

GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements for the year ended 30 June 2015

Figures in Rand	2015	2014
3. Cash and cash equivalents (continued)		
Cash on hand	5 600	7 600
Bank balances	30 989 599	13 875 415
	30 995 199	13 883 015

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2015	30 June 2014	30 June 2013	30 June 2015	30 June 2014	30 June 2013
ABSA BANK - Current Account - 1053-971-462	10 269 600	3 299 056	1 791 106	30 718 095	13 610 838	59 903 943
ABSA BANK - Call Account - 4063-211-572	20 470 345	10 316 032	58 112 837	-	-	-
Nedbank BANK - Current Account - 1454-106-999	271 504	264 578	258 980	271 504	264 578	258 980
Total	31 011 449	13 879 666	60 162 923	30 989 599	13 875 416	60 162 923

4. Inventories

Work in progress	33 481 868	45 649 126
Inventories operational	217 067	-
	33 698 935	45 649 126

5. Other receivables

Study bursaries	971 614	523 783
Less amount written back	(210 039)	-
	761 575	523 783

6. Receivables from exchange transactions

Accrued interest	107 988	82 115
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Credit quality of receivables from exchange transactions

The credit quality receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Receivables from exchange transactions past due but not impaired

Receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 30 June 2015, R107 988 (2014: R 82 115) were past due but not impaired. The ageing of amounts past due but not impaired is as follows:

1 month past due	107 988	82 115
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7. Receivables from non-exchange transactions

Trade debtors	6	(4)
Other receivables	1 957 575	1 093 694
DWA	6 177 661	10 426 663
	8 135 242	11 520 353

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7. Receivables from non-exchange transactions (continued)

Credit quality of Receivables from non-exchange transactions

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Receivables from non-exchange transactions past due but not impaired

Receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 30 June 2015, R 8 135 236 (2014: R 11 520 357) were past due but not impaired.

8. VAT receivable

VAT 5 950 504 5 975 264

The Municipality is registered on the payment basis for VAT purposes.

9. Investment property

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	14 746 976	(1 662 562)	13 084 414	14 746 976	(1 228 799)	13 518 177

Reconciliation of investment property - 2015

	Opening balance	Depreciation	Total
Investment property	13 518 177	(433 763)	13 084 414

Reconciliation of investment property - 2014

	Opening balance	Depreciation	Total
Investment property	13 951 940	(433 763)	13 518 177

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

Restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal are as follows:

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements is as follows:

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10. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	360 000	-	360 000	360 000	-	360 000
Buildings	310 078 435	(43 573 645)	266 504 790	309 965 762	(33 247 106)	276 718 656
Plant and equipment	508 065	(156 997)	351 068	1 005 514	(751 723)	253 791
Furniture and fixtures	4 495 727	(2 594 606)	1 901 121	4 505 300	(2 069 586)	2 435 714
Motor vehicles	9 644 911	(5 404 778)	4 240 133	9 374 511	(5 352 816)	4 021 695
Office equipment	3 669 988	(2 594 469)	1 075 519	4 993 440	(2 900 652)	2 092 788
IT equipment	4 868 900	(2 403 915)	2 464 985	8 749 815	(4 360 252)	4 389 563
Infrastructure	29 455 864	(9 134 242)	20 321 622	29 455 864	(6 886 722)	22 569 142
Construction vehicles	10 400 000	(1 648 624)	8 751 376	10 400 000	(609 336)	9 790 664
Other equipment	535 953	(46 456)	489 497	535 953	(35 744)	500 209
Building fixtures	6 459 823	(1 023 691)	5 436 132	6 459 823	(765 475)	5 694 348
Communication equipment	72 420	(55 453)	16 967	71 079	(25 593)	45 486
Laboratory equipment	3 837 701	(1 648 681)	2 189 020	2 923 964	(1 207 369)	1 716 595
Park facilities	691 475	(82 143)	609 332	691 475	(56 388)	635 087
Emergency vehicles	4 101 870	(3 416 298)	685 572	4 101 870	(3 006 391)	1 095 479
Work in progress	2 122 774	-	2 122 774	123 172	-	123 172
Total	391 303 906	(73 783 998)	317 519 908	393 717 542	(61 275 153)	332 442 389

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Land	360 000	-	-	-	360 000
Buildings	276 718 656	112 673	-	(10 326 539)	266 504 790
Plant and equipment	253 791	230 025	-	(132 748)	351 068
Furniture and fixtures	2 435 714	138 934	(18 245)	(655 282)	1 901 121
Motor vehicles	4 021 695	1 745 428	(276 010)	(1 250 980)	4 240 133
Office equipment	2 092 788	15 000	(63 494)	(968 775)	1 075 519
IT equipment	4 389 563	215 128	(81 880)	(2 057 826)	2 464 985
Infrastructure	22 569 142	-	-	(2 247 520)	20 321 622
Construction Vehicles	9 790 664	-	-	(1 039 288)	8 751 376
Other equipment	500 209	-	-	(10 712)	489 497
Building fixtures	5 694 348	-	-	(258 216)	5 436 132
Communication equipment	45 486	7 339	-	(35 858)	16 967
Laboratory equipment	1 716 595	913 737	-	(441 312)	2 189 020
Park facilities	635 087	-	-	(25 755)	609 332
Emergency vehicles	1 095 479	-	-	(409 907)	685 572
Work in progress	123 172	1 999 602	-	-	2 122 774
	332 442 389	5 377 866	(439 629)	(19 860 718)	317 519 908

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	360 000	-	-	-	-	360 000
Buildings	269 876 845	6 002 565	-	10 705 522	(9 866 276)	276 718 656
Plant and equipment	335 257	46 843	-	-	(128 309)	253 791
Furniture and fixtures	3 121 669	-	-	-	(685 955)	2 435 714
Motor vehicles	5 451 888	-	-	-	(1 430 193)	4 021 695
Office equipment	2 722 833	432 617	-	-	(1 062 662)	2 092 788
IT equipment	5 167 727	1 198 890	(22 819)	-	(1 954 235)	4 389 563
Infrastructure	24 690 841	-	-	-	(2 121 699)	22 569 142
Construction vehicles	-	10 400 000	-	-	(609 336)	9 790 664
Other equipment	510 921	-	-	-	(10 712)	500 209
Building fixtures	5 916 512	-	-	-	(222 164)	5 694 348
Communication equipment	69 184	-	-	-	(23 698)	45 486
Laboratory equipment	2 119 484	-	-	-	(402 889)	1 716 595
Park facilities	658 929	-	-	-	(23 842)	635 087
Emergency vehicles	1 505 385	-	-	-	(409 906)	1 095 479
Work in progress	10 705 522	123 172	-	(10 705 522)	-	123 172
	333 212 997	18 204 087	(22 819)	-	(18 951 876)	332 442 389

Pledged as security

No assets have been pledged as security:

Reconciliation of Work-in-Progress 2015

	Included within Other PPE	Total
Opening balance	123 172	123 172
Additions/capital expenditure	1 999 602	1 999 602
	2 122 774	2 122 774

Reconciliation of Work-in-Progress 2014

	Included within Other PPE	Total
Opening balance	10 705 521	10 705 521
Additions/capital expenditure	123 172	123 172
Transferred to completed items	(10 705 521)	(10 705 521)
	123 172	123 172

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

11. Intangible assets

	2015			2014		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 007 054	(726 252)	280 802	1 226 938	(750 917)	476 021

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11. Intangible assets (continued)

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	476 021	35 000	(65 305)	(164 914)	280 802

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Amortisation	Total
Computer software	359 736	310 339	(194 054)	476 021

Pledged as security

No intangible assets have been pledged as security.

12. Heritage assets

	2015			2014		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Mayoral Chain and portraits	154 250	-	154 250	154 250	-	154 250

Reconciliation of heritage assets 2015

	Opening balance	Total
Mayoral chain and portraits	154 250	154 250

Reconciliation of heritage assets 2014

	Opening balance	Total
Mayoral chain and portraits	154 250	154 250

13. Loans to (from) economic entities

Controlled entities

Investment in Eastvaal Financing Partnership	-	18 169 562
Investment in Eastvaal Development Trust	430 063	6 309 417
	430 063	24 478 979

Expenses

- -

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Figures in Rand	2015	2014
14. Financial liabilities		
At amortised cost		
ABSA Bank loan	4 104 383	11 948 889
This loan is unsecured, bears interest at 8.22% p.a. and is repayable in bi-annual installments of R4,335,090.		
Non-current liabilities		
At amortised cost	-	4 104 383
Current liabilities		
At amortised cost	4 104 383	7 844 506
15. Finance lease obligation		
Minimum lease payments due		
- within one year	-	6 807 754
- in second to fifth year inclusive	-	21 071 974
	-	27 879 728
less: future finance charges	-	(5 200 838)
Present value of minimum lease payments	-	22 678 890
Present value of minimum lease payments due		
- within one year	-	6 807 754
- in second to fifth year inclusive	-	15 871 136
	-	22 678 890
Non-current liabilities	-	15 871 136
Current liabilities	-	6 807 754
	-	22 678 890
16. Payables from exchange transactions		
Accrued interest	51 762	150 694
Other creditors	160 785	108 495
Health payments	41 220	-
Performance bonuses	1 081 439	621 615
Retentions	9 982 133	13 820 421
Staff bonuses	1 875 625	1 734 042
Staff leave pay	6 489 337	7 268 153
Trade payables	25 130 127	43 639 230
	44 812 428	67 342 650
17. VAT payable		
Tax refunds payables	179 767	-

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18. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	2015	2014
Rural roads asset management systems grant	1 000	-
Infrastructure skills development grant	-	198 650
Data cleansing grant	537 559	1 000 000
COGTA	1 891 307	-
	2 429 866	1 198 650

Movement during the year

Balance at the beginning of the year	1 198 650	-
Additions during the year	16 063 000	2 000 000
Income recognition during the year	(14 831 784)	(801 350)
	2 429 866	1 198 650

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited.

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 26 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

19. Retirement benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value	2015	2014
Present value of the defined benefit obligation-wholly unfunded	(287 000)	(278 000)
Present value of the defined benefit obligation-partly or wholly funded	38 000	37 000
Fair value of plan assets	(24 000)	(21 000)
Fair value of reimbursement rights	(28 000)	(25 000)
	(301 000)	(287 000)

20. Deferred gain on sale and leaseback

The property in Secunda was sold by the Municipality to the Eastvaal Financing Partnership. This property is being leased back by the municipality through a finance lease over 20 years. Every year the deferred profit is amortised as shown in the Statement of Financial Performance.

Deferred profit on sale and leaseback	-	2 528 600
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21. Financial instruments disclosure

Categories of financial instruments

2015

Financial assets

	At cost	Total
Cash and cash equivalents	30 995 199	30 995 199
Other receivables	761 575	761 575
Receivables from exchange transactions	107 988	107 988
Receivables from non-exchange transactions	8 135 236	8 135 236

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Figures in Rand	2015	2014
Financial instruments disclosure (continued)	39 999 998	39 999 998
Financial liabilities		
	At cost	Total
Other financial liabilities	4 104 383	4 104 383
Payables from exchange transactions	44 812 422	44 812 422
	48 916 805	48 916 805
2014		
Financial assets		
	At cost	Total
Cash and cash equivalents	13 883 015	13 883 015
Other receivables	523 783	523 783
Receivables from exchange transactions	82 115	82 115
Receivables from non-exchange transactions	11 520 357	11 520 357
	26 009 270	26 009 270
Financial liabilities		
	At cost	Total
Finance lease obligations	22 678 890	22 678 890
Other financial liabilities	11 948 889	11 948 889
Payables from exchange transactions	67 342 654	67 342 654
	101 970 433	101 970 433
22. Income from municipal entities		
Income from municipal entities	5 564 215	6 123 298
23. Interest received - investments and other receivables		
Interest revenue		
Bank	3 104 527	3 308 478
Interest charged on receivables	35 514	48 648
	3 140 041	3 357 126
24. Other income		
Car Wash	183 451	303 602
Donations received	88 400	63 170
LG Seta	174 417	177 982
Refund telephone	117 574	146 603
Laboratory income	1 404 964	996 474
Retention forfeited	173 084	128 309
Sundry	448 802	375 491
Tender deposits	124 342	226 744
	2 715 034	2 418 375
25. Rental income		
Rental income - third party	2 020 000	2 020 000

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26. Government grants and subsidies		
Equitable share	16 098 000	17 288 000
Revenue replacement grant	249 849 000	242 572 000
Financial management grant (FMG)	1 250 000	1 250 000
Municipal systems improvement grant (MSIG)	934 000	890 000
CBPWP / EPWP grant	1 587 000	1 000 000
Data cleansing grant	462 441	-
Rural road asset management systems grant (RAMS)	2 062 000	1 822 000
Infrastructure skills development grant (ISDG)	3 198 650	801 350
COGTA	9 108 693	-
Department of water affairs (DWA)	11 581 010	27 077 287
	296 130 794	292 700 637

Equitable Share

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

Revenue replacement grant

Current-year receipts	249 849 000	242 572 000
Conditions met - transferred to revenue	(249 849 000)	(242 572 000)
	-	-

The purpose of the revenue replacement grant is to provide basic infrastructures within their areas, the revenue replacement grant is collected from employers being to help fund these infrastructures.

Finance management grant

Current-year receipts	1 250 000	1 250 000
Conditions met - transferred to revenue	(1 250 000)	(1 250 000)
	-	-

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

Municipal systems improvement grant

Current-year receipts	934 000	890 000
Conditions met - transferred to revenue	(934 000)	(890 000)
	-	-

To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal systems act and related legislation.

CBPWP/EPWP grant

Current-year receipts	1 587 000	1 000 000
Conditions met - transferred to revenue	(1 587 000)	(1 000 000)
	-	-

To incentivise provincial departmance to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas.

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26. Government grants and subsidies (continued)

Road asset management grant(RAMS)

Current-year receipts	2 063 000	1 822 000
Conditions met - transferred to revenue	(2 062 000)	(1 822 000)
	1 000	-

Conditions still to be met - remain liabilities (see note 18).

To assist rural district municipalities to set up rural roads asset management systems.

Infrastructure skills development grant(ISDG)

Balance unspent at beginning of year	198 650	-
Current-year receipts	3 000 000	1 000 000
Conditions met - transferred to revenue	(3 198 650)	(801 350)
	-	198 650

To strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills available.

Data cleansing Grant

Balance unspent at beginning of year	1 000 000	-
Current-year receipts	-	1 000 000
Conditions met - transferred to revenue	(462 441)	-
	537 559	1 000 000

Conditions still to be met - remain liabilities (see note 18).

To assist municipalities with the implementations of geographic information systems and related projects

COGTA

Current-year receipts	11 000 000	-
Conditions met - transferred to revenue	(9 108 693)	-
	1 891 307	-

Conditions still to be met - remain liabilities (see note 18).

To assist municipalities with reticulation interventions to improve service delivery and reduce interruptions as well as bulk supply and sanitation

Department of water affairs(DWA)

Current-year receipts	11 581 010	27 077 287
Conditions met - transferred to revenue	(11 581 010)	(27 077 287)
	-	-

To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a basic water supply service.

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27. Revenue		
Government grants & subsidies	296 130 794	292 700 637
Income from municipal entities	5 564 215	6 123 298
Interest received - investment	3 140 041	3 357 126
Other income	2 715 034	2 418 375
Health income	369 174	-
Rental income	2 020 000	2 020 000
	309 939 258	306 619 436
The amount included in revenue arising from exchanges of goods or services are as follows:		
Income from Municipal entities	5 564 215	6 123 298
Interest received - investment	3 140 041	3 357 126
Other income	2 715 034	2 418 375
Rendering of services	369 174	-
Rental income	2 020 000	2 020 000
	13 808 464	13 918 799
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Government grants & subsidies	296 130 794	292 700 637
28. Contracted services		
Information Technology Services	1 839 864	1 350 894
Cleaning and maintenance	747 462	602 492
	2 587 326	1 953 386
29. Depreciation and amortisation		
Property, plant and equipment	19 860 720	18 951 878
Investment property	433 763	433 763
Intangible assets	164 914	194 054
	20 459 397	19 579 695

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30. Employee related costs		
Basic	53 660 980	48 267 512
Bonus	4 906 447	3 961 448
Medical aid - company contributions	3 554 465	2 814 016
UIF	373 351	332 294
Leave pay accrual charge	3 082 641	3 686 106
Group insurance	993 312	840 888
Pension fund	10 514 313	8 936 148
Bargaining council	17 399	14 917
Overtime payments	1 352 540	921 857
Car allowance	8 950 410	7 619 762
Housing benefits and allowances	477 336	317 605
Uniforms	373 810	240 134
	88 257 004	77 952 687
Remuneration of municipal manager - Habile CA		
Annual Remuneration	864 020	1 183 539
Car Allowance	240 000	240 000
Contributions to UIF, Medical and Pension Funds	161 745	161 745
	1 265 765	1 585 284
Remuneration of chief finance officer - Singh AY		
Annual Remuneration	957 622	883 026
Car Allowance	180 000	180 000
Performance Bonuses	-	52 599
Contributions to UIF, Medical and Pension Funds	13 784	13 785
	1 151 406	1 129 410
Municipal Infrastructure - Vilane SB		
Annual Remuneration	694 914	741 347
Car Allowance	165 000	185 600
Contributions to UIF, Medical and Pension Funds	153 932	164 455
	1 013 846	1 091 402
Planning services - Zikalala S		
Annual Remuneration	875 160	836 100
Car Allowance	96 000	96 000
Contributions to UIF, Medical and Pension Funds	169 746	162 711
	1 140 906	1 094 811
Corporate services - Dlamini MS		
Annual Remuneration	914 425	627 389
Car Allowance	192 632	174 474
Contributions to UIF, Medical and Pension Funds	108 944	101 970
	1 216 001	903 833

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30. Employee related costs (continued)		
Community and social services - Kunene M		
Annual Remuneration	926 194	836 217
Car Allowance	96 000	96 000
Contributions to UIF, Medical and Pension Funds	147 379	140 260
	1 169 573	1 072 477
Total employment cost		
Annual Remuneration	95 214 501	84 829 904
	95 186 499	81 918 427
31. Finance costs		
Interest on current liabilities	813 093	1 445 683
Finance leases	4 728 525	5 302 737
	5 541 618	6 748 420
32. General expenses		
Advertising	394 809	399 084
Assets expensed	374 875	95 441
Auditors remuneration	5 305 851	3 831 236
Bank charges	157 269	140 313
Cleaning	315 527	296 873
Conferences and seminars	14 551	23 657
Consulting and professional fees	1 943 145	1 890 578
Entertainment	1 086 409	937 905
Flowers	-	4 170
Forums	8 442	-
IT expenses	61 149	296 918
Insurance	1 281 164	1 326 639
Lease rentals on operating lease (See note below)	2 393 645	2 015 557
Municipal and other services	4 742 162	4 179 102
Placement fees	-	215 656
Postage and courier	11 076	11 755
Printing and stationery	387 014	427 077
Royalties and license fees	1 646 454	1 171 015
Contracted security services (Guarding of municipal property)	2 316 919	2 270 100
Subscriptions and membership fees	1 326 876	861 223
Technical Support	892 397	834 575
Telephone and fax	2 813 161	2 532 761
Training	1 745 843	1 896 890
Travel - local	5 078 363	4 056 010
Workmen's compensation	567 104	571 125
	34 864 205	30 285 660

2014 Financial year: Note on operating lease: Part of the Lease and rentals is an operating lease. The future lease commitments are disclosed in the note for commitments. Note must be taken that the lease installments are straight-lined as per lease agreement. (N2 Woodhill (Pty) Ltd : rental of the Car Wash Property in Mkondo)

2015 Financial year: Note on operating lease: Per agreement the lease amount received is not payable after the municipality stopped operating the car wash and the land owner started operating it. The amount provided for the straightlineing was written back.

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33. Grants and subsidies paid		
Other subsidies		
Grant paid to local municipalities	120 851 446	184 001 182
34. Impairment loss		
Impairments		
Impairment loss	-	2 898 567
35. Remuneration of councillors		
Executive Major	894 718	845 255
Mayoral Committee Members	3 186 572	3 332 543
Speaker	719 948	680 378
Councillors	4 803 469	4 100 005
Mayoral committee contributions and other allowances	378 293	494 949
Councillors contributions and other allowances	485 612	521 206
	10 468 612	9 974 336

In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and the Speaker has the use of separate Council owned vehicles for official duties.

The remuneration of the political office-bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution

Executive Mayor	Remuneration	Travel Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Nhlabathi MPP	569 902	218 462	20 868	85 485	894 717
Total	569 902	218 462	20 868	85 485	894 717
Speaker	Basic	Travel Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Dhlamini ES	440 896	174 770	20 868	83 414	719 948
Total	440 896	174 770	20 868	83 414	719 948
Chief Whip	Basic	Travel Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Mnisi TA	415 739	107 866	20 868	75 801	620 274
Total	415 739	107 866	20 868	75 801	620 274

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35. Remuneration of councillors (continued)

Mayoral Committee	Basic	Travel Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Maboa-Boltman NF	412 400	163 847	20 868	79 140	676 255
Maboe SA	423 822	163 847	20 868	67 719	676 256
Magagula MP	427 426	163 847	20 868	64 114	676 255
Nkosi M	138 676	54 616	6 956	25 170	225 418
Nyembe FM	412 400	163 847	20 868	79 140	676 255
Zuma NG	427 426	163 847	20 868	64 114	676 255
Motha VM	278 078	107 866	13 738	49 483	449 165
	2 520 228	981 717	125 034	428 880	4 055 859

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35. Remuneration of councillors (continued)

Councillors	Basic	Travel Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Baker TE	4 522	1 507	-	-	6 029
Bongwe JS	2 673	-	-	-	2 673
Bosch PR	23 343	9 046	-	-	32 389
Brussow JLI	34 954	11 651	-	-	46 605
Deville JR	34 954	11 651	-	-	46 605
De Waal MAC	92 636	39 158	13 216	26 147	171 157
Dube JJ	145 475	54 615	17 390	21 049	238 529
Greyling GS	34 954	11 651	-	-	46 605
Hlatshwayo B	-	3 528	-	-	3 528
Joubert LK	161 344	65 538	20 868	40 672	288 422
Kubheka MN	24 901	9 285	2 956	4 274	41 416
Labuschagne PJ	28 759	9 586	-	-	38 345
Madonsela EM	34 954	11 651	-	-	46 605
Mahlangu BD	28 759	9 586	-	-	38 345
Mahlangu H	161 344	65 538	20 868	40 672	288 422
Mahlobo MA	4 438	13 484	-	-	17 922
Makola MB	28 759	9 586	-	-	38 345
Malatsi PV	1 765	-	-	-	1 765
Malinga TV	74 018	27 798	8 861	11 361	122 038
Manzi NE	28 759	9 586	-	-	38 345
Masango SA	28 759	9 586	-	-	38 345
Masina LL	857	-	-	-	857
Maseko BP	34 954	11 651	-	-	46 605
Mkhwanazi LVA	34 954	11 651	-	-	46 605
Mkhwanazi ZG	28 759	9 586	-	-	38 345
Mlotshwa TL	176 370	65 538	20 868	25 645	288 421
Moloi LE	-	5 168	-	-	5 168
Morajane CM	908	-	-	-	908
Motha TW	34 954	11 651	-	-	46 605
Motloung KW	67 252	28 081	9 478	17 782	122 593
Mnisi SM	2 571	8 088	-	-	10 659
Mthethwa TB	857	2 323	-	-	3 180
Mtshali BH	2 571	-	-	-	2 571
Ndinisa BJ	28 759	9 586	-	-	38 345
Nhlapo JV	-	1 087	-	-	1 087
Nhlapo NS	3 530	-	-	-	3 530
Nkosi AD	34 954	11 651	-	-	46 605
Nkosi FL	-	7 526	-	-	7 526
Nkosi TM	1 765	1 844	-	-	3 609
Nkosi VL	34 954	11 651	-	-	46 605
Nkosi RA	2 622	8 114	-	-	10 736
Puwani BS	34 954	11 651	-	-	46 605
Shiba BS	4 387	-	-	-	4 387
Tshabalala AJ	2 673	8 944	-	-	11 617
Shongwe MD	224 812	84 108	20 868	32 912	362 700
Soko JP	4 987	2 491	-	-	7 478
Thwala DM	34 954	11 651	-	-	46 605
Tsotetsi MP	383 906	152 924	20 868	74 866	632 564
Vilakazi RG	30 084	10 001	-	-	40 085
Weber WL	162 753	65 538	20 868	39 263	288 422
Yende MT	5 193	7 592	-	-	12 785
Yende VG	-	5 891	-	-	5 891
Zacarias SM	34 954	11 651	-	-	46 605
Zwane LA	176 370	65 538	20 868	27 823	290 599
Zwane TE	34 954	11 650	-	-	46 604
Travel reimbursment to be taxed	-	28 146	-	-	28 146
	2 606 642	1 067 003	197 977	362 466	4 234 088

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35. Remuneration of councillors (continued)		
36. Repairs and maintenance		
Building	1 666 310	577 856
Fuel and oil	2 168 658	2 147 200
Furniture and equipment	-	5 231
Office equipment	6 945	41 484
Vehicles	578 429	580 346
	4 420 342	3 352 117
37. Computer software		
Fees	5 096 067	
Consulting	9 927	2 201
Expenses	199 857	260 335
	5 305 851	3 831 236
38. Cash generated from (used in) operations		
Surplus (deficit)	16 572 638	(37 026 651)
Adjustments for:		
Depreciation and amortisation	20 459 397	19 579 695
(Gain)loss on disposal of assets	(1 040 827)	22 819
Finance costs - Finance leases	4 728 525	5 302 737
Impairment loss	-	2 898 567
Movements in retirement benefit obligation	14 000	9 000
Non-cash journals processed on system	-	767
Asset donated	-	(200)
Movement in non-current asset held for sale	-	1 830 000
Changes in working capital:		
Inventories	11 950 191	(9 767 683)
Receivables from non-exchange transactions	3 385 121	(11 026 758)
Movement in study bursaries	(237 792)	(212 981)
Movement in other receivables	(25 873)	34 648
Payables from exchange transactions	(22 530 222)	13 850 590
Movement in VAT receivable	204 527	(841 091)
Unspent conditional grants and receipts	1 231 216	1 198 650
	34 710 901	(14 147 891)

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39. Commitments

Authorised capital and operational expenditure

Capital commitments - already contracted for but not provided for

• Property, plant and equipment	-	19 640 884
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Operational commitments - already contracted for but not provided for

• Projects and operational	42 116 562	26 373 575
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This committed expenditure relates to property and projects as well as operational commitments and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Included in the commitments for 2014 and 2015 are commitments for Grant Thornton that are for a period longer than a year (Project GSDM 56/2011 for the design and implementation of a comprehensive turn-around strategy for Lekwa and Mkondo Municipalities)

Operating leases commitments - as lessee (expense)

Minimum lease payments due

- within one year	-	82 899
- in second to fifth year inclusive	-	297 054
	-	379 953

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of ten years and rentals escalate at 7% per year. No contingent rent is payable.

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40. Contingencies

Contingencies for 2014

Litigation employee

Litigation is in the process against the municipality relating to a dispute with an employee who alleges that the municipality has dismissed him unfairly and is seeking damages of R 1,657,915. The municipality's lawyers and management are considering the likelihood of the action against the municipality being successful as unlikely, and the case should be resolved within the next two years. Should the action be successful the municipality will have to pay out the amount claimed of R1 657,915.

Inhlakanipho Consultants-Contractua

The dispute arising out of tender 11/2007: Upgrading of Empulzi Water Treatment Works Plaintiff is claiming R3 402 596. Inhlakanipho Consultants-Contractual appointed for R4 000 000 that included the planning and the construction of the project. Inhlakanipho then planning more than the appointed amount. The municipality then only paid for planning and the construction as the appointed letter. The R3 402 596 that Inhlakanipho is claiming is the pre planning of future construction work.

Termination of Eastvaal Financing Partnership

The termination of Eastvaal Financing Partnership that comprises of third trust namely, Eastvaal Development Trust, the Eastvaal Financing Trust and The NIB(Nedbank) Trust due to the Property in Secunda been sold. The deed of sale of the property is already in the deed office. The legal cost that will be incurred will not exceed R15 000 for the completion of the sale of the asset.

Litigation employee

Litigation is in the process against the municipality relating to a dispute with an employee who alleges that the municipality has dismissed him unfairly and is seeking damages of R 450 000. The municipality's lawyers and management are considering the likelihood of the action against the municipality being successful as unlikely, and the case should be resolved within the next two years

Hlokoapitse

Litigation is in the process against the municipality relating to a dispute with Hlokoapitse for paying a subcontractor directly and not to the main contractor and they are seeking damages of R 127 006. The municipality's lawyers and management are considering the likelihood of the action against the municipality being successful as unlikely, and the case should be resolved within the next two years

Contingencies for 2015

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40. Contingencies (continued)

Inhlakanipho Consultants-Contractual

The dispute arising out of tender 11/2007: Upgrading of Empulzi Water Treatment Works

Plaintiff is claiming R3 402 596. Inhlakanipho Consultants-Contractual appointed for R4 000 000 that included the planning and the construction of the project. Inhlakanipho acted out of the scope of the appointment. The municipality then only paid for planning and the construction as per the appointed letter. The R3 402 596 that Inhlakanipho is claiming is the pre planning of future construction work. Awaiting court date

Litigation employee

Litigation is in the process against the municipality relating to a dispute with an employee who alleges that the municipality has dismissed him unfairly and is seeking damages of R 1 000 000. The municipality's lawyers and management are considering the likelihood of the action against the municipality being successful as unlikely, and the case should be resolved within the next two years.

Hlokoapitse

Litigation is in the process against the municipality relating to a dispute with Hlokoapitse for paying a subcontractor directly and not to the main contractor and they are seeking damages of R 200 000. Judgement was received on 17 March 2015 in favour of GSDM. Hlokoapitse might take GSDM on trial.

Federation for sustainable environment

Matter was withdrawn, cost estimated to amount to R 450 000. Matter is pending with cost instruction to be determined.

Aqua Transport & Plant Hire vs GSDM

Plaintiff is suing council to the amount of R 47 569, 92 in respect of services rendered at council's special instance and request. The matter is before the Ermelo Magistrates court and the total financial implication could be R 86 569, 92 inclusive of legal fees. Defendant's plea is being prepared and will be served and filed in due course

Tactical Security Services CC vs GSDM

Plaintiff is suing council to the amount of R 1 013 990, 44 in respect of services rendered at council's special instance and request. The matter is before the high court (Gauteng Division Pretoria) and the total implication could be R 1 373 990, 44 inclusive of legal fees. Plaintiff's declaration is awaited which is equivalent to plaintiff's particulars of claim.

41. Related parties

Relationships

Accounting Officer
Controlled entities

Refer to accounting officer's report
Eastvaal Financing Partnership
Eastvaal Development Trust
Highveld Printers

Close family member of key management

Related party transactions

Purchases from (sales to) related parties

Highveld Printers	-	108 564
Masibonisaneni Sonke Trading & JV Madonsela Trading (Project GSDM 130/2013 - Installation of boreholes)	-	450 000

Distribution from/(to) entities

Eastvaal Development Trust	-	6 123 110
Eastvaal Financing Partnership	-	313 529

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42. Prior period errors

1. Incorrect accounting treatment of expenditure

The expenditure for Turn-Around strategy relates to the 2012/2013 financial year and not the 2011/2012 financial year. The error was corrected for the period in the amount of R107 156 and in the current financial period accordingly.

2. Creditors provision

Correction of creditors provision in the amount of R1 093 425 that was incorrect provided for in the previous financial year.

3. Lease agreement - Mkhondo car was

The car wash operations stopped during 2014/2015 financial year and the straight lining of the accrual liability for rental in the amount of R 68 194.66 was reversed as there are no future obligations attached.

4. Componentisation of assets

Accounting for new accumulated depreciation in the amount of R64 085 910.23 after componentisation of assets in the 2013/2014 financial year.

5. Reclassification of assets

Reversal of accumulated depreciation in the amount of R62 673 244.82 after re-classification of asset classed in previous financial year

6. Re-evaluation in asset

Adjustment of depreciation of property plant and equipment that was reclassified as investment property for 2013/2014 in the amount of R531 373.58.

7. Leave provision

Correction of leave provision to be in line with the leave days on the leave register

8. Re-classification of PPE to investment property accumulated depreciation

Decrease in accumulated depreciation relating to the re-evaluation in the amount of R299 668.38 that was written back in the 2013/2014 financial year

9. Re-evaluation of investment property

Adjustment in historical cost relating to re-evaluation of investment property after re-classification from PPE to investment property in the amount of R 15 953 023.86

10. Removal cost - employee

Removal cost written back in the amount of R 767 for the 2013/2014 financial year

The correction of the error(s) results in adjustments as follows:

Statement of financial position

1. Decrease in general expenditure - clean audit (The increase in accumulated surplus - clean audit of (R107 156) was processed in 2012/13).	-	107 156
2. Decrease in sundry creditors - creditor provision written back	-	(1 093 425)
3. Decrease in accrual liabilities - straight lining for rental written back	-	(68 197)
4. Increase accumulated depreciation - new accumulated depreciation	-	(64 085 910)
5. Decrease in accumulated depreciation - reversal of accumulated depreciation - re-classification	-	62 673 245
6. Decrease in accumulated depreciation due to re-classification of assets as investment property	-	531 374
7. Increase in accrual liabilities - additional leave provision	-	1 394 144
8. Decrease in accumulated depreciation relating to re-evaluation of investment property	-	299 668
9. Decrease historical cost of assets relating to reclassification	-	(15 953 024)
10. Decrease in debtors	-	(767)

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42. Prior period errors (continued)

Statement of change in net assets

1. Increase in accumulated surplus - clean audit (R107 156) in 2012/13	-	(107 156)
2. Increase in accumulated surplus - creditors provision written back	-	1 093 425
3. Increase in accumulated surplus - straight lining for rental written back	-	68 197
4. Decrease in accumulated surplus - new accumulated depreciation	-	64 085 910
5. Increase in accumulated surplus - depreciation - reversal of accumulated depreciation - re-calcification	-	(62 673 245)
6. Increase in accumulated surplus - adjustment in depreciation for reclassified property plant and equipment	-	(531 374)
7. Decrease in accumulated surplus - additional provision for leave	-	(1 394 144)
8. Increase in accumulated surplus - accumulated depreciation - re-evaluating investment property	-	(299 668)
9. Decrease in accumulated surplus relating to adjustment in historical cost of assets	-	15 953 024
10. Decrease in accumulated surplus - removal cost written back	-	767

Statement of financial performance

43. Risk management

Liquidity risk

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

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored. Management ratios are also prepared and monitored on a monthly basis.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

The risk relating to investments is minimised due to the nature of the municipal entities finance structure.

Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

44. Irregular expenditure

Opening balance	51 780 167	97 651 968
Add: Irregular Expenditure - current year	-	403 559
Less: Irregular expenditure - prior year - written back/impaired	(51 780 167)	(58 000)
Less: Amount wrongly disclosed as irregular expenditure (See note on deviations)	-	(2 170 079)
Less: Amount investigated by management	-	(44 047 281)
Included in 2014/2015 statutory register of irregular, unauthorised, fruitless and wasteful expenditure is an amount of R 751,497 relating to transactions incurred and are currently being investigated and finalised	-	1
	-	51 780 168

Details of irregular expenditure – current year

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44. Irregular expenditure (continued)		
Details of irregular expenditure condoned		
	Condoned by council	
		-
45. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription / fee	1 197 755	829 719
Amount paid - current year	(1 197 755)	(829 719)
	-	-
Audit fees		
Current year subscription / fee	4 780 268	3 779 750
Amount paid - current year	(4 780 268)	(3 779 750)
	-	-
PAYE and UIF		
Current year subscription / fee	18 019 929	15 282 895
Amount paid - current year	(18 019 929)	(15 282 895)
	-	-
Pension and Medical Aid Deductions		
Current year subscription / fee	24 879 633	21 405 819
Amount paid - current year	(24 879 633)	(21 405 819)
	-	-
VAT		
VAT receivable	5 950 504	5 975 264
VAT payables	(179 767)	-
	5 770 737	5 975 264

VAT output payables and VAT input receivables are shown in note 8 and note 17.

All VAT returns have been submitted by the due date throughout the year.

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The expenses incurred as listed as per Note 47.

46. Events after the reporting date

The sale of the Secunda administration office building relating to the administration and consolidation were registered on the 13th August 2015. The proceeds of the sale of these immovable assets amounting to R 33,578,700 were deposited in the ABSA bank account.

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47. Deviation from supply chain management regulations

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

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

Deviations for 2014

The amount for deviations with the 2014 financial year amounted to R1 868 874.

Deviations for 2015

The amount for deviations with the 2015 financial year amounted to R1 567 918 (See detail information below)

Date	Department	Supplier	Amount (R)	Deviation	Reason for Deviation
2014/07/16	Human Resource - 27033	Mie Background Screening	8 061	The Service Provider was requested to extend his duties to incorporate additional work relating to the project which prudently was not practical to request from any other Service Provider. Hence no quotations were sourced	Initially an order to procure the services all SCM procedures were fully adhered to. However, the project related work could not be completed within the original brief and consequently the service provider was requested to extend his duties in this regard the service provider may be deemed to be a Sole Service Provider
2014/07/22	Office of the Executive Mayor	Penta Travel	44 414	The rental costs may be deemed to be on-going as the motor vehicle repairs were not completed timeously	Initially Penta Travel Agency had tested the market and were able to obtain a suitable vehicle for the Executive Mayor to ensure that conveyance was available until such time as the official vehicle was being repaired.
2014/07/22	Corporate Services - 2768	Twala Attorneys	98 552	On - going legal services were performed by attorneys and this Service Provider had to be retained until such time as the case matter was concluded	In previous years SCM procedures were followed. However, in view of the fact that the legal matters were not finalised timeously, this service provider had to be retained.

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47. Deviation from supply chain management regulations (continued)

Date	Department/Service	Project/Item	Amount	Reason for Deviation	Explanation
2014/07/30	Corporate Services - 27688	Government Printing Works	102 850	No quotations are deemed to be possible as documents may be obtained from the recognised Government institution	Only government institution in South Africa that can print by-laws - Sole Provider.
2014/08/25	Planning - 29031	Three Cities Gateway Hotel	3 000	No quotations obtained	Original booking for Planning personnel were found to be in an unsafe area and hence attendees had to be relocated to Three Cities Gateway Hotel.
2014/08/25	Corporate Services - 29034	Sleeping Out	40 680	RFQ process was followed initially but not utilised for finalising the procurement. Three quotations were obtained to finalise procurement	Initially the RFQ process was executed but only one service provider bid which was deemed to be an excessive amount of R559 413.77. Hence quotations were obtained which resulted in a much lower amount of R 40 680.00.
2014/09/11	Community & Social Services - 30010	S A Township Groove Consulting	3 075	No quotations were necessary as this category of costs was added to the original business plan agreed upon at a subsequent meeting	The costs being re-imbursed related to aspect of the sporting codes information and documentation which not on the original brief and this was discovered at a subsequent meeting. Unfortunately this was an oversight by the preparer of the business plan
2014/09/29	Planning - 30632	Black Valley Projects	110 000	It was not necessary to source quotations as this service provider was appointed by the Tourism Board regarding the event and providing the relevant exhibitions.	The exhibition stalls and tents could only be procured from this event organiser and hence no procurement processes was undertaken by GSDM owing to the nature of the event.

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47. Deviation from supply chain management regulations (continued)

Date	Service	Service Provider	Amount	Description	Explanation
2014/09/29	Corporate Services - 30631	Twala Attorneys	140 251	On - going legal services were performed by attorneys and this Service Provider had to be retained until such time as the case matter was concluded	In previous years SCM procedures were followed. However, in view of the fact that the legal matters were not finalised timeously, this service provider had to be retained.
2014/10/15	Technical Services - 31337	Rauserv CC	11 632	No quotations were obtained as the goods were purchased from this service provider and the repair work which was deemed to be high professional level could not be performed by another company	The service provider is the sole provider for the autoclaves instrument for the GSDM Laboratory and hence was procured to attend to the repair of the instruments with a view to ensuring that the calibration aspect is not impaired
2014/10/30	Office of the Executive Mayor - 31861	Southern Sun - The Ridge	5 276	Attempts were made to solicit three quotations but these attempts were futile due to the institutions being fully booked.	The only available accomodation was the nearest town of Witbank (the meeting was being hosted in Middleburg). Hence, the official procurement processes were not adhered to and the delegates were going to be severely inconvenienced
2014/10/31	Planning & Economic Development - 31970	Madabukela Traditional Council	35 000	RFQ processes could not be adhered to as this funding is deemed to be a donation whereby thid parties procure the relevant livestock suitable to their traditional requirements	Madabukela Traditional Council urgently requested the Council to purchase a bull/Oxen and Heifer in order to support the Annual Cultural day event being the Annual UMMEMO. Although three quotations weresubmitted by the authorities the threshold of R30 001 was exceeded and consequently an RFQ process should have been followed, but was not undertaken

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47. Deviation from supply chain management regulations (continued)					
2014/11/06	Financial Services - 32080	Cashbuild	79 002	RFQ process were not adhered to owing to the disaster that had occurred within the respective area	Emergency procurement of corrugated iron sheets to assist families affected by storm at Rastplaas, Emampondweni & Kwasgudada in Mkhondo LM
2014/11/10	Co - operate Services - 32464	Twala Attorneys	61 645	On - going legal services were performed by attorneys and this Service Provider had to be retained until such time as the case matter was concluded	In previous years SCM procedures were followed. However, in view of the fact that the legal matters were not finalised timeously, this service provider had to be retained.
2014/11/25	Planning - 32996	Nandos Ermelo	2 497	No quotations were obtained as there was no request from the department for any procurement as it was understood that meeting duration would not be extensive	Meeting between Gert Sibande and The Gert Sibande Local House of Traditional Leaders was convened and owing to the lengthy duration of the meeting catering was provided for all attendees.
2014/12/05	Technical Services - 33318	Van Dyk Electrical & Airconditionin	2 900	Only 1 quotation received instead of three as there was an urgent need to restore services so that business duties could be performed	Power failure occurred, the back up generator failed to operate. Financial Services Department could not finalize the payment of salaries. Thus , a local service proider was requested to execute the emergency repairs for the back up generator.
2014/11/12	Office of the Executive Mayor - 33732	Pat Bus Services	25 000	Only 1 quotation received instead of three as there was an urgent need to restore services so that business duties could be performed	The instruction from the respective department of the Mpumalanga Provincial Government was received the day before the opening of the Izimbali boarding school in Amsterdam and there was a request that GSDM community members must be transported to the event

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47. Deviation from supply chain management regulations (continued)					
2014/11/12	Office of the Executive Mayor - 33728	Pat Bus Services	11 500	Only 1 quotation received instead of three owing to time constraints and the urgency of the matter	The instruction from the respective department of the Mpumalanga Provincial Government was received the day before the opening of the Izimbali boarding school in Amsterdam and there was a request that GSDM community members must be transported to the event
2014/12/22	Financial Services - 3428	Altimax (Pty) Ltd	40 014	Only 1 quotation received instead of three as this was a on - going engagement of services that were provided by the company	The Service of Altimax had to be procured to ensure continuity in the preparation of the 2013/14 AFS due to the fact that they prepared the 2012/13 AFS. Additional Professional Assistance was needed from Altimax in order to ensure that the statutory Annual Financial Statements for the year ending 2013/14 were prepared accurately in terms of rolled over closing balances from the 2012/13 Financial year were being captured accurately. In addition the Caseware modules were adopted for the preparation of the AFS and training to staff members was happening simultaneously with a view to ensuring that ensuing years finalisation of the AFS would be undertaken in - house with minimal training required hereafter. Further, it was imperative that all mapping of votes on Caseware was done accurately

GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements for the year ended 30 June 2015

Figures in Rand				2015	2014
47. Deviation from supply chain management regulations (continued)					
2014/12/22	Financial Services - 34292	Ernest & Young Advisory Service	182 304	No quotations were obtained as the investigation process had to be undertaken urgently and these duties had to be performed by an accredited auditor	During deliberations between the AG and Management, Management was informed that they did not execute the required investigation into the procurement of the Mayoral vehicle as this issue was raised in the 2012/13 Audit Report. Management took a decision to do an emergency procurement as this matter was long outstanding and had to be finalized
2015/02/11	Corporate Services - 35919	Yes Media CC	22 500	Only 1 quotation received instead of three	Municipal profiling of GSDM in the Local Government Handbook South Africa 2015. This service was only available from this specific service provider
2015/03/12	Office of the Municipal Manager - 37000	Lexis Nexis Butterworth	12 557	Attempts were made to solicit three quotations but two suppliers indicated they could not provide the goods on the legal standards that was required by GSDM which is in compliance with the form and context of Local Government Legislation.	It was not practical to follow the official procurement processes, as two service providers could not quote for the required product and consequently the prescribed material was only obtainable from this service provider.

GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements for the year ended 30 June 2015

Figures in Rand		2015	2014	
47. Deviation from supply chain management regulations (continued)				
2015/03/27	Financial Services - 37514	Leon Venter Argitekto	83 803	<p>No quotations were obtained on the understanding that the amendments to the plans could only be undertaken by the original architect</p> <p>This service provider was requested to execute the professional services on construction plans and obtain Occupancy Certificate on behalf of GSDM. This procurement was to finalise the sale of the GSDM building in Secunda to UCJ Properties Pty Ltd. It was deemed financially prudent to request the Architects who originally designed the plans for the building, as a new architect would have to undertake detailed background work which would have incurred substantial costs.</p>
2015/04/16	Technical Support - 38125	Mnqobi Construction	17 350	<p>Only 1 quotation received instead of three as there was a dire need for water to be supplied to the respective communities. Service was advertised for RFQ but all bids received were above R200 000. the outlay of expenditure was deemed to be excessive and hence quotations were obtained to secure an ideal facility</p> <p>Emergency water supply in Ermelo, Wesselton and Davel due to electricity shortage resulting in water reservoirs running dry.</p>
2015/04/21	Corporate Services - 38162	Greenway woods	167 018	<p>The RFQ processes were followed and the results of the RFQs received exceeded the R200 000 threshold amount. Management decided to follow the quotation process as the tender process would have resulted in a delay of the hosting of the strategic planning session. Quotations were received and Greenway Woods was the lowest</p>

GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements for the year ended 30 June 2015

Figures in Rand				2015	2014
47. Deviation from supply chain management regulations (continued)					
2015/04/22	Community & Social Services - 38489	Nelson Mandela Metro University	69 333	RFQ process was not deemed to be appropriate as specific type of training in compliance with the respective legislation had to be followed but the Sole Service Provider was approached	The Service Provider was the only provider to have the stream line training programme for Peace Officers and Environmental Health Practitioners in line with current legislation
2015/05/13	Corporate Services - 39154	Twala Attorneys	24 709	On - going legal services were performed by attorneys and this Service Provider had to be retained until such time as the case matter was concluded	In previous years SCM procedures were followed. However, in view of the fact that the legal matters were not finalised timeously, this service provider had to be retained.
2015/05/13	Corporate Services - 39155	Twala Attorneys	21 798	On - going legal services were performed by attorneys and this Service Provider had to be retained until such time as the case matter was concluded	In previous years SCM procedures were followed. However, in view of the fact that the legal matters were not finalised timeously, this service provider had to be retained.
2015/05/14	Corporate Services - 39163	Nyaope Inc Attorneys	133 899	This Legal Company doesnot appear on the original panel of Legal Service providers that was approved by Council	The appointment of this firm of attorneys was deemed to be urgent and it was an on - going matter which was not finalised timeously by the previous attorneys

GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements for the year ended 30 June 2015

Figures in Rand		2015	2014
47. Deviation from supply chain management regulations (continued)			
2015/05/21	Financial Services - 39246	Humman Communications	7 298
			Only 1 quotation received instead of three. The request to obtain the service of any other company was not feasible owing to the extreme urgency of this matter and the lateness in which this matter was received.
			The confirmation to place the advert in the newspaper was received on short notice. This was the only service provider which could assist.
		<u>1 567 918</u>	

48. Budget differences

Changes from the approved budget to the final adjustment budget

The changes between the approved and final adjustment budget are a consequence of reallocations within the approved budget parameters. For details on these changes please refer to pages 10 annual financial statements.

49. Change in estimate

Property, plant and equipment

With the Secunda building being classified as investment property, the depreciation on the following classes were influenced as follows: road decreased with R 9,278; building decreased with R 813,832; electrical network equipment decreased with R129,206; non residential perimeters decreased with R 12,871 and leased building increased with R 433,764

The future influence on the statement of financial performance will amount to R64,061 as the property was sold on 13 August 2015.

The impact on the statement of financial performance is a decrease of R531,423

GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements for the year ended 30 June 2015

50. Finance lease obligation

The finance lease liability forms part of the sale and leaseback of property, with the Eastvaal Development trust leasing the property to the Eastvaal financing partnership who in turn leases the property back to Gert Sibande District Municipality.

In the current financial year, the council resolved to terminate the financing arrangements:

- The head-lease and the sub-lease were terminated with effect from 9 June 2015.
- The partnership was terminated with effect from 30 June 2015.
- The Trust will only be wound up after all risks and rewards relating to the sale of the property have been passed onto the seller. This has not been done by 30 June 2015.

As a result of the above events, the financing lease balance relating to the lease of the property is shown at nil for the current year.

51. Deferred Profit

The deferred profit above has resulted from the excess of sales proceeds over the carrying amount from the sale and leaseback transaction. As per GRAP 13.69, the deferred profit was amortized over the lease term.

As a result of the termination of the head-lease and the sub-lease within the current year, the un-amortized gain on sale has been recognized in full at year end.

52. Investment Property

As a result of the new GRAP 100 standard on Non-current assets held for sale, the Secunda property previously held as non-current assets held for sale is required to be transferred back into the category of asset to which it belongs.

During the process of finalizing the sale of the property, the municipality had been renting the Secunda property to the intended buyer of the property.

The classification criteria of GRAP 16 on Investment Property have been met and the property has therefore been classified as Investment Property which is carried under the cost model.

GERT SIBANDE DISTRICT MUNICIPALITY
Appendix A

Schedule of external loans as at 30 June 2015

Loan Number	Redeemable	Balance at 30 June 2014	Received during the period	Redeemed written off during the period	Balance at 30 June 2015	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Lease liability							
Eastvaal financing Partnership Nashua Highveld		22 089 605 589 284	- -	22 089 605 589 284	- -	- 42 000	- -
		22 678 889	-	22 678 889	-	42 000	-
Annuity loans							
ABSA bank		11 948 889	-	7 844 506	4 104 383	-	-
		11 948 889	-	7 844 506	4 104 383	-	-
Total external loans							
Lease liability		22 678 889	-	22 678 889	-	42 000	-
Annuity loans		11 948 889	-	7 844 506	4 104 383	-	-
		34 627 778	-	30 523 395	4 104 383	42 000	-

**GERT SIBANDE DISTRICT MUNICIPALITY
GERT SIBANDE DISTRICT MUNICIPALITY
Appendix B**

**Analysis of property, plant and equipment as at 30 June 2015
Accumulated depreciation
Cost/Revaluation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	360 000	-	-	-	-	-	360 000	-	-	-	-	-	-	360 000
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building fixtures	6 459 823	-	-	-	-	-	6 459 823	(765 475)	-	-	(258 216)	-	(1 023 691)	5 436 132
Buildings (Separate for AFS purposes)	309 965 762	112 673	-	-	-	-	310 078 435	(33 247 106)	-	-	(10 326 539)	-	(43 573 645)	266 504 790
	316 765 585	112 673					316 838 258	(34 012 581)			(10 584 755)		(44 597 336)	272 300 922
Infrastructure														
Infrastructure	29 455 864	-	-	-	-	-	29 455 864	(6 886 722)	-	-	(2 247 520)	-	(9 134 242)	20 321 622
Electrical network	691 475	-	-	-	-	-	691 475	(56 388)	-	-	(25 755)	-	(82 143)	609 332
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Retiulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retiulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retiulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastructure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	30 147 339						30 147 339	(6 943 110)			(2 273 275)		(9 216 385)	20 930 954
Community Assets														
Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-

GERT SIBANDE DISTRICT MUNICIPALITY
GERT SIBANDE DISTRICT MUNICIPALITY
Appendix B

Analysis of property, plant and equipment as at 30 June 2015
Cost/Revaluation
Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Mayoral chain and portraits	154 250	-	-	-	-	-	154 250	-	-	-	-	-	-	154 250
Other	-	-	-	-	-	-	-	154 250	-	-	-	-	-	154 250
Specialised vehicles														
Emergency vehicles	4 101 870	-	-	-	-	-	4 101 870	(3 006 391)	-	-	(409 907)	-	(3 416 298)	685 572
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	4 101 870	-	-	-	-	-	4 101 870	(3 006 391)	-	-	(409 907)	-	(3 416 298)	685 572
Other assets														
General vehicles	9 374 511	1 745 427	(1 475 027)	-	-	-	9 644 911	(5 352 816)	1 189 017	-	(1 250 960)	-	(5 404 779)	4 240 132
Plant & equipment	1 005 514	230 025	(727 474)	-	-	-	508 065	(751 723)	727 474	-	(132 745)	-	(156 987)	351 068
Computer Equipment	8 749 815	215 128	(4 086 043)	-	-	-	4 868 900	(4 360 252)	4 014 164	-	(2 057 826)	-	(2 403 914)	2 464 986
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	4 505 300	138 834	(148 507)	-	-	-	4 495 627	(2 069 596)	130 262	-	(655 283)	-	(2 594 607)	1 901 120
Office Equipment	3 232 042	15 000	(1 338 452)	-	-	-	1 908 590	(1 678 070)	1 274 958	-	(471 958)	-	(875 070)	1 033 520
Office Equipment - Leased	1 761 398	-	-	-	-	-	1 761 398	(1 222 592)	-	-	(496 316)	-	(1 719 398)	42 000
Other equipment	535 953	-	-	-	-	-	535 953	(35 744)	-	-	(10 712)	-	(48 456)	489 497
Communication Equipment	71 079	7 339	(5 998)	-	-	-	72 420	(25 563)	5 998	-	(35 853)	-	(55 453)	16 967
Laboratory Equipment	2 923 964	913 737	-	-	-	-	3 837 701	(1 207 369)	-	-	(441 312)	-	(1 648 681)	2 189 020
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	123 172	1 999 802	-	-	-	-	2 122 774	(609 336)	-	-	(1 039 288)	-	(1 648 624)	2 122 774
Construction vehicles	10 400 000	-	-	-	-	-	10 400 000	-	-	-	-	-	-	8 751 376
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non current asset held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	42 682 748	5 265 192	(7 791 501)	-	-	-	40 156 439	(17 313 071)	7 351 873	-	(6 592 781)	-	(16 553 979)	23 602 460

GERT SIBANDE DISTRICT MUNICIPALITY
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Appendix B

Analysis of property, plant and equipment as at 30 June 2015
Cost/Revaluation
Accumulated depreciation

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Closing Balance	Opening Balance	Disposals	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Total property plant and equipment														
Land and buildings	316 785 585	112 673	-	-	-	-	316 898 258	(34 012 581)	-	-	(10 584 755)	-	(44 597 336)	272 300 922
Infrastructure	30 147 339	-	-	-	-	-	30 147 339	(6 943 110)	-	-	(2 273 275)	-	(9 216 385)	20 930 954
Community Assets	154 250	-	-	-	-	-	154 250	-	-	-	-	-	(3 416 288)	154 250
Heritage assets	4 101 870	-	-	-	-	-	4 101 870	(3 006 391)	-	-	(409 907)	-	(16 553 979)	685 572
Specialised vehicles	42 682 748	5 265 192	(7 791 501)	-	-	-	40 156 439	(17 313 071)	7 351 873	-	(6 592 781)	-	-	23 602 460
Other assets	393 871 792	5 377 865	(7 791 501)	-	-	-	391 458 156	(51 275 153)	7 351 873	-	(19 860 718)	-	(73 783 988)	317 674 158
Agricultural/Biological assets														
Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets														
Computers - software	1 226 938	35 000	(254 884)	-	-	-	1 007 054	(750 917)	189 579	-	(164 914)	-	(726 252)	280 802
Other	1 226 938	35 000	(254 884)	-	-	-	1 007 054	(750 917)	189 579	-	(164 914)	-	(726 252)	280 802
Investment properties														
Investment property	14 746 976	-	-	-	-	-	14 746 976	(1 228 799)	-	-	(433 763)	-	(1 662 562)	13 084 414
	14 746 976	-	-	-	-	-	14 746 976	(1 228 799)	-	-	(433 763)	-	(1 662 562)	13 084 414
Total														
Land and buildings	316 785 585	112 673	-	-	-	-	316 898 258	(34 012 581)	-	-	(10 584 755)	-	(44 597 336)	272 300 922
Infrastructure	30 147 339	-	-	-	-	-	30 147 339	(6 943 110)	-	-	(2 273 275)	-	(9 216 385)	20 930 954
Community Assets	154 250	-	-	-	-	-	154 250	-	-	-	-	-	(3 416 288)	154 250
Heritage assets	4 101 870	-	-	-	-	-	4 101 870	(3 006 391)	-	-	(409 907)	-	(16 553 979)	685 572
Specialised vehicles	42 682 748	5 265 192	(7 791 501)	-	-	-	40 156 439	(17 313 071)	7 351 873	-	(6 592 781)	-	-	23 602 460
Other assets	1 226 938	35 000	(254 884)	-	-	-	1 007 054	(750 917)	189 579	-	(164 914)	-	(726 252)	280 802
Agricultural/Biological assets	14 746 976	-	-	-	-	-	14 746 976	(1 228 799)	-	-	(433 763)	-	(1 662 562)	13 084 414
Intangible assets	409 845 706	5 412 865	(8 046 385)	-	-	-	407 212 186	(63 254 869)	7 541 452	-	(20 459 395)	-	(76 172 812)	331 039 374
Investment properties														

**GERT SIBANDE DISTRICT MUNICIPALITY
GERT SIBANDE DISTRICT MUNICIPALITY
Appendix B**

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

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land	360 000	-	-	-	-	-	360 000	-	-	-	-	-	-	360 000
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Fixtures	5 555 438	904 385	-	-	-	-	6 459 823	(543 310)	-	-	(222 165)	-	(765 475)	5 694 348
Buildings	297 983 176	13 812 587	(1 830 000)	-	-	-	309 965 763	(23 380 630)	-	-	(9 666 277)	-	(33 247 107)	276 718 556
	303 898 614	14 716 972	(1 830 000)	-	-	-	316 785 586	(23 924 140)	-	-	(10 088 442)	-	(34 012 582)	282 773 004
Infrastructure														
Infrastructure	27 522 339	1 833 525	-	-	-	-	29 455 864	(4 765 023)	-	-	(2 121 699)	-	(6 886 722)	22 569 142
Storm water Generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park Facilities	633 885	57 590	-	-	-	-	691 475	(32 546)	-	-	(23 842)	-	(56 388)	635 087
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI Infrastructure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	28 156 224	1 981 115	-	-	-	-	30 147 339	(4 797 569)	-	-	(2 145 541)	-	(6 943 110)	23 204 229
Community Assets														
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

GERT SIBANDE DISTRICT MUNICIPALITY
GERT SIBANDE DISTRICT MUNICIPALITY
Appendix B

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

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Closing Balance	Opening Balance	Disposals	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Heritage assets														
Mayoral chain and portraits	154 250	-	-	-	-	-	154 250	-	-	-	-	-	-	154 250
Other	-	-	-	-	-	-	154 250	-	-	-	-	-	-	154 250
	154 250						154 250							
Specialised vehicles														
Emergency Vehicles	4 101 870	-	-	-	-	-	4 101 870	(2 596 485)	-	-	(409 906)	-	(3 006 391)	1 095 479
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy/Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	4 101 870						4 101 870	(2 596 485)			(409 906)		(3 006 391)	1 095 479
Other assets														
General vehicles	9 374 511	-	-	-	-	-	9 374 511	(3 922 623)	-	-	(1 430 193)	-	(5 352 816)	4 021 695
Plant & equipment	958 671	46 843	-	-	-	-	1 005 514	(623 413)	-	-	(128 310)	-	(751 723)	253 791
Computer Equipment	7 579 573	1 198 892	(28 649)	-	-	-	8 749 816	(2 411 846)	5 828	-	(1 954 235)	-	(4 360 253)	4 389 563
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	4 505 300	-	-	-	-	-	4 505 300	(1 363 631)	-	-	(665 955)	-	(2 069 586)	2 435 714
Office Equipment	3 018 365	213 676	-	-	-	-	3 232 042	(1 201 572)	-	-	(476 496)	-	(1 678 070)	1 553 972
Office Equipment - Leased	1 761 398	-	-	-	-	-	1 761 398	(636 418)	-	-	(566 164)	-	(1 222 582)	538 816
Other Equipment	535 953	-	-	-	-	-	535 953	(25 032)	-	-	(10 712)	-	(55 744)	500 209
Communication Equipment	5 998	65 081	-	-	-	-	71 079	(1 895)	-	-	(23 698)	-	(26 593)	46 486
Laboratory Equipment	2 770 104	153 860	-	-	-	-	2 923 964	(804 480)	-	-	(402 899)	-	(1 207 389)	1 716 595
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	(10 705 522)	-	-	123 172	-	-	-	-	-	-	123 172
Work in progress	10 705 522	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	10 400 000	-	-	-	(609 336)	-	(609 336)	9 790 664
Housing development	-	10 400 000	-	-	-	-	-	-	-	-	-	-	-	-
Construction vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	41 215 396	12 201 524	(28 649)	(10 705 522)			42 692 749	(11 010 910)	5 828		(6 307 980)		(17 313 072)	25 369 677

**GERT SIBANDE DISTRICT MUNICIPALITY
GERT SIBANDE DISTRICT MUNICIPALITY
Appendix B**

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

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	303 898 614	14 716 972	(1 830 000)	-	-	-	316 785 586	(23 924 140)	-	-	(10 088 442)	-	(34 012 582)	282 773 004
Infrastructure	28 156 224	1 991 115	-	-	-	-	30 147 339	(4 797 569)	-	-	(2 145 541)	-	(6 943 110)	23 204 229
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	154 250	-	-	-	-	-	154 250	(2 596 485)	-	-	(409 906)	-	(3 006 391)	154 250
Specialised vehicles	4 101 870	-	-	-	-	-	4 101 870	(1 010 910)	-	-	(6 307 990)	-	(17 313 072)	1 095 479
Other assets	41 215 396	12 201 524	(28 649)	(10 705 522)	-	-	42 682 749	(11 010 910)	5 828	-	(6 307 990)	-	(17 313 072)	25 369 677
	377 526 354	28 909 611	(1 858 649)	(10 705 522)			393 871 794	(42 329 104)	5 828		(18 951 879)		(61 275 155)	332 596 639
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computers - software	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Other	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	14 746 976	-	-	-	-	-	14 746 976	(795 035)	-	-	(433 764)	-	(1 228 799)	13 518 177
	14 746 976						14 746 976	(795 035)			(433 764)		(1 228 799)	13 518 177
Total														
Land and buildings	303 898 614	14 716 972	(1 830 000)	-	-	-	316 785 586	(23 924 140)	-	-	(10 088 442)	-	(34 012 582)	282 773 004
Infrastructure	28 156 224	1 991 115	-	-	-	-	30 147 339	(4 797 569)	-	-	(2 145 541)	-	(6 943 110)	23 204 229
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	154 250	-	-	-	-	-	154 250	(2 596 485)	-	-	(409 906)	-	(3 006 391)	154 250
Specialised vehicles	4 101 870	-	-	-	-	-	4 101 870	(1 010 910)	-	-	(6 307 990)	-	(17 313 072)	1 095 479
Other assets	41 215 396	12 201 524	(28 649)	(10 705 522)	-	-	42 682 749	(11 010 910)	5 828	-	(6 307 990)	-	(17 313 072)	25 369 677
Agricultural/Biological assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Intangible assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	14 746 976	-	-	-	-	-	14 746 976	(795 035)	-	-	(433 764)	-	(1 228 799)	13 518 177
	14 746 976						14 746 976	(795 035)			(433 764)		(1 228 799)	13 518 177
Total														
Land and buildings	303 898 614	14 716 972	(1 830 000)	-	-	-	316 785 586	(23 924 140)	-	-	(10 088 442)	-	(34 012 582)	282 773 004
Infrastructure	28 156 224	1 991 115	-	-	-	-	30 147 339	(4 797 569)	-	-	(2 145 541)	-	(6 943 110)	23 204 229
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	154 250	-	-	-	-	-	154 250	(2 596 485)	-	-	(409 906)	-	(3 006 391)	154 250
Specialised vehicles	4 101 870	-	-	-	-	-	4 101 870	(1 010 910)	-	-	(6 307 990)	-	(17 313 072)	1 095 479
Other assets	41 215 396	12 201 524	(28 649)	(10 705 522)	-	-	42 682 749	(11 010 910)	5 828	-	(6 307 990)	-	(17 313 072)	25 369 677
Agricultural/Biological assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Intangible assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	14 746 976	-	-	-	-	-	14 746 976	(795 035)	-	-	(433 764)	-	(1 228 799)	13 518 177
	14 746 976						14 746 976	(795 035)			(433 764)		(1 228 799)	13 518 177
Total														
Land and buildings	303 898 614	14 716 972	(1 830 000)	-	-	-	316 785 586	(23 924 140)	-	-	(10 088 442)	-	(34 012 582)	282 773 004
Infrastructure	28 156 224	1 991 115	-	-	-	-	30 147 339	(4 797 569)	-	-	(2 145 541)	-	(6 943 110)	23 204 229
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	154 250	-	-	-	-	-	154 250	(2 596 485)	-	-	(409 906)	-	(3 006 391)	154 250
Specialised vehicles	4 101 870	-	-	-	-	-	4 101 870	(1 010 910)	-	-	(6 307 990)	-	(17 313 072)	1 095 479
Other assets	41 215 396	12 201 524	(28 649)	(10 705 522)	-	-	42 682 749	(11 010 910)	5 828	-	(6 307 990)	-	(17 313 072)	25 369 677
Agricultural/Biological assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Intangible assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	14 746 976	-	-	-	-	-	14 746 976	(795 035)	-	-	(433 764)	-	(1 228 799)	13 518 177
	14 746 976						14 746 976	(795 035)			(433 764)		(1 228 799)	13 518 177
Total														
Land and buildings	303 898 614	14 716 972	(1 830 000)	-	-	-	316 785 586	(23 924 140)	-	-	(10 088 442)	-	(34 012 582)	282 773 004
Infrastructure	28 156 224	1 991 115	-	-	-	-	30 147 339	(4 797 569)	-	-	(2 145 541)	-	(6 943 110)	23 204 229
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	154 250	-	-	-	-	-	154 250	(2 596 485)	-	-	(409 906)	-	(3 006 391)	154 250
Specialised vehicles	4 101 870	-	-	-	-	-	4 101 870	(1 010 910)	-	-	(6 307 990)	-	(17 313 072)	1 095 479
Other assets	41 215 396	12 201 524	(28 649)	(10 705 522)	-	-	42 682 749	(11 010 910)	5 828	-	(6 307 990)	-	(17 313 072)	25 369 677
Agricultural/Biological assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Intangible assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	14 746 976	-	-	-	-	-	14 746 976	(795 035)	-	-	(433 764)	-	(1 228 799)	13 518 177
	14 746 976						14 746 976	(795 035)			(433 764)		(1 228 799)	13 518 177
Total														
Land and buildings	303 898 614	14 716 972	(1 830 000)	-	-	-	316 785 586	(23 924 140)	-	-	(10 088 442)	-	(34 012 582)	282 773 004
Infrastructure	28 156 224	1 991 115	-	-	-	-	30 147 339	(4 797 569)	-	-	(2 145 541)	-	(6 943 110)	23 204 229
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	154 250	-	-	-	-	-	154 250	(2 596 485)	-	-	(409 906)	-	(3 006 391)	154 250
Specialised vehicles	4 101 870	-	-	-	-	-	4 101 870	(1 010 910)	-	-	(6 307 990)	-	(17 313 072)	1 095 479
Other assets	41 215 396	12 201 524	(28 649)	(10 705 522)	-	-	42 682 749	(11 010 910)	5 828	-	(6 307 990)	-	(17 313 072)	25 369 677
Agricultural/Biological assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Intangible assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-	-	(194 054)	-	(750 917)	476 021
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	14 746 976	-	-	-	-	-	14 746 976	(795 035)	-	-	(433 764)	-	(1 228 799)	13 518 177
	14 746 976						14 746 976	(795 035)			(433 764)		(1 228 799)	13 518 177
Total														
Land and buildings	303 898 614	14 716 972	(1 830 000)	-	-	-	316 785 586	(23 924 140)	-	-	(10 088 442)	-	(34 012 582)	282 773 004
Infrastructure	28 156 224	1 991 115	-	-	-	-	30 147 339	(4 797 569)	-	-	(2 145 541)	-	(6 943 110)	23 204 229
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	154 250	-	-	-	-	-	154 250	(2 596 485)	-	-	(409 906)	-	(3 006 391)	154 250
Specialised vehicles	4 101 870	-	-	-	-	-	4 101 870	(1 010 910)	-	-	(6 307 990)	-	(17 313 072)	1 095 479
Other assets	41 215 396	12 201 524	(28 649)	(10 705 522)	-	-	42 682 749	(11 010 910)	5 828	-	(6 307 990)	-	(17 313 072)	25 369 677
Agricultural/Biological assets	916 599	310 339	-	-	-	-	1 226 938	(556 863)	-					

GERT SIBANDE DISTRICT MUNICIPALITY
Appendix C

Segmental analysis of property, plant and equipment as at 30 June 2015
Accumulated Depreciation
Cost/Revaluation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
Municipality	363 745 406	2 124 614	(466 294)	-	-	-	365 403 726	(42 981 156)	454 320	-	(13 554 397)	-	(56 081 223)	309 322 503
Executive & Council/Mayor and Council	46 100 300	3 288 251	(7 580 091)	-	-	-	41 808 460	(20 273 712)	7 087 132	-	(6 905 009)	-	(20 091 589)	21 716 871
Finance and Admin	409 845 706	5 412 865	(8 046 385)	-	-	-	407 212 186	(63 254 868)	7 541 452	-	(20 459 396)	-	(76 172 812)	331 039 374
Municipal Owned Entities														
Total	409 845 706	5 412 865	(8 046 385)	-	-	-	407 212 186	(63 254 868)	7 541 452	-	(20 459 396)	-	(76 172 812)	331 039 374
Municipality	409 845 706	5 412 865	(8 046 385)	-	-	-	407 212 186	(63 254 868)	7 541 452	-	(20 459 396)	-	(76 172 812)	331 039 374

GERT SIBANDE DISTRICT MUNICIPALITY
Appendix E(1)

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2015

	Forecast # 1 2015 Act. Bal. Rand	Forecast # 1 2015 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
Revenue					
Health Income	369 174	529 600	(160 426)	(30,3)	New function - no history for accurate budget
Rental income	2 020 000	1 515 000	505 000	33,3	The sale of the offices in Secunda was not finalized as planned
Income from entity	5 564 215	40	5 564 175	437,5	Yearly adjusting entries for the entity not budgeted
Other income	2 715 034	2 393 710	321 324	13,4	Vehicles was sold - not budgeted for
Government grants	296 130 794	309 079 650	(12 948 856)	(4,2)	
Interest received - investment	3 140 041	2 653 000	487 041	18,4	Project implementation slow - more funds for investments
	309 939 258	316 171 000	(6 231 742)	(2,0)	
Expenses					
Personnel	(95 214 501)	(100 871 200)	5 656 699	(5,6)	
Remuneration of councillors	(10 468 612)	(12 305 250)	1 836 638	(14,9)	One Mayoral committee members not appointed
Depreciation	(20 459 397)	(17 932 520)	(2 526 877)	14,1	Assets were reclassified - not budgeted for
Amortisation	(194 054)	-	(194 054)	-	
Impairments	-	-	-	-	
Finance costs	(5 541 618)	(807 200)	(4 734 418)	586,5	No provision for finance charges for the entity
Repairs and maintenance - General	(4 420 342)	(4 717 250)	296 908	(6,3)	
Contracted Services	(2 587 326)	(2 620 900)	33 574	(1,3)	
Grants and subsidies paid	(120 851 447)	(148 713 999)	27 862 552	(18,7)	Several projects implemented late
General Expenses	(34 864 205)	(36 155 620)	1 291 415	(3,6)	
	(294 601 502)	(324 123 939)	29 522 437	(9,1)	
Other revenue and costs					
Gain or loss on disposal of assets and liabilities	1 040 827	-	1 040 827	-	
	1 040 827	-	1 040 827	-	
Net surplus/ (deficit) for the year					
	16 378 583	(7 952 939)	24 331 522	305,9	

GERT SIBANDE DISTRICT MUNICIPALITY
Appendix E(2)

**Actual vs Budget (Acquisition of Property Plant and
Equipment) for the year ended 30 June 2015**

	Additions Rand	Revised Budget Rand	Variance		Variance %	Explanation of significant variances from budget
			Rand	Rand		
Municipality						
Executive & Council/Mayor and Council	2 658 602	3 660 000	1 001 398	27	Land could not yet be identified for construction of Regional Disaster Centre	
Finance & Admin/Finance	2 754 263	3 690 000	935 737	25	Orders for computer equipment were delayed. Major expenditure was adversely affected by the currency fluctuations.	
	5 412 865	7 350 000	1 937 135	26		
Municipal Owned Entities						
Other charges						

GERT SIBANDE DISTRICT MUNICIPALITY
Appendix F
Summary of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2013

Scheduled DORA	Rolled over from 2013/2014	Total for 2014/2015	Budgeted 2014/2015	Received 2014/2015	Spend 2014/2015	Amount not (Spend) / Received
Equitable Share	16 098 000.00	16 098 000.00	16 098 000.00	-16 098 000.00	16 098 000.00	-
DWA Grant	12 100 000.00	12 100 000.00	12 100 000.00	-5 403 349.11	11 581 010.31	6 177 661.20
FMG Grant	1 250 000.00	1 250 000.00	1 250 000.00	-1 250 000.00	1 250 000.00	-
MSIG Grant	934 000.00	934 000.00	934 000.00	-934 000.00	934 000.00	-
EPWP Grant	1 587 000.00	1 587 000.00	1 000 000.00	-1 587 000.00	1 587 000.00	-
Road Asset Man Grant	2 063 000.00	2 063 000.00	1 822 000.00	-2 063 000.00	2 062 000.00	-1 000.00
Data Cleansing Grant	-	-	1 000 000.00	-	462 440.97	-537 559.03
ISD Grant	3 000 000.00	2 801 350.30	1 000 000.00	-3 000 000.00	3 198 649.70	-
COCTA Projects	-	-	21 000 000.00	-11 000 000.00	9 108 692.90	-1 891 307.10
Revenue Replacement Grant	249 849 000.00	249 849 000.00	249 849 000.00	-249 849 000.00	249 849 000.00	-
TOTALS	286 881 000.00	286 682 350.30	306 053 000.00	-291 184 349.11	296 130 793.88	3 747 795.07

Less Provision for Debtor DWA - Vote 995 - 600 007

Total Unspent Grants -2 429 866.13

GERT SIBANDE DISTRICT MUNICIPALITY

Appendix G

Detail on the different financial lease obligation (Refer Note 15 of the Annual Financial Statements)

Figures in Rand	2015	2014
Eastvaal		
Minimum lease payments due		
- within one year	-	6 191 622
- in second to fifth year inclusive	-	21 071 974
- later than five years	-	-
	-	27 263 596
Less: future finance charges	-	-5 173 990
Present value of minimum lease payments	-	22 089 606
Present value of minimum lease payments due		
- within one year	-	6 218 470
- in second to fifth year inclusive	-	15 897 984
- later than five years	-	-
	-	22 116 454
Non-current liabilities	-	15 871 136
Current liabilities	-	6 218 470
	-	22 089 606
Nahsua		
Minimum lease payments due		
- within one year	-	616 132
- in second to fifth year inclusive	-	-
- later than five years	-	-
	-	616 132
Less: future finance charges	-	-26 848
Present value of minimum lease payments	-	589 284
Present value of minimum lease payments due		
- within one year	-	589 284
- in second to fifth year inclusive	-	-
- later than five years	-	-
	-	589 284
Non-current liabilities	-	-
Current liabilities	-	589 284
	-	589 284