12 597	13 857	12 597
Contributions to UIF, Medical and Pension Funds	75 074	70 107	75 074	70 107
Total	1 580 569	1 466 975	1 580 569	1 466 975
Director Financial Services - J M Jackson - Resigned 30 April 2015				
Annual Remuneration	1 003 742	1 126 792	1 003 742	1 126 792
Performance Bonuses	190 706	90 998	190 706	90 998
Travel Allowance	82 000	98 400	82 000	98 400
Telephone allowance	11 547	12 597	11 547	12 597
Contributions to UIF, Medical and Pension Funds	64 907	65 210	64 907	65 210
Total	1 352 902	1 393 997	1 352 902	1 393 997
Director Community Services - F J Sephton				
Annual Remuneration	1 208 695	1 130 916	1 208 695	1 130 916
Performance Bonuses	190 706	167 996	190 706	167 996
Travel Allowance	156 000	156 000	156 000	156 000
Telephone allowance	13 857	12 597	13 857	12 597
Contributions to UIF, Medical and Pension Funds	17 256	16 224	17 256	16 224
Total	1 586 514	1 483 733	1 586 514	1 483 733
Chief Operations Officer - N Mshumi				
Annual Remuneration	893 150	839 674	893 150	839 674
Performance Bonuses	162 310	141 133	162 310	141 133
Travel Allowance	60 000	60 000	60 000	60 000
Contributions to UIF, Medical and Pension Funds	191 975	196 060	191 975	196 060
Total	1 307 435	1 236 868	1 307 435	1 236 868

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	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
Remuneration of the Chief Executive Officer of JoGEDA - N Moleko - 1 July 2014 - 28 July 2014				
Annual Remuneration	695 127	788 076	-	-
Travel Allowances	17 442	209 308	-	-
Telephone Allowances	-	2 000	-	-
Contributions for UIF and SDL	73 035	11 941	-	-
Total	785 604	1 011 324	-	-

The Labour Court matter between the Agency and the former Chief Executive Officer was settled during the year. The above remuneration includes the settlement amount agreed upon by both parties amounting to R588 888 which was paid in June 2015.

Remuneration of the Chief Executive Officer of JoGEDA - A Ggoboka - Appointed 15 June 2015				
Basic salary	46 154	-	-	-
Other allowances	84 615	-	-	-
Contributions for UIF	149	-	-	-
Contributions for SDL	462	-	-	-
Total	131 379	-	-	-

28 REMUNERATION OF COUNCILLORS

Councillors	4 681 578	4 483 239	4 681 578	4 483 239
Councillors' Pension and Medical Aid Contributions	584 494	541 097	584 494	541 097
Total Remuneration of Councillors	5 266 072	5 024 336	5 266 072	5 024 336

In-kind Benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Economic Entity. The Executive Mayor may utilise official Council transportation when engaged in official duties.

	2015	Remuneration	Contributions	Total
Members of the Mayoral Committee		2 885 199	415 747	3 300 946
ZI Dumzela - Executive Mayor		635 911	140 596	776 507
NP Mposelwa - Speaker		542 435	83 611	626 046
B Salman - Portfolio Head: Financial Services		511 569	76 877	588 445
D Mvumvu - Portfolio Head: Community Services		357 859	2 347	360 206
TZ Ntuyeke - Portfolio Head: Technical Services		357 904	3 375	361 279
N Ngubo - Portfolio Head: Corporate Services		479 522	108 941	588 463
Proportional elected Councillors		1 461 952	162 458	1 624 410
S Mei		301 646	12 818	314 464
DF Hartkopf		311 845	2 697	314 542
V Mbulawa		205 699	44 911	250 610
MW Mpelwane		-	-	-
LN Gova		222 560	27 611	250 170
XG Mlotsoi		210 567	40 096	250 663
NF Mphithi		209 636	34 325	243 961
Representative Councillors		334 427	6 290	336 639
Total Councillors Remuneration		4 681 578	584 494	5 261 994

2014

Members of the Mayoral Committee		2 720 019	404 283	3 124 302
ZI Dumzela - Executive Mayor		613 532	137 226	750 758
B Salman - Speaker (resigned October 2013)		161 946	26 032	187 977
NP Mposelwa - Speaker (appointed November 2013)		348 924	54 503	403 427
TZ Ntuyeke - Portfolio Head: Financial Services (February 2013 - October 2013)		109 619	1 084	110 703
B Salman - Portfolio Head: Financial Services (appointed November 2013)		326 312	50 456	376 768
D Mvumvu - Portfolio Head: Community Services (appointed February 2013)		302 876	2 850	305 725
NP Mposelwa - Portfolio Head: Technical Services (resigned October 2013)		152 313	24 407	176 720
TZ Ntuyeke - Portfolio Head: Technical Services (appointed November 2013)		264 364	2 616	266 980
N Ngubo - Portfolio Head: Corporate Services (appointed February 2013)		440 134	105 110	545 244
Proportional elected Councillors		1 539 839	134 603	1 674 442
S Mei		289 957	2 784	292 741
DF Hartkopf		300 180	2 744	302 924
V Mbulawa		192 898	43 641	236 539
MC Manxeba (deceased January 2014)		127 322	17 626	144 948
MW Mpelwane		174 655	1 498	176 153
LN Gova		210 485	26 903	237 388
XG Mlotsoi		194 070	38 904	232 974
NF Mphithi (appointed April 2014)		50 272	503	50 774
Representative Councillors		223 381	2 211	225 593
Total Councillors Remuneration		4 483 239	541 097	5 024 336

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
29 REMUNERATION OF DIRECTORS				
Sitting allowances	394 775	315 375	-	-
Total Remuneration of Directors	394 775	315 375	-	-
The members of the board of directors are all non-executive directors, except A Ggoboka (CEO) who is an executive member.				
Sitting allowances per director were as follows				
V Zitumane	149 325	92 025	-	-
Z Zeka	-	-	-	-
S Qongo	3 000	21 750	-	-
N Skweyiyi	98 500	92 000	-	-
B Nhlalaba	45 250	46 000	-	-
M Sigabi	64 200	-	-	-
M Manjezi	28 500	-	-	-
C Sam	6 000	63 600	-	-
Total Remuneration of Directors	394 775	315 375	-	-
30 DEBT IMPAIRMENT				
Contributions to provision - note 14	76 575 018	42 126 777	76 575 018	42 126 027
Less: Portion relating to VAT - note 8	(1 798 001)	(603 607)	(1 798 001)	(603 607)
Total Debt Impairment	74 777 017	41 523 170	74 777 017	41 522 420
31 IMPAIRMENTS				
Investment in Municipal Entity - note 12	-	-	-	-
Unpaid Government Grants - note 7	-	45 831 406	-	45 831 406
Property, Plant and Equipment - Note 8	4 250	-	-	-
Investment Property - note 10	400 000	-	-	-
Total Impairments	404 250	45 831 406	-	45 831 406
32 DEPRECIATION AND AMORTISATION				
Property, Plant and Equipment - note 9	43 984 560	41 897 687	43 778 043	41 696 268
Investment Property - note 10	48 960	48 960	45 496	45 496
Intangible Assets - note 11	416 818	569 931	416 287	569 351
Total Depreciation and Amortisation	44 450 338	42 516 578	44 239 826	42 311 115
33 REPAIRS AND MAINTENANCE				
Infrastructure	13 396 357	28 753 978	13 396 357	28 753 978
Land and Buildings	916 932	185 686	916 932	185 686
Other Assets	1 404 514	1 553 194	1 404 514	1 551 023
Total Repairs and Maintenance	15 717 803	30 492 858	15 717 803	30 490 687
34 FINANCE CHARGES				
Long-term Liabilities	851 895	721 338	851 895	721 338
Finance leases	539 644	-	539 644	-
Non-current Employee Benefits	3 560 433	2 876 337	3 560 433	2 876 337
Finance charges on pension fund shortfall	49 875	370 259	49 875	370 259
Other	-	-	-	-
Total Finance Charges	5 001 847	3 967 934	5 001 847	3 967 934
35 CONTRACTED SERVICES				
Water Services	1 868 386	5 179 676	1 868 386	5 179 676
Local Municipalities	1 868 386	4 784 450	1 868 386	4 784 450
Other Contractors	-	395 226	-	395 226
Sanitation Services	19 066 136	15 560 950	19 066 136	15 560 950
Local Municipalities	1 456 044	2 872 163	1 456 044	2 872 163
Other Contractors	17 610 092	12 688 787	17 610 092	12 688 787
Total Contracted Services	20 934 522	20 740 626	20 934 522	20 740 626
Contracted services paid to Local Municipalities include a 15% collection fee of all monies collected by the Local Municipalities on behalf of Joe Gqabi District Municipality as well as a standard rate per monthly statement printed per service.				
The other contractors relate to Honey Sucking that has been done by outside contractors throughout the district for the year under review.				
36 BULK PURCHASES				
Water	3 003 666	2 473 512	3 003 666	2 473 512
Total Bulk Purchases	3 003 666	2 473 512	3 003 666	2 473 512
37 GRANTS AND SUBSIDIES PAID				
Joe Gqabi Economic Development Agency (SoC) Ltd	-	-	2 786 740	5 154 594
VAT portion on Grants and Subsidies paid	-	-	(342 231)	-
Total Grants and Subsidies Paid	-	-	2 444 509	5 154 594

The grant paid to Joe Gqabi Economic Development Agency (SoC) Ltd (JoGEDA) is in terms of the service level agreement with the IDC. This grant is used for operating activities by JoGEDA

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
38 OPERATING GRANT EXPENDITURE				
Management Services	972 766	636 010	972 766	636 010
Financial Services	287 243	181 292	287 243	181 292
Corporate Services	1 161 564	1 393 672	1 161 564	1 393 672
Technical Services	71 527 165	96 369 585	71 527 165	96 369 585
Community Services	3 875 814	12 567 686	3 875 814	12 567 686
Total Operating Grant Expenditure	77 824 552	111 148 245	77 824 552	111 148 245
39 GENERAL EXPENSES				
Audit Fees	6 793 484	5 303 645	6 197 044	4 770 494
Advertising Fees	789 954	861 638	740 164	659 479
Bank Charges	263 042	136 583	259 711	128 791
Chemicals	5 621 840	5 640 623	5 621 840	5 640 623
Computer Charges	(37 657)	1 279 053	(37 657)	1 279 053
Consulting Fees	14 120 336	5 091 804	13 124 849	4 834 883
Entertainment	143 649	93 731	89 784	70 027
Fuel and oil	6 688 179	7 144 787	6 688 179	7 144 787
Insurance	2 228 123	2 303 373	2 228 123	2 264 044
Legal Fees	1 555 564	1 006 930	465 218	380 137
Material and protective clothing	848 726	959 712	848 726	959 712
Marketing	270 855	206 158	270 855	206 158
Membership Fees	1 238 519	439 542	1 238 519	439 542
Postage	11 116	15 906	11 116	15 906
Printing and Stationary	863 393	706 412	776 733	588 485
Rentals	3 371 151	3 887 364	3 318 411	3 821 904
Security	2 269 684	1 589 845	2 266 489	1 589 845
Services	550 266	379 031	550 266	379 031
Special programmes	1 411 969	1 584 462	1 411 969	1 584 462
Telephone	2 322 482	1 501 837	2 322 482	1 501 837
Training	711 443	542 571	639 066	542 571
Travel and Subsistence	12 746 748	11 770 119	12 249 261	11 224 719
Water and Electricity	12 991 088	12 502 813	12 991 088	12 502 813
Water Testing & Quality Monitoring	1 592 147	-	1 592 147	-
Other	1 776 416	2 248 891	1 628 441	2 167 686
Total General Expenses	81 142 517	67 196 830	77 492 824	64 696 989
As previously reported				69 638 855
Correction of error restatement - note 42.3				(4 941 866)
Restated balance				<u>64 696 989</u>

The take over of water services from Gariep Local Municipality and Amatola Water Board resulted in changes in expenditure patterns to the prior year. The average increase in General expenditure is only 10% for the year. There has been a shift of spending between types of expenditure and not necessarily a material increase overall.

40 LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT				
Carrying value of Property, Plant and Equipment disposed or written off	(4 227 857)	(5 226 886)	(4 228 506)	(5 226 886)
Proceeds from Disposal of Property, Plant and Equipment	-	-	-	-
Property, Plant and Equipment transferred to JoGEDA	-	2 025 594	-	2 025 594
Total Loss on Disposal of Property, Plant and Equipment	(4 227 857)	(3 201 291)	(4 228 506)	(3 201 291)
41 TAXATION				
Normal taxation	-	-	-	-

No taxation is payable since the Economic Entity has an assessed tax loss:

No provision were made for a deferred tax assets. In terms of current tax legislation it is not probable that the Economic Entity will make a taxable profit

	ECONOMIC ENTITY	MUNICIPALITY
	2013 R	2013 R
42 CORRECTION OF ERROR IN TERMS OF GRAP 3		
Accumulated Surplus	1 218 811 290	1 218 811 290
Cash and Cash Equivalents - note 42.1	-558	(558)
Unspent Government Grants and Receipts - note 42.2	8 989 987	8 989 987
Payables from Exchange Transactions - note 42.3	97 295	97 295
Total	1 227 898 014	1 227 898 014
Deficit reported on 30 June 2014	(13 373 757)	(13 373 757)
General Expenses - note 39	4 941 866	4 941 866
Employee Related Cost - note	267 536	267 536
Total	(8 164 355)	(8 164 355)

42.1 Cash and Cash Equivalents		
During the 2012/2013 financial year a transaction was incorrectly passed on the bank vote for monies paid back to a previous employee for a medical contribution. The monies was however never paid and this amount has been outstanding on the bank reconciliation since then. This has now been corrected.		
Refer to Cash and Cash Equivalents - note	(558)	(558)

42.2 Unspent Government Grants and Receipts		
During 2008/2009 the Municipality received grants from Dept Local government and Traditional affairs for Disaster Management. These monies were utilised during 2012/2013 during the disaster period relating to drought. The income was never recognised and there has been no movement since 2009 on these unspent grants. The revenue has now been recognised. No monies is due to COGHTA and has not been claimed for the past 5 financial years.		
Refer to Unspent Government Grants and Receipts - note	(8 989 987)	(8 989 987)

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
47 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED				
47.1 Unauthorised expenditure				
Reconciliation of unauthorised expenditure				
Opening balance	172 569	164 753	164 753	164 753
Unauthorised expenditure current year - operating	-	-	-	-
Unauthorised expenditure current year - capita	-	7 816	-	-
Authorised by Council	-	-	-	-
Transfer to receivables for recover)	-	-	-	-
Unauthorised expenditure awaiting authorisation	172 569	172 569	164 753	164 753
Incident	Disciplinary steps			
<i>Over expenditure on votes.</i>	<i>None</i>			
	Actual R	Final Budget R	Variance R	Unauthorised Expenditure R
Operating Expenditure by Vote				
Management Services	32 689 290	33 764 624	(1 075 334)	-
Financial Services	82 189 720	83 119 090	(929 370)	-
Corporate Services	44 410 866	48 373 162	(3 962 296)	-
Technical Services	286 893 610	290 882 542	(3 988 932)	-
Community Services	42 745 654	52 110 276	(9 364 622)	-
	488 929 140	508 249 694	(19 320 554)	-
Capital Expenditure by Vote				
Management Services	-	-	-	-
Financial Services	-	250 000	(250 000)	-
Corporate Services	859 941	1 600 855	(740 914)	-
Technical Services	125 727 878	143 764 891	(18 037 013)	-
Community Services	229 078	780 000	(550 922)	-
	126 816 897	146 395 746	(19 578 849)	-
Joe Gqabi Economic Development Agency (Soc) Ltd				
Operating Expenditure	7 987 474	9 641 481	(1 654 007)	-
Capital Expenditure	1 190	108 000	(106 810)	-
	7 988 664	9 749 481	(1 760 817)	-
47.2 Fruitless and wasteful expenditure				
Reconciliation of fruitless and wasteful expenditure				
Opening balance	503 166	434 638	503 166	434 638
Fruitless and wasteful expenditure current year	192 872	459 683	184 280	68 528
Written off by Council	-	-	-	-
Transfer to receivables for recover)	-	-	-	-
Fruitless and wasteful expenditure awaiting write-off approval	696 038	894 321	687 446	503 166
Incident	Disciplinary steps			
<i>Interest paid to Telkom, Eskom and on utility bills not paid within 30 days.</i>	<i>None</i>			
<i>Payments made to the incorrect supplier's bank account</i>	31 601	64 874	31 601	64 874
<i>Damages to rental vehicles</i>	-	369 764	-	369 764
<i>Interest on late payment of creditors</i>		9 375		
<i>Interest and penalties on late payment to SARS for VAT</i>	8 592	15 670		
<i>Meeting postpone and caterer not informed</i>	13 000		13 000	-
	192 872	459 683	184 280	434 638

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
47.3 Irregular expenditure				
Reconciliation of irregular expenditure				
Opening balance	8 412 125	8 048 124	8 412 125	8 048 124
Irregular expenditure - current year	778 186	-	778 186	-
Irregular expenditure - prior year (identified during current year)	-	364 001	-	364 001
Condoned	-	-	-	-
Transfer to receivables for recovery	-	-	-	-
Irregular expenditure awaiting condonement	<u>9 190 312</u>	<u>8 412 125</u>	<u>9 190 312</u>	<u>8 412 125</u>
Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.				
The irregular expenditures were ratified as minor breaches by the Accounting Officer in terms of the Supply Chain regulations 36(1)(b) and in line with the Municipalities Supply Chain policy.				
48 MATERIAL LOSSES				
Water distribution losses				
Kilo litres disinfected/purified/purchased	12 155 028	13 723 817	12 155 028	13 723 817
Kilo litres sold	(7 344 702)	(6 624 108)	(7 344 702)	(6 624 108)
Kilo litres lost	<u>4 810 326</u>	<u>7 099 709</u>	<u>4 810 326</u>	<u>7 099 709</u>
Percentage lost during distribution	39.6%	51.7%	39.6%	51.7%
Average cost per kilolitre in Rand:	11.21	11.68	11.21	11.68
Loss in Rand value	53 923 757	82 924 601	53 923 757	82 924 601
49 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT				
49.1 SALGA Contributions - [MFMA 125 (1)(b)]				
Opening balance	-	-	-	-
Council subscriptions	1 238 020	316 018	1 238 020	316 018
Amount paid - current year	(1 238 020)	(316 018)	(1 238 020)	(316 018)
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
49.2 Audit fees - [MFMA 125 (1)(b)]				
Opening balance	13 197	168 712	13 197	123 846
Current year audit fee	6 942 091	6 891 999	6 345 651	6 358 848
External Audit - Auditor-General	5 599 834	5 549 742	5 003 394	5 016 591
Internal Audit	1 342 258	1 342 258	1 342 258	1 342 258
Amount paid	(6 955 289)	(7 047 514)	(6 358 849)	(6 469 497)
Balance unpaid (included in payables)	<u>-</u>	<u>13 197</u>	<u>-</u>	<u>13 197</u>
49.3 VAT - [MFMA 125 (1)(b)]				
Opening balance	1 916 650	5 625 130	1 997 927	5 212 240
Amounts received - current year	(37 385 706)	(38 535 040)	(37 471 461)	(37 471 461)
Amounts claimed - current year	40 503 115	34 826 560	40 375 300	34 257 148
Balance receivable	<u>5 034 059</u>	<u>1 916 650</u>	<u>4 901 766</u>	<u>1 997 927</u>
VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.				
49.4 PAYE, SDL and UIF - [MFMA 125 (1)(b)]				
Opening balance	-	-	-	-
Current year payroll deductions and Council Contributions	21 335 984	18 172 341	21 335 984	18 172 341
Amount paid - current year	(21 335 984)	(18 172 341)	(21 335 984)	(18 172 341)
Balance receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
49.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]				
Opening balance	-	-	-	-
Current year payroll deductions and Council Contributions	29 438 311	25 185 451	29 438 311	25 185 451
Amount paid - current year	(29 438 311)	(25 185 451)	(29 438 311)	(25 185 451)
Balance unpaid (included in payables)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
49.6 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]				
There are no overdue councillor accounts.				
49.7 Deviations - Supply Chain Management				
Deviations with the Supply Chain Management Regulations were identified and categorised as follows:				
- Emergencies	42 677 924	53 217 643	42 677 924	53 217 643
- Goods or services are produced or available from a single provider only	1 567 726	2 429 265	1 567 726	2 429 265
- Other exceptional cases where it is impractical or impossible to follow the official procurement processes	15 736 190	17 049 266	15 736 190	17 049 266
	<u>59 981 840</u>	<u>72 696 174</u>	<u>59 981 840</u>	<u>72 696 174</u>
Deviations per department				
- Office of the Municipal Manager	296 318	1 712 989	296 318	1 712 989
- Financial Services	296 667	186 816	296 667	186 816
- Corporate Services	2 432 160	3 490 520	2 432 160	3 490 520
- Community Services	4 674 032	10 206 241	4 674 032	10 206 241
- Technical Services	52 278 559	57 036 263	52 278 559	57 036 263
- Expenditure incurred on behalf of JoGEDA	4 104	63 345	4 104	63 345
	<u>59 981 840</u>	<u>72 696 174</u>	<u>59 981 840</u>	<u>72 696 174</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
50 CAPITAL COMMITMENTS				
Commitments in respect of capital expenditure:				
Approved and contracted for:				
- Infrastructure	387 266 397	386 085 300	387 266 397	386 085 300
Total	387 266 397	386 085 300	387 266 397	386 085 300
This expenditure will be financed from				
Government Grants	387 266 397	370 589 879	387 266 397	370 589 879
Own Resources	-	15 495 421	-	15 495 421
	387 266 397	386 085 300	387 266 397	386 085 300

51 FINANCIAL RISK MANAGEMENT

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

(a) Foreign Exchange Currency Risk

The Economic Entity does not engage in foreign currency transactions

(b) Price risk

The Economic Entity is not exposed to price risk

(c) Interest Rate Risk

Financial assets and liabilities that are sensitive to interest rate risk are cash and cash equivalents, non-current investments and loan payables

The Economic Entity analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for cash and cash equivalents and non-current investments as the interest rate on loan payables are fixed.

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

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

##	226 922	231 403	225 007	231 332
##	(226 922)	(231 403)	(225 007)	(231 332)

The potential impact on the fair value of loans payable due to changes in interest rates is insignificant as the carrying value represents the fair value based on the underlying assets.

(d) Credit Risk

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

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

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

All services are payable within 30 days from invoice date. Refer to note 14 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms

Balances past due not impaired:

Water	2 722 576	1 019 291	2 722 576	1 019 291
Sewerage	66	1 632 123	66	1 632 123
Local Municipalities	4 053 067	1 389 790	4 053 067	1 389 790
Other Receivables	2 412 471	3 274 682	2 394 011	3 262 222
	9 188 179	7 315 885	9 169 719	7 303 425

No receivables are pledged as security for financial liabilities.

The Economic Entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure is disclosed below

The banks utilised by the Economic Entity for current and non-current investments are all listed on the JSE (ABSA Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

Although the risk pertaining to unpaid conditional grants and subsidies are considered to be very low, the maximum exposure is disclosed below. Amounts are receivable from national and provincial government and there are no expectation of counter party default

JOE QQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
Receivables from exchange transactions are individually evaluated annually at Financial Position date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment, where applicable. The maximum exposure is disclosed below.				
Financial assets exposed to credit risk at year end are as follows:				
Receivables from Exchange Transactions	163 712 025	83 319 392	170 237 831	84 544 771
Cash and Cash Equivalents	34 175 098	38 236 685	33 792 009	38 222 396
Non-current Investments	1 395 357	1 301 340	1 386 357	1 301 340
Unpaid Conditional Grants and Subsidies	14 408 693	4 955 798	14 408 693	4 621 778
	<u>213 691 173</u>	<u>127 813 215</u>	<u>219 833 890</u>	<u>128 690 305</u>

(e) Liquidity Risk

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

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

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

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Economic Entity				
2015				
Long Term liabilities	4 982 253	16 650 731	4 178 442	25 811 426
Capital repayments	3 214 401	12 753 285	2 710 903	18 678 589
Interest	1 767 852	3 897 446	1 467 539	7 132 837
Payables from exchange transactions	79 331 616	-	-	79 331 616
Unspent Conditional Government Grants and Receipts	24 243 771	-	-	24 243 771
	<u>108 557 640</u>	<u>16 650 731</u>	<u>4 178 442</u>	<u>129 386 813</u>
2014				
Long Term liabilities	1 132 215	4 038 766	5 328 676	10 499 657
Capital repayments	445 354	1 792 985	3 861 137	6 099 476
Interest	686 861	2 245 781	1 467 539	4 400 181
Payables from exchange transactions	59 609 460	-	-	59 609 460
Unspent Conditional Government Grants and Receipts	25 261 750	-	-	25 261 750
	<u>86 003 425</u>	<u>4 038 766</u>	<u>5 328 676</u>	<u>95 370 867</u>
Municipality				
2015				
Long Term liabilities and Finance Leases:	4 982 253	16 650 731	3 390 976	25 023 959
Capital repayments	3 214 401	12 753 285	2 710 903	18 678 589
Interest	1 767 852	3 897 446	680 073	6 345 370
Payables from exchange transactions	79 331 616	-	-	79 331 616
Unspent Conditional Government Grants and Receipts	23 718 061	-	-	23 718 061
	<u>108 031 930</u>	<u>16 650 731</u>	<u>3 390 976</u>	<u>128 073 636</u>
2014				
Long Term liabilities	1 132 215	4 038 766	5 328 676	10 499 657
Capital repayments	445 354	1 792 985	3 861 137	6 099 476
Interest	686 861	2 245 781	1 467 539	4 400 181
Payables from exchange transactions	59 609 460	-	-	59 609 460
Unspent Conditional Government Grants and Receipts	24 655 502	-	-	24 655 502
	<u>85 397 177</u>	<u>4 038 766</u>	<u>5 328 676</u>	<u>94 764 619</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	ECONOMIC ENTITY		MUNICIPALITY	
	2015 R	2014 R	2015 R	2014 R
52 FINANCIAL INSTRUMENTS				
In accordance with GRAP 104 the financial instruments of the Economic Entity are classified as follows:				
52.1 Financial Assets				
Financial instruments at amortised cost				
Non-Current Investments				
- Fixed Deposits	1 395 357	1 301 340	1 395 357	1 301 340
- Municipal Entity - Joe Gqabi Economic Development Agency (Soc) Ltc	-	-	1 894 055	1 894 055
Receivables from Exchange Transactions	19 116 733	15 299 118	25 642 539	16 524 497
Cash and Cash Equivalents	34 175 098	38 236 685	33 792 009	38 222 396
Unpaid Conditional Government Grants and Receipts	14 408 693	4 955 798	14 408 693	4 621 798
Total carrying amount of financial assets	69 095 881	59 792 941	77 132 652	62 564 086
52.2 Financial Liability				
Financial instruments at amortised cost				
Long-term Liabilities	15 464 187	5 653 603	15 464 187	5 653 603
Trade and Other Payables	76 129 390	56 212 026	76 129 390	56 212 026
Current Portion of Long-term Liabilities	3 214 402	445 873	3 214 402	445 873
Unspent Conditional Government Grants and Receipts	24 243 771	25 261 750	23 718 061	24 655 502
Total carrying amount of financial liabilities	119 051 750	87 573 252	118 526 040	86 967 004

53 EVENTS AFTER THE REPORTING DATE

The Municipality has noted the unfavourable weather conditions that have persisted in the last quarter ended 30 June 2015. All indications and information at hand indicates that the District will have a period of drought that will in all probability result in the outflow of economic resources in the post reporting period. The outflow of resources is expected to exceed R20 million.

54 IN-KIND DONATIONS AND ASSISTANCE

None

JoGEDA occupies a building of Maletswai Local Municipality at 27 Dan Pienaar in Aliwal North. Maletswai Local Municipality does not charge any rent for this occupation.

55 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

56 CONTINGENT LIABILITY

Council has the following contingent liabilities at the end of the financial year 2014/2015:

Outstanding litigation claims

A claim of R800 000 was filed against the Municipality by a service provider for services rendered. Council has filed a counter claim. The Municipality considers the likelihood of the case being lost by the Municipality as being low. No court date has been set as on the reporting date.

A claim of R606 640 was filed against the Municipality by a service provider for services rendered. Council has filed a counter claim. The Municipality considers the likelihood of the case being lost by the Municipality as being medium. No court date has been set as on the reporting date.

A claim was filed against the Municipality by a service provider disputing the award of a tender to another service provider. The Municipality considers the likelihood of the case being lost by the Municipality as being medium. No court date has been set as on the reporting date.

The Municipality is contesting a labour matter in respect of its junior fire fighters. The claim is for back-pay, stand-by allowances and other allowances. The Commissioner at the CCMA issued an award. The award was that the 28 junior fire fighters be paid an amount of R340 327.95 each on this matter. This amounts to R9 529 182.60. The Municipality has contested this award. This matter is now pending and a date has not been set on the roll at the Labour Court.

In addition, the Commissioner also issued an award that the 28 junior fire fighters be paid an amount of R211 870 each based on TASK grading, amounting to R5 932 360 in total. This arbitration award has also been referred for review.

The municipality is currently having a labour related matter in front of the labour court and the estimated amount is R300 000. This case is currently under review.

The Municipality is contesting a claim for damages amounting to R754 702. The claim was lodged by Mr B Ramsay and his spouse for damages, pain and suffering and future medical costs. The claim relates to a motor vehicle accident wherein the vehicle was damaged when entering a site in Aliwal North. The site relates to diggings on a road for the purpose of effecting repairs to water infrastructure. The complainants believe that the Municipality is responsible for the accident that occurred. The Municipality is contesting this claim.

The Department of Water and Sanitation is claiming an amount R37 660 353 from the Municipality for raw water extraction costs. This amount is made up of a number of invoices, dating back as far as 2002. The Municipality has had extensive interactions with the Department, but this amount has not been finalised. The Municipality's Management is of the opinion that this amount is firstly grossly overstated and in some cases refers to areas outside the District's jurisdiction. An accrual of R10 531 551 for bulk water purchases has been made and this amount is considered to be due and payable to the Department. The net amount of the contingency is R27 128 802. The Municipality is in ongoing negotiations with the Department. The Department submitted a request to its Minister and Director General to write off the amount. This decision is still pending. The Department is also considering drought relief measures for the current year's raw water extraction costs. This decision is also pending.

57 RELATED PARTIES

No business transactions took place between the Economic Entity and management personnel and their close family members (including close members of family members) during the year under review

57.01 Related Party Loans

Since 1 July 2004 loans to Councillors and Senior Management Employees are not permitted

Prior to the above mentioned date, a loan in respect of the former Municipal Manager was made. The loan is included in Receivables from exchange transactions as per note 14. A provision for impairment is made for the outstanding amount of R165 955 as it is uncertain that it will be collected

Included in Receivables from Exchange Transactions are monies owed by the Board of Directors relating to PAYE that was not deducted from their sitting allowances. The PAYE was not deducted from the Directors as JoGEDA was not registered at the South African Revenue Services. All monies were recovered, except R750, which was written off in 2013/14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

57.02 Compensation of management personnel

The compensation of management personnel is set out in note 27, 28 and 29 to the financial statements

57.03 Investment in Municipal Entity

The Municipality has a 100% shareholding in Joe Gqabi Economic Development Agency (Soc) Ltd (JoGEDA) as set out in note 12 to the financial statements. The Municipality incurred expenditure on behalf of JoGEDA. At year-end JoGEDA still owed the Municipality R6 738 739 (2014 - R1 237 839) of outstanding reimbursements as set out in note 14.

The Municipality paid a grant to JoGEDA as disclosed in note

58 EXPLANATORY NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**58.01 ORIGINAL BUDGET vs FINAL BUDGET****General activities effecting the budget**

The Municipality's Council approved the take over of the water and sanitation function from all the Local Municipalities. 2014/2015 was the first financial year to be responsible for the billing of Maletswai Local area and Senqu Local Area.

Amatola Water was responsible for the water function in some parts of the Senqu area, while Sintec provided water functions in parts of the Elundini area. During the year these services were taken back by the Municipality and all employees were transferred from Amatola Water and Sintec to the Municipality. The original budget provided for the payment of contracted services to these entities. The final budget required the Municipality to provide for expenditure in terms of standard line items relating to the water function.

The 2012/13 financial year was the first year that the Municipality took over the water and sanitation function from the Local Municipalities, except for Gariep Local Municipality which was only done in 2013/2014. There were still limited historic data available in order to draft an accurate original budget. Subsequently, more accurate historic data became available during the year which was taken into account during the drafting of the final budget. The billing responsibility contributed mainly to the challenges experienced during the year.

Statement of Financial Position

Movement in Current Assets consist of consumer debtors which were decreased by R5 million in order to be more in line with the audited outcome of 30 June 2013.

Current Liabilities were increased due to the following

- Current Employee Benefits were increased in order to be in line with the audited outcome of 30 June 2014 and to take into account items which were not budgeted for in the original budget.
- Unspent Conditional Grants and Receipts were increased in order to take into account grants which will not be spent during 2014/15. This was not budgeted for in the original budget.
- The Trade payables were increased due the continuous cash flow challenges of the Municipality

Non-Current Liabilities were increased due to the following

- Non-Current Employee Benefits were increased in order to be in line with the audited outcome of 30 June 2014 and to take into account items which were not budgeted for in the original budget.
- Long-term Liabilities were also increased by as there was an intention to borrow money to finance the water infrastructure

Statement of Financial Performance - Revenue

Capital Government Grants and Subsidies were increased due to following

- Additional MIG funding (R20 million) allocator
-
-

Operating Government Grants and Subsidies were increased due a combination of the following

- Anticipated allocation from DWA (R43 million)
- Additional allocation from Rural Household Infrastructure Grant (R4 million)
- Additional allocation from ACIP (R15 million)
- Water Services Operating Grants (R10 million) - incorrectly classified as Operating Government Grants and Subsidies in the original budget

Transfer of function was increased by R27 million in expectation of debtors to be received from Gariep Local Municipalities with the transfer of function

Service charges were increased by R8 million to take into account water and sanitation services transferred from Gariep Local Municipality. In addition, service charges relating to the remaining areas (Senqu, Maletswai and Elundini) were increased by R8 million in order to be in line with the audit outcome of 30 June 2013.

Statement of Financial Performance - Expenditure

Employee Related Costs were increased due to the following

- R5 million to take into account current and non-current employee benefits which was not budgeted for in the original budget
- Employees transferred from Gariep Local Municipality, Amatole and Sintec amounting to R15 million

Debt Impairment was increased by R43 million in order to be more in line with the audit outcome of 30 June 2013 (R12 million), and also to take into account bad debts relating consumer debtors received from Gariep Local Municipality (R31 million)

Impairments were increased by R40 million in order to fully provide for unpaid Emergency Drought Relief grant monies owed by DW/

Repairs and Maintenance was increased by R8.5 million to accommodate the take over of the water and sanitation functions as stipulated under "General Activities effecting the budget".

Contracted Services were decreased by R25.5 million as the water function operated by Amatole Water and Sintec were now operated by the Economic Entity

Grants and subsidies paid was decreased by R9.5 million as Gariep Local Municipality no longer receives a grant in order to act as the water service provider

Operating Grant Expenditure was increased in order to accommodate additional operating grant funding received and correction of errors as discussed under "Statement of Financial Performance - Revenue"

General Expenses was increased to accommodate the take over of the water and sanitation functions. The major contributor was chemical expenditure which was increased by R5 million.

Cash Flow Statement

Increase in Net Cash from Operating Activities was largely due to an increase in additional Capital Grant monies as mentioned above under the "Statement of Financial Performance - Revenue" as well as additional expenditure as mentioned under "Statement of Financial Performance - Expenditure".

Decrease in Net Cash from Investing Activities was due the adjustment made to the capital budget in respect of additional capital grant monies received as mentioned under "Statement of Financial Performance - Revenue".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Operating Expenditure by vote

Management Services were increased with following items

- The section Social Economic Development amounting to R6 million was incorrectly budgeted for under Community Services
- Grants and Subsidies Paid was also increased by R2 million to take into account the transfer of Senqu Plastics to JoGED

Corporate Services were increased with

- Employee Related costs were increased by R5 million to take into account current and non-current employee benefits which was not budgeted for in the original budget.

Technical Services were increased with the following items

- Operating Grant Expenditure was increased by R48 million to take into account additional funding received from ACIP (R1 million), DWA (R8 million) and Rural Household Infrastructure Grants (R3.5 million). VIP Toilets were also under budgeted for by R31 million in the original budget. MWIG funds (R4.5 million) allocated from capital budget to operating budget.
- Impairments were increased by R45 million to take into account the impairment relating to unpaid emergency drought relief monies
- Debt Impairment was increased by R34 million to take into account historic data trends as well as to provide for consumer debtors transferred from Gariep Local Municipality.
- Water Service Provider expenditure amounting to R24 million was incorrectly budgeted for under Community Services (Water Service Authority)
- Bulk Purchases amounting to R4 million were incorrectly budgeted Technical Services and should have been budgeted for Community Services
- Employee Related Costs were increased by R3.5 million to take into account the possibility of the 14th relating to the Bargaining Council
- Fuel and Oil for the Roads section was underbudgeted for by R2 million

Community Services were decreased as a result of the net effect of the following item:

- Water Service Provider expenditure amounting to R24 million was incorrectly budgeted for under Community Services (Water Service Authority). It should have been budgeted for under Technical Services.
- The section Social Economic Development amounting to R6 million was incorrectly budgeted under Community Services
- Bulk Purchases amounting to R4 million were incorrectly budgeted Technical Services and should have been budgeted for Community Services
- Operating Expenditure for Working for Water and Wetlands was also increased by R3 million to take into account additional funding received from Environmental Affairs and SANBI.

Capital Expenditure by vote

Technical Services increased due to the following

- Anticipated allocation from DWA (R30 million) relating to drought relief
- Water Service Operating Grant expenditure (R9 million) was not budgeted for in the original budget
- Additional funds were made available from own revenue in order to purchase bakkies amounting R12 million
- Additional MIG funding received amounting to R16 million

58.02 ACTUAL AMOUNTS vs FINAL BUDGET**Statement of Financial Position**

Total Current Assets exceeds the final budget due to increase in cash on hand is creditors at year-end has not been paid and increase in the consumer debtors due to low payment percentage.

Total Non-Current Assets is more than budget due to the roll over of additional MIG allocations

Total Current Liabilities is more less than the budget due to year-end creditors not being paid but lower than anticipated

Total Non-Current Liabilities is less than budget but in line with a difference of below R4million

Statement of Financial Performance - Revenue

Capital Government Grants is under collected due to grants incorrectly classified as capital rather operating viz. MIG and MWIG. The municipality also did not spend the full allocation for the financial year.

Capital Government Grants is under collected due to grants incorrectly classified as capital rather operating viz. MIG and MWIG. The municipality also did not spend the full allocation for the financial year. The net effect of Capital and Operational more or less equal the unspent portion at year end.

Billing was higher than anticipated and it was the first year of billing

Statement of Financial Performance - Expenditure

Employee Related Costs are underspent. The Municipality had a number of vacant posts in the WSP, PMU, Disaster, BTO and OHS which was not filled during the year. This was due to budget constraints

Dept impairment is significantly more due to the first time billing as well as collection. This should improve towards the 2016/2017 year

Contracted Services were underspent due to the municipality performing the function themselves as well as budget constraint

General Expenses are underspent due to cash flow pressure and all departments implemented austerity measure

Cash Flow Statement

Net Cash from Operating Activities was better than forecasted due to creditors not being paid at the year-end

Net Cash from Investing Activities was below expectations due to the increased MIG allocation not utilised and due for roll over

Operating Expenditure by vote

Technical Services were over budgeted for with respect to the following: Employee Costs, Debt Impairment on service charges, water services operating grant and general expenses. Refer to budget comparison of Statement of Financial Performance (Expenditure) for detail.

Community Services is underspent due to the over-provision in budgeted bulk services. Saving on General Expenses due to austerity measures. The Working for Water monies were not paid over by the department and hence no expenditure was incurred.

Capital Expenditure by vote

Technical Services is underspent on capital due to the additional MIG allocation of R20 million being rolled over.

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

9 PROPERTY, PLANT AND EQUIPMENT

ECONOMIC ENTITY

30 JUNE 2015

Reconciliation of Carrying Value

	Cost					Accumulated Depreciation					Carrying Value	
	Opening Balance	Additions	Transfers and non-exchange additions	Disposals	Transfer to Capital Assets	Closing Balance	Opening Balance	Impairment	Depreciation Charge	Disposals		Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	17 682 048	-	-	-	-	17 682 048	4 191 402	-	582 480	-	4 773 883	12 908 166
Land	2 043 000	-	-	-	-	2 043 000	-	-	-	-	-	2 043 000
Buildings	15 639 048	-	-	-	-	15 639 048	4 191 402	-	582 480	-	4 773 883	10 865 166
Infrastructure	1 491 040 280	114 374 304	-	(13 731 457)	-	1 591 683 127	239 630 382	-	39 692 533	(9 575 330)	269 747 585	1 321 935 542
Sewerage network	290 131 424	-	-	(3 167 192)	34 313 968	321 278 200	54 597 107	-	9 453 240	(1 486 138)	62 564 209	258 713 992
Water network	945 048 087	-	-	(10 564 265)	83 209 891	1 017 693 712	185 033 275	-	30 239 293	(8 089 192)	207 183 376	810 510 336
Work in Progress	255 860 769	114 374 304	-	-	(117 523 858)	252 711 215	-	-	-	-	-	252 711 215
Other Assets	32 994 918	12 443 782	-	(257 860)	-	45 180 841	15 485 604	4 250	3 709 547	(181 885)	19 017 515	26 163 325
Office Equipment	2 217 114	145 839	-	(3 639)	-	2 359 315	1 230 193	-	245 049	(385)	1 474 857	884 457
Furniture & Fittings	3 268 647	374 917	-	(1 559)	-	3 642 004	2 348 602	4 250	217 490	(1 392)	2 568 950	1 073 054
Motor Vehicles	7 333 917	9 875 798	-	(179 347)	-	17 030 367	3 489 919	-	1 685 954	(150 240)	5 025 633	12 004 734
Fire Engines	8 924 094	-	-	-	-	8 924 094	4 803 526	-	693 475	-	5 497 001	3 427 093
Computer Equipment	2 462 016	861 131	-	(58 490)	-	3 264 657	1 561 480	-	176 844	(25 922)	1 712 401	1 552 256
Special Vehicles	4 850 274	-	-	-	-	4 850 274	682 211	-	391 072	-	1 073 283	3 776 991
Tools and Equipment	3 868 205	1 186 098	-	(14 825)	-	5 039 478	1 357 043	-	296 129	(3 946)	1 649 227	3 390 251
Leasehold Improvements	70 651	-	-	-	-	70 651	12 631	-	3 533	-	16 164	54 488
	1 541 717 247	126 818 087	-	(13 989 317)	-	1 654 546 016	259 307 388	4 250	43 984 560	(9 757 216)	293 538 983	1 361 007 033

The accumulated impairment included in the closing balance is as follows:

Office Equipment	666
Furniture and fittings	5 291
	<u>5 957</u>

There are no assets fully depreciated which is still in use or any assets held for disposal or any temporary idle assets as on date of financial position. No Property, Plant and Equipment are pledged as security for liabilities.

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

ECONOMIC ENTITY

30 JUNE 2014

Reconciliation of Carrying Value

	Cost					Accumulated Depreciation					Carrying Value	
	Opening Balance	Transfers and non-exchange additions	Disposals	Transfer to Capital Assets	Closing Balance	Opening Balance	Transfers and non-exchange additions	Depreciation Charge	Disposals	Closing Balance		
	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	17 434 118	247 931	-	-	-	17 682 048	3 621 022	-	570 381	-	4 191 402	13 490 646
Land	2 043 000	-	-	-	-	2 043 000	-	-	-	-	-	2 043 000
Buildings	15 391 118	247 931	-	-	-	15 639 048	3 621 022	-	570 381	-	4 191 402	11 447 646
Infrastructure	1 401 735 107	94 551 932	-	(5 246 759)	-	1 491 040 280	203 107 725	-	38 592 262	(2 069 605)	239 630 382	1 251 409 898
Sewerage network	269 489 040	-	-	(14 158)	20 656 542	290 131 424	45 855 342	-	8 755 922	(14 157)	54 597 107	235 534 317
Water network	938 256 668	-	-	(5 232 601)	12 024 020	945 048 087	157 252 383	-	29 836 340	(2 055 447)	185 033 275	760 014 811
Work in Progress	193 989 399	94 551 932	-	-	(32 680 562)	255 860 769	-	-	-	-	-	255 860 769
Other Assets	25 693 399	5 470 649	2 668 232	(837 361)	-	32 994 918	13 563 783	-	2 735 044	(813 223)	15 485 604	17 509 314
Office Equipment	1 994 411	108 199	154 475	(39 971)	-	2 217 114	1 001 514	-	265 650	(36 971)	1 230 193	986 922
Furniture & Fittings	3 061 811	71 526	182 636	(47 326)	-	3 268 647	2 069 875	-	323 569	(44 841)	2 348 602	920 045
Motor Vehicles	6 206 775	1 010 152	116 990	-	-	7 333 917	2 964 407	-	525 512	-	3 489 919	3 843 997
Fire Engines	8 924 094	-	-	-	-	8 924 094	3 916 074	-	887 452	-	4 803 526	4 120 568
Computer Equipment	2 946 099	130 762	76 529	(691 373)	-	2 462 016	2 046 253	-	195 007	(679 780)	1 561 480	900 537
Special Vehicles	935 945	3 902 364	22 965	(11 000)	-	4 850 274	404 641	-	286 853	(9 284)	682 211	4 168 063
Tools and Equipment	1 553 613	247 646	2 114 637	(47 691)	-	3 868 205	1 151 921	-	247 469	(42 347)	1 357 043	2 511 161
Leasehold Improvements	70 651	-	-	-	-	70 651	9 098	-	3 533	-	12 631	58 021
	1 444 862 623	100 270 512	2 668 232	(6 084 120)	-	1 541 717 247	220 292 529	-	41 897 687	(2 882 828)	259 307 388	1 282 409 858

The accumulated impairment included in the closing balance is as follows:

Office Equipment	666
Furniture and fittings	1 041
	<u>1 707</u>

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

MUNICIPALITY

30 JUNE 2015

Reconciliation of Carrying Value

	Cost					Accumulated Depreciation					Carrying Value	
	Opening Balance	Additions	Transfers and non-exchange additions	Disposals	Transfer to Capital Assets	Closing Balance	Opening Balance	Transfers and non-exchange additions	Depreciation Charge	Disposals		Closing Balance
	R	R		R	R	R	R		R	R		R
Land and Buildings	17 682 048	-	-	-	-	17 682 048	4 191 402	-	582 480	-	4 773 883	12 908 166
Land	2 043 000	-	-	-	-	2 043 000	-	-	-	-	-	2 043 000
Buildings	15 639 048	-	-	-	-	15 639 048	4 191 402	-	582 480	-	4 773 883	10 865 166
Infrastructure	1 491 040 280	114 374 304	-	(13 731 457)	-	1 591 683 127	239 630 382	-	39 692 533	(9 575 330)	269 747 585	1 321 935 542
Sewerage network	290 131 424	-	-	(3 167 192)	34 313 968	321 278 200	54 597 107	-	9 453 240	(1 486 138)	62 564 209	258 713 992
Water network	945 048 087	-	-	(10 564 265)	83 209 891	1 017 693 712	185 033 275	-	30 239 293	(8 089 192)	207 183 376	810 510 336
Work in Progress	255 860 769	114 374 304	-	-	(117 523 858)	252 711 215	-	-	-	-	-	252 711 215
Other Assets	30 550 874	12 442 592	-	(245 260)	-	42 748 206	15 195 572	-	3 503 030	(172 880)	18 525 722	24 222 484
Office Equipment	2 144 783	145 839	-	(3 639)	-	2 286 984	1 209 820	-	234 142	(385)	1 443 577	843 406
Furniture & Fittings	3 105 068	374 917	-	(1 559)	-	3 478 425	2 316 961	-	208 098	(1 392)	2 523 667	954 758
Motor Vehicles	7 333 917	9 875 798	-	(179 347)	-	17 030 367	3 489 919	-	1 685 954	(150 240)	5 025 633	12 004 734
Fire Engines	8 924 094	-	-	-	-	8 924 094	4 803 526	-	693 475	-	5 497 001	3 427 093
Computer Equipment	2 350 127	859 941	-	(45 890)	-	3 164 178	1 493 894	-	152 394	(16 917)	1 629 370	1 534 808
Special Vehicles	4 850 274	-	-	-	-	4 850 274	682 211	-	391 072	-	1 073 283	3 776 991
Tools and Equipment	1 842 611	1 186 098	-	(14 825)	-	3 013 884	1 199 242	-	137 894	(3 946)	1 333 191	1 680 693
	1 539 273 202	126 816 897	-	(13 976 717)	-	1 652 113 382	259 017 357	-	43 778 043	(9 748 211)	293 047 189	1 359 066 192

There are no assets fully depreciated which is still in use or any assets held for disposal or any temporary idle assets as on date of financial position. There are no impairment identified for Property, Plant and Equipment. No Property, Plant and Equipment are pledged as security for liabilities.

JOE GQABI DISTRICT MUNICIPALITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

MUNICIPALITY

30 JUNE 2014

Reconciliation of Carrying Value

	Cost					Accumulated Depreciation					Carrying Value	
	Opening Balance	Additions	Transfers and non-exchange additions	Disposals	Transfer to Capital Assets	Closing Balance	Opening Balance	Transfers and non-exchange additions	Depreciation Charge	Disposals		Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	17 434 118	247 931	-	-	-	17 682 048	3 621 022	-	570 381	-	4 191 402	13 490 646
Land	2 043 000	-	-	-	-	2 043 000	-	-	-	-	-	2 043 000
Buildings	15 391 118	247 931	-	-	-	15 639 048	3 621 022	-	570 381	-	4 191 402	11 447 646
Infrastructure	1 401 735 107	94 551 932	-	(5 246 759)	-	1 491 040 280	203 107 725	-	38 592 262	(2 069 605)	239 630 382	1 251 409 898
Sewerage network	269 489 040	-	-	(14 158)	20 656 542	290 131 424	45 855 342	-	8 755 922	(14 157)	54 597 107	235 534 317
Water network	938 256 668	-	-	(5 232 601)	12 024 020	945 048 087	157 252 383	-	29 836 340	(2 055 447)	185 033 275	760 014 811
Work in Progress	193 989 399	94 551 932	-	-	(32 680 562)	255 860 769	-	-	-	-	-	255 860 769
Other Assets	25 332 771	5 412 827	2 668 232	(2 862 955)	-	30 550 874	13 475 170	-	2 533 625	(813 223)	15 195 572	15 355 301
Office Equipment	1 964 786	65 493	154 475	(39 971)	-	2 144 783	990 842	-	255 949	(36 971)	1 209 820	934 964
Furniture & Fittings	2 906 048	63 710	182 636	(47 326)	-	3 105 068	2 046 820	-	314 983	(44 841)	2 316 961	788 107
Motor Vehicles	6 206 775	1 010 152	116 990	-	-	7 333 917	2 964 407	-	525 512	-	3 489 919	3 843 997
Fire Engines	8 924 094	-	-	-	-	8 924 094	3 916 074	-	887 452	-	4 803 526	4 120 568
Computer Equipment	2 841 510	123 462	76 529	(691 373)	-	2 350 127	2 000 465	-	173 209	(679 780)	1 493 894	856 234
Special Vehicles	935 945	3 902 364	22 965	(11 000)	-	4 850 274	404 641	-	286 853	(9 284)	682 211	4 168 063
Tools and Equipment	1 553 613	247 646	2 114 637	(2 073 285)	-	1 842 611	1 151 921	-	89 668	(42 347)	1 199 242	643 368
	1 444 501 995	100 212 690	2 668 232	(8 109 714)	-	1 539 273 202	220 203 917	-	41 696 268	(2 882 828)	259 017 357	1 280 255 845

**APPENDIX A - Unaudited
JOE GQABI DISTRICT MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Maturity Date	Balance at 30 June 2014	Received during the period	Redeemed during the period	Balance at 30 June 2015
					R	R	R	R
ANNUITY LOANS								
DBSA - Building - c/o Graham and Cole street, Barkly East	11.5%	100878	6 monthly	31 Dec 2024	5 809 872	-	307 513	5 502 358
DBSA - Sanitation Infrastructure	10.00%	9980	6 monthly	30 Jun 2016	289 604	-	137 753	151 851
ABSA - Water meter loan	10.73%		6 monthly	1 March 2020	-	5 000 000	-	5 000 000
Total Annuity Loans					6 099 476	5 000 000	445 266	10 654 210
FINANCE LEASE								
ABSA - VEHICLES	Prime		Monthly	Various	-	9 875 798	1 851 418	8 024 380
Total Finance Leases					-	9 875 798	1 851 418	8 024 380
TOTAL EXTERNAL LOANS					6 099 476	5 000 000	2 296 684	18 678 589

APPENDIX B - Unaudited
JOE GQABI DISTRICT MUNICIPALITY (CONSOLIDATED)
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2015

	Cost/Revaluation							Accumulated Depreciation				Carrying Value	
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Land and Buildings													
Land	2 043 000	-	-	-	-	-	-	2 043 000	-	-	-	-	2 043 000
Buildings	15 639 048	-	-	-	-	-	-	15 639 048	4 191 402	582 480	-	4 773 883	10 865 166
	17 682 048	-	-	-	-	-	-	17 682 048	4 191 402	582 480	-	4 773 883	12 908 166
Infrastructure													
Sewerage Network	290 131 424	-	34 313 968	-	9 614 409	(3 167 192)	-	330 892 609	54 597 107	9 453 240	(1 486 138)	62 564 209	268 328 401
Water Network	945 048 087	-	83 209 891	-	243 096 808	(10 564 265)	-	1 260 790 520	185 033 275	30 239 293	(8 089 192)	207 183 376	1 053 607 143
	1 235 179 511	-	117 523 858	-	252 711 217	(13 731 457)	-	1 591 683 129	239 630 382	39 692 533	(9 575 330)	269 747 585	1 321 935 544
Other Assets													
Office Equipment	2 217 114	-	145 839	-	-	3 639	-	2 359 315	1 230 193	245 049	385	1 474 857	884 457
Furniture & Fittings	3 268 647	-	374 917	-	-	1 559	-	3 642 004	2 348 602	221 740	1 392	2 568 950	1 073 054
Motor Vehicles	6 933 259	400 658	9 774 783	101 015	-	179 347	-	17 030 367	3 489 919	1 685 954	150 240	5 025 633	12 004 734
Fire Engines	8 031 685	892 409	-	-	-	-	-	8 924 094	4 803 526	693 475	-	5 497 001	3 427 093
Computer Equipment	2 462 016	-	861 131	-	-	58 490	-	3 264 657	1 561 480	176 844	25 922	1 712 401	1 552 256
Special Vehicles	4 756 679	93 595	-390 237	390 237	-	-11 000	11 000	4 850 274	682 211	391 072	-	1 073 283	3 776 991
Tools and Equipment	3 868 205	-	1 186 098	-	-	14 825	-	5 039 478	1 357 043	296 129	3 946	1 649 227	3 390 251
Leasehold Improvements	70 651	-	-	-	-	-	-	70 651	12 631	3 533	-	16 164	54 488
	31 608 256	1 386 662	11 952 531	491 252	-	246 860	11 000	45 180 841	15 485 604	3 713 797	181 885	19 017 515	26 163 325
Total	1 284 469 815	1 386 662	129 476 389	491 252	252 711 217	-13 484 597	11 000	1 654 546 018	259 307 388	43 988 810	-9 393 445	53 437 523	1 361 007 035

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2014

	Cost/Revaluation							Accumulated Depreciation				Carrying Value	
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Land and Buildings													
Land	2 043 000	-	-	-	-	-	-	2 043 000	-	-	-	-	2 043 000
Buildings	15 391 118	-	247 931	-	-	-	-	15 639 048	3 621 022	570 381	-	4 191 402	11 447 646
	17 434 118	-	247 931	-	-	-	-	17 682 048	3 621 022	570 381	-	4 191 402	13 490 646
Infrastructure													
Sewerage Network	269 489 040	-	20 656 542	-	24 645 494	-	-	314 791 076	45 855 342	8 755 922	-	54 611 264	260 179 812
Water Network	938 256 668	-	12 024 020	-	169 343 907	-	-	1 119 624 594	157 252 383	29 836 340	-	187 088 723	932 535 871
	1 207 745 708	-	32 680 562	-	193 989 401	-	-	1 434 415 670	203 107 725	38 592 262	-	241 699 987	1 192 715 683
Other Assets													
Office Equipment	1 994 411	-	262 674	-	-	39 971	-	2 217 114	1 001 514	265 650	36 971	1 230 193	986 922
Furniture & Fittings	3 061 811	-	254 162	-	-	47 326	-	3 268 647	2 069 875	323 569	44 841	2 348 602	920 045
Motor Vehicles	5 535 969	670 806	1 127 142	-	-	-	-	7 333 917	2 964 407	525 512	-	3 489 919	3 843 997
Fire Engines	7 953 639	970 455	-	-	-	-	-	8 924 094	3 916 074	887 452	-	4 803 526	4 120 568
Computer Equipment	2 946 099	-	207 290	-	-	691 373	-	2 462 016	2 046 253	195 007	679 780	1 561 480	900 537
Special Vehicles	841 351	94 594	3 925 329	-	-	11 000	-	4 850 274	404 641	286 853	9 284	682 211	4 168 063
Tools and Equipment	1 553 613	-	2 362 283	-	-	47 691	-	3 868 205	1 151 921	247 469	42 347	1 357 043	2 511 161
Leasehold Improvements	70 651	-	-	-	-	-	-	70 651	9 098	3 533	-	12 631	58 021
	23 957 544	1 735 855	8 138 880	-	-	837 361	-	32 994 918	13 563 783	2 735 044	813 223	15 485 604	17 509 314
Total	1 249 137 370	1 735 855	41 067 373	-	193 989 401	837 361	-	1 485 092 637	220 292 529	41 897 687	813 223	53 437 523	1 223 715 643

APPENDIX B - Unaudited
JOE GQABI DISTRICT MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2015

	Cost/Revaluation							Accumulated Depreciation				Carrying Value	
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Land and Buildings													
Land	2 043 000	-	-	-	-	-	-	2 043 000	-	-	-	-	2 043 000
Buildings	15 639 048	-	-	-	-	-	-	15 639 048	4 191 402	582 480	-	4 773 883	10 865 166
	17 682 048	-	-	-	-	-	-	17 682 048	4 191 402	582 480	-	4 773 883	12 908 166
Infrastructure													
Sewerage Network	290 131 424	-	34 313 968	-	9 614 409	(3 167 192)	-	330 892 609	54 597 107	9 453 240	(1 486 138)	62 564 209	268 328 401
Water Network	945 048 087	-	83 209 891	-	243 096 808	(10 564 265)	-	1 260 790 520	185 033 275	30 239 293	(8 089 192)	207 183 376	1 053 607 143
	1 235 179 511	-	117 523 858	-	252 711 217	(13 731 457)	-	1 591 683 129	239 630 382	39 692 533	(9 575 330)	269 747 585	1 321 935 544
Other Assets													
Office Equipment	2 144 783	-	145 839	-	-	(3 639)	-	2 286 984	1 209 820	234 142	-385	1 443 577	843 406
Furniture & Fittings	3 105 068	-	374 917	-	-	(1 559)	-	3 478 425	2 316 961	208 098	-1 392	2 523 667	954 758
Motor Vehicles	7 333 917	501 673	9 875 798	3 874 382	-	(179 347)	17 935	17 030 367	3 489 919	1 685 954	-150 240	5 025 633	12 004 734
Fire Engines	8 924 094	892 409	-	-	-	-	-	8 924 094	4 803 526	693 475	-	5 497 001	3 427 093
Computer Equipment	2 350 127	-	859 941	-	-	(45 890)	-	3 164 178	1 493 894	152 394	-16 917	1 629 370	1 534 808
Special Vehicles	4 850 274	483 832	-	-	-	-	-	4 850 274	682 211	391 072	-	1 073 283	3 776 991
Tools and Equipment	1 842 611	-	1 186 098	-	-	(14 825)	-	3 013 884	1 199 242	137 894	-3 946	1 333 191	1 680 693
	30 550 874	1 877 914	12 442 592	3 874 382	-	(245 260)	17 935	42 748 206	15 195 572	3 503 030	-172 880	18 525 722	24 222 484
Total	1 283 412 433	1 877 914	129 966 451	3 874 382	252 711 217	-13 976 717	17 935	1 652 113 384	259 017 357	43 778 043	-9 748 211	293 047 189	1 359 066 194

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2014

	Cost/Revaluation							Accumulated Depreciation				Carrying Value	
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Land and Buildings													
Land	2 043 000	-	-	-	-	-	-	2 043 000	-	-	-	-	2 043 000
Buildings	15 391 118	-	247 931	-	-	-	-	15 639 048	3 621 022	570 381	-	4 191 402	11 447 646
	17 434 118	-	247 931	-	-	-	-	17 682 048	3 621 022	570 381	-	4 191 402	13 490 646
Infrastructure													
Sewerage Network	269 489 040	-	20 656 542	-	24 645 494	14 158	-	314 776 918	45 855 342	8 755 922	14 157	54 597 107	260 179 812
Water Network	938 256 668	-	12 024 020	-	231 215 277	5 232 601	-	1 176 263 363	157 252 383	29 836 340	2 055 447	185 033 275	991 230 088
	1 207 745 708	-	32 680 562	-	255 860 771	5 246 759	-	1 491 040 282	203 107 725	38 592 262	2 069 605	239 630 382	1 251 409 900
Other Assets													
Office Equipment	1 964 786	-	219 968	-	-	39 971	-	2 144 783	990 842	255 949	36 971	1 209 820	934 964
Furniture & Fittings	2 906 048	-	246 346	-	-	47 326	-	3 105 068	2 046 820	314 983	44 841	2 316 961	788 107
Motor Vehicles	5 535 969	670 806	1 127 142	-	-	-	-	7 333 917	2 964 407	525 512	-	3 489 919	3 843 997
Fire Engines	7 953 639	970 455	-	-	-	-	-	8 924 094	3 916 074	887 452	-	4 803 526	4 120 568
Computer Equipment	2 841 510	-	199 990	-	-	691 373	-	2 350 127	2 000 465	173 209	679 780	1 493 894	856 234
Special Vehicles	841 351	94 594	3 925 329	-	-	11 000	-	4 850 274	404 641	286 853	9 284	682 211	4 168 063
Tools and Equipment	1 553 613	-	2 362 283	-	-	2 073 285	-	1 842 611	1 151 921	89 668	42 347	1 199 242	643 368
	23 596 916	1 735 855	8 081 058	-	-	2 862 955	-	30 550 874	13 475 170	2 533 625	813 223	15 195 572	15 355 301
Total	1 248 776 741	1 735 855	41 009 551	-	255 860 771	8 109 714	-	1 539 273 204	220 203 917	41 696 268	2 882 828	53 437 523	1 280 255 847

APPENDIX C - Unaudited
JOE GQABI DISTRICT MUNICIPALITY (CONSOLIDATED)
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

	Balance 1 July 2014 R	Correction of error R	Restated 1 July 2014 R	Contributions during the year R	Paid back to Treasury R	Foreign Exchange Gains R	Operating Expenditure Transferred to Revenue R	Capital Expenditure Transferred to Revenue R	Balance 30 June 2015 R	Unspent 30 June 2015 (Creditor) R	Unpaid 30 June 2015 (Debtor) R
UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS											
<u>National Government Grants</u>											
Accelerated Community Infrastructure Programme (Municipal Infrastructure Grant (MIG))	#REF!	-	#REF!	-	-	-	-	-	#REF!	#REF!	#REF!
Department Water Affairs	#REF!	-	#REF!	171 469 000	-	-	(75 486 434)	(91 873 510)	#REF!	#REF!	#REF!
Emergency Drought Relief	#REF!	-	#REF!	-	49 560 760	-	-	-	#REF!	#REF!	#REF!
EPWP Programme	#REF!	-	#REF!	1 309 000	-	-	(1 309 437)	-	#REF!	#REF!	#REF!
Equitable Share	#REF!	-	#REF!	194 848 000	-	-	(194 848 000)	-	#REF!	#REF!	#REF!
Finance Management Grant (FMG)	#REF!	-	#REF!	1 250 000	-	-	(1 252 424)	-	#REF!	#REF!	#REF!
Municipal Systems Improvement Grant (MSIG)	#REF!	-	#REF!	934 000	-	-	(932 878)	-	#REF!	#REF!	#REF!
Public Works - Special Programme	#REF!	-	#REF!	25 302 627	-	-	(30 034 952)	-	#REF!	#REF!	#REF!
Water Services Operating Subsidy	#REF!	-	#REF!	10 000 000	-	-	-	(14 577 701)	#REF!	#REF!	#REF!
Municipal Water Infrastructure Grant (MWIG)	#REF!	-	#REF!	20 009 000	-	-	(3 808 350)	(16 184 250)	#REF!	#REF!	#REF!
Rural Households Infrastructure Grant	4 000	-	4 000	-	-	-	-	-	4 000	4 000	-
RBIG	-	-	-	454 175	-	-	-	(2 177 404)	(1 723 229)	-	-
Department of Human Settlement	-	-	-	-	-	-	-	(5 134 499)	(5 134 499)	-	-
Industrial Development Corporation (IDC)	606 248	-	606 248	-	-	-	(80 539)	-	525 709	525 709	-
Total National Government Grants	#REF!	-	#REF!	425 575 802	49 560 760	-	(307 753 014)	(129 947 364)	#REF!	#REF!	#REF!
<u>Provincial Government Grants</u>											
Disaster Management Forum	#REF!	#REF!	#REF!	-	-	-	-	-	#REF!	#REF!	#REF!
Disaster Management Establishment of Centres	#REF!	#REF!	#REF!	-	-	-	-	-	#REF!	#REF!	#REF!
Disaster Management Plan	#REF!	#REF!	#REF!	-	-	-	-	-	#REF!	#REF!	#REF!
Disaster Management Fire & Emergency Services	#REF!	#REF!	#REF!	-	-	-	-	-	#REF!	#REF!	#REF!
Disaster Management Policy Framework	#REF!	#REF!	#REF!	-	-	-	-	-	#REF!	#REF!	#REF!
LED Capacity	#REF!	-	#REF!	-	-	-	(381 528)	-	#REF!	#REF!	#REF!
DWA Bylaws	#REF!	-	#REF!	-	-	-	(100 548)	-	#REF!	#REF!	#REF!
Environmental Health Practitioners	#REF!	-	#REF!	711 844	-	-	-	-	#REF!	#REF!	#REF!
Rural Roads Asset Management Grant	#REF!	-	#REF!	2 084 000	-	-	(2 083 528)	-	#REF!	#REF!	#REF!
Total Provincial Government Grants	#REF!	#REF!	#REF!	2 795 844	-	-	(2 565 604)	-	#REF!	#REF!	#REF!
<u>Other Grant Providers</u>											
DBSA Municipal Support Framework	#REF!	-	#REF!	-	697 907	-	-	-	#REF!	#REF!	#REF!
LG Seta	#REF!	-	#REF!	1 071 875	-	-	(1 314 583)	-	#REF!	#REF!	#REF!
Orio	#REF!	-	#REF!	1 308 386	-	23 783	-	-	#REF!	#REF!	#REF!
Elundini Local Municipality	-	-	-	-	-	-	-	-	-	-	-
Senqu Local Municipality	(334 000)	-	(334 000)	334 000	-	-	-	-	-	-	-
Total Other Grant Providers	#REF!	-	#REF!	2 714 261	697 907	23 783	(1 314 583)	-	#REF!	#REF!	#REF!
TOTAL	#REF!	#REF!	#REF!	431 085 907	50 258 667	23 783	(311 633 201)	(129 947 364)	#REF!	#REF!	#REF!

APPENDIX C - Unaudited
JOE GQABI DISTRICT MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, NO. 56 OF 2003

	Balance 1 July 2014 R	Correction of error R	Restated 1 July 2014 R	Contributions during the year R	Paid back easury/Provide R	Foreign Exchange Gains R	Operating Expenditure Transferred to Revenue R	Capital Expenditure Transferred to Revenue R	Balance 30 June 2015 R	Unspent 30 June 2015 (Creditor) R	Unpaid 30 June 2015 (Debtor) R
UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS											
National Government Grants											
Accelerated Community Infrastructure Programme	(85 102)		(85 102)	-	-	-	-	-	(85 102)	-	(85 102)
Municipal Infrastructure Grant (MIG)	19 525 842		19 525 842	171 469 000	-	-	(75 486 434)	(91 873 510)	23 634 898	23 634 898	-
Department Water Affairs	(5 749)		(5 749)	-	-	-	-	-	(5 749)	-	(5 749)
Emergency Drought Relief	(49 560 760)		(49 560 760)	-	49 560 760	-	-	-	-	-	-
EPWP Programme	-		-	1 309 000	-	-	(1 309 437)	-	(437)	-	(437)
Equitable Share	-		-	194 848 000	-	-	(194 848 000)	-	-	-	-
Finance Management Grant (FMG)	2 459		2 459	1 250 000	-	-	(1 252 424)	-	35	35	-
Municipal Systems Improvement Grant (MSIG)	-		-	934 000	-	-	(932 878)	-	1 122	1 122	-
Public Works - Special Programme	(461 004)		(461 004)	25 302 627	-	-	(30 034 952)	-	(5 193 329)	-	(5 193 329)
Water Services Operating Subsidy	4 612 134		4 612 134	10 000 000	-	-	-	(14 577 701)	34 433	34 433	-
Municipal Water Infrastructure Grant (MWIG)	(2 290)		(2 290)	20 009 000	-	-	(3 808 350)	(16 184 250)	14 110	14 110	-
RBIG	-		-	454 175	-	-	-	(2 177 404)	(1 723 229)	-	(1 723 229)
Department of Human Settlement	-		-	-	-	-	-	(5 134 499)	(5 134 499)	-	(5 134 499)
Rural Households Infrastructure Grant	4 000		4 000	-	-	-	-	-	4 000	4 000	-
Total National Government Grants	(25 970 470)	-	(25 970 470)	425 575 802	49 560 760	-	(307 672 475)	(129 947 364)	11 546 253	23 688 598	(12 142 345)
Provincial Government Grants											
Disaster Management Forum	36 115	(36 115)	-	-	-	-	-	-	-	-	-
Disaster Management Establishment of Centres	5 449 773	(5 449 773)	-	-	-	-	-	-	-	-	-
Disaster Management Plan	1 497 929	(1 497 929)	-	-	-	-	-	-	-	-	-
Disaster Management Fire & Emergency Services	1 667 736	(1 667 736)	-	-	-	-	-	-	-	-	-
Disaster Management Policy Framework	338 434	(338 434)	-	-	-	-	-	-	-	-	-
LED Capacity	381 528		381 528	-	-	-	(381 528)	-	-	-	-
DWA Bylaws	100 548		100 548	-	-	-	(100 548)	-	-	-	-
Environmental Health Practitioners	(2 735 232)		(2 735 232)	711 844	-	-	-	-	(2 023 388)	-	(2 023 388)
Rural Roads Asset Management Grant	28 991		28 991	2 084 000	-	-	(2 083 528)	-	29 463	29 463	-
Total Provincial Government Grants	6 765 822	(8 989 987)	(2 224 165)	2 795 844	-	-	(2 565 604)	-	(1 993 924)	29 463	(2 023 388)
Other Grant Providers											
DBSA Municipal Support Framework	(697 907)		(697 907)	-	697 907	-	-	-	-	-	-
LG Seta	(252)		(252)	1 071 875	-	-	(1 314 583)	-	(242 960)	-	(242 960)
Orio	(1 332 169)		(1 332 169)	1 308 386	-	23 783	-	-	(0)	-	(0)
Total Other Grant Providers	(2 030 328)			2 380 261	697 907	23 783	(1 314 583)	-	(242 960)	-	(242 960)
TOTAL	(21 234 976)	(8 989 987)	(28 194 635)	430 751 907	50 258 667	23 783	(311 552 662)	(129 947 364)	9 309 368	23 718 061	(14 408 693)

APPENDIX C - Unaudited
JOE GQABI DISTRICT MUNICIPALITY (CONSOLIDATED)
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

	Balance 1 July 2013 R	Contributions during the year R	Paid back to Treasury R	Foreign Exchange Gains R	VAT portion of unpaid grants R	Operating Expenditure Transferred to Revenue R	Capital Expenditure Transferred to Revenue R	Balance 30 June 2014 R	Unspent 30 June 2013 (Creditor) R	Unpaid 30 June 2013 (Debtor) R
UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS										
<u>National Government Grants</u>										
Accelerated Community Infrastructure Programme	#REF!	15 679 215	-	-	-	-	(14 991 219)	#REF!	#REF!	#REF!
Municipal Infrastructure Grant (MIG)	#REF!	184 055 000	-	-	-	(95 368 365)	(73 250 710)	#REF!	#REF!	#REF!
Department Water Affairs	#REF!	-	-	-	-	-	-	#REF!	#REF!	#REF!
Emergency Drought Relief	#REF!	-	-	-	-	-	-	#REF!	#REF!	#REF!
EPWP Programme	#REF!	1 000 000	-	-	-	(1 000 000)	-	#REF!	#REF!	#REF!
Equitable Share	#REF!	179 049 300	-	-	-	(179 049 300)	-	#REF!	#REF!	#REF!
Finance Management Grant (FMG)	#REF!	1 250 000	-	-	-	(1 248 439)	-	#REF!	#REF!	#REF!
Municipal Systems Improvement Grant (MSIG)	#REF!	890 000	(549 300)	-	-	(661 247)	-	#REF!	#REF!	#REF!
Public Works - Special Programme	#REF!	24 824 711	-	-	-	(24 824 711)	-	#REF!	#REF!	#REF!
Water Services Operating Subsidy	#REF!	10 000 000	-	-	-	-	(5 914 076)	#REF!	#REF!	#REF!
Municipal Water Infrastructure Grant (MWIG)	#REF!	15 002 000	-	-	-	(5 004 300)	(9 999 990)	#REF!	#REF!	#REF!
Rural Households Infrastructure Grant	-	4 000 000	-	-	-	(3 996 000)	-	4 000	4 000	-
Industrial Development Corporation (IDC)	606 248	-	-	-	-	-	-	606 248	606 248	-
Total National Government Grants	#REF!	435 750 226	(549 300)	-	-	(311 152 361)	(104 155 995)	#REF!	#REF!	#REF!
<u>Provincial Government Grants</u>										
Disaster Management Forum	#REF!	-	-	-	-	-	-	#REF!	#REF!	#REF!
Disaster Management Establishment of Centres	#REF!	-	-	-	-	-	-	#REF!	#REF!	#REF!
Disaster Management Plan	#REF!	-	-	-	-	-	-	#REF!	#REF!	#REF!
Disaster Management Fire & Emergency Services	#REF!	-	-	-	-	-	-	#REF!	#REF!	#REF!
Disaster Management Policy Framework	#REF!	-	-	-	-	-	-	#REF!	#REF!	#REF!
LED Capacity	#REF!	358 000	-	-	-	(556 887)	-	#REF!	#REF!	#REF!
DWA Bylaws	#REF!	597 360	-	-	-	(796 812)	-	#REF!	#REF!	#REF!
Environmental Health Practitioners	#REF!	316 688	-	-	-	(2 929 302)	-	#REF!	#REF!	#REF!
Rural Roads Asset Management Grant	#REF!	1 778 000	-	-	-	(1 777 845)	-	#REF!	#REF!	#REF!
Total Provincial Government Grants	#REF!	3 050 048	-	-	-	(6 060 846)	-	#REF!	#REF!	#REF!
<u>Other Grant Providers</u>										
DBSA Municipal Support Framework	#REF!	-	-	-	-	-	-	#REF!	#REF!	#REF!
LG Seta	#REF!	486 134	-	-	-	(485 673)	-	#REF!	#REF!	#REF!
Orio	#REF!	2 730 815	-	(722 904)	-	-	(1 987 916)	#REF!	#REF!	#REF!
Elundini Local Municipality	-	263 158	-	-	-	(263 158)	-	-	-	-
Senqu Local Municipality	-	-	-	-	(41 018)	(292 982)	-	(334 000)	-	(334 000)
Total Other Grant Providers	#REF!	3 480 107	-	(722 904)	(41 018)	(1 041 813)	(1 987 916)	#REF!	#REF!	#REF!
TOTAL	#REF!	442 280 381	(549 300)	(722 904)	(41 018)	(318 255 021)	(106 143 911)	#REF!	#REF!	#REF!