

AUDITOR - GENERAL  
SOUTH AFRICA

30 NOV 2017

# BLUE CRANE ROUTE MUNICIPALITY(EC102)

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Annual Financial Statements for the  
year ended 30 June 2017

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**Blue Crane Route Municipality**

Annual Financial Statements for the year ended 30 June 2017

**General Information**

<b>Legal form of entity</b>	Local Municipality
<b>Nature of business and principal activities</b>	Local Government
<b>The following is included in the scope of operation</b>	Service Delivery
<b>Council members</b>	
<b>Mayor</b>	BA Manxoweni
<b>Councillors</b>	A Hufkie M Kwatshu P Sonkwala J Martin T Xakaxa F Brown C Du Plessis KC Brown NP Nkonyeni T Grootboom
<b>Accounting Officer</b>	Thabiso Klaas
<b>Chief Finance Officer (CFO)</b>	NB Delo
<b>Registered office</b>	67 Nojoli Street Somerset East 5850
<b>Postal address</b>	P.O. Box 21 Somerset East 5850
<b>Auditors</b>	Auditor General
<b>Bankers</b>	First National Bank
<b>Attorneys</b>	Not appointed

**Index**

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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**Abbreviations**

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act

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**Accounting Officer's Responsibilities and Approval**

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

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) And the Municipal Finance Management Act (MFMA) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the Chief Financial Officer.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors.

The annual financial statements set out on the following pages have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2017 and were signed by him.

The accounting officer hereby certify as required by Section 124(1)(a) of the Municipal Finance Management Act (Act 56 of 2003) that the salaries, allowances and benefits of political office-bearers and councillors of the Blue Crane Route Municipality, whether financial or in kind, are within the upper limits of the framework envisaged in section 219 of the Constitution.



Thabiso Klaas  
Accounting Officer  
21 November 2017

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**Blue Crane Route Municipality**  
Annual Financial Statements for the year ended 30 June 2017

**STATEMENT OF FINANCIAL POSITION**

	Notes	2017 R	R	2016 (Restated)
<b>ASSETS</b>				
<b>Current assets</b>				
Other financial assets	4	3 253		3 094
Inventories	6	958 287		871 461
Other receivables from exchange transactions	7	1 051 029		1 148 855
Other receivables from non-exchange transactions	8	6 414 873		5 535 910
Trade receivables from exchange transactions	9	22 444 353		18 694 127
Cash and cash equivalents	10	6 928 628		14 112 575
		<u>37 800 423</u>		<u>40 366 022</u>
<b>Non-current assets</b>				
Investment property carried at fair value	11	25 391 518		25 507 221
Property, plant and equipment	12	572 921 445		592 718 185
Intangible assets	13	2 238		6 929
Heritage assets	14	458 087		458 067
Other financial assets	4	6 401		9 655
		<u>598 779 669</u>		<u>618 700 057</u>
<b>Total assets</b>		<u><b>636 580 092</b></u>		<u><b>659 066 079</b></u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Employee benefit obligation	15	1 258 474		948 651
Other financial liabilities	16	3 228 932		3 477 401
Finance lease obligation	17	858 589		1 133 396
Unspent conditional grants and receipts	18	4 197 603		6 339 006
Payables from exchange transactions	20	24 689 180		22 180 300
Trade and other payables from non-exchange	21	55 700		254 717
VAT payable	22	3 074 334		2 754 507
Consumer deposits	23	2 421 026		2 462 971
		<u>39 783 838</u>		<u>39 550 949</u>
<b>Non-current liabilities</b>				
Employee benefit obligation	15	24 419 218		23 338 756
Other financial liabilities	16	8 134 684		11 382 739
Finance lease obligation	17	1 429 629		2 288 219
Provisions	19	25 926 519		23 630 602
		<u>59 910 050</u>		<u>60 640 316</u>
<b>Total liabilities</b>		<u><b>99 693 888</b></u>		<u><b>100 191 265</b></u>
<b>Net assets</b>		<u><b>536 886 204</b></u>		<u><b>558 874 814</b></u>
<b>Accumulated surplus</b>		<u><b>536 886 204</b></u>		<u><b>558 874 814</b></u>

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Annual Financial Statements for the year ended 30 June 2017

**STATEMENT OF FINANCIAL PERFORMANCE**

	Notes	2017 R	2016 R (Restated)
<b>Revenue</b>			
Property rates	26	11 152 026	10 093 914
Service charges	27	112 032 712	97 320 926
Rental of facilities and equipment	25	47 053	62 666
Interest received (trading)	25	3 847 706	3 151 422
Interest received	28	1 281 204	1 446 111
Income from agency services	25	885 336	675 918
Fines	25	71 800	59 980
Licences and permits	25	831 847	745 197
Government grants and subsidies	29	72 921 953	70 588 771
Fees earned	25	498 321	864 125
General	25	878 481	834 911
Private Work	25	121 306	182 942
Gains on disposal of assets	25	65 416	-
Other income	30	2 577 533	733 647
<b>Total revenue</b>		<b>207 212 694</b>	<b>186 760 530</b>
<b>Expenditure</b>			
Employee related costs	31	73 995 198	69 831 879
Remuneration of councillors	32	3 480 647	3 571 936
Debt Impairment	33	13 413 398	8 404 847
Collection costs			11 990
Depreciation and asset impairments/amortisation	12/13	36 326 106	34 776 881
Repairs and maintenance		2 917 877	3 543 168
Finance costs	34	6 156 554	5 733 028
Bulk purchases	35	74 856 791	67 996 582
General expenses	36	19 246 774	24 344 416
Loss on disposal of assets			322 177
<b>Total expenditure</b>		<b>230 393 345</b>	<b>218 536 904</b>
Actuarial (Loss) /gain	15	1 192 041	1 362 493
<b>Surplus / (deficit) for the year</b>		<b>(21 988 610)</b>	<b>(30 413 881)</b>

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**STATEMENT OF CHANGES IN NET ASSETS**

	Notes	R	R
		Accumulated Surplus/(Deficit)	Total: Net Assets
<b>Opening balance as previously reported (2015)</b>		<b>636 195 190</b>	<b>636 195 190</b>
Adjustments:			
Prior period adjustments (2015 and earlier)	42	(46 906 495)	(46 906 495)
<b>Balance at 1 July 2015 as restated</b>		<b>589 288 695</b>	<b>589 288 695</b>
Changes in net assets			
Deficit for the year		(30 413 881)	(30 413 881)
<b>Balance at 30 June 2016 as restated</b>		<b>558 874 814</b>	<b>558 874 814</b>
<b>Opening balance as previously reported (2016)</b>		<b>631 899 979</b>	<b>631 899 979</b>
Prior period adjustments (2016 and earlier)	42	(73 025 165)	(73 025 165)
<b>Balance at 1 July 2016 as restated</b>		<b>558 874 814</b>	<b>558 874 814</b>
Changes in net assets			
Deficit for the year		(21 988 610)	(21 988 610)
<b>Balance at 30 June 2017</b>		<b>536 886 204</b>	<b>536 886 204</b>

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**CASH FLOW STATEMENT**

	Notes	2017 R	2016 R (Restated)
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sales of goods and services		110 767 526	96 883 412
Grants		70 780 550	75 717 274
Interest received		1 251 250	1 408 577
Other receipts		4 010 177	9 164 768
		<u>186 809 503</u>	<u>183 174 031</u>
<b>Payments</b>			
Employee costs		(73 303 740)	(69 175 801)
Remuneration of councillors		(3 480 647)	(3 511 936)
Suppliers		(25 551 051)	(23 414 068)
Bulk purchases		(66 965 109)	(66 098 076)
Interest paid		(1 404 356)	(1 311 052)
Other payments		(2 308 204)	(3 491 141)
		<u>(173 013 107)</u>	<u>(167 002 074)</u>
<b>Net cash flows from operating activities</b>	<b>38</b>	<b><u>13 796 396</u></b>	<b><u>16 171 957</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	12	(16 465 760)	(12 331 422)
Net proceeds on disposal of assets and liabilities		408 278	3 508
Proceeds from Other financial assets	4	3 095	2 943
<b>Net cash flows from investing activities</b>		<b><u>(16 054 387)</u></b>	<b><u>(12 324 971)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			3 300 000
Repayment of other financial liabilities		(3 496 524)	(2 653 422)
Finance lease payments		(1 429 432)	(1 499 825)
<b>Net cash flows from financing activities</b>		<b><u>(4 925 956)</u></b>	<b><u>(853 247)</u></b>
<b>Net increase / (decrease) in net cash and cash equivalents</b>		<b>(7 183 947)</b>	<b>2 993 739</b>
<b>Cash Balance transferred from Dev Agency</b>			
<b>Net cash and cash equivalents at beginning of period</b>		<b>14 112 575</b>	<b>11 118 836</b>
<b>Net cash and cash equivalents at end of period</b>	<b>10</b>	<b><u>6 928 628</u></b>	<b><u>14 112 575</u></b>



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**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

	Notes	Approved budget R	Adjustments R	Final budget R	Actual amounts on comparable basis R	Difference between final budget and actual R
<b>Statement of Financial Position</b>						
Total current assets		26 803 676	1 735 844	28 539 520	37 800 423	(9 260 903)
Total non-current assets		636 267 391	291 136	636 558 527	598 779 668	37 778 858
Total current liabilities		(17 089 539)	(9 122 390)	(26 211 929)	(39 783 838)	13 571 909
Total non-current liabilities		(30 311 507)	(25 586 229)	(55 897 736)	(59 910 050)	4 012 314
<b>Net Assets</b>		<b>615 670 021</b>	<b>(32 681 639)</b>	<b>582 988 382</b>	<b>536 886 204</b>	<b>46 102 178</b>

**Statement of Financial Performance**

<b>Revenue</b>						
Property rates	49	11 090 000	50 000	11 140 000	11 152 785	(12 785)
Service charges	49	108 317 120	8 817 550	117 134 670	121 959 788	(4 825 118)
Interest earned - external investments		1 000 750		1 000 750	1 281 204	(280 454)
Interest earned - outstanding debtors		2 722 650	427 350	3 150 000	3 847 706	(697 706)
Rental of facilities and equipment		75 000	(12 000)	63 000	47 053	15 947
Fines		70 000		70 000	71 800	(1 800)
Licences and permits		631 790	188 210	820 000	831 847	(11 847)
Agency services		660 000	90 000	750 000	885 336	(135 336)
Transfers recognised		76 636 550	(982 190)	75 654 360	72 921 953	2 732 407
Gains on disposal of PPE		100 000	389 000	489 000	85 416	423 584
Other own revenue		5 497 690	196 650	5 694 340	4 075 641	1 618 699
<b>Total Revenue</b>		<b>206 801 650</b>	<b>9 164 670</b>	<b>215 966 320</b>	<b>217 140 529</b>	<b>(1 174 209)</b>
<b>Expenditure</b>						
Employee costs	49	73 523 290	2 866 190	76 389 480	73 641 294	2 748 186
Remuneration of councillors	49	4 136 030	(84 860)	4 051 170	3 800 951	250 219
Debt impairment		6 335 000	1 630 000	7 965 000	13 413 398	(5 448 398)
Depreciation & asset impairment		35 188 500	(740 000)	34 448 500	36 326 106	(1 877 606)
Finance charges		3 748 960	2 195 770	5 944 730	6 156 554	(211 824)
Bulk Purchases		65 378 350	10 866 850	76 244 200	74 856 791	1 387 409
Transfers and Grants	49	1 053 000		1 053 000	910 535	142 465
Other expenditure	49	28 212 990	997 950	29 210 940	30 023 510	(812 570)
Loss on disposal of assets						
<b>Total expenditure</b>		<b>217 676 120</b>	<b>17 730 900</b>	<b>235 407 020</b>	<b>239 129 139</b>	<b>(3 822 119)</b>
<b>Actual Amount on Comparable Basis as Presented in the Budget And Actual Comparative Statement</b>		<b>(10 774 670)</b>	<b>(8 566 330)</b>	<b>(19 340 900)</b>	<b>(21 888 610)</b>	<b>2 647 710</b>

Refer to note 51 for explanations for material variances between final budget and actual amounts as well as the final budget and the original budget

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**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

	Notes	Approved budget R	Adjustments R	Final budget R	Actual amounts on comparable basis R	Difference between final budget and actual R
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<u>Receipts</u>						
Ratepayers and other		113 867 700	17 008 529	130 876 229	114 819 648	16 056 581
Government - operating		51 654 000	(1 109 576)	50 544 424	52 797 850	(2 253 426)
Government - capital		17 983 000	683 000	18 666 000	17 982 700	683 300
Interest		3 179 150	(1 839 936)	1 339 214	1 251 250	87 964
<u>Payments</u>						
Suppliers and employees		(164 752 500)	(35 017 523)	(199 770 023)	(171 608 751)	(28 161 272)
Finance charges		(1 277 680)	(638 583)	(1 916 273)	(1 700 391)	(215 882)
Transfers and Grants		(1 053 000)	333 000	(720 000)		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>19 600 660</b>	<b>(20 681 089)</b>	<b>(980 429)</b>	<b>13 542 306</b>	<b>(13 802 735)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<u>Receipts</u>						
Proceeds on disposal of PPE		100 000		100 000	408 278	(308 278)
Decrease (Increase) in non-current debtors					3 095	(3 095)
<u>Payments</u>						
Capital assets		(18 283 000)	425 930	(17 857 070)	(16 465 760)	(1 391 310)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(18 183 000)</b>	<b>425 930</b>	<b>(17 757 070)</b>	<b>(16 054 387)</b>	<b>(1 702 683)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<u>Receipts</u>						
Short term loans						
Borrowing long term/refinancing						
Increase (decrease) in consumer deposits		50 000	173 977	223 977	(41 945)	265 922
<u>Payments</u>						
Repayment of borrowing		(11 468 000)	7 286 518	(4 181 482)	(4 629 921)	448 439
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(11 418 000)</b>	<b>7 460 495</b>	<b>(3 957 505)</b>	<b>(4 671 866)</b>	<b>714 361</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(10 000 340)</b>	<b>(12 694 664)</b>	<b>(22 695 004)</b>	<b>(7 183 947)</b>	<b>(14 791 067)</b>
Cash Balance transferred from Dev Agency						
Cash/cash equivalents at the year begin:		10 000 000	4 110 885	14 110 885	14 112 575	(1 690)
Cash/cash equivalents at the year end:		(340)	(8 583 779)	(8 584 119)	6 928 628	(14 792 747)

**ACCOUNTING POLICIES**

**1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act No 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below.

These accounting policies are consistent with those applied in the preparation of the prior year financial statements, unless specified otherwise. Details on any changes in accounting policies are provided in note Changes in accounting policy.

**1.1. Presentation of currency**

These annual financial statements are presented in South African Rand, which is the functional currency of the entity. The figures in the annual financial statement are rounded to the nearest Rand value.

**1.2. Going concern**

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

**1.3. Budget information**

Budget information in accordance with GRAP 1 and 24, has been provided in the Statement of comparison of budget and actual amounts.

The approved budget is prepared on an accrual basis.

The approved budget covers the fiscal period from 2016/07/01 to 2017/06/30.

**1.4. Comparative figures**

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and/or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are

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## **ACCOUNTING POLICIES**

restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. The presentation and classification of items in the current year is consistent with prior years.

The nature and reasons for the reclassifications and restatements are disclosed in note 42 to the financial statements.

### **1.5. Offsetting**

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

### **1.6. Significant judgements and sources of estimation uncertainty**

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require material adjustment to the carrying amount of the relevant asset or liability in future periods.

#### **Judgements**

In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the annual financial statements.

#### **Estimates**

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the entity's accounting policies, the following estimates were made:

#### **Inventory**

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir.

#### **Impairments of non-financial assets**

In determining the value-in-use of non-financial assets, management is required to rely on the use of

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## **ACCOUNTING POLICIES**

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estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non-cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

### **Provisions**

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes.

Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions. Additional disclosure of these estimates of provisions is included in note 19 - Provisions.

### **Pension and other post-employment benefits**

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate, future salary increase, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### **Effective interest rate**

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

### **Allowance for doubtful debts**

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles so that the effect of any impairment on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment on an individual basis.

The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance the estimates are made about the probability of recovery of the debtors based on their past payment history and risk profile.

### **Provision for rehabilitation of refuse landfill sites**

The entity has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the size / extent of the land to be rehabilitated, the rehabilitation

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**ACCOUNTING POLICIES**

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cost per square meter, the monitoring cost per square meter, and the rehabilitation period. Current costs are projected using the average rate of inflation over the remaining period until rehabilitation, and then discounted to their present value using an appropriate discounting rate, representing the time value of money.

**Depreciation and amortisation**

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's current condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

**1.7. Property, plant and equipment**

**Initial recognition**

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

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to the municipality and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

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

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Major spare parts and servicing equipment which are expected to be used for more than one period

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are included in property, plant and equipment. In addition, spare parts and servicing equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

**Subsequent measurement**

Subsequent to initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, which is not depreciated as it is deemed to have an indefinite useful life.

**Subsequent expenditure**

Where the entity replaces part of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

**Depreciation**

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Components that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset's residual value.

The annual depreciation rates are based on the following estimated useful lives:

<b>Item</b>	<b>Average useful life</b>
Land (PPE)	Indefinite
Buildings	60 years
Plant	5 – 15 years
Furniture and fixtures	5 – 15 years
Motor vehicles	5 – 20 years
Office equipment	3 – 10 years
Other equipment	3 – 10 years
Infrastructure	5 – 80 years

**Impairments**

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

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An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

### **Derecognition**

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### **1.8. Investment property**

#### **Initial Recognition**

Investment property includes property (land or a building, or part of a building) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Investment property is initially recognised when future benefits are probable and the cost or fair value can be determined reliably.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is the cost at date of completion.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of day to day servicing of investment property is recognised in the Statement of Financial Performance as incurred.

#### **Cost Model**

Investment property is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:



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<b>Item</b>	<b>Useful life</b>
Property – land	indefinite
Property – buildings	30 years.

### **Derecognition**

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

### **Impairments**

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date.

Where the carrying amount of an Investment Property is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

### **Subsequent expenditure**

Where the entity replaces part of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

## **1.9. Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance. The entity recognises an intangible asset in its Statement of Financial Position when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and the cost or fair value of the asset can be measured reliably.

An internally generated intangible asset is subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the entity intends to complete the intangible asset, for use or sale
- it is technically feasible to complete the intangible asset

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- the entity has the resources to complete the project
- it is probable that it will generate future economic benefits or service potential.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

#### **Subsequent measurement**

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

The cost of an intangible asset is amortised over the useful life where that useful life is finite. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Financial Performance in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assumption continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

For all other intangible assets amortisation is provided on a straight line basis over their useful life. Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

#### **Amortisation and impairment**

Amortisation is charged to write off the cost of intangible assets over their estimated useful lives using the straight-line method.

The annual amortisation rates are based on the following estimated average asset lives:

Computer software	5 years
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#### **Impairments**

The entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down

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immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

#### **Derecognition**

Intangible assets are derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

#### **1.10. Heritage Assets**

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives.

##### **Initial Recognition**

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Heritage assets are measured at cost.

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

##### **Subsequent measurement**

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

##### **Impairments**

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

##### **Transfers**

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

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### **Derecognition**

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

### **1.11. Financial instruments**

#### **Initial recognition**

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument. The entity recognises financial assets using trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument meets the relevant definitions.

Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

#### **Initial measurement**

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

#### **Subsequent measurement**

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost. All financial assets and financial liabilities are measured after initial recognition using the following categories:

##### **a) Financial instruments at fair value:**

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and

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— financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

b) Financial instruments at amortised cost:

Non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that the entity designates, at fair value, at initial recognition or, are held for trading.

c) Financial instruments at cost:

Investments in residual interest, which do not have quoted market prices, and for which fair value cannot be determined reliably.

The entity assesses which instruments should be subsequently measured at fair value, amortised cost or cost, based on the definitions of financial instruments at fair value, financial instruments at amortised cost or cost, based on the definitions of financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost as set out above.

**Gains and losses**

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

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

**Impairments**

All financial assets measured at cost or amortised cost are subject to an impairment review. The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

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

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

Financial assets measured at cost:

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

**Derecognition****Financial assets**

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

**Financial liabilities**

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when the obligation is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability)

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extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

**Policies relating to specific financial instruments**

**Investments at amortised cost**

Investments which include fixed deposits and short-term deposits invested in registered commercial banks are categories as financial instruments at amortised cost and are subsequently measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is credited to the Statement of Financial Performance.

**Cash and cash equivalents**

Cash and cash equivalents are measured at amortised cost.

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

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

**Trade and other receivables**

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

**Trade and other payables**

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

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### **Other financial assets**

These include loans receivable and initially measured at fair value plus transaction costs that are directly attributable to the acquisition and subsequently measured at amortised cost.

### **1.12. Leases**

#### **Finance leases - lessee**

##### **Initial recognition**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity through the lease agreement. Assets subject to finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

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

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

##### **Subsequent measurement**

Subsequent to initial recognition the finance lease liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

Finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

#### **Operating leases - lessor**

For those leases classified as operating leases the asset subject to the lease is not derecognised and no lease receivable is recognised at the inception of the lease.

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the straight-lined lease payments and the contractual lease payments are



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recognised as either an operating lease asset or operating lease liability.

An operating lease liability is raised to the extent that lease payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease receipts.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in the statement of financial performance.

**Operating leases - lessee**

Assets subject to operating leases, i.e. those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the Statement of Financial Position.

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

**1.13. Inventories**

**Initial recognition and measurement**

Inventories are initially measured at cost. Cost refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their required location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Water inventory is being measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Where inventory is acquired for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

**Subsequent measurement**

Inventories, consisting of consumable stores, raw materials, work-in-progress (WIP) and finished goods (FG), are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

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Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

**Derecognition**

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

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

**1.14 Impairment of cash-generating assets**

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return.

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

**Identification**

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

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### **Value in use**

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

### **Discount rate**

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

### **Recognition and measurement**

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

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

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

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

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

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

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

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

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

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

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

**Reversal of impairment loss**

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

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

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

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

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

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

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

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### **1.15. Employee benefits**

#### **Short-term employee benefits**

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

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

#### **Post-employment benefits**

The entity provides post-employment benefits for its officials. These benefits are provided as either defined contribution plans or defined benefit plans. The entity identifies as defined contribution plans any post-employment plan in terms of which it has no obligation to make further contributions to the plan over and above the monthly contributions payable on behalf of employees (for example in the event of a funding shortfall). Any other plans are considered to be defined benefit plans.

#### **Defined contribution plans**

Contributions made towards the fund are recognised as an expense in the Statement of Financial Performance in the period that such contributions become payable. This contribution expense is measured at the undiscounted amount of the contribution paid or payable to the fund. A liability is recognised to the extent that any of the contributions have not yet been paid. Conversely an asset is recognised to the extent that any contributions have been paid in advance.

#### **Post-retirement Medical Obligations**

The municipality provides post-retirement medical benefits by subsidising the medical contributions of certain retired staff members according to the rules of the medical aid funds. Council pays 70% of the contributions and the remaining 30% is paid by the members.

The entitlement to post-retirement medical benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations, in accordance with GRAP 25 - "Employee Benefits". The plan is unfunded.

The contributions are recognised in the statement of financial performance when the employees have

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rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method.

The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value of the plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of minimum funding requirements. Payments made by the municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries, and are recognised in the Statement of Financial Performance upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

**1.16. Provisions and contingencies**

Provisions are recognised when:

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

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

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

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

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

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

A provision is used only for expenditure for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

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**1.17. Revenue from exchange transactions**

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

**Recognition**

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

- a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- b) The amount of revenue can be measured reliably; and
- c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the entity as compensation for executing the agreed services.

**Specific exchange revenue sources**

Service charges relating to electricity and water are based on consumption. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Electricity meters in industrial areas are read at the end of each month and billed the following month. Premises with high-tension electricity supplies are read and billed monthly.

Revenue arising from the consumption of electricity and water in the month of June is fully accounted for whether invoiced or not.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. At reporting date, an estimate of the prepaid electricity consumed is made and revenue is adjusted accordingly. The estimate is based on trend analysis and historical data of electricity consumption.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff. Tariffs are determined per category of property usage and are levied on a monthly basis.

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Rental income arising on facilities and equipment is accounted for on a straight-line basis over the lease terms on on-going leases.

License fees and permits are recognised in accordance with the substance of the agreements entered into.

#### **Measurement**

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and rebates.

#### **1.18. Revenue from non-exchange transactions**

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

#### **Recognition**

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount and once all the following criteria have been satisfied:

- a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- b) The amount of revenue can be measured reliably; and
- c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Council applies a flat rating system. The same rate factor is applied for land and buildings. In terms of this system, assessment rates are levied on the value of land and buildings in respect of properties. Rebates are granted according to the use of the property concerned. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines are recognised when it is probable that future economic benefits will flow to the entity, the costs can be reliably measured and all restrictions have been complied with. Fines constitute both spot fines and summonses. Revenue from spot fines is recognised when payment is received and the revenue from the issuing of summonses is recognised when collected. Due to the various legal processes that can apply to summonses and the inadequate information available from the courts, it is not possible to



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measure this revenue in the invoicing period.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset and there is not a corresponding liability in respect of related conditions.

#### **Measurement**

An asset that is recognised as a result of a non-exchange transaction is recognised at its fair value at the date of the transfer. Consequently, revenue arising from a non-exchange transaction is measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised as revenue in full when the asset is recognised, at an amount equalling the fair value of the asset received.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

#### **1.19. Borrowing costs**

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

#### **1.20. Unauthorised expenditure**

Unauthorised expenditure means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No.56 of 2003), and includes:

- a) overspending of the total amount appropriated in the municipality's approved budget;
- b) overspending of the total amount appropriated for a vote in the approved budget;
- c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- f) a grant by the municipality otherwise than in accordance with this Act;

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

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**1.21. Fruitless and wasteful expenditure**

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

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

**1.22. Irregular expenditure**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.23. Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and other entity are subject to common control.

Transactions between related parties other than transactions that would occur within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual or entity at arm's length in the same circumstances are disclosed within the annual financial statements.

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

**1.24. Taxes - Value added tax**

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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**1.25. Capital commitments**

Capital commitments disclosed in the financial statements represents the contractual balance committed to the capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

**1.26. Consumer deposits**

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in-line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

**2. Post-reporting date events**

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that is indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non- disclosure could influence the economic decisions of users taken on the basis of the financial statements.

**3. New standards and Interpretations**

**3.1 Standards and Interpretations in the current year**

The municipality has adopted the following standards and interpretations:

Standard / Interpretation	Effective date: Years beginning on or after	Expected impact:
IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2016	The impact of the amendment is not material.

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GRAP 16 (as amended 2015): Investment Property	01 April 2016	The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements.
GRAP 17 (as amended 2015): Property, Plant and Equipment	01 April 2016	The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements.

**3.2 Standards and Interpretations issued, but not yet effective**

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2017 or later periods:

<b>Standard / Interpretation</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
GRAP 18: Segment Reporting	01 April 2017	No significant effect
GRAP 20: Related Parties	01 April 2017	No significant effect
GRAP 109: Accounting by Principals and Agents	01 April 2017	The impact of the amendment is not material.
GRAP 21 (as amended 2015): Impairment of non-cash generating Assets	01 April 2017	The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements.
GRAP 26 (as amended 2015): Impairment of cashgenerating Assets	01 April 2017	The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements.
Directive 12: The Selection of an Appropriate	01 April 2018	The impact of the amendment is

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Reporting Framework by Public Entities	
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	not material.
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**Possible impact of initial application of standards of GRAP approved but not yet effective**

GRAP 18: Segment Reporting – It is expected that this will only result in additional disclosures without affecting the underlying accounting.

GRAP 20: Related Parties - No significant impact is expected as the information is to a large extent already included in the financial statements.

GRAP 109: Accounting by Principals and Agents – No significant impact is expected as no such transactions or events are expected in the foreseeable future.

GRAP 21 (as amended 2015): Impairment of non-cash-generating Assets – No significant impact is expected as no such transactions or events are expected in the foreseeable future.

GRAP 26 (as amended 2015): Impairment of cash-generating Assets – No significant impact is expected as no such transactions or events are expected in the foreseeable future.

Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities – No significant impact is expected as no such transactions or events are expected in the foreseeable future.

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	2017 R	2016 R (Restated)
<b>4 Other financial assets</b>		
<b>Amortised cost</b>		
<b>Long term loans</b>	9 654	12 749
This loan is for a sport club and is repayable in monthly instalments over a period of twenty years. It has a fixed interest rate of 5% and will be fully redeemed in April 2020. This loan is not secured		
Opening Balance	12 749	15 682
Interest accrued	587	719
Installments	(3 662)	(3 662)
Closing Balance	9 654	12 749
<b>Non-current assets</b>		
Amortised cost	6 401	9 655
<b>Current assets</b>		
Amortised cost	3 253	3 094
	9 654	12 749

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2017 and 2016, as all the financial assets were disposed of at their redemption date.

**Loans and receivables past due but not impaired**

Loans and receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2017 - Rnil (2016 - Rnil) were past due but not impaired.

**5 Financial assets by category**

The accounting policies for financial instruments have been applied to the line items below.

**2017**

	Financial assets at amortised cost	Total
Other financial assets	9 654	9 654
Other receivables from exchange transactions	1 051 029	1 051 029
Other receivables from non-exchange transactions	6 414 873	6 414 873
Cash and cash equivalents	6 928 628	6 928 628
Trade receivables from exchange transactions	22 444 353	22 444 353
	36 848 637	36 848 637

**2016**

	Financial assets at amortised cost	Total
Other financial assets	12 749	12 749
Other receivables from exchange transactions	1 148 855	1 148 855
Other receivables from non-exchange transactions	5 535 910	5 535 910
Cash and cash equivalents	14 112 575	14 112 575
Trade receivables from exchange transactions	18 694 127	18 694 127
	39 504 216	39 504 216

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2017  
R  
2016  
R  
(Restated)

**6 Inventories**

Housing in process	55 080	55 080
Consumable stores	786 675	710 275
Water	136 532	106 106
	<u>958 287</u>	<u>871 461</u>

Stores issues amounted to R 1 557 605 and R 1 557 102 (2016).  
No inventory write downs were required for the year.  
No inventory were pledged as security.  
No amount included in inventory is carried at current replacement cost or NRV.

**7 Other receivables from exchange transactions**

Deposits	725 123	695 169
Government Grants and Subsidies	158 842	158 842
Other receivables	29 933	166 061
Incorrect bank debit	1 950	
Prepayments	165 114	158 686
Provision for bad debts: Other Receivables	(29 933)	(29 933)
	<u>1 061 029</u>	<u>1 148 855</u>

The ageing of other receivables from exchange transactions and not impaired is as follows:

Current (0-30days)	1 950	39 374
31-60 days		136 148
61-90 days		
91-120 days	165 114	
> 121 days	883 965	973 333
	<u>1 051 029</u>	<u>1 148 855</u>

**Other receivables pledged as security**

Other receivables were not pledged as security.  
Other receivables is a financial assets at amortised cost.

**Credit quality of other receivables from exchange transactions**

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to historical trends and other available information.  
Although credit quality can be assessed the municipality did not apply any methods to evaluate the credit quality.

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	2017 R	2016 R (Restated)
<b>8 Other receivables from non-exchange transactions</b>		
Property rates	4 665 303	5 373 267
Other receivables	1 749 570	162 643
	<u>6 414 873</u>	<u>5 535 910</u>
<b>Prior period adjustment</b>		
Balance previously reported		5 407 784
2016: Erven 546/6 and 546/7 Incorrectly levied for rates - not in BCRM area		(3 861)
Earlier than 2016: Property Rates tariff for Parks not charged as for other Government properties		157 057
Earlier than 2016: Erven 546/6 and 546/7 Incorrectly levied for rates - not in BCRM area		(25 029)
Earlier than 2016: Erf 553 - Vacant erf in Cookhouse - service charges incorrectly levied		(51)
		<u>5 535 910</u>
<b>Property rates</b>		
Property rates	7 034 278	7 449 637
Provision for bad debts: Property rates	(2 368 975)	(2 076 370)
	<u>4 665 303</u>	<u>5 373 267</u>
<b>Property rates age analysis</b>		
Current (0-30days)	382 896	312 192
31-60 days	57 504	58 709
61-90 days	40 198	25 085
91-120 days	34 048	22 687
> 121 days	6 519 632	7 030 763
	<u>7 034 278</u>	<u>7 449 637</u>
<b>Credit quality of receivables from non-exchange transactions</b>		
The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to historical trends and other available information.		
Although credit quality can be assessed the municipality did not apply any methods to evaluate the credit quality.		
<b>Allowance for Impairment: Property rates</b>		
Impairment balance prior year	(2 076 370)	(1 989 140)
Contributions to provision	(296 578)	(323 868)
Debt impairment written off against provision	3 973	236 733
	<u>(2 368 975)</u>	<u>(2 076 370)</u>
<b>Other receivables</b>		
<b>Other receivables</b>		
Employees overpayment on backpay	231 831	231 831
Provision for bad debts: Employees overpayment	(231 831)	(231 831)
Legal costs: Sanlam	1 579 168	
Insurance claims	17 121	17 121
Provision for bad debts: Insurance claims	(17 121)	(17 121)
Employee overpayments	61 891	50 715
SARS UIF paid for Councilors	108 511	108 511
Other		3 417
	<u>1 749 570</u>	<u>162 643</u>
As at 30 June 2017, other receivables from non-exchange transactions of R3 973 (2016: R296 733) were impaired and provided for.		
The amount of the provision for Property Rates bad debts was R 2 368 975 as at 30 June 2017 (2016: R 2 076 370).		
The amount of the provision for other receivables was R248 952 as at 30 June 2017 (2016: R248 952)		
Other receivables from non-exchange transactions is a financial assets at amortised cost.		
Other receivables from non-exchange transactions were not pledged as security.		
<b>Other receivables from non-exchange transactions past due but not impaired</b>		
The ageing of amounts for property rates past due but not impaired is as follows:		
1 month past due	284 078	58 709
2 months past due	55 868	24 587
3 months past due	37 815	21 919
Older than 3 months	4 201 798	4 827 735
	<u>4 579 669</u>	<u>4 932 850</u>
Other receivables from non-exchange transactions past due but not impaired		
Older than 4 months	170 051	139 116
	<u>170 051</u>	<u>139 116</u>



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	2017 R	2016 R (Restated)
<b>9 Trade receivables from exchange transactions</b>		
<b>Gross balances</b>		
Electricity	18 449 418	13 536 779
Water	13 889 104	11 325 733
Sanitation	1 853 112	1 665 046
Sewerage	5 455 647	4 973 778
Refuse	9 905 456	8 937 665
Other	1 317 094	1 184 809
	<u>60 869 831</u>	<u>41 622 710</u>
<b>Trade receivables pledged as security</b>		
Trade receivables were not pledged as security.		
Trade receivables is a financial assets at amortised cost.		
<b>Prior period adjustment</b>		
<b>Balance previously reported</b>		41 766 581
2016: Electricity reading for June 2016 was kept the same as for May 2016		7 591
2016: Wrong electricity meter readings in June 2016		(110 631)
2016: Electricity meter was removed and still levied for basic charge and units which were estimated		(21 446)
2016: Vacant erf 553 Cookhouse service charges for water, sewerage and refuse		(3 647)
Earlier than 2016: Vacant erf 553 incorrectly service charges raised for water, sewerage and refuse		(17 738)
		<u>41 622 710</u>
<b>Less: Allowance for impairment</b>		
Electricity	(3 945 869)	(2 001 675)
Water	(10 036 351)	(8 000 472)
Sanitation	(1 621 742)	(1 454 258)
Sewerage	(4 059 821)	(3 661 374)
Refuse	(7 725 008)	(6 896 536)
Other	(1 037 987)	(812 270)
	<u>(28 426 478)</u>	<u>(22 928 683)</u>
<b>Net balance</b>		
Electricity	14 503 549	11 534 104
Water	3 853 753	3 325 261
Sanitation	231 370	210 790
Sewerage	1 396 125	1 312 404
Refuse	2 180 446	2 039 329
Other	279 107	272 236
	<u>22 444 583</u>	<u>18 694 127</u>
<b>Electricity</b>		
Current (0 -30 days)	9 893 779	8 128 042
31 - 60 days	1 543 048	1 355 913
61 - 90 days	880 200	560 545
91 - 120 days	686 065	595 501
>121 days	5 446 336	2 896 778
	<u>18 449 418</u>	<u>13 536 779</u>
<b>Water</b>		
Current (0 -30 days)	1 866 972	1 447 967
31 - 60 days	514 003	506 042
61 - 90 days	321 243	236 624
91 - 120 days	350 218	235 848
>121 days	10 814 668	8 899 282
	<u>13 889 104</u>	<u>11 325 733</u>
<b>Sanitation</b>		
Current (0 -30 days)	42 142	41 072
31 - 60 days	16 074	14 352
61 - 90 days	15 414	14 373
91 - 120 days	15 032	13 958
>121 days	1 764 450	1 581 291
	<u>1 853 112</u>	<u>1 665 046</u>

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	2017 R	2016 R (Restated)
<b>9 Trade receivables from exchange transactions (continued)</b>		
<b>Sewerage</b>		
Current (0 -30 days)	652 092	552 271
31 - 60 days	154 327	154 717
61 - 90 days	119 486	114 895
91 - 120 days	110 881	100 751
>121 days	4 418 881	4 051 144
	<u>5 455 647</u>	<u>4 973 778</u>
<b>Refuse</b>		
Current (0 -30 days)	917 944	785 805
31 - 60 days	229 367	218 168
61 - 90 days	190 991	176 630
91 - 120 days	180 176	162 981
>121 days	8 386 978	7 593 281
	<u>9 906 456</u>	<u>8 937 866</u>
<b>Other</b>		
Current (0 -30 days)	56 902	78 145
31 - 60 days	17 179	34 877
61 - 90 days	26 917	18 141
91 - 120 days	25 083	20 980
>121 days	1 192 013	1 032 366
	<u>1 317 084</u>	<u>1 184 569</u>
<b>Summary of debtors by customer classification</b>		
<b>Consumers</b>		
Current (0 -30 days)	13 450 831	11 034 302
31 - 60 days	2 473 998	2 264 069
61 - 90 days	1 554 251	1 121 208
91 - 120 days	1 367 425	1 130 019
>121 days	32 023 328	26 053 112
	<u>50 869 831</u>	<u>41 622 710</u>
Less: Allowance for impairment	<u>(28 425 478)</u>	<u>(22 928 583)</u>
	<u>22 444 353</u>	<u>18 694 127</u>
<b>Reconciliation of debt impairment provision</b>		
Balance at beginning of the year	(22 928 583)	(21 851 546)
Contributions to provision	(8 587 056)	(4 939 322)
Debt relief project	690 106	15 928
Debt impairment written off against provision	2 400 065	3 845 357
	<u>(28 425 478)</u>	<u>(22 928 583)</u>
<b>Fair value of trade receivables from exchange transactions</b>		
Trade receivables from exchange transactions	<u>22 444 353</u>	<u>18 694 127</u>
The fair value has been determined by using the face value of the outstanding capital.		
<b>Trade receivables impaired</b>		
As at 30 June 2017, consumer debtors of R2 400 055 (2016: R 3 846 357) were impaired and provided for. The amount of the provision was R28 425 478 as at 30 June 2017 (2016: R 22 928 583).		
<b>Trade receivables from exchange transactions past due but not impaired</b>		
The ageing of amounts for exchange transactions past due but not impaired is as follows:		
1 month past due	6 705 249	2 084 723
2 months past due	2 017 495	963 184
3 months past due	1 187 369	937 502
Older than 3 months	2 388 021	7 705 012
	<u>12 308 134</u>	<u>11 670 421</u>
<b>Credit quality of receivables from exchange transactions</b>		
The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to historical trends and other available information. Although credit quality can be assessed the municipality did not apply any methods to evaluate the credit quality.		

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<b>10 Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	4 330	1 690
Bank balances	3 463 897	1 449 867
Short-term deposits	3 460 401	12 661 028
	<u>6 928 628</u>	<u>14 112 675</u>

No restrictions exist with regard to the use of cash.

**Cash and cash equivalents pledged as collateral**

No cash and cash equivalents (or portions thereof) was pledged as security for any financial liabilities.

**The municipality had the following bank accounts**

Account number / description

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
ABSA Bank - Fixed deposit - 2053825035	7 500	7 500	7 500	7 500	7 500	7 757
ABSA Bank - Call account - 9067629600			10 124 481			10 143 224
Nedbank - Money market - 1263038023	4 378	4 751	5 123	4 378	4 751	5 123
Nedbank - Fixed deposit - 18312491	4 600	4 600	4 600	4 600	4 600	4 600
Nedbank - Money market - 1263034766	76 302	73 212	70 706	76 302	73 212	70 706
Nedbank - 12 month Fixed deposit - 37881100877		4 000 000			4 236 575	
ABSA - Cheque account - 2206000008	1 004 020	168 788	476 471	1 004 020	168 788	627 873
ABSA - Cheque account - 4064779134			-			-
FNB - Cheque account - 62541421046	2 604 374	1 185 300	254 711	2 459 877	1 281 059	254 711
ABSA - Cheque account - 4061722786			(4 541)			3 152
FNB - Call account - 6269597005	3 387 621	8 334 390	-	3 367 621	8 334 390	-
<b>Total</b>	<u>7 068 795</u>	<u>13 778 541</u>	<u>10 939 051</u>	<u>6 924 298</u>	<u>14 110 885</u>	<u>11 117 146</u>

The municipality has a guarantee at ABSA bank to the value of R6 000 (2016: R6 000) relating to the personal bonds of one municipal employee.

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**11 Investment property**

		2017 Accumulated depreciation/ Impairment	Carrying Value		2016 Accumulated depreciation/ Impairment	Carrying Value
Cost/ Valuation	R	R	R	R	R	R
Investment property	25 885 145	(473 827)	25 391 518	25 921 644	(414 423)	25 507 221

**Reconciliation of Investment property - 2017**

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
	R	R	R	R	R	R	R
Investment properties: Land	19 532 544		(56 500)				19 476 044
Farms	4 613 000						4 613 000
Buildings	1 361 677				(59 203)		1 302 474
	<u>25 507 221</u>		<u>(56 500)</u>		<u>(59 203)</u>		<u>25 391 518</u>

**Reconciliation of Investment property - 2016**

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
	R	R	R	R	R	R	R
Investment properties: Land	19 532 544						19 532 544
Farms	4 613 000						4 613 000
Buildings	1 420 880				(59 203)		1 361 677
	<u>25 566 424</u>				<u>(59 203)</u>		<u>25 507 221</u>

**Prior period adjustment**

Balance as previously reported 95 004 215

**Change In Accounting Policy**

The Municipality has retrospectively implemented Directive 11 being the Changes in measurement bases following the initial adoption of standards of GRAP. Directive 11 has been elected to change the measurement bases selected for all Land and Buildings assets on the initial adoption of Standards of GRAP from the fair value method to the cost method. The application of the new accounting policy will provide the municipality with more reliable, relevant and consistent financial information. During the previous years, the municipality could not get reliable re-valuation methods to use each year and this led to huge increases in the Fair value adjustments. Management then made a decision that the fair value method was inappropriate and need to change to the costing method by using Directive 7 issued in December 2009 and the approved valuation roll of 2006 which was the closest before implementing the GRAP standards. Therefore the following adjustments were made:

2016: Reversal of Gain on re-valuation. (25 455 917)  
 2016: Depreciation on buildings not calculated. (59 203)  
 Earlier than 2016: Net change on carrying value (43 529 974)

Earlier than 2016: Incorrectly included even under Land in Investment Property. Not municipal property as per deeds office information (344 350)

Earlier than 2016: Incorrectly included erf 420 (Somerset East) in Investment Property - Buildings. Not municipal property 1 107 550

25 507 221

Rental revenue from Investment property: R139 654 (2016: R132 788)

Direct operating expenses arising from Investment property that generated rental revenue: Rnil (2016: Rnil)

**Pledged as security**

No investment property have been pledged as security for loans

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**12 Property, plant and equipment**

	2017			2016		
	Cost/ Valuation	Accumulated depreciation/ impairment	Carrying Value	Cost/ Valuation	Accumulated depreciation/ impairment	Carrying Value
	R	R	R	R	R	R
Land	20 129 272	-	20 129 272	20 129 272	-	20 129 272
Buildings	151 848 033	(78 507 608)	73 138 425	143 928 874	(75 015 857)	68 912 817
Plant and equipment	1 539 850	(1 042 418)	497 231	1 531 917	(864 507)	667 410
Furniture and fixtures	4 547 117	(3 001 274)	1 545 843	4 541 041	(2 596 193)	1 944 848
Motor vehicles	18 892 452	(8 045 380)	12 847 092	18 950 533	(4 177 630)	14 772 903
Office equipment	6 161 179	(4 398 979)	1 762 200	6 641 053	(4 434 265)	2 206 788
Infrastructure	804 013 869	(486 120 112)	437 893 757	883 160 529	(438 405 168)	444 755 463
WIP	17 360 249	-	17 360 249	29 695 665	-	29 695 665
Landfill sites	17 894 300	(10 248 924)	7 747 376	17 994 300	(8 361 281)	9 633 019
<b>Total</b>	<b>1 142 284 121</b>	<b>(668 362 876)</b>	<b>672 921 445</b>	<b>1 128 673 084</b>	<b>(633 854 899)</b>	<b>692 718 185</b>

**Reconciliation of Work in Progress (WIP) - 2017**

	Opening balance	Additions	Transfers	Total
	R	R	R	R
Infrastructure assets	25 522 236	11 123 913	(20 509 862)	16 136 287
Community assets	3 654 315	4 314 891	(7 623 384)	345 922
Vehicles	-	119 780	-	119 780
PPE - Buildings	519 114	333 122	(93 976)	758 260
<b>Total</b>	<b>29 695 665</b>	<b>15 891 806</b>	<b>(28 227 222)</b>	<b>17 360 249</b>

**Expenditure incurred to repair and maintain property, plant and equipment included in the Statement of Financial Performance**

	2017	2016
Repairs and Maintenance	2 917 877	3 543 168

**Reconciliation of property, plant and equipment - 2017**

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
	R	R	R	R	R	R	R
Land	20 129 272	-	-	-	-	-	20 129 272
Buildings	68 912 817	-	-	7 717 359	(3 491 751)	-	73 138 425
Plant	667 410	15 484	-	-	(185 663)	-	497 231
Furniture and fixtures	1 944 848	17 270	(6 965)	-	(408 309)	-	1 545 844
Motor vehicles	14 772 903	282 927	(174 575)	-	(2 034 163)	-	12 847 092
Office equipment	2 206 788	544 347	(104 822)	-	(884 112)	-	1 762 201
Infrastructure	444 755 463	-	-	20 509 863	(27 371 571)	-	437 893 755
WIP	29 695 665	15 891 806	-	(28 227 222)	-	-	17 360 249
Landfill sites	9 633 019	-	-	-	(1 885 643)	-	7 747 376
<b>Total</b>	<b>692 718 185</b>	<b>16 781 534</b>	<b>(298 362)</b>	<b>-</b>	<b>(36 262 212)</b>	<b>-</b>	<b>672 921 445</b>

**Reconciliation of property, plant and equipment - 2016**

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
	R	R	R	R	R	R	R
Land	20 129 272	-	-	-	-	-	20 129 272
Buildings	68 912 817	-	-	2 464 568	(3 309 367)	-	68 912 817
Plant and equipment	723 485	131 759	(4 394)	-	(183 440)	-	667 410
Furniture and fixtures	2 098 788	266 697	(543)	-	(418 094)	-	1 944 848
Motor vehicles	13 482 813	2 889 339	(301 749)	-	(1 407 500)	-	14 772 903
Office equipment	2 571 640	532 228	(48 462)	-	(848 628)	-	2 206 788
Infrastructure	468 548 019	-	-	2 867 659	(28 660 216)	-	444 755 463
WIP	25 629 412	8 398 478	-	(5 332 225)	-	-	29 695 665
Landfill sites	11 518 862	-	-	-	(1 885 643)	-	9 633 019
<b>Total</b>	<b>615 467 889</b>	<b>12 318 501</b>	<b>(355 138)</b>	<b>-</b>	<b>(34 712 887)</b>	<b>-</b>	<b>692 718 185</b>

**Prior Period adjustment**

Balance previously reported	592 086 523
2016: Depreciation not included for Road (FAR_7160), wrongly deleted in assets register	(28 618)
2016: Depreciation incorrectly calculated on Erf 2302 - Not Municipality property	10 067
Earlier than 2016: Carrying value of Erf 2302 incorrectly included in PPE. Not Municipality property	(150 999)
Earlier than 2016: Carrying value of Road (FAR_7160) wrongly deleted in assets register	801 212
<b>Total</b>	<b>692 718 185</b>

**Assets subject to finance lease (Net carrying amount)**

	2017	2016
Vehicles and Plant	2 343 542	3 134 639
Office equipment	233 444	233 444
<b>Total</b>	<b>2 343 542</b>	<b>3 368 283</b>

See note 17 on finance leases for assets held under finance lease.

No property, plant and equipment has been pledged as security for liabilities

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13 Intangible assets

	2017			2016		
	Cost/ Valuation	Accumulated amortisation/ Impairment	Carrying Value	Cost/ Valuation	Accumulated amortisation/ Impairment	Carrying Value
	R	R	R	R	R	R
Computer software	18 766	(16 827)	2 238	18 765	(11 836)	6 929

Reconciliation of Intangible assets - 2017

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
Computer software	6 929	-	-	-	(4 691)	-	2 238

Reconciliation of Intangible assets - 2016

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
Computer software	11 820	-	-	-	(4 691)	-	6 929

Other information

Fully amortised intangible assets still in use

Certain computer software packages (not material to the municipality's operations) with finite useful lives which have been fully depreciated are still in use by the municipality to some extent.

14 Heritage assets

	2017			2016		
	Cost/ Valuation	Accumulated amortisation/ Impairment	Carrying Value	Cost/ Valuation	Accumulated amortisation/ Impairment	Carrying Value
	R	R	R	R	R	R
	458 067	-	458 067	458 067	-	458 067

Reconciliation of heritage assets - 2017

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
	458 067	-	-	-	-	-	458 067

Reconciliation of heritage assets - 2016

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
	458 067	-	-	-	-	-	458 067

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15 Employee benefit obligations

15.1 Post-Employment Medical Aid

Defined benefit plan

The Municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependents may continue membership of the medical scheme.

In-service members will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement.

All continuation members and their eligible dependents receive a subsidy of either 80% or 70%.

Upon a member's death-in-service or death-in-retirement the surviving dependents will continue to receive the same between 60% and 70% subsidy.

All subsidies are subject to a maximum of R3 942 for the year ending 30 June 2018. The maximum subsidy amount has been assumed to increase in the future at 75% of salary inflation.

Principal assumptions

Discount rate

Grp 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefits payments, current market rates of the appropriate term should be used to discount shorter term payments and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 9.69% per annum has been used. The corresponding index-linked yield at this term is 2.54%. These rates do not reflect any adjustment for taxation. These rates were deduced from the yield curve obtained from the Johannesburg stock after the market close on 30 June 2017.

These rates are calculated by using a liability-weighted average of yields for the three components of the liability. Each component's fixed-interest and index-linked yield was taken from the bond yield curve at that component's duration, using an iterative process.

Financial assumptions

Discount rate	9.69%
Health care cost inflation rate	7.88%
Net effective discount rate	1.58%

The next contribution rate increase is assumed to occur at 1 January 2018.

Demographic assumptions

Average retirement age	63 (males)/ 58 (Females)
Continuation of membership at retirement	100%
Proportion assumed married at retirement	70%

Accrued liability Values

Carrying value

Opening Accrued Liability	20 418 161	19 561 570
Service cost	958 405	1 005 728
Interest cost	1 852 671	1 701 268
Benefits paid	(602 724)	(508 224)
Actuarial gain recognised in the year	(885 788)	(1 342 181)
<b>Closing Accrued Liability</b>	<b>21 740 725</b>	<b>20 418 161</b>
Non-current liabilities	21 017 857	19 917 797
Current liabilities (Estimate of benefits payments expected in the next annual period)	722 868	500 364
	<b>21 740 725</b>	<b>20 418 161</b>

The total liability has increased by 6.4% (or R1 322 664) since the last valuation

The extent of unexpected increases or decreases in the liability over the period from the previous valuation date to the current can be summarised in the following main components:

Actuarial Gain for the period	(885 788)
Contribution to Actuarial Gain:	
Basis changes: Increase in net discount rate	(2 388 147)
Subsidy increases lower than assumed	(14 528)
Actual benefits vesting, greater than expected	102 360
Changes to membership profile different from assumed	1 414 526

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15.1 Post-Employment Medical Aid (continue)

Net expense recognised in the statement of financial performance

Current service cost	958 405	1 005 728
Benefits paid	(602 724)	(508 224)
<b>Total included in employee related costs</b>	<b>355 681</b>	<b>497 504</b>
Actuarial Gain recognised in statement of financial performance	(885 788)	(1 342 181)
Interest cost included in Finance costs	1 852 571	1 701 266
	<b>1 322 584</b>	<b>856 591</b>
Estimate of contributions expected to be paid to the plan in the next financial year	<b>(722 668)</b>	<b>(500 364)</b>

Sensitivity analysis on the accrued liability (R millions)

Assumption	Change	In-service	Continuation	Total	% change
Central Assumptions		11,958	9,785	21,741	
Health care inflation	1%	13,040	10,451	23,491	8%
	-1%	10,854	9,046	19,700	-9%
Discount Rate	1%	10,248	8,919	19,167	-12%
	-1%	14,092	10,809	24,901	15%
Post-retirement mortality	-1yr	12,300	10,121	22,421	3%
Average retirement age	-1yr	12,821	9,785	22,706	4%
Continuation of membership at retirement	-10%	10,800	9,785	20,585	-6%

Sensitivity analysis on Current-service and interest Costs for the year ending 30/06/2017

Assumption	Change	Current-Service Cost	Interest Cost	Total	% change
Central Assumptions		958 400	1 552 700	2 511 100	
Health care inflation	+1%	1 058 600	2 031 100	3 089 700	10%
	-1%	832 700	1 653 700	2 486 400	-12%
Discount Rate	+1%	800 600	1 783 200	2 583 700	-8%
	-1%	1 161 700	1 911 000	3 072 700	9%
Post-retirement mortality	-1yr	888 800	1 919 800	2 808 500	3%
Average retirement age	-1yr	913 600	1 907 100	2 820 700	0%
Continuation of membership at retirement	-10%	855 500	1 726 500	2 582 000	-8%

History of liabilities, Assets and Experienced Adjustments (R millions)

Liability History	30/06/2013	30/06/2014	30/06/2015	30/06/2016	30/06/2017
Accrued liability	13,661	16,235	19,562	20,418	21,741
Fair value of plan asset	0,000	0,000	0,000	0,000	0,000
Surplus/(Deficit)	(13,661)	(16,235)	(19,562)	(20,418)	(21,741)

History of experience adjustments: Gains and Losses (R millions)

Experience adjustments	30/06/2013	30/06/2014	30/06/2015	30/06/2016	30/06/2017
Liabilities: Gain/Loss	(1,754)	0,348	1,321	(0,085)	1,502
Assets: Gain/Loss	0,000	0,000	0,000	0,000	0,000



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15.2 Long Service Awards (LSA)

Defined benefit plan

The Municipality offers employees LSA for every five years of service completed, to 45 years of service, inclusive. In the month that each "Completed Service" milestone is reached, the employee is granted a LSA.

Principal assumptions

Discount rate

Grp 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 8.30% per annum has been used. The corresponding index-linked yield at this term is 2.55%. These rates do not reflect any adjustment for taxation. These rates were deducted from the yield curve obtained from Johannesburg stock after the market close on 30 June 2017.

The liability-weighted average term of the total liability is 5.99 years.

Financial assumptions

Discount rate	8.30%
General salary inflation	6.12%
Net discount rate	2.05%

The next contribution rate increase is assumed to occur at 1 July 2018.

Demographic assumptions

Average retirement age	63 (males)/ 58 (Females)
------------------------	--------------------------

Accrued Liability Values

Carrying value

Opening Accrued Liability	3 889 246	3 660 791
Service cost	514 686	472 879
Interest cost	307 575	279 206
Expected Benefit Vestings	(448 287)	(523 318)
Actuarial (gain) / loss recognised in the year	(308 253)	120 312
Closing Accrued Liability	<u>3 936 967</u>	<u>3 869 246</u>
Non-current liabilities	3 401 361	3 420 959
Current liabilities (Estimate of benefits payments expected in the next annual period)	535 606	448 287
	<u>3 936 967</u>	<u>3 869 246</u>

The total liability has increased by 1.76% (or R67 721) since the last valuation

The extent of unexpected increases or decreases in the liability over the period from the previous valuation date to the current can be summarised in the following main components:

Actuarial (Gain)/Loss for the period	(308 253)
Contribution to Actuarial (Gain)/Loss:	
Basis changes: Increase in net discount rate	(177 934)
Salary increases higher than assumed	79 685
Changes to membership profile different from assumed	208 304

Net expense recognised in the statement of financial performance

Current service cost	514 686	472 879
Benefit Vestings	1448 287	1523 318
Total included in employee related costs	<u>66 389</u>	<u>(50 439)</u>
Actuarial Gain recognised in statement of financial performance	(308 253)	(20 312)
Interest cost included in Finance costs	307 575	279 208
	<u>67 721</u>	<u>208 456</u>

Estimate of benefit vestings in the next financial year

(636 008) (448 287)

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15.2 Long Service Awards (LSA) (Continued)

Sensitivity analysis on the accrued liability (R millions)

Assumption	Change	Liability	% Change
Central Assumptions		3,837	
General salary inflation	1%	4,152	5%
	-1%	3,741	-5%
Discount Rate	1%	3,731	-5%
	-1%	4,167	5%
Average retirement age	-2yr	3,460	-12%
	2yr	4,473	14%
Withdrawal rates	-50%	4,278	9%

Sensitivity analysis on Current-service and Interest Costs for the year ending 30/06/2017

Assumption	Change	Current-Service Cost	Interest Cost	Total	% change
Central Assumptions		514 700	307 600	822 300	
General salary inflation	1%	554 300	326 000	880 300	7%
	-1%	479 200	290 800	770 000	-6%
Discount Rate	1%	481 900	324 200	806 100	-2%
	-1%	551 900	288 800	840 500	2%
Average retirement age	-2yr	474 300	284 200	738 500	-10%
	2yr	568 400	351 500	919 900	12%
Withdrawal rates	-50%	598 700	337 800	936 300	14%

History of liabilities, Assets and Experienced Adjustments (R millions)

Liability History	30/06/2016	30/06/2017
Accrued liability	3,869	3,837
Fair value of plan asset	0,000	0,000
Surplus/(Deficit)	(3,869)	(3,937)

History of experience adjustments: Gains and Losses (R millions)

Experience adjustments	30/06/2017
Liabilities: (Gain)/Loss	0,128
Assets: Gain/Loss	0,000

Total Employee benefit obligations

Post-Employment Medical Aid  
Long Service Awards

21 740 725	20 418 161
3 836 867	3 869 248
<b>25 577 592</b>	<b>24 287 407</b>

Non-current liabilities  
Current liabilities

24 419 216	23 338 766
1 258 474	948 651
<b>25 677 692</b>	<b>24 287 407</b>

Prior period adjustment

Balance previously reported

20 418 161

2016: Movement of Long Service Awards not previously calculated and provided for in 2015/16

208 455

Earlier than 2016: Long Service Awards not calculated and provided for as a Employee benefit obligation

3 860 791

**24 287 407**

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<b>16 Other financial liabilities</b>		
<b>Held at amortised cost</b>		
Standard Bank	2 779 316	3 300 000
Absa Bank loans	8 584 300	11 560 140
	<u>11 363 616</u>	<u>14 860 140</u>
<p>A loan of R2,5 million was taken up from ABSA Bank on 06/06/2012. The final instalment of R321 680,34 (9.74%) was paid in June 2017 and which was paid over a period of 5 years. A Further loan from ABSA was taken up on 5 June 2016 for R13 000 000 at a fixed interest rate of 9.62%. Installments of R1 675 282 will be semi-yearly payable. The Municipality budgeted to redeem this loan in full on 30 November 2016 but because of a cash shortage it was not possible.</p> <p>On 30 June 2016, a loan of R3 300 000 was also taken up from Standard Bank for the financing of vehicles purchased during the year at a fixed interest rate of 11.55%. Installments of R443 645 will be semi-yearly payable.</p> <p>No defaults or breaches or re-negotiations of the terms and conditions occurred during the year.</p> <p>The ABSA Bank loans are not secured, but the following covenants are applicable for the R13 000 000 loan:</p> <ol style="list-style-type: none"> <li>1. Consumer debtor's collection rate to be maintained at &gt;65%,</li> <li>2. Net cash from operating activities to interest bearing debt not to deteriorate below 60%, and</li> <li>3. Total interest bearing debt to annual operating revenue not to exceed 40%.</li> </ol> <p>The Standard Bank loan is not secured, but the following covenants are also applicable for the R3 300 000 loan:</p> <ol style="list-style-type: none"> <li>1. Debt to Revenue ratio: to be maintained at a level that is less than or equal to 50%.</li> <li>2. Billings to collection rate to be maintained at a level that is greater than or equal to 87.3%.</li> <li>3. Interest paid to total cost to be maintained at a level that is less than or equal to 7.5%.</li> </ol>		
<b>Non-current liabilities</b>		
At amortised cost	8 134 684	11 382 739
<b>Current liabilities</b>		
At amortised cost	3 228 932	3 477 401
	<u>11 363 616</u>	<u>14 860 140</u>
<b>Prior period adjustment</b>		
<b>Non-current liabilities</b>		
At amortised cost - Previous balance at 30 June 2016		2 779 316
2016: Although the Municipality budgeted in 2016 to settle the R13m loan in November 2016, it was not possible because of cash flow concerns		8 603 423
		<u>11 382 739</u>
<b>Current liabilities</b>		
At amortised cost - Previous balance at 30 June 2016		12 080 824
2016: Although the Municipality budgeted in 2016 to settle the R13m loan in November 2016, it was not possible because of cash flow concerns		(8 603 423)
		<u>3 477 401</u>
<b>Opening Balance</b>	14 860 140	14 243 013
Loan received		3 300 000
Interest accrued	1 493 048	1 311 052
Payments	(4 989 572)	(3 993 925)
<b>Closing Balance</b>	<u>11 363 616</u>	<u>14 860 140</u>

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	2017 R	2016 R (Restated)
<b>17 Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	1 056 121	1 430 631
- in second to fifth year inclusive	1 578 738	2 633 859
	<u>2 633 859</u>	<u>4 064 490</u>
less: future finance charges	(345 641)	(842 875)
<b>Present value of minimum lease payments</b>	<u>2 288 218</u>	<u>3 421 615</u>
<b>Present value of minimum lease payments due</b>		
- within one year	658 589	1 133 396
- in second to fifth year inclusive	1 429 629	2 288 219
	<u>2 288 218</u>	<u>3 421 615</u>
<b>Non-current liabilities</b>	1 429 629	2 288 219
<b>Current liabilities</b>	858 589	1 133 396
	<u>2 288 218</u>	<u>3 421 615</u>

It is municipality policy to lease certain plant and equipment under finance leases. The average lease term was 3- 5 years and the average effective borrowing rate was between 9.30% and 9.55% for plant and 14.2% for office equipment. Interest rates are linked to prime at the contract date. No arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to note 12. Property, plant and equipment for the carrying value of assets subject to finance lease.

There are no subleases

**Defaults and breaches**

There were no default during the period of principal, interest, sinking fund or redemption terms of loans payable.

**18 Unspent conditional grants and receipts**

**Other grants**

4 197 603                      6 339 006

Unfulfilled conditions and other contingencies attaching to government assistance has been recognised as per the following table totalling R4 197 603 Where conditions have been met, the amounts were recognised as revenue and is shown under the transfer columns per the following table. The municipality complied with all the conditions attached to the grants / allocations. These amounts are invested in a ring-fenced investment until utilised.

Grant description	Unspent balance 2016	Receipts	Adjustments / written off	Transfer operating expenditure	Transfer capital expenditure	Unspent balance 2017
Municipal Infrastructure Grant (MIG)	5 712 343	13 666 000		(683 300)	(18 695 043)	-
FMG	-	1 625 000		(1 304 494)	(320 506)	-
Youth and other tourism upgrades (SBDM)	-	700 000				700 000
DR WH CRAIB TRUST	13 015					13 015
Fire and Disaster	-	908 000		(472 000)		436 000
Depart Sport: Library admin cost	-	2 300 000		(2 300 000)		-
EPWP	-	1 008 000		(1 008 000)		-
ACIP Water conservation	308 177					308 177
INEP Grant	-	5 000 000			(2 448 500)	2 551 500
Abafazi Rural Project (LED)	150 000			(71 782)		78 208
Resourcing Youth Centre (LED)	102 703					102 703
MRM Programme	-	8 000				8 000
Craft Project (LED)	52 768			(52 768)		-
	<u>6 339 006</u>	<u>25 216 000</u>	-	<u>(6 892 364)</u>	<u>(21 484 049)</u>	<u>4 197 603</u>

The municipality received certain grant allocations during the year from various public entities (amounts disclosed above per project / allocation) - these receipts / grant allocations had to be utilised for the following main purposes:

National Treasury (MIG, EPWP, & FMG) :	Municipal systems improvement and financial management projects, and Municipal Infrastructure (MIG)
Sarah Baardman District municipality:	Fire fighting, LED Projects and Moral Regeneration movement (MRM)
Eastern Cape Department of Roads and Public Works:	Labour intensive projects to promote job creation for unemployed people
Department of Sport and Agriculture:	Administration cost for Libraries
INEP	Electricity upgrading

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**18 Provisions**

**Reconciliation of provisions - 2017**

Environmental rehabilitation

Opening Balance	Additions	Utilised during the year	Total
23 630 602	2 295 917	-	25 926 519
23 630 602	2 295 917	-	25 926 519

**Reconciliation of provisions - 2016**

Environmental rehabilitation

Opening Balance	Additions	Utilised during the year	Total
21 822 930	2 007 672	-	23 830 602
21 822 930	2 007 672	-	23 830 602

**2017**                      **2016**

**Non-Current liability**

Amortised cost

	25 926 519	23 830 602
	<u>25 926 519</u>	<u>23 830 602</u>

**Environmental rehabilitation provision**

The above rehabilitation provision includes the three towns of Somerset East, Cookhouse and Pearston.

All landfill sites financial implications and valuations are determined in terms of Section 28 of the National Environmental Management Act, Act no. 107 of 1998.

The effective date of all valuations was 30 June 2017 and was done and certified by Mr. S Nel, Professional Engineer, from Bosch Munitech.

In Calculating the provision for rehabilitation, the following have been included:

Direct contract costs  
Indirect Professional Fees  
Indirect disbursements  
Escalation

No rehabilitation has taken place on Cookhouse or Pearston landfill sites during the current year, while covering has partly taken place at Somerset East landfill site.

Fencing at Cookhouse (316m) and Pearston (621m) has been vandalised and needs replacing, while approx 10% of Somerset East (121m) requires replacing.

Monetary values for landfill sites at 30 June 2017:	Cookhouse	R 1 529 513
	Pearston	R 4 307 611
	Somerset East	R 20 089 395
		<u>R 25 926 519</u>

**20 Payables from exchange transactions**

Trade payables	14 841 204	13 283 817
Payments received in advanced	530 396	339 644
Accrued leave pay	4 874 660	4 831 608
Accrued 13th cheque	1 675 595	1 641 725
Accrued performance bonus	766 421	575 688
Employee cost in arrears		
Retention on Capital Projects	1 026 734	567 642
Previous employees of Dev Agency	813 694	813 694
Deposits received	160 495	126 382
	<u>24 688 180</u>	<u>22 180 300</u>

**Prior period adjustment**

Balance previously reported	21 889 402
2016: Payment of Audit Committee member fees for June 2016 Invoice received late	5 600
2016: Payment of Audit Committee member fees for May 2016 Invoice received late	14 711
2016: Security duties not paid in previous year because of SCM requirements not adhere to	103 346
2016: Laboratory charges for testing of water samples for chemical analysis done in 2015/16	11 454
2016: Acting allowance for PMU Technician who acted as PMU Manager not paid according to legislation	125 504
2016: Invoice from Afrox for Oxygen incorrectly issued and shown under payables for 2015/16	(1 009)
2016: Security duties not paid in previous year because of SCM requirements not adhere to	14 468
2016: Invoice from Afrox for Oxygen incorrectly Issued and shown under payables for 2015/16	(141)
2016: Duplicate Town Hall deposit refunded, paid back by recipient in October 2016	(245)
Earlier than 2016: Invoice received for Botha Vervoer Trust invalid, but shown as expenditure in 2014/15	(443)
Earlier than 2016: Invoice received for Botha Vervoer Trust invalid, but shown as expenditure in 2014/15	(3 164)
Earlier than 2016: Acting allowance for PMU Technician who acted as PMU Manager not paid according to legislation	20 917

22 180 300

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<b>21 Trade and other payables from non-exchange</b>		
Trade and other	56 700	254 717
<b>22 VAT payable</b>		
VAT	3 074 334	2 764 607
<b>Prior period adjustment</b>		
Balance previously reported		2 772 563
2016: Electricity reading for June 2016 was kept the same as for May 2016		932
2016: Wrong electricity meter readings in June 2016		(13 687)
2016: Electricity meter was removed and still levied for basic charge and units which were estimated		(2 534)
2016: Security duties not paid in previous year because of SCM requirements not adhere to		(14 468)
2016: VAT disallowed by SARS on VAT assessment during 2015/16 audit		837
2016: Invoice from Afrox for Oxygen incorrectly issued and shown under payables for 2015/16		141
2016: VAT incorrectly levied on erf 553 - Cookhouse: Vacant erf - no service charges		(256)
Earlier than 2016: VAT incorrectly levied on erf 553 - Cookhouse: Vacant erf - no service charges		(1 645)
Earlier than 2016: VAT disallowed by SARS on VAT assessment during 2015/16 audit		12 165
Earlier than 2016: Invoice received for Botha Vervoe Trust invalid, but shown as expenditure in 2014/15		443
		<u>2 764 607</u>

VAT is payable on the receipts basis. VAT is claimed from and paid over to SARS only once payment is made on a tax invoice or payment is received from debtors.

<b>23 Consumer deposits</b>		
Electricity & water	2 421 026	2 482 971

**24 Financial liabilities by category**

The accounting policies for financial instruments have been applied to the line items below:

	2017	2016
<b>Other financial liabilities</b>		
Finance lease	(11 363 616)	(11 363 616)
Trade and other payables from non-exchange	(2 288 218)	(2 288 218)
Payables from exchange transactions	(55 700)	(55 700)
	<u>(13 707 534)</u>	<u>(13 707 534)</u>
<b>Other financial liabilities</b>		
Finance lease	(14 860 140)	(14 860 140)
Trade and other payables from non-exchange	(3 421 615)	(3 421 615)
Payables from exchange transactions	(254 717)	(254 717)
	<u>(18 536 472)</u>	<u>(18 536 472)</u>

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	2017 R	2016 R (Restated)
<b>25 Revenue</b>		
Property rates	11 152 026	10 093 914
Service charges	112 032 712	97 320 926
Rental of facilities and equipment	47 053	62 666
Interest received (trading)	3 847 706	3 151 422
Interest received	1 281 204	1 448 111
Income from agency services	885 336	675 918
Fines	71 800	59 980
Licences and permits	831 847	745 197
Government grants and subsidies	72 921 953	70 588 771
Fees earned	498 321	864 125
General	678 481	834 911
Private Work	121 306	182 942
Gains on disposal of assets	85 416	
Gain on investment properties fair valuation		
Other income	2 577 533	733 647
	<u>207 212 694</u>	<u>186 760 630</u>
<b>Prior Period adjustment</b>		
Balance previously reported		212 332 889
2016: Change in estimates - Investment properties change from re-valuation model to cost model: Reversal of Gain on re-valuation.		(25 455 918)
2016: Electricity reading for June 2016 was kept the same as for May 2016		6 659
2016: Wrong electricity meter readings in June 2016		(97 044)
2016: Electricity meter was removed and still levied for basic charge and units which were estimated		(16 812)
2016: Erf 553 Cookhouse - Incorrect service charges on Water, Refuse and Interest		(3 387)
2016: Erven 546/6 and 546/7 incorrectly levied for rates - not in BCRM area		(3 881)
		<u>186 760 630</u>
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>		
Service charges	112 032 712	97 320 926
Rental of facilities & equipment	47 053	62 666
Interest received - trading	3 847 706	3 151 422
Interest received	1 281 204	1 448 111
Income from agency services	885 336	675 918
Licences and permits	831 847	745 197
Fees earned	498 321	864 125
General	678 481	834 911
Private Work	121 306	182 942
Gains on disposal of assets	85 416	
Miscellaneous other revenue	2 123 467	733 647
	<u>122 612 849</u>	<u>106 617 866</u>
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
Property rates	11 152 026	10 093 914
Fines	71 800	59 980
Other income	454 066	
Government grants & subsidies	72 921 953	70 588 771
	<u>84 599 845</u>	<u>80 742 665</u>

**Collectability of amounts**

At the time of initial recognition of revenue it is inappropriate to assume that the collectability of amounts owing by individual recipients of goods and services will not occur due to the fact that the municipality has an obligation to collect all revenue.

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	2017 R	2016 R (Restated)
<b>26 Property rates</b>		
Rates received		
All properties	11 162 026	10 093 914
<b>Valuations</b>		
Agricultural	3 098 032 400	3 101 701 300
Commercial	128 462 850	125 481 150
Government - Infrastructure	1 437 100	1 364 100
Residential	475 218 100	470 754 300
Government - Other	330 342 800	330 342 800
	<u>4 033 483 050</u>	<u>4 029 673 450</u>
<p>Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2012. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The next general valuation will be done on 1 July 2018.</p> <p>Rates are levied on an annual basis with the final date for payment being 30 June 2017 (30 June 2016). Interest at prime plus 1% per annum (2016: prime plus 1% per annum), is levied on rates outstanding one month after due date.</p> <p>A general rate of 0.00058 for agricultural properties, 0.00831 for business properties, 0.00795 for residential properties, 0.00119 for government infrastructure properties and 0.01563 for government properties is applied to property valuations to determine assessment rates (2016: 0.00053 - agricultural properties, 0.00847 - business properties, 0.00723 - residential properties, 0.01421 - government properties and 0.00145 for Government infrastructure). Rebates of the first R15 000 on the value of residential properties and the first 30% on the value of government infrastructure properties are granted. (2016: R15 000 - residential properties and 30% government infrastructure).</p>		
<b>27 Service charges</b>		
Sale of electricity	90 154 712	79 263 702
Sale of water	12 535 287	9 398 368
Sewerage and sanitation charges	4 075 203	3 763 919
Refuse removal	5 008 845	4 665 734
Other service charges	258 665	239 213
	<u>112 032 712</u>	<u>97 320 626</u>
<p>Electricity losses incurred during the year - R11 048 032 (22%) - 2016: R11 088 838 (24%) Water losses incurred during the year - R6 535 026 (48%), - 2016: R6 200 721 - (50%)</p>		
<b>28 Investment revenue</b>		
Interest revenue		
Interest	567	719
Bank	1 280 637	1 446 962
	<u>1 281 204</u>	<u>1 446 111</u>
<p>The amount of R1 281 204 (2016: R1 446 111) is included under revenue arising from exchange transactions</p>		
<b>29 Government grants and subsidies</b>		
Equitable share	44 713 000	44 654 000
Government grant - MIG	19 378 343	15 269 657
Government grant - FMG	1 625 000	1 600 000
Provincial and District Municipality grants	4 757 110	7 517 114
Government grant - MSIG		930 000
Government grant - INEP	2 448 500	
National Lottery		600 000
National Treasury - MFIP		18 000
	<u>72 921 963</u>	<u>70 688 771</u>
<b>30 Other income</b>		
Insurance claims	244 788	117 656
Donations received from the District Municipality	454 066	
Bitong festival		342 508
Housing	111 850	106 557
Cashier surplusses	1 206	3 021
Admin Fees	2 387	
Recovering legal costs	1 503 651	
SDL Claims	148 304	121 310
Old consumer debt recovered	85 702	27 835
Settlement discount	15 600	590
Sub-division/zoning fees	9 978	13 970
	<u>2 677 533</u>	<u>733 647</u>



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<b>31 Employee related costs</b>			
Basic	48 375 857	45 807 898	
Bonus	2 289 153	2 193 682	
Medical aid - company contributions	2 670 118	2 353 008	
UIF	438 616	412 786	
WCA	531 384	459 363	
SDL	728 304	592 061	
Leave pay accrued	882 116	1 176 139	
Post-employment benefits - Pension - Defined contribution plan	355 681	497 504	
Long Service Awards plan	66 398	(50 438)	
Travel, motor car, accommodation, subsistence and other allowances	1 474 966	2 023 814	
Overtime payments	3 227 250	2 684 419	
13th Cheques provision charge	1 675 585	1 641 725	
Other allowances	3 408 331	2 827 030	
Bargaining council	29 161	27 615	
Other contributions	2 551	2 997	
Pension contributions (employers contributions)	7 711 727	7 183 257	
	<b>73 865 188</b>	<b>69 831 879</b>	
<b>Prior Period adjustment</b>			
Balance as previously reported		<b>69 766 814</b>	
2016: Acting allowance for PMU Technician who acted as PMU Manager not paid according to legislation		125 504	
2016: Movement of Long Service Awards not previously calculated and provided for in 2015/16		(50 436)	
		<b>69 831 879</b>	
<b>Remuneration of municipal manager</b>			
Annual Remuneration	1 026 548	919 878	
Car Allowance	120 000	120 000	
Contributions to UIF, Medical and Pension Funds	1 877	1 872	
	<b>1 148 425</b>	<b>1 041 750</b>	
<b>Remuneration of chief finance officer (Vacant from 1 November 2016 to 31 January 2017)</b>			
Annual Remuneration	635 780	793 459	
Car Allowance	70 000	60 000	
Contributions to UIF, Medical and Pension Funds	1 408	1 872	
Leave days paid out	188 824	9 321	
	<b>874 012</b>	<b>864 652</b>	
<b>Remuneration of manager - corporate services</b>			
Annual Remuneration	821 042	733 459	
Car Allowance	120 000	120 000	
Contributions to UIF, Medical and Pension Funds	1 875	1 872	
	<b>942 917</b>	<b>855 331</b>	
<b>Remuneration of manager - community services</b>			
Annual Remuneration	821 040	719 393	
Car Allowance	120 000	120 000	
Contributions to UIF, Medical and Pension Funds	1 877	1 872	
	<b>942 917</b>	<b>841 265</b>	
<b>Remuneration of manager - Infrastructure</b>			
Annual Remuneration	788 701	701 119	
Car Allowance	152 340	152 340	
Contributions to UIF, Medical and Pension Funds	1 878	1 872	
	<b>942 917</b>	<b>855 331</b>	
<b>32 Remuneration of councillors</b>			
<b>Previous Councillors</b>			
Mayor:	NM Scott	83 369	730 832
Chairperson: Impac	WH Greeff	33 708	295 423
Chairperson: Community Services	M. Nontyi	33 708	295 423
Councillor	CFB Du Preez	26 792	234 807
Councillor	NG Mjikelu	26 792	234 807
Councillor	Z Funiselo	26 833	234 807
Councillor	MK Mali	26 792	234 807
Councillor	RM Bradfield	26 792	234 807
<b>Current Councillors</b>			
Mayor:	BA Marxoweni	690 261	295 423
Chairperson: Impac	NP Nkonyeni	310 411	295 423
Councillor	KC Brown	244 280	234 807
Councillor	P Sonkwa's	222 133	
Councillor	J Martin	222 133	
Councillor	F Brown	222 133	
Councillor	C Du Plessis	222 133	
Councillor	A Hulkie	279 191	
Councillor	T Grootboom	250 603	
Councillor	M Kwatshu	276 870	
Councillor	T Xakaxa	222 133	
		<b>3 447 047</b>	<b>3 321 186</b>
<b>In-kind benefits</b>			
The following Councillors received benefits in-kind:			
Councillor	NG Mjikelu	14 100	224 920
Chairperson: Technical Services	NP Nkonyeni	19 500	25 850
		<b>3 480 647</b>	<b>3 571 936</b>

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<b>33 Debt impairment</b>		
Allowance for impairment	8 883 634	5 910 340
Debts written off	4 529 764	3 094 507
	<u>13 413 398</u>	<u>8 404 847</u>
<b>34 Finance costs</b>		
Trade and other payables	1 404 356	1 311 052
Finance leases	286 035	433 830
Interest cost - Landfill sites liability	2 295 917	2 007 672
Interest cost - Long Service Awards	307 575	279 206
Interest cost - PRMA liability	1 852 671	1 701 288
	<u>6 156 554</u>	<u>5 733 028</u>
Interest expense is calculated using the effective interest rate.		
<b>Prior Period adjustment</b>		5 453 822
2016: Interest on Long Service Awards not previously calculated and provided for in 2015/16		279 206
		<u>5 733 028</u>
<b>35 Bulk purchases</b>		
Electricity	73 694 658	66 874 460
Water	1 162 133	1 122 132
	<u>74 856 791</u>	<u>67 996 592</u>
<b>36 General expenses</b>		
Advertising	382 872	283 991
Auditors remuneration	2 684 555	3 817 858
Bank charges	119 575	155 987
Consulting and professional fees	2 248 208	2 723 614
Consumables	216 251	279 425
Donations	3 500	8 120
Entertainment/Music Festival	186 121	988 727
Insurance	723 278	498 046
Conferences and seminars	41 987	57 462
Rentals ad hoc	213 283	287 889
Refuse Bags	290 949	291 741
Magazines, books and periodicals	35 614	29 082
Fuel and oil	2 604 066	2 884 988
Printing and stationery	1 007 820	1 025 308
Protective clothing	238 036	264 684
Security (Guarding of municipal property)	901 755	1 184 831
Telephone and fax	2 722 578	2 742 010
Transport and freight	2 754	1 282
Training	26 987	91 480
Title deed search fees	11 056	25 773
Tourism development	333 035	370 000
Licences	683 078	523 348
Silpends - ward committee	53 000	671 570
Agency services: Cacadu Dev Agency	577 500	720 000
Obsolete/(surplus) stock	(9 787)	2 415
Conditional grant expenditure	1 644 163	2 252 788
Cashier shortages/deficits	1 201	29
Chemicals	384 916	612 122
Valuations expenses	82 075	78 118
Laboratory tests	56 187	64 161
Recharges to Capital Projects	(194 836)	(124 407)
Other expenses	1 094 908	1 882 236
	<u>19 346 774</u>	<u>24 344 416</u>
<b>Prior Period adjustment</b>		24 210 659
Balance previously reported		(1 009)
2016: Invoice from Afrox for Oxygen incorrectly issued and shown under payables for 2015/16		11 464
2016: Laboratory charges for testing of water samples for chemical analysis done in 2015/16		103 346
2016: Security duties not paid in previous year because of SCM requirements not adhere to and not included in payables		(245)
2016: Fruitless, wasteful expenditure: Duplicate Town Hall deposit refunded, paid back by recipient in October 2016		20 211
2016: Payment of Audit Committee member fees for May and June 2016 and not included in payables		<u>24 344 416</u>

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<b>36 General expenses (continued)</b>		
<b>Other expenses</b>		
Ward committees	2 440	5 870
Various special events	138 098	195 393
Meter connections	20 818	2 800
Levies-SALGA	783 895	697 272
Alien Vegetation	1 130	2 298
Private Works		12 102
Library Events	2 591	20 967
Membership Fees	14 528	6 671
Prevention of epidemics		480
Fruitless, wasteful, unauthorised expenditure	27 700	814 784
Prodiba	97 644	88 712
Medical expenses	19 948	8 752
Awareness campaign	5 072	4 687
Disaster assistance	945	3 558
	<u>1 094 900</u>	<u>1 662 236</u>
<b>37 Auditors' remuneration</b>		
Audit Fees	2 684 556	3 817 866
No amount to the Auditor General was outstanding at 30 June 2017		
<b>38 Net cash flows from operating activities</b>		
Surplus/(deficit)	(21 988 610)	(30 413 881)
<b>Adjustments for:</b>		
Depreciation and amortisation	36 326 106	34 776 881
(Gain) / Loss on sale of assets and liabilities	(65 416)	322 177
Grant revenue with transfer of assets	(285 074)	
Finance costs (finance leases)	296 035	433 830
Debt Impairment	13 413 398	8 404 847
Movement in retirement benefit assets and liabilities	1 322 564	856 591
Movement in Long Service Awards Liability	67 721	208 465
Movements in provisions	2 295 917	2 007 672
<b>Changes in working capital:</b>		
(Increase)/decrease in inventories	(86 826)	265 269
(Increase)/decrease in other receivables from exchange transactions	97 826	2 134 186
(Increase)/decrease from other receivables from non-exchange transactions	(1 175 541)	(1 637 893)
(Increase)/decrease in Trade receivables from exchange transactions	(16 867 046)	(8 843 727)
Increase/(decrease) in payables from exchange transactions	2 508 880	1 622 586
Increase/(decrease) in VAT payable	319 827	569 328
Increase/(decrease) in trade and other payables from non-exchange	(199 017)	112 188
Increase/(decrease) in unspent conditional grants and receipts	(2 141 403)	5 128 503
Increase/(decrease) in consumer deposits	(41 845)	224 965
	<u>13 796 396</u>	<u>16 171 857</u>

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**39 Commitments**

**Authorised capital expenditure**

**Already contracted for but not provided for**

Infrastructure related projects

	10 409 388	13 119 697
	10 409 388	13 119 697

This committed expenditure relates to Infrastructure projects and will be financed by Government Grants.

**Operating leases - as lessee (expense)**

No operating leases were paid for in the 2017 financial year.

**Operating leases - as lessor (Income)**

Certain of the municipality's property is held to generate rental income. No lease agreements are in place and tenants rent the respective properties on a month to month basis. There are no contingent rents receivable.

**40 Contingencies**

**Contingent liabilities**

**Matter: Blue Crane Route vs RM Brown**

Plaintiff has instituted a summons against the Municipality for the amount of R46 215,75 plus interest from 13 August 2013 up to date of payment in respect of a boundary fence which was erected when the existed one had fallen into a state of disrepair. We are awaiting the outcome of the special plea that will be held on 31 October 2017.

**Matter: Blue Crane Route Municipality vs Various Employees**

The following Labour matters is still ongoing :

Name of Employee	Labour Case details	Further anticipated costs
Ms G Sammy	Dispute her remuneration	R38 428 This amount excludes the municipality's possible obligation should the claimant be successful
I Hendricks & other	Re-employment in terms of Agreement	R 60 000 This amount excludes the municipality's possible obligation should the claimant be successful
Yolisa Qole	Dispute the recovering of studying cost	R20 238

**Contingent assets**

**Matter: Blue Crane Route Municipality vs Austin & Evans Abattoir**

In terms of the Municipality's Water supply and Sanitation services By Laws a compliance notice was delivered to Austin & Evens for its failure to comply with said legislation, relating to the disposal, dumping or deposit of effluent was in Somerset East.

**Matter: Blue Crane Route Municipality vs Autumn Star/Claassen**

The matter is on going. The Municipality's prospects of success remains strong and should be able to obtain an order for repayment of approximately R1 561 737 (Autumn Star) and R3 602 190 (Claassen). Legal costs of R134 894 was already recovered during the financial year.

**Matter: Blue Crane Route Municipality vs A Swanepoel**

The Municipality appeal was successful, but Bill of costs has not been taxed yet. The total claim amount is R25 000. The file of Mr Swanepoel got lost and there is now a delay in finalising this matter.

**Matter: Blue Crane Route Municipality vs P January**

P January was employed at the Municipality and resigned on 31 March 2017. After she left it was discovered that salary was paid while her sick leave was exhausted. The possible overpayment is according the Municipality's calculation approximately R170 000. The Municipality tried to recover this from the pension fund but was unsuccessful. An application is in process with the legal presentation.

**Contingent movements from previous year (Deleted from contingencies)**

**Matter: Blue Crane Route Municipality vs A Afrkaner**

During January 2008 a child was shocked by electricity wire in Pearston. After a payment was made in 2012, a further summons was issued against the Municipality in September 2015 claiming damages of R4 320 000. The plaintiff's case was dismissed with cost on 30 March 2017.

**Matter: Blue Crane Route Municipality vs South Africa Local Authorities Pension Fund**

During June 2016 the Municipality received a letter of demand in terms of which SALA Pension Fund is claiming an amount of R176 601. This matter has been settled out of court and will not appear again.

**Matter: Blue Crane Route Municipality vs Santam Insurance Limited**

The decision of Judge Roberson after the trial was in the Municipality's favour and the amount of R1 579 167 was paid in July 2017. This amount has been accrued for and is included in the statement of Financial Performance.

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<b>41 Related parties</b>		
<b>Contracts awarded to suppliers in the service of the state</b>		
Aurecon (PJ Hendricks is in the service of The National Metrology Institute of SA)	1 005 842	
Ebusha General Trading (Director's daughter employed by the Provincial Department)	190 888	
<b>Contracts awarded to close family members</b>		
Inkoleko Trading (Owner is husband of Councillor NP Yantolo)		14 150
Ezithathwini Pty Ltd (Owner is sister of Councillor NP Yantolo)		9 150
<b>42 Prior period adjustments</b>		
During the preparation of the municipality's annual financial statements, a number of prior period errors (periods before 2016), affecting various balances were noted. These errors were corrected retrospectively.		
The correction of the error(s) and change in estimates/accounting policy results in adjustments as follows:		
<b>Investment Property (Note 11)</b>		
Earlier than 2016: Incorrectly included erven under Land in Investment Property. Not municipal property as per deeds office information		(344 350)
Earlier than 2016: Incorrectly included erf 420 (Somerset East) in Investment Property. Not municipal property		(107 650)
Earlier than 2016: Change in Accounting Policy - Investment properties change from re-valuation model to cost model: Net change on carrying value		43 529 974
		<u>43 981 874</u>
<b>Property, Plant and Equipment (Note 12)</b>		
Earlier than 2016: Carrying value of Road (FAR_7160) wrongly deleted in assets register		801 212
Earlier than 2016: Carrying value of Erf 2302 incorrectly included in PPE. Not Municipality property		(150 999)
		<u>650 213</u>
<b>Employee Benefit Obligation (Note 18)</b>		
Earlier than 2016: Long Service Wards not calculated and provided for as a Employee benefit obligation		(3 680 791)
<b>Other receivables from non-exchange transactions (Note 8)</b>		
Earlier than 2016: Property Rates tariff for Parks not charged as for other Government properties		157 067
Earlier than 2016: Erf 553 - Vacant erf in Cookhouse - service charges incorrectly levied		(51)
Earlier than 2016: Erven 546/6 and 546/7 incorrectly levied for rates - not in BCRM area		(25 029)
		<u>131 987</u>
<b>Trade receivables from exchange transactions (Note 9)</b>		
Earlier than 2016: Incorrect levies on service charges on erf 553 in Cookhouse		(17 738)
<b>Payables from exchange transactions (Note 20)</b>		
Earlier than 2016: Invoice received for Botha Vervoer Trust invalid, but shown as expenditure in 2014/15		3 607
Earlier than 2016: Acting allowance for PMU Technician who acted as PMU Manager not paid according to legislation		(20 917)
		<u>(17 310)</u>
<b>VAT Payable (Note 22)</b>		
Earlier than 2016: VAT disallowed by SARS on VAT assessment during 2015/16 audit		(12 185)
Earlier than 2016: Incorrect VAT levied on service charges on erf 553 in Cookhouse		1 646
Earlier than 2016: Invoice received for Botha Vervoer Trust invalid, but shown as expenditure in 2014/15		(443)
		<u>(10 982)</u>
<b>Accumulated surplus adjustments (Earlier than 2016)</b>		
Investment Property		43 981 874
Property, Plant and Equipment		(650 213)
Employee Benefit Obligation		3 680 791
Other receivables from non-exchange transactions		(131 987)
Trade receivables from exchange transactions		17 738
Payables from exchange transactions		17 310
Vat Payable		10 982
		<u>46 908 495</u>
<b>Prior period adjustments</b>		
Adjustments to Employee related costs (See Note 31)		75 055
Adjustment on General expenses (See Note 36)		133 757
Adjustment to Finance costs (See Note 34)		278 206
Adjustment on Gain on Long Service Awards - not shown as liability in previous years		(20 312)
Adjustment on Repairs - VAT not allowed by SARS		837
Adjustment to depreciation on Investment Property		59 203
Adjustment to depreciation on PPE		18 551
Adjustment to Revenue (See Note 25)		25 572 363
Adjustment: Opening accumulated surplus 2016 (See above detail)		46 906 495
		<u>73 026 155</u>

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43 Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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.

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.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years
Other financial liabilities	8.62%	(3 228 932)	(3 467 111)	(3 631 816)	(815 757)
Trade and other payables from non-exchange	10.50%	(55 700)	-	-	-
Payables from exchange transactions	7%	(14 604 643)	-	-	-
Finance lease obligation	9.55%	(858 589)	(941 355)	(488 274)	-
Trade and Other receivables from exchange	11.50%	23 495 382	-	-	-
Other receivables from non-exchange	11.50%	6 414 873	-	-	-
Other financial assets	5.00%	3 252	3 419	2 983	-
Cash in current banking institutions	6.00%	6 924 298	-	-	-

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2017	2016
Trade receivables from exchange transactions	22 444 353	18 694 127
Other receivables from non-exchange transactions	6 414 873	5 535 910
Other receivables from exchange transactions	1 061 029	1 148 855
Other financial assets	3 253	3 094
Short term deposits and cash in banks	6 924 298	14 110 885

The municipality holds deposits of R2 421 026 (2016: R2 462 971) from consumer debtors. No guarantees or collateral was provided to third parties.

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<b>44 Going concern</b>		
<p>The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.</p>		
<b>45 Events after the reporting date</b>		
<p>There are no events after reporting date to report on.</p>		
<b>46 Unauthorised expenditure</b>		
Opening balance	30 914 141	15 113 708
Add: Unauthorised Expenditure - current year	8 045 528	15 800 433
Less: Amounts written off by Council on 8 July 2017	(29 524 601)	-
	<b>9 435 068</b>	<b>30 914 141</b>
<p>Unauthorised expenditure occurred due to debt impairments which was much more than budgeted.</p>		
<b>47 Fruitless and wasteful expenditure</b>		
Opening balance	832 328	17 544
Add: Fruitless and wasteful expenditure - current year	27 700	814 784
Less: Amounts written off/recovered by Council on 8 July 2017	(26 177)	-
	<b>834 851</b>	<b>832 328</b>
<p>Further investigations is still in process for the outstanding amount of R834 851</p>		
<b>48 Irregular expenditure</b>		
Opening balance	84 947 379	91 881 929
Add: Irregular Expenditure - current year	14 318 311	12 216 146
Less: Amounts written off by Council on 8 July 2017	(16 235 143)	(19 150 696)
	<b>83 030 547</b>	<b>84 947 379</b>
<b>Details of Irregular expenditure - current year</b>		
Disciplinary steps taken/criminal proceedings: None		
Supply Chain Management regulations not adhered to	<b>83 030 547</b>	
Refer to Annexure "A" for the full list of deviations	<b>2 268 724</b>	

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49 Reconciliation between budget and statement of financial performance

	Actual amounts as per Budget	Actual amounts as per State- ment of Financial Performance	Difference	Comment
<b>Classification Basis</b>				
<b>Revenue</b>				
<b>Property rates</b>	<b>11 182 786</b>	<b>11 182 026</b>	<b>760</b>	Budget includes Municipal charges
<b>Service Charges</b>	<b>121 959 788</b>	<b>112 032 712</b>	<b>9 927 076</b>	
Service Charges: Electricity	98 882 742	90 154 712	8 738 030	Budget includes Municipal charges
Service Charges: Water	13 806 487	12 635 287	1 071 200	Budget includes Municipal charges
Service Charges: Sanitation	4 133 619	4 075 203	58 416	Budget includes Municipal charges
Service Charges: Refuse	5 068 273	5 008 845	59 428	Budget includes Municipal charges
Service Charges: Cemeteries	62 898	62 898	-	
Service Charges: Dis/re-connection fees	121 625	121 625	-	
Service Charges: Pound Fees	74 142	74 142	-	
<b>Expenditure</b>				
<b>Classification Basis</b>				
<b>Employee Related costs</b>	<b>73 641 294</b>	<b>73 895 188</b>	<b>(353 894)</b>	
Skills Development Levy: Councillors		33 062	(33 062)	Included under Remun of Counc. In budget
Travelling and subsistence: Councillors		296 906	(296 906)	Included under Remun of Counc. In budget
Workmens Compensation Levy: Councillors		23 936	(23 936)	Included under Remun of Counc. In budget
Other employee related costs	73 641 294	73 641 294	-	
<b>Remuneration of Councillors</b>	<b>3 900 951</b>	<b>3 480 647</b>	<b>320 304</b>	
Skills Development Levy: Councillors	33 062		33 062	Included under Employee Related Costs
Travelling and subsistence: Councillors	296 906		296 906	Included under Employee Related Costs
Workmens Compensation Levy: Councillors	23 936		23 936	Included under Employee Related Costs
Benefits-in kind		33 600	(33 600)	Included under Other expenditure in budget
Other remuneration of Councillors	3 447 047	3 447 047	-	
<b>Repairs and Maintenance</b>		<b>2 917 877</b>	<b>(2 917 877)</b>	Included under Other expenditure in budget
<b>Transfers and Grants</b>	<b>910 535</b>		<b>910 535</b>	
Transfers to Cacadu Development Agency	577 500		577 500	Included under General Expenses Fin Perf
Transfers to Tourism	333 035		333 035	Included under General Expenses Fin Perf
<b>General/Other Expenses</b>	<b>30 023 510</b>	<b>18 246 774</b>	<b>10 776 736</b>	
Departmental charges (Electricity)	8 738 030		8 738 030	Budget includes Mun dept charges
Departmental charges (Water)	1 071 200		1 071 200	Budget includes Mun dept charges
Departmental charges (Sewerage)	58 416		58 416	Budget includes Mun dept charges
Departmental charges (Refuse)	59 428		59 428	Budget includes Mun dept charges
Departmental charges (Rates)	759		759	Budget includes Mun dept charges
Repairs and maintenance	2 917 877		2 917 877	Shown separately in Financial Performance
Transfers and Grants		910 535	(910 535)	Shown separately in budget
Actuarial Gain	(1 192 041)		(1 192 041)	Shown separately in Financial Performance
Councillors benefits-in kind	33 600		33 600	Budget includes Councillors benefits-in kind
Other/General expenses	18 336 239	18 336 239	-	



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<b>50 Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>PAYE and UIF</b>		
SARS deductions	9 786 133	8 454 607
Amount paid over	(9 738 805)	(8 450 072)
	<u>47 328</u>	<u>4 838</u>
The outstanding amount of R47 328 for Income Tax was paid to SARS in July 2017		
<b>Pension and Medical Aid Deductions</b>		
Current year deductions	15 072 193	13 936 207
Amount paid - current year	(15 072 193)	(13 936 207)
	<u>-</u>	<u>-</u>
<b>Councillors' arrear consumer accounts</b>		
The following Councillors municipal charges were outstanding for more than 90 days at 30 June 2017		
M Kwetsha	3 584	
BA Marxoweni	7	
	<u>3 601</u>	
<b>Organised Local Government (SALGA)</b>		
Contribution for the year	763 896	687 272
No contributions were outstanding at year end.		

**51 Actual versus Budget: Explanation of material variances greater than 10% versus budget**

	Final Budget 2017 R	Actual 2017 R	Variance R	Variance %	Explanation
<b>Revenue</b>					
Interest earned - external investments	1 000 750	1 281 204	280 454	28%	Cashflow improved for the last 4 months of financial year.
Interest earned - outstanding debtors	3 150 000	3 847 706	697 706	22%	Budget is conservative because bad debts will increase.
Rental of facilities and equipment	63 000	47 053	(15 947)	-25%	Plant was not in condition for renting out.
Agency Services	750 000	885 336	135 336	18%	Traffic Offices opened again and more revenue earned than suspected
Gain on disposal of PPE	489 000	65 416	(423 584)	-87%	No Auction held during the year as planned
Other revenue	5 694 340	4 075 641	(1 618 699)	-28%	Re-valuation of investment properties not done - changed to cost model
<b>Expenditure</b>					
Debt impairment	7 965 000	13 413 398	5 448 398	68%	Debt impairment was much more than suspected.
Transfers and Grants	1 053 000	910 535	(142 465)	-14%	Contribution to the Cacadu Dev Agency ended March 2017 - only 9 months

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52 Final budget versus original budget: Explanation of material variances greater than 10%

	Final Budget 2017 R	Original Budget 2017 R	Variance R	Variance %	Explanation
<b>Revenue</b>					
Interest earned - outstanding debtors	3 150 000	2 722 650	427 350	16%	Interest on debtors increased according to levies raised
Rental of facilities and equipment	63 000	75 000	(12 000)	-16%	Broken equipment lead to decrease in rental income
Licences and permits	820 000	631 790	188 210	30%	Traffic office was closed for period
Agency services	750 000	660 000	90 000	14%	Traffic office was closed for period
Gains on disposal of PPE	489 000	100 000	389 000	389%	Vehicles written off, paid by Insurance
<b>Expenditure</b>					
Debt Impairment	7 965 000	6 335 000	1 630 000	26%	Bad debts increased according to the increase in water levies
Finance charges	5 944 730	3 748 960	2 195 770	59%	Not originally budgeted for Interest on PEMA and Land fill sites
Bulk Purchases	76 244 200	65 378 350	10 865 850	17%	Increase in elect bulk purchases due to the peak season usage

NOTE 53.1

EC102 Blue Crane Road - Reconciliation of Table A1 Budget Summary

Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.e. NPFA s23)	Final adjustments budget	Actual Outcomes	Unauthorised expenditure	Variance	Actual Outcomes as % of Final Budget	Actual Outcomes as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of NPFA	Balance to be recovered	Revised Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Normal Performance</b>												
Property rates	11 080	50	11 130	11 153		23	100.1%	100.6%				10 025
Service charges	108 217	8 818	117 035	121 960		4 925	104.1%	112.8%				101 964
Investment revenues	1 000	-	1 000	1 287		287	128.7%	128.7%				1 445
Transfers recognised - operational	51 654	305	51 959	51 268		(691)	98.7%	99.2%				52 419
Other own revenue	9 757	1 270	11 027	9 371		(1 656)	84.9%	95.9%				7 235
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>181 618</b>	<b>10 452</b>	<b>192 070</b>	<b>195 639</b>		<b>3 967</b>	<b>101.4%</b>	<b>107.3%</b>				<b>175 268</b>
Employee costs	73 624	2 865	76 489	74 641	(2 711)	(2 711)	97.6%	102.8%				85 233
Remuneration of councillors	4 136	(86)	4 050	3 801	(250)	(250)	93.8%	91.5%				3 583
Debt repayment	6 335	1 530	7 865	13 413	5 448	5 448	169.4%	211.7%				8 435
Depreciation & asset impairment	36 589	(76)	36 513	36 326	(1 221)	(1 221)	99.5%	103.2%				34 777
Finance charges	3 795	2 156	5 951	6 157	212	212	103.8%	164.2%				6 732
Materials and bulk purchases	65 376	10 855	76 231	74 857	(1 387)	(1 387)	98.2%	114.5%				97 657
Transfers and grants	1 053	-	1 053	811	(242)	(242)	77.1%	86.6%				1 096
Other expenditure	28 213	568	28 781	30 025	1 244	1 244	107.8%	108.4%				30 325
<b>Total Expenditure</b>	<b>247 578</b>	<b>17 771</b>	<b>265 349</b>	<b>269 129</b>	<b>3 780</b>	<b>3 780</b>	<b>102.6%</b>	<b>110.9%</b>				<b>275 823</b>
Surplus/(Deficit)	(66 960)	(7 319)	(74 279)	(73 490)		789	101.2%	103.3%				(98 555)
Transfers recognised - capital	24 889	(1 288)	23 601	22 112	(1 489)	(1 489)	93.3%	95.5%				18 170
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-				-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(10 770)</b>	<b>(8 037)</b>	<b>(18 807)</b>	<b>(21 378)</b>		<b>(2 571)</b>	<b>113.7%</b>	<b>104.1%</b>				<b>(80 385)</b>
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-				-
<b>Surplus/(Deficit) for the year</b>	<b>(10 770)</b>	<b>(8 037)</b>	<b>(18 807)</b>	<b>(21 378)</b>		<b>(2 571)</b>	<b>113.7%</b>	<b>104.1%</b>				<b>(80 385)</b>
<b>Capital expenditure &amp; funds received</b>												
Capital expenditure												
Transfers recognised - capital	24 889	(6 927)	17 962	15 435		(2 527)	86.0%	61.8%				5 612
Public contributions & donations	-	-	-	-		-	-	-				-
Resolving	-	-	-	-		-	-	-				3 307
Internally generated funds	8 214	(6 636)	1 578	1 317		(261)	83.5%	16.0%				3 419
<b>Total increase of capital funds</b>	<b>33 103</b>	<b>(12 563)</b>	<b>20 540</b>	<b>16 752</b>		<b>(3 788)</b>	<b>81.2%</b>	<b>60.8%</b>				<b>12 331</b>
<b>Carrollings</b>												
Net cash from (used) operating	15 061	(20 581)	(5 520)	13 642		14 520	-1361.3%	88.1%				13 947
Net cash from (used) investing	(18 183)	420	(17 763)	(15 054)		1 735	34.4%	86.3%				(12 325)
Net cash from (used) financing	(11 415)	7 451	(3 964)	(4 572)		(714)	118.1%	40.5%				(505)
<b>Cash/asset equivalents at the year end</b>	<b>(14 837)</b>	<b>(8 684)</b>	<b>(23 521)</b>	<b>(4 984)</b>		<b>18 533</b>	<b>-90.7%</b>	<b>-202781.3%</b>				<b>14 132</b>

**NOTE 53.2**

**EC182 Blue Crans Route - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Description	2016/17				2015/16				Reported unallocated expenditure	Expenditure submitted in terms of section 32 of MFMA	Balance to be recovered	Budgeted Actual Outcome
	Original Budget	Budget Adjustments p.L. MFMA 428	Final adjustments budget	Actual Outcome	Unallocated expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget				
R Roonseel	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue - Standard</b>												
Government and administration	41 824	616	42 440	41 944		(1 650)	94,7%	98,4%				38 632
Executive and council	20 276	4	20 280	20 290		12	100,1%	100,2%				20 555
Budget and treasury office	16 889	492	17 381	16 212		930	105,4%	105,4%				17 583
Corporate services	4 459	282	4 741	2 362		(2 349)	50,8%					684
Community and public safety	9 378	47	9 425	8 204		409	107,2%	115,4%				8 428
Community and social services	2 818	47	2 865	2 578		(82)	95,9%	95,4%				3 051
Sport and recreation	-	-	-	-		-	-	-				-
Public safety	1 954	377	2 331	2 489		235	105,9%	120,2%				2 832
Housing	-	-	-	-		-	-	-				-
Health	659	-	659	1 142		288	133,4%	133,4%				813
Economic and environmental services	21 734	(384)	21 350	20 888		(981)	92,6%	94,3%				18 625
Planning and development	-	305	305	125		(18)	40,3%	20,0%				290
Road transport	21 734	(1 334)	20 400	20 434		(3)	99,9%	93,9%				16 338
Environmental protection	-	-	-	-		-	-	-				-
Trading services	138 846	8 838	147 684	148 317		2 348	101,8%	108,2%				128 854
Electricity	98 219	8 327	106 546	137 957		211	128,2%	135,0%				82 348
Water	18 396	781	19 177	21 388		2 228	111,5%	116,4%				20 075
Waste water management	10 852	(387)	10 465	10 422		7	100,0%	97,4%				10 070
Waste management	16 655	(222)	16 433	10 869		(34)	66,1%					5 562
Other	-	-	-	-		-	-	-				-
<b>Total Revenue - Standard</b>	<b>226 802</b>	<b>9 764</b>	<b>236 566</b>	<b>217 113</b>		<b>1 348</b>	<b>90,8%</b>	<b>108,0%</b>				<b>191 408</b>
<b>Expenditure - Standard</b>												
Government and administration	83 728	2 989	86 717	84 285	(1 620)	(1 620)	97,3%	101,2%				84 188
Executive and council	10 728	(8)	10 720	9 957	(708)	(708)	93,4%	92,8%				11 681
Budget and treasury office	787	183	970	27 183	(707)	(707)	97,2%	97,2%				26 166
Corporate services	15 188	1 563	16 751	17 111	(80)	(80)	96,0%	102,7%				17 320
Community and public safety	17 877	(1 146)	16 731	16 818	(688)	(688)	94,2%	92,2%				14 434
Community and social services	10 847	(425)	10 422	9 741	(677)	(677)	93,5%	90,8%				9 412
Sport and recreation	-	-	-	-		-	-	-				-
Public safety	6 025	(692)	5 333	6 181	(153)	(153)	97,1%	101,0%				4 080
Housing	-	-	-	-		-	-	-				-
Health	1 244	(16)	1 228	897	(129)	(129)	73,1%	72,8%				923
Economic and environmental services	21 137	1 748	22 885	21 168	(1 774)	(1 774)	92,5%	96,8%				23 450
Planning and development	3 715	312	4 027	2 668	(292)	(292)	66,3%	68,0%				3 205
Road transport	18 123	1 436	19 559	18 141	(1 365)	(1 365)	92,8%	100,1%				20 245
Environmental protection	-	-	-	-		-	-	-				-
Trading services	124 708	16 988	141 696	147 919	8 988	8 988	103,0%	118,5%				128 778
Electricity	65 442	10 888	76 330	92 237	1 887	1 887	121,2%	114,0%				67 523
Water	14 448	2 392	16 840	20 751	3 940	3 940	123,5%	143,6%				16 765
Waste water management	10 885	(1 296)	9 589	10 450	671	671	108,1%	96,4%				8 832
Waste management	13 019	3 085	16 104	17 452	1 348	1 348	108,4%	134,1%				15 256
Other	-	-	-	-		-	-	-				-
<b>Total Expenditure - Standard</b>	<b>317 576</b>	<b>17 721</b>	<b>335 297</b>	<b>328 168</b>	<b>3 795</b>	<b>3 795</b>	<b>91,6%</b>	<b>108,3%</b>				<b>291 828</b>
<b>Surplus/Deficit for the year</b>	<b>(10 776)</b>	<b>(8 057)</b>	<b>(19 841)</b>	<b>(21 388)</b>	<b>(2 641)</b>	<b>(2 641)</b>	<b>113,7%</b>	<b>204,1%</b>				<b>(20 414)</b>

**NOTE 53.3**

**EC102 Blue Crane Route - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (L.A. MFNA 528)	Final adjustments budget	Actual Outcome	Discretionary expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 22 of MFPA	Balance to be recovered	Revised Actual Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue by Vote</b>												
Mayoral Executive												20 223
Municipal Council	20 275	10	20 285	20 296		3	100.3%	100.1%				832
Accounting Officer		337	337	365		(199)	52.1%	82.4%				17 683
Budget & Treasury	18 886	492	17 392	18 312		630	105.4%	108.4%				135 298
Technical Services	163 626	8 285	161 341	153 105		(1 482)	98.1%	104.3%				16 458
Community Safety & Social Services	16 643	215	16 858	16 872		314	101.9%	103.3%				144
Corporate Services	89	21	110	1 988		1 879	1617.2%	1878.1%				
Example 8 - Vote 8												
Example 10 - Vote 10												
Example 11 - Vote 11												
Example 12 - Vote 12												
Example 13 - Vote 13												
Example 14 - Vote 14												
Example 15 - Vote 15												
<b>Total Revenue by Vote</b>	<b>206 802</b>	<b>8 164</b>	<b>214 966</b>	<b>217 132</b>		<b>1 348</b>	<b>100.4%</b>	<b>100.8%</b>				<b>191 408</b>
<b>Expenditure by Vote as appropriated</b>												
Mayoral Executive	348	(52)	296	346	(1)	(1)	99.8%	99.8%				327
Municipal Council	5 135	(265)	4 870	4 134	(718)	(718)	85.2%	80.5%				6 330
Accounting Officer	8 260	64	8 324	8 468	(268)	(268)	95.7%	102.3%				9 226
Budget & Treasury	27 982	165	27 117	27 395	(889)	(889)	99.9%	97.5%				26 158
Technical Services	138 181	16 234	154 415	159 734	6 825	6 825	103.8%	115.1%				143 651
Community Safety & Social Services	26 526	1 842	28 368	28 271	352	352	101.2%	137.5%				7 426
Corporate Services	1 827	563	2 390	9 789	(441)	(441)	93.6%	96.0%				
Example 8 - Vote 8												
Example 9 - Vote 9												
Example 10 - Vote 10												
Example 11 - Vote 11												
Example 12 - Vote 12												
Example 13 - Vote 13												
Example 14 - Vote 14												
Example 15 - Vote 15												
<b>Total Expenditure by Vote</b>	<b>217 873</b>	<b>(17 731)</b>	<b>200 142</b>	<b>229 162</b>	<b>(3 769)</b>	<b>(3 769)</b>	<b>101.4%</b>	<b>108.3%</b>				<b>221 822</b>
<b>Expenditure Deficit for the year</b>	<b>(10 771)</b>	<b>(5 667)</b>	<b>(18 341)</b>	<b>(12 030)</b>		<b>(2 421)</b>	<b>118.2%</b>	<b>204.1%</b>				<b>(30 414)</b>

NOTE 53.4

EC192 Blue Crane Route - Recapitulation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (L.G. MFA 635)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 63 of MFMA	Balance to be recovered	Revised Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue By Source</b>												
Property rates	11 150	56	11 144	11 153		13	100.1%	100.0%				10 056
Property rates - penalties & collection charges												
Service charges - electricity revenue	87 572	8 542	96 114	98 833		2 672	102.8%	112.8%				89 682
Service charges - water revenue	10 696	78	11 377	13 905		2 229	118.6%	128.4%				8 266
Service charges - sanitation revenue	4 417	(285)	4 132	4 184		2	100.0%	93.8%				3 805
Service charges - refuse revenue	5 412	(228)	5 189	5 038		(119)	97.1%	93.1%				4 711
Service charges - other	218		218	239		41	110.1%	110.1%				239
Rental of facilities and equipment	75	(12)	63	47		(16)	74.7%	62.7%				43
Interest earned - interest investments	1 201		1 201	1 281		280	106.6%	106.6%				1 448
Interest earned - borrowing costs	2 729	(27)	2 699	3 048		559	112.9%	111.3%				3 150
Dividends received												
Fines				72		72		100.0%				80
Licence and permits	632	188	820	832		12	101.4%	131.7%				745
Agency services	86	86	172	85		(1)	96.0%	134.1%				876
Transfers received - operational	51 854	265	52 119	51 056		(864)	98.0%	98.5%				52 415
Other revenue	5 482	187	5 669	3 790		(1 879)	66.9%	69.0%				2 638
Gains on disposal of PPE	110	389	499	65		(434)	12.8%	65.4%				
<b>Total Revenue (including capital transfers and contributions)</b>	<b>181 811</b>	<b>10 432</b>	<b>192 271</b>	<b>195 028</b>		<b>2 767</b>	<b>101.6%</b>	<b>107.3%</b>				<b>178 239</b>
<b>Expenditure By Type</b>												
Employee related costs	73 523	2 895	76 389	73 541	(2 748)	(2 748)	96.4%	100.2%				80 233
Rent and other services	4 135	(89)	4 046	3 801	(250)	(250)	93.9%	91.6%				3 890
Debt repayment	6 335	1 630	7 965	13 413	5 448	5 448	68.4%	211.7%				8 405
Depreciation & asset impairment	35 188	(240)	34 948	35 325	1 879	1 879	101.1%	103.0%				34 777
Finance charges	5 748	2 155	5 945	5 167	(212)	(212)	86.9%	89.2%				5 733
Bulk purchases	55 228	10 895	76 244	74 867	(1 307)	(1 307)	98.2%	134.5%				87 667
Other materials												
Contracted services												
Transfers and grants	1 055		1 055	911	(145)	(145)	86.4%	85.5%				1 040
Other expenditure	25 219	898	26 117	30 324	4 115	4 115	116.2%	120.4%				30 256
Loss on disposal of PPE												32
<b>Total Expenditure</b>	<b>217 874</b>	<b>17 231</b>	<b>235 107</b>	<b>239 129</b>	<b>3 822</b>	<b>3 822</b>	<b>101.6%</b>	<b>100.9%</b>				<b>231 892</b>
<b>Surplus/(Deficit)</b>	<b>(36 063)</b>	<b>(7 276)</b>	<b>(43 036)</b>	<b>(44 102)</b>		<b>(1 066)</b>	<b>100.0%</b>	<b>123.2%</b>				<b>(53 653)</b>
Transfers brought forward - capital	24 983	(1 286)	23 697	21 822		(1 965)	92.1%	87.4%				16 170
Capitalised interest				52		52						
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(11 779)</b>	<b>(6 000)</b>	<b>(17 341)</b>	<b>(21 980)</b>		<b>(2 648)</b>	<b>113.7%</b>	<b>204.1%</b>				<b>(36 483)</b>
Taxation												
<b>Surplus/(Deficit) after taxation</b>	<b>(11 779)</b>	<b>(6 000)</b>	<b>(17 341)</b>	<b>(21 980)</b>		<b>(2 648)</b>	<b>113.7%</b>	<b>204.1%</b>				<b>(36 483)</b>
Attributable to minority												
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(11 779)</b>	<b>(6 000)</b>	<b>(17 341)</b>	<b>(21 980)</b>		<b>(2 648)</b>	<b>113.7%</b>	<b>204.1%</b>				<b>(36 483)</b>
Share of surplus/deficit of associates												
<b>Surplus/(Deficit) for the year</b>	<b>(11 779)</b>	<b>(6 000)</b>	<b>(17 341)</b>	<b>(21 980)</b>		<b>(2 648)</b>	<b>113.7%</b>	<b>204.1%</b>				<b>(36 483)</b>

**NOTE 53.5**

**EC102 Blue Cross Route - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description	2016/17						2015/16					
	Original Budget	Total Budget Adjustments (Lia. NPMA 428)	Final adjustments budget	Actual Outcome	Unauthorized expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of NPMA	Balance to be recovered	Revised Audited Outcome
(R thousand)	1	2	3	4	5	6	7	8	9	10	11	12
Capital single-year expenditure												
<b>Total Capital Expenditure - Vote</b>												
<b>Capital Expenditure - Standard</b>												
Governance and administration	1 680	(988)	911	795	(28)	(28)	37%	47%	-	-	-	1 239
Executive and boards	1 680	(478)	594	511	(18)	(18)	86%	51%	-	-	-	484
Budget and treasury office	206	(165)	15	13	(2)	(2)	73%	6%	-	-	-	232
Corporate services	436	(246)	272	262	(10)	(10)	36%	25%	-	-	-	455
Community and public safety	2 808	1 789	4 692	4 373	(319)	(319)	93%	161%	-	-	-	2 349
Community and social services	1 673	(1 629)	160	31	(129)	(129)	21%	2%	-	-	-	98
Sport and recreation	-	4 514	4 514	4 315	(199)	(199)	96%	96%	-	-	-	1 648
Public safety	1 138	(1 202)	28	27	(1)	(1)	96%	2%	-	-	-	786
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	20 283	(20 171)	92	348	256	256	376%	2%	-	-	-	1 822
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	20 242	(20 171)	71	57	(14)	(14)	80%	0%	-	-	-	1 822
Environmental protection	21	-	21	281	270	270	1285%	1285%	-	-	-	-
Trading services	8 380	8 686	15 836	11 246	(3 790)	(3 790)	75%	138%	-	-	-	7 234
Electricity	6 980	(1 281)	4 699	2 348	(2 253)	(2 253)	51%	40%	-	-	-	1 792
Water	1 600	(712)	288	245	(43)	(43)	85%	24%	-	-	-	3 107
Waste water management	250	9 887	10 147	8 854	(1 493)	(1 493)	85%	3482%	-	-	-	1 785
Waste management	1 200	(1 200)	-	-	-	-	-	-	-	-	-	550
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>33 186</b>	<b>(12 886)</b>	<b>20 491</b>	<b>16 752</b>	<b>(3 879)</b>	<b>(3 879)</b>	<b>81%</b>	<b>59%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 351</b>
<b>Funded by:</b>												
National Government	24 983	(5 927)	19 056	15 149	-	(3 907)	79%	61%	-	-	-	3 199
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	2 413
District Municipality	-	-	-	286	-	286	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	24 983	(5 927)	19 056	15 435	-	(3 622)	81%	62%	-	-	-	6 612
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	3 960
Earnings	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	8 214	(6 438)	1 576	1 317	-	(259)	84%	16%	-	-	-	3 499
<b>Total Capital Funding</b>	<b>33 198</b>	<b>(14 665)</b>	<b>20 631</b>	<b>16 752</b>	<b>-</b>	<b>(3 879)</b>	<b>81%</b>	<b>60%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62 351</b>

NOTE 53.6

EC102 Blue Crane Route - Reconciliation of Table A7 Budgeted Cash Flows

Description	2016/17							2015/16 Revised Audited Outcomes
	Original Budget	Budget Adjustments (L/o, x28)	Final adjustments budget	Actual Outcomes	Variance	Actual Outcomes as % of Final Budget	Actual Outcomes as % of Original Budget	
	1	2	3	4	5	6	7	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
Receipts								
Ratepayers and other	113 898	17 009	130 876	114 820	(16 057)	87.7%	100.6%	105 823
Government - operating	51 854	(1 110)	50 544	52 798	2 253	104.6%	102.2%	52 419
Government - capital	17 993	683	18 686	17 983	(683)	96.2%	100.0%	23 286
Interest	3 179	(1 840)	1 339	1 251	(88)	93.4%	38.4%	1 409
Dividends								
Payments								
Suppliers and employees	(164 753)	(35 018)	(199 770)	(171 699)	28 161	85.9%	104.2%	(164 601)
Finance charges	(1 276)	(639)	(1 915)	(1 700)	215	88.7%	153.1%	(1 311)
Transfers and Grants	(1 053)	333	(720)		720			(1 090)
<b>NET CASH FROM(USED) OPERATING ACTIVITIES</b>	<b>19 601</b>	<b>(28 580)</b>	<b>(980)</b>	<b>13 542</b>	<b>14 523</b>	<b>-1391.2%</b>	<b>68.1%</b>	<b>15 947</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Receipts								
Proceeds on disposal of PPE	900		100	408	308	408.3%	408.3%	4
Decrease (increase) in non-current debtors				3	3			
Decrease (increase) other non-current receivables								3
Decrease (increase) in non-current investments								
Payments								
Capital assets	(18 283)	426	(17 857)	(16 466)	1 391	92.2%	90.1%	(12 331)
<b>NET CASH FROM(USED) INVESTING ACTIVITIES</b>	<b>(16 183)</b>	<b>426</b>	<b>(17 757)</b>	<b>(16 054)</b>	<b>1 733</b>	<b>99.4%</b>	<b>88.5%</b>	<b>(12 928)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts								
Short term loans								3 300
Borrowing long term/financing								
Increase (decrease) in consumer deposits	50	174	224	(42)	(288)	-18.7%		226
Payments								
Repayment of borrowing	(11 482)	7 287	(4 195)	(4 530)	(448)	110.7%	40.4%	(4 153)
<b>NET CASH FROM(USED) FINANCING ACTIVITIES</b>	<b>(11 418)</b>	<b>7 461</b>	<b>(3 958)</b>	<b>(4 672)</b>	<b>(734)</b>	<b>116.1%</b>	<b>40.8%</b>	<b>(898)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(10 000)</b>	<b>(12 685)</b>	<b>(22 695)</b>	<b>(7 184)</b>				<b>2 894</b>
Cash/cash equivalents at the year begin:	10 000	4 111	14 111	14 113				11 119
Cash/cash equivalents at the year end:	(0)	(8 574)	(8 584)	6 929	15 513	-80.7%	-2007831.8%	14 113



**ANNEXURE A - DEVIATION REGISTER: PER MONTH - JULY 2016 TO JUNE 2017**

Date	Company Name	Description of Goods / Services	Reason for Deviation	ECN Ref	Authorised By	Value	Order
<b>JULY 2016</b>							
07/07/2016	RENNIES TRAVEL PTY	ACCOMMODATION FOR MR COTANI, PAMBRA MR ZABELA TO THE DEPT	ACCOMMODATION FOR MR COTANI, PAMBRA, MR ZABELA TO THE DEPT	e38(1)(a)(v)	AAO	R 5 751.00	46557
25/07/2016	FREMA CONSULTANTS	ADDITIONAL SECURITY SERVICES FOR COUNCILLOR HOUSE IN COOKHOUSE	ADDITIONAL SECURITY SERVICES FOR COUNCILLOR HOUSE IN COOKHOUSE	e38(1)(a)(v)	AO	R 20 611.37	46674
26/07/2016	MORGAN THAYER AND ASSOCIATES	PERFORMANCE MANAGEMENT TRAINING IN EAST LONDON ON THE 28-29	PERFORMANCE MANAGEMENT TRAINING IN EAST LONDON ON THE 28-29	e38(1)(a)(v)	AO	R 9 850.00	46691
27/07/2016	B G SECURITY	SECURITY SERVICES AT FINANCE DEPT	B G SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CY SERVICES. THERE IS NO CONTRACT IN PLACE. THE MUNICIPALITY IN THE PROCESS OF GOING OUT ON TENDER FOR THE PROVISION OF SECURITY SERVICES.	e38(1)(a)(v)	AAO	R 5 858.98	46714
28/07/2016	SONDLO AND KNOPP ADVERTISING	T102016 NEW FENCE AND T112016 ACCESS ROAD	T102016 NEW FENCE AND T112016 ACCESS ROAD	e38(1)(a)(v)	AO	R 21 751.20	46731
<b>TOTAL FOR JULY 2016:</b>						<b>R 87 025.85</b>	
<b>AUGUST 2016</b>							
02/08/2016	TURNER MCRIBS DE	ELECTROMATIC CLUTCH	OF THIS ROLLER AND SPARE PARTS AND THEREFORE THE ONLY LOCAL NEWSPAPER ONLY TWO QUOTES RECEIVED AS OTHER AGENCIES ARE NOT INTERESTED IN QUOTING.	e38(1)(a)(v)	AO	R 4 750.00	46750
02/08/2016	SOMERSET BUDGET	T102016-NEW FENCE, T112016	LOCAL NEWSPAPER ONLY TWO QUOTES RECEIVED AS OTHER AGENCIES ARE NOT INTERESTED IN QUOTING.	e38(1)(a)(v)	AO	R 5 897.72	46755
10/08/2016	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM	DE KLERKS BODY REPAIRS IS THE SERVICE PROVIDER APPROVED BY THE MUNICIPALITY'S INSURER TO CARRY OUT AUTHORISED REPAIRS RELATING TO THIS INSURANCE CLAIM.	e38(1)(a)(v)	AO	R 3 000.00	46780
17/08/2016	B G SECURITY	B G SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCM AREA.	B G SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCM AREA.	e38(1)(a)(v)	AO	R 7 810.00	46885
17/08/2016	SMITH TABATA	LEGAL COSTS	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE, IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER. THIS IS A PART PAYMENT ON THE ABOVE MENTIONED ONGOING COURT CASES.	e38(1)(a)(v)	AO	R 137 607.32	46884
16/08/2016	RENNIES TRAVEL PTY LTD	AIR TICKET AND ACCOMMODATION FOR Z GUSH	ON TUESDAY THE 18TH JULY THE BCM AREA EXPERIENCED ELECTRICITY INTERRUPTION. THE INCIDENT CAUSED THE BCM SAMRAS SERVER TO MALFUNCTION RESULTING IN DAMAGES TO THE SERVER THAT CONTAINS THE PAYROLL, SCM AND CONSOLIDATED BILLING AND ITS BACK-UP SYSTEM. ALL ATTEMPTS TO RESOLVE THE PROBLEM IN-HOUSE WERE UNSUCCESSFUL RESULTING IN THE MUNICIPALITY TO SEND ZWIM GUSH TO CAPE TOWN IN ORDER TO GET THE PROBLEM ATTENDED AND RESOLVED.	e38(1)(a)(v)	AAO	R 4 234.43	46858
18/08/2016	MLB ARMS & AMUNITION	RADIO REPEATER REPAIRS	THIS IS AN ACCRUAL OF MONTHLY PAYMENTS AS THEY COULD NOT BE PAID AS THEIR REGISTRATION DOCUMENTS WERE NOT UP TO DATE. ONLY SERVICE PROVIDER IN OUR AREA WITH THIS SERVICE.	e38(1)(a)(v)	AO	R 8 019.20	46844
19/08/2016	TIME6 MEDIA EC	BID NO. T12/2016	OTHER ADVERTISING AGENCIES ARE NO LONGER INTERESTED IN QUOTING.	e38(1)(a)(v)	AO	R 7 612.82	46950
19/08/2016	OZZ KANANA PHOTOGRAPHY	QUOTES WERE REQUESTED FROM FOUR SERVICE PROVIDERS FOR INAUGURAL COUNCIL THAT WAS MEANT TO BEAT ON 17/08/2016. THE CHEAPEST ONE WHICH IS TROCHEM DOES NOT MEET THE SPECIFICATIONS. THE SECOND CHEAPEST IS MICHAEL SHEEN PHOTOGRAPHY BUT IS NOW NOT AVAILABLE TO RENDER THE SERVICES.	QUOTES WERE REQUESTED FROM FOUR SERVICE PROVIDERS FOR INAUGURAL COUNCIL THAT WAS MEANT TO BEAT ON 17/08/2016. THE CHEAPEST ONE WHICH IS TROCHEM DOES NOT MEET THE SPECIFICATIONS. THE SECOND CHEAPEST IS MICHAEL SHEEN PHOTOGRAPHY BUT IS NOW NOT AVAILABLE TO RENDER THE SERVICES.	e38(1)(a)(v)	AO	R 6 183.00	46953
22/08/2016	B G SECURITY	THIS IS AN AFTER HOURS SERVICE WHERE B G SECURITY IS HANDLING ALL CALLS RELATED TO WATER DEP PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDERS IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	THIS IS AN AFTER HOURS SERVICE WHERE B G SECURITY IS HANDLING ALL CALLS RELATED TO WATER DEP PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDERS IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	e38(1)(a)(v)	AO	R 3 990.00	46874
31/08/2016	B G SECURITY	THIS IS AN AFTER HOURS SERVICE WHERE B G SECURITY IS HANDLING ALL CALLS RELATED TO WATER DEP PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDERS IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	THIS IS AN AFTER HOURS SERVICE WHERE B G SECURITY IS HANDLING ALL CALLS RELATED TO WATER DEP PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDERS IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	e38(1)(a)(v)	AO	R 2 858.12	46933

31/08/2016	LIONEL TRICHARDT AND ASSOCIATE	BILL OF LEGAL COSTS IN RESPECT OF NOLTE SMITH ATTORNEYS	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.	e3e(1)(a)(v)	0	R 26 999.26	46847
31/08/2016	LIONEL TRICHARDT AND ASSOCIATE	LEGAL FEES IN RESPECT OF A-RUKANER	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. NOLTE SMITH ATTORNEYS HANDLED THE MATTER OF AFRIKA VS BCMR ON BEHALF OF THE MUNICIPALITY FROM THE COMMENCEMENT THEREOF BUT MR NOLTE PASSED AWAY DURING JANUARY 2016 AND THE FIRM WAS TAKEN OVER BY LIONEL TRICHARDT & ASSOCIATES.	e3e(1)(a)(v)	AO	R 6 216.78	46848
31/08/2016	ABRAHAMSON & REYNOLDS ATTORNEYS	LEGAL COSTS IN BCMR	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.	e3e(1)(a)(v)	AO	R 9 355.80	46854
31/08/2016	SOMERSET BUDGET	PUBLICATION OF NOTICE 51/2016 DISPOSAL OF VALUABLE PROP.	OTHER ADVERTISING AGENCIES ARE NO LONGER INTERESTED IN CLOTHING.	e3e(1)(a)(v)	AO	R 3 211.65	46865
31/08/2016	A & D POWER	CABLE FAULT FINDING IN COCKHOUSE	ON 29 JULY 2016 COCKHOUSE POWER TO THE SEWERAGE PLANT. THE FEEDER TO THE PLANT WAS FAULTY AND WE CALLED A & D POWER WHO IS THE ONLY SUPPLIER IN BCMR DATABASE SPECIALISING IN CABLE LOCATION AND JOINTING TO ASSIST IN LOCATING THE FAULT AND REPAIR THE CABLE.	e3e(1)(a)(v)	AO	R 8 502.12	46872
TOTAL FOR AUGUST 2016						R 244 894.10	
<b>SEPTEMBER 2016</b>							
02/09/2016	BG SECURITY	SECURITY SERVICES AT FINANCE DEPARTMENT	BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES. THERE IS NO CONTRACT IN PLACE. THE MUNICIPALITY IN THE PROCESS OF GOING OUT ON TENDER FOR THE PROVISION OF SECURITY SERVICES.	e3e(1)(a)(v)	AO	R 5 956.88	47002
02/09/2016	CHRIS BAKER ASSOCIATES	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER. THIS IS A PART PAYMENT ON THE ABOVEMENTIONED ONGOING COURT CASES.	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER. THIS IS A PART PAYMENT ON THE ABOVEMENTIONED ONGOING COURT CASES.	e3e(1)(a)(v)	AO	R 9 712.23	47006
05/09/2016	ALGOMA TOYOTA	ESTIMATE: SERVICE OF HINO TRUCK F519328EO	THE HINO ALGOMA DEALERSHIP IN PORT ELIZABETH IS THE ONLY ACCREDITED DEALERSHIP WITHIN THE SARAH BAARTMAN DISTRICT MUNICIPALITY WHICH DEALS WITH THE SERVICE AND MAINTENANCE OF THESE HINO TRUCKS. A QUOTATION WAS RECENTLY OBTAINED FROM STATUS TOYOTA IN CRADOCK AND THE REPLACEMENT PARTS DIFFER	e3e(1)(a)(v)	AO	R 8 023.90	47019
06/09/2016	ALGOMA TOYOTA	75000KM SERVICE AS PER QUOTATION	SERVICE TO BE DONE BY THE AGENTS WHICH IS HINO ALGOMA IN PORT ELIZABETH.	e3e(1)(a)(v)	AO	R 3 896.40	47059
14/09/2016	BG SECURITY	GUARD DUTIES AT BESTERSHOEK 01/09/2016-31/09/2016 CIT SERVICES AT BESTERSHOEK	THERE IS NO FORMAL CONTRACT FOR SECURITY SERVICES WITH BG SECURITY BUT THESE SERVICES ARE NEEDED IN BESTERSHOEK TO SECURE MUNICIPAL PROPERTY. THERE IS ALSO CASH IN TRANSIT ATTACHED TO THESE SERVICES AND BG SECURITY IS THE ONLY SECURITY COMPANY DOING IT LOCALLY.	e3e(1)(a)(v)	AO	R 18 787.44	47057
14/09/2016	TRUVELLO MANUFACTURING	CALIBRATION	SOLE SERVICE PROVIDER	e3e(1)(a)(v)	AO	R 4 833.04	47095
14/09/2016	BG SECURITY	TELEPHONE SERVICES WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER DEPT PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDERS IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	e3e(1)(a)(v)	AO	R 2 859.12	47105
15/09/2016	BG SECURITY	BG SECURITY IS UTILISED PRIOR 2006. THE MUNICIPALITY DID GO ON TENDER FOR SECURITY SERVICE BUT IT WAS DECIDED THAT IT WILL NOT BE AWARDED AS COUNCIL WILL EMPLOY PERMANENT STAFF TO PERFORM THIS FUNCTION AS SOON AS POSSIBLE.	BG SECURITY IS UTILISED PRIOR 2006. THE MUNICIPALITY DID GO ON TENDER FOR SECURITY SERVICE BUT IT WAS DECIDED THAT IT WILL NOT BE AWARDED AS COUNCIL WILL EMPLOY PERMANENT STAFF TO PERFORM THIS FUNCTION AS SOON AS POSSIBLE.	e3e(1)(a)(v)	AO	R 3 690.00	47108

15/09/2016	NORTHFIELD ENGINEERING	ON THURSDAY 01/09/2016 AN INGRESS OF WATER CAUSED AND IRREPARABLE DAMAGE TO THE PLC CONTROLLING ORANGE FISH WATER TREATMENT PLANT. THIS RESULTED IN STORAGE DAM LEVELS DROPPING AND LEAVING COMMUNITIES WITHOUT WATER AND CURRENTLY WATER IS DELIVERED BY WATER TANKS WHICH CANNOT KEEP UP WITH THE DEMAND. THE PLC CONTROL PANEL NEED TO BE REPLACED AS A MATTER OF URGENCY SO THAT NORMAL PUMPING OF THE WATER COULD BE RESTORED.	ON THURSDAY 01/09/2016 AN INGRESS OF WATER CAUSED AND IRREPARABLE DAMAGE TO THE PLC CONTROLLING ORANGE FISH WATER TREATMENT PLANT. THIS RESULTED IN STORAGE DAM LEVELS DROPPING AND LEAVING COMMUNITIES WITHOUT WATER AND CURRENTLY WATER IS DELIVERED BY WATER TANKS WHICH CANNOT KEEP UP WITH THE DEMAND. THE PLC CONTROL PANEL NEED TO BE REPLACED AS A MATTER OF URGENCY SO THAT NORMAL PUMPING OF THE WATER COULD BE RESTORED.	e38(1)(a)(v)	AO	R 254 044.44	47113
18/09/2016	BG SECURITY	SECURITY SERVICES AT FINANCE DEPARTMENT	BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES. THERE IS NO CONTRACT IN PLACE. THE MUNICIPALITY IN THE PROCESS OF GOING OUT ON TENDER FOR THE PROVISION OF SECURITY SERVICES.	e38(1)(a)(v)	AAO	R 5 959.98	47127
19/09/2016	BYTES TECHNOLOGY GROUP SOUTH AFRICA	SUPPORT WITH IRP5 2016	THE FINANCIAL SYSTEM THAT THE MUNICIPALITY USE BYTES SYSTEM INTEGRATION-SAP/AS THE MUNICIPALITY DO HAVE A SLA IN PLACE THE SUPPORT WITH THE IRP5 2016/16/17 THAT MUST BE RE-SUBMITTED TO SARS.	e38(1)(a)(v)	A.	R 7 740.00	47133
20/09/2016	UNIVERSAL EQUIPMENT (PTY) LTD	GRADER BLADE ONLY AVAILABLE FROM THE AGENTS WHICH IS UNIVERSAL EQUIPMENT ONLY TWO AGENTS IN THE EASTERN CAPE THAT CAN QUOTE IN THE PARTICULAR BLADE.	GRADER BLADE ONLY AVAILABLE FROM THE AGENTS WHICH IS UNIVERSAL EQUIPMENT ONLY TWO AGENTS IN THE EASTERN CAPE THAT CAN QUOTE IN THE PARTICULAR BLADE.	e38(1)(a)(v)	AO	R 4 617.34	47142
22/09/2016	ALGOA VOYOTA	11000 KM SERVICE AS PER QUOTATION	SERVICE TO BE DONE BY THE AGENTS WHICH IS HINO ALGOA IN PORT ELIZABETH	e38(1)(a)(v)	AO	R 2 998.78	47198
23/09/2016	BILLY BOTHA CATERING SERVICES	50000 KM SERVICE AS PER QUOTATION	SERVICE TO BE DONE BY THE AGENTS WHICH IS BILLY BOTHA IN CRADOCK ALSO THE CLOSEST TO SOMERSET EAST	e38(1)(a)(v)	AO	R 3 032.10	47173
23/09/2016	BG SECURITY	SECURITY SERVICES AT FINANCE DEPARTMENT	BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES. THERE IS NO CONTRACT IN PLACE. THE MUNICIPALITY IN THE PROCESS OF GOING OUT ON TENDER FOR THE PROVISION OF SECURITY SERVICES.	e38(1)(a)(v)	AO	R 5 959.98	47144
14/09/2016	B G SECURITY	ALARM AND SECURITY SERVICES FOR SEPTEMBER 2016 IN VARIOUS BUILDING	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCMR AREA.	e38(1)(a)(v)	AO	R 7 610.00	47105
<b>TOTAL FOR SEPTEMBER 2016</b>						<b>R 50 876.33</b>	

Date	Contract Name	Description of Goods / Services	Reason for Deviation	BCM Ref#	Authorised By	Value	Order
<b>OCTOBER 2016</b>							
25/10/2016	B G SECURITY	TELEPHONE AND LABOUR	THIS IS AN AFTERHOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	e38(1)(a)(v)	AO	R 3 990.00	47415
01/10/2016	TIMES MEDIA EC	PLACEMENT OF NOTICE 01/2016: VACANCY DIRECTOR FINANCE	NO SERVICE AGENCY IS INTERESTED IN QUOTING HENCE JUST QUOTE	e38(1)(a)(v)	AO	R 5 109.48	47299
08/10/2016	B G SECURITY		BG SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS THE ALARMS & MONITORING SYSTEM IN THE AREA WITH RESPONSE. THE SYSTEM IN THE PARTICULAR BUILDING WHICH WAS INSTALLED BY BG SECURITY WAS VANDALISED WHEN THE BUILDING WAS VANDALISED. THE CASHIR AND THE CREDIT NEGOTIATORS OFFICE IN THE BUILDING HAVE BEEN REFURBISHED AND ARE GOING TO BE IN OPERATION. THE ALARM AND MONITORING NEED TO BE RECONNECTED AND ACTIVATED HENCE THE USE OF BG SECURITY.	e38(1)(a)(v)	AO	R 9 023.90	47270
07/10/2016	SONDLO AND KNOPP ADVERTISING	TENDER NO: T14/2016 SUPPLY AND DELIVERY OF MATERIAL FOR STORES	WE REQUESTED QUOTATIONS FROM SONDLO AND KNOPP, HERALD AND DAILY DISPATCH. DID NOT RESPOND. WE ARE GOING TO USE HERALD BECAUSE CAN REACH EVERYONE.	e38(1)(a)(v)	AO	R 8 887.86	47296
13/10/2016	TIMES MEDIA EC	T15/2016: UPGRADING OF WWW FENCE	WE REQUESTED QUOTATIONS FROM SONDLO AND KNOPP, HERALD AND DAILY DISPATCH. ONLY HERALD AND SONDLO KNOPP RESPONDED. OTHER AGENCIES ARE NOT INTERESTED IN QUOTING.	e38(1)(a)(v)	AO	R 16 313.40	47336

17/10/2016	WILLARDS TRAVEL SERVICES PTY LTD	FLIGHT FROM PE TO CAPE TOWN AND BACK	QUOTES WERE SOURCED FROM THE THREE TRAVEL AGENCIES FROM OUR DATABASE INCLUDING A FOURTH ONE THAT IS WILLING TO REGISTER ON THE CSD AND OUR FINANCIAL SYSTEM. RENNIES DID NOT QUOTE ON THE CAR HIRE AS THEY DO NOT PROVIDE THE SERVICE TO THE MUNICIPALITY. XL BAY QUOTED ON CAR HIRE WITH A CONDITION THAT THE MUNICIPALITY PAYS WITH A CREDIT CARD UPFRONT AN AMOUNT OF R6 963.00 AS A DEPOSIT FOR CAR HIRE. THIS THE REASON THAT WILLARDS TRAVEL IS BE CHOSEN.	e36(1)(a)(v)	AO	R 12 007.86	47356
18/10/2016	BYTES TECHNOLOGY GROUP	SAMRAS BUDGETING (MECOA) TRAINING AT GEORGE TRAINING CENTRE	SAMRAS BUDGETING (MECOA) TRAINING AT GEORGE TRAINING CENTRE ONLY. MR MEYER IS GOING TO ATTEND THE TRAINING TO BE HELD IN GEORGE AS IT IS THE NEAREST SAMRAS TRAINING CENTRE.	e36(1)(a)(v)	AO	R 5 400.00	47367
20/10/2016	TIMES MEDIA EC	NOTICE ESTABLISHMENT OF WARD COMMITTEES FOR 2016-2021	WE WOULD LIKE TO ADVERTISE ON THE HERALD, BECAUSE EVERYBODY CAN REACH THE HERALD NEWSPAPER. THE SOMERSET BUDGET IS NOW ONLY ONLINE AND THE DEPARTMENT WAS GOING TO PLACE NOTICES IN TOWN COUNCIL. INSTRUCTED US TO ADVERTISE IN PRINT MEDIA TO ENSURE WE CAN BE CHALLENGED IN COURT.	e36(1)(a)(v)	AAO	R 9 667.20	47368
21/10/2016	B G SECURITY	SECURITY SERVICES AT TOWN HALL	BG SECURITY SUPPLY THE FINANCIAL SERVICES - CASH IN TRANSIT, GUARD DUTIES AT CASHIERS OFFICE AND STANDBY DUTIES THERE IS NO CONTRACT IN PLACE. THE MUNICIPALITY IN THE PROCESS OF GOING OUT ON TENDER FOR THE PROVISION OF SECURITY SERVICES.	e36(1)(a)(v)	AO	R 5 956.89	47369
21/10/2016	PREMA CONSULTANTS	SECURITY SERVICES AT COOKHOUSE	WE REQUESTED QUOTATIONS FROM VUKUZENZELE BS AND PRIMA CONSULTANTS VUKUZENZELE DID NOT RESPOND. THE SECURITY SERVICES NEEDED URGENTLY.	e36(1)(a)(v)	AAO	R 100 192.54	47401
19/10/2016	SMITH TABATA INCORPORATED	LEGAL COST IN RESPECT OF INVOICE 245050, 245051 AND 245052	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER. THIS IS PART PAYMENT ON THE ABOVE MENTIONED ONGOING COURT CASES.	e36(1)(a)(v)	AO	R 64 009.60	47339
25/10/2016	B G SECURITY	ALARM AND SECURITY SERVICES FOR SEPTEMBER 2016 IN VARIOUS BUILDING	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BCMR AREA.	e36(1)(a)(v)	AO	R 7 810.00	47417
04/10/2016	ASD INTERNATIONAL	DUSTBIN TROLLEYS AS PER SAMPLE	THERE ARE ONLY TWO SERVICE PROVIDERS THAT MAKE TROLLEYS SPECIFIC TO OUR NEEDS. ONLY TWO QUOTATIONS WERE OBTAINED.	e36(1)(a)(v)	AO	R 16 416.00	47251
25/10/2016	KAT LEISURE PTY LTD	ACCOMMODATION FOR 6 SCHEEPERS	PLACES ARE FULLY BOOKED IN EAST LONDON. THE TRAVEL AGENCIES ARE FULLY BOOKED. ONLY ONE QUOTATION BECAUSE OF ABOVE REASONS.	e36(1)(a)(v)	AO	R 2 600.00	47416
31/10/2016	RENNIES TRAVEL PTY LTD	FLIGHT AND ACCOMMODATION FOR MS S HANABE TO ATTEND M900A	INITIALLY THREE QUOTES WERE REQUESTED FROM THE TRAVELING AGENCIES, BUT DUE TO CHANGE OF DATES FROM THE SERVICE PROVIDER OFFERING THE TRAINING, WE COULD NOT BE ABLE TO GET OTHER 2 QUOTES, SO DUE TO TIME ONLY ONE QUOTE WAS OBTAINED.	e36(1)(a)(v)	AAO	R 14 862.62	47454
<b>TOTAL FOR OCTOBER 2016</b>						<b>R 288 247.36</b>	
<b>NOVEMBER 2016</b>							
03/11/2016	ALLOUT POWER PRODUCTS	REPAIR CHAINSAW	THE CHAINSAWS WERE BOUGHT FROM ALLOUT. WHEN RETURNED FOR REPAIRS UNDER GUARANTEE WE WERE INFORMED THAT THE GUARANTEE DOES NOT COVER THE MOVABLE PARTS. HOWEVER SINCE THE SAWS WERE SENT TO ALLOUT IT MAKES SENSE FINANCIALLY TO HAVE THE REPAIRS DONE THERE INSTEAD OF BEING SENT TO ANOTHER COMPANY WHICH WOULD BE IMPRACTICAL. WE THEREFORE RESPECTFULLY ASK PERMISSION TO WAIVE NORMAL PROVISIONS OF THE GUARANTEE.	e36(1)(a)(v)	AO	R 4 844.40	47470
02/11/2016	B G SECURITY	TELEPHONE SERVICES WATER DEPT.	BG SECURITY IS UTILISED PRIOR 2006. THE MUNICIPALITY DID GO ON TENDER FOR SECURITY SERVICE BUT IT WAS DECIDED THAT IT WILL NOT BE AWARDED AS COUNCIL WILL EMPLOY PERMANENT STAFF TO PERFORM THIS FUNCTION AS SOON AS POSSIBLE.	e36(1)(a)(v)	AO	R 9 090.00	47468
06/11/2016	B G SECURITY	TELEPHONE SERVICES WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	e36(1)(a)(v)	AAO	R 2 856.12	47462
06/11/2016	B G SECURITY	TELEPHONE SERVICES WATER DEPT.	BG SECURITY IS UTILISED PRIOR 2006. THE MUNICIPALITY DID GO ON TENDER FOR SECURITY SERVICE BUT IT WAS DECIDED THAT IT WILL NOT BE AWARDED AS COUNCIL WILL EMPLOY PERMANENT STAFF TO PERFORM THIS FUNCTION AS SOON AS POSSIBLE.	e36(1)(a)(v)	AO	R 2 856.12	47462

14/11/2016	KRUPPER SPARES	LINING STRAPS AND TENSION SPRINGS	ONLY 2 QUOTATION, THIRD COMPANY CANNOT GET HOLD OFF AND ALSO NOT REGISTERED.	e38(1)(a)(v)	AO	R 2 017,80	4759
04/11/2016	DE KLERKES BODY REPAIRS	EXCESS ON CLAIM	DE KLERKES BODY REPAIRS IS THE SERVICE PROVIDER APPROVED BY THE MUNICIPALITY'S INSURER TO CARRY OUT AUTHORISED REPAIRS RELATING TO THIS INSURANCE CLAIM.	e38(1)(a)(v)	AO	R 844,28	4760
09/11/2016	KORBITEC PTY LTD (A/WINDEE)	PROPERTY INQUIRY DEEDS	THE SERVICE IS CURRENTLY ONLY AVAILABLE FROM KORBITEC WITH WHOM THE BCMR IS CURRENTLY REGISTERED.	e38(1)(a)(v)	AO	R 2 108,70	4766
22/11/2016	B G SECURITY	GUARD DUTIES AT BESTERSHOEK, MAYOR'S HOME AND AIRPORT	AGREEMENT ON CONTINUING WITH THE SERVICES UNTIL FEB 2017 AND THE TENDER MUST BE AWARDED BY THEN.	e38(1)(a)(v)	AO	R 302 845,42	
03/11/2016	CHRIS BAKER ASSOCIATES	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER. THIS IS A PART PAYMENT ON THE ABOVEMENTIONED ONGOING COURT CASES.	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER. THIS IS A PART PAYMENT ON THE ABOVEMENTIONED ONGOING COURT CASES.	e38(1)(a)(v)	AO	R 12 638,66	47487
08/11/2016	SMITH TABATA INCORPORATED	LEGAL COSTS RE INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY. FROM THE COMMENCEMENT OF THESE LEGAL MATTERS IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER. SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	e38(1)(a)(v)	AO	R 32 500,41	47600
08/11/2016	B G SECURITY	ALARM SECURITY SERVICES FOR NOVEMBER 2016 AT VARIOUS BUILDING	B G SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM IN BCMR AREA.	e38(1)(a)(v)	AO	R 7 810,00	47499
24/11/2016	SONDLO AND KNOPP ADVERTISING	PUBLICATION OF NOTICE 87/2016 RE ORDINARY COUNCIL MEETING	WE REQUESTED QUOTATIONS FROM HERALD, SONDLO AND KNOPP. WE USE HERALD NEWSPAPER BECAUSE IT CAN REACH EVERYBODY.	e38(1)(a)(v)	AO	R 3 811,52	47824
24/11/2016	SONDLO AND KNOPP ADVERTISING	PUBLICATION OF NOTICE 88/2016	WE REQUESTED QUOTATIONS FROM HERALD, SONDLO AND KNOPP. WE USE HERALD NEWSPAPER BECAUSE IT CAN REACH EVERYBODY.	e38(1)(a)(v)	AO	R 4 514,40	47825
TOTAL FOR NOVEMBER 2016						R 384 238,87	
<b>DECEMBER 2016</b>							
08/12/2016	B G SECURITY	TELEPHONE SERVICES WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE B G SECURITY IS HANDLING ALL CALLS RELATED TO WATER PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	e38(1)(a)(v)	AO	R 2 656,12	47885
01/12/2016	B G SECURITY	SECURITY SERVICES AT FINANCE DEPARTMENT	CIT - B G SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES GUARD DUTIES AT CASHIER OFFICE STANDBY DUTIES.	e38(1)(a)(v)	AAO	R 6 975,12	47855
06/12/2016	B G SECURITY	SECURITY SERVICES AT FINANCE DEPARTMENT	CIT - B G SECURITY IS THE ONLY SECURITY COMPANY IN OUR AREA THAT OFFERS CIT SERVICES GUARD DUTIES AT CASHIER OFFICE STANDBY DUTIES.	e38(1)(a)(v)	AAO	R 5 675,12	47735
08/12/2016	B G SECURITY	GUARD DUTIES AT BESTERSHOEK, MAYOR'S HOME AND AIRPORT	AGREEMENT ON CONTINUING WITH THE SERVICES UNTIL FEB 2017 AND THE TENDER MUST BE AWARDED BY THEN.	e38(1)(a)(v)	AAO	R 55 987,84	47686
13/12/2016	DE KLERKES BODY REPAIRS	EXCESS ON CLAIM	DE KLERKES BODY REPAIRS IS THE SERVICE PROVIDER APPROVED BY THE MUNICIPALITY'S INSURER TO CARRY OUT AUTHORISED REPAIRS RELATING TO THIS INSURANCE CLAIM.	e38(1)(a)(v)	AO	R 1 187,02	47715
07/12/2016	B G SECURITY	ALARM SECURITY SERVICES FOR DECEMBER 2016 AT VARIOUS BUILDING	B G SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM IN BCMR AREA.	e38(1)(a)(v)	AO	R 7 897,10	47717
TOTAL FOR DECEMBER 2016						R 79 891,98	
<b>JANUARY 2017</b>							
14/12/2016	B G SECURITY	AFTER HOURS SERVICES	THIS IS AN AFTER HOURS SERVICE WHERE B G SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	e38(1)(a)(v)	AAO	R 3 980,00	47733

21/12/2016	FREMA CONSULTANTS	SECURITY SERVICES 23DEC 2016-JANUARY 2017.	PREVIOUSLY FREMA CONSULTANTS WAS USED UNTIL 30 JUNE 2016 WHEN SECURITY SERVICES CONTRACTS WERE TERMINATED IN ANTICIPATION FOR A TENDER THAT WAS SUPPOSED TO BE ADVERTISED AND AWARDED BEFORE 30 JUNE 2016. THE TENDER WAS NEVER ADVERTISED. NOW THE SECURITY IS NEEDED AT THE BLEUCAND THE RECOMMENDATION IS THAT WE USE FREMA, ONE OF THE TWO SECURITY COMPANIES IN OUR AREA REGISTERED WITH THE BCRM. WE WERE PREVIOUSLY ON SITE FOR A LONG TIME.	s30(1)(a)(v)	AAC	R 16 247.72	47749
18/01/2017	ASD INTERNATIONAL	SUPPLY 4KW 400V MOTOR	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AAD	R 2 859.12	47462
23/01/2017	UNIVERSAL EQUIPMENT	1600 HOUR SERVICE AS PER QUOTATION	SERVICE DONE BY AGENTS WHICH IS UNIVERSAL EQUIPMENT UNDER GUARANTEE	s39(1)(a)(v)	AO	R 3' 475.54	47937
08/02/2017	B G SECURITY	AFTER HOURS SERVICES	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AO	R 3 990.00	47826
22/02/2017	A&D POWER	CABLE FAULT FINDING(MAIN SUBSTATION) REPAIRS ON CABLE	ON SATURDAY 18 JANUARY 2017, WIRQUIN FEEDER TRIPPED IN THE MAIN SUBSTATION AND THE PROBLEM WAS THE CABLE. THE FEEDER WAS ISOLATED AND WIRQUIN WAS FED VIA A RING FEED FROM COLLEGE SUB. THE ELECTRICAL SERVICES DEPARTMENT ASKED FOR THE SERVICES OF A&D TO ASSIST TO LOCATE THE FAULT AND JOIN THE CABLE. WIRQUIN IS AN INDUSTRY AND CANNOT FUNCTION WITHOUT A FIRM SUPPLY. THAT IS WHY THE CABLE HAD TO BE IMMEDIATELY REPAIRED. A&D IS THE ONLY SERVICE PROVIDER THAT DOES EMERGENCY REPAIRS IN BCRM DATABASE.	s36(1)(a)(v)	AO	R 25 092.66	48023
23/02/2017	B G SECURITY	TELEPHONE SERVICES-WATER	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO WATER PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE	s36(1)(a)(v)	AO	R 2 859.12	48040
01/03/2017	POSTMA& PCS*MA PTY LTD	ON TIRE LORE & PROVIDE REPORT STRIP THE MOTOR STATOR WINDINGS	A 11KW TRAFFIC DEPARTMENT TEST STATION MOTOR BURNT OUT BECAUSE OF FLOODING INSIDE THE TEST STATION. THERE IS ONLY ONE SERVICE PROVIDER IN BCRM DATABASE THAT IS DOING MOTOR REWINDING SERVICES POSTMA AND POSTMA. THE TRAFFIC DEPARTMENT IS UNABLE TO DO A FULL TEST ON VEHICLES AND THUS LOSING VALUABLE INCOME.	s36(1)(a)(v)	AO	R 7 767.24	48064
14/03/2017	TELERAY	REPLACE 2 MOD-MODULATORS SUNDRES	TELERAY IS THE ONLY SERVICE PROVIDER THAT WORK ON TELEVISION STATIONS AND VMD DECODERS SYSTEMS IN THE EASTERN CAPE.	s36(1)(a)(v)	AO	R 7 924.00	48193
14/03/2017	HARLOP & MASON ENGINEERING	CONTACTOR	ON SUNDAY 18 OCTOBER 2016 THE ORANGE FISH WATER TREATMENT PLANT START CONTACTOR BURNT OUT AND WHEN ENQUIRES WERE MADE FROM SUPPLIERS, HARLOP AND MASON HAD THE CONTACTOR ON THE SHELF AND WAS WILLING TO ASSIST BCRM WITH AN ARRANGEMENT WAS MADE FOR IT TO BE FETCHED FROM PORT ELIZABETH. THE ELECTRICIAN ON STANDBY FAILED TO DO THE NECESSARY PAPER WORK AFTER FETCHING THE CONTACTOR FROM THE SUPPLIER AS A RESULT THE SUPPLIER WAS NOT PAID.	s36(1)(a)(v)	AO	R 3 198.14	48192
14/03/2017	QUICKELS/RA TRANSPORT	ANNUAL SERVICE OF MOTOR VEHICLE LIFT	OTHER SERVICE PROVIDERS ARE NOT ABLE OR WILLING TO QUOTE.	s36(1)(a)(v)	AO	R 3 306.00	49164
17/03/2017	TOEKOMST CONSTRUCTION	50KVA TRANSFORMER	2 TRANSFORMERS WERE LOST LAST WEEK DUE TO HEAVY THUNDERSTORMS AND TWO BCRM CUSTOMERS ARE WITHOUT POWER SINCE LAST WEEK FOUR TRANSFORMERS HAD BEEN ORDERED FROM ASB AND BECAUSE OF THE LONG LEAD TIME(12 WEEKS) THEY WILL BE DELIVERED IN APRIL.	s36(1)(a)(v)	AO	R 47 910.00	48220
31/01/2017	BONDLO AND KNOPP	T012017-80MERBET EAST SUBSTATION FRANCISVALE RING MAIN UNIT AND WESTVIEW MINISUB UPGRADE.	ONLY ONE ADVERTISING AGENCY IS WILLING TO QUOTE FOR US.	s36(1)(a)(v)	AO	R 4 100.00	47888
31/01/2017	TIMES MEDIA EC	T022017-SUPPLY AND DELIVERY OF BUILDING MATERIAL FOR COOKHOUSE CHANGING ROOM	WE ARE ADVERTISE ON THE HERALD SINCE IT CAN BE REACHED BY EVERYONE.	s36(1)(a)(v)	AO	R 3 727.80	47886

03/02/2017	B G SECURITY	CIT TRANSPORT	BG SECURITY IS THE ONLY SERVICE PROVIDER LOCALLY THAT OFFERS THE CASH IN TRANSIT SERVICES.GUARD DUTIES AT CASHIER OFFICE IN TOWN HALL SOMERSET EAST.NO CONTRACT IN PLACE THE MUNICIPALITY IS IN PROCESS OF GOING OUT ON TENDER.	e36(1)(g)(v)	AO	R 5 975.12	47804
24/02/2017	SONDLO AND KNOPP ADVERTISING	109/2016-SOMERSET EAST,COOKHOUSE AND PEARSTON STREET LIGHTS	QUOTATIONS WERE REQUESTED FROM INISWA PROMOTIONS ,SONDLO AND KNOPP AND HERALD.INISWA IS THE CHEAPEST BUT WE CANT USE THEM BECAUSE THEIR TAX STATUS IS NON-COMPLIANT HENCE WE ARE USING SONDLO & KNOPP	e36(1)(g)(v)	AO	R 4 478.38	46053
22/12/2017	SMITH TABATA INCORPORATED	LEGAL COSTS RE INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY.FROM THE COMMENCEMENT OF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	e36(1)(g)(v)	AO	R 11 001.00	47763
20/01/2017	TIMES MEDIA	PUBLICATION OF NOTICES 02/03/2017SPECIAL COUNCIL MEETING	WE ADVERTISE ON THE HERALD SINCE HERALD CAN BE REACHED BY EVERYONE.	e36(1)(g)(v)	AO	R 8 882.28	47629
20/01/2017	TIMES MEDIA	PUBLICATION OF NOTICES 02/03/2017SPECIAL COUNCIL MEETING	WE ADVERTISE ON THE HERALD SINCE HERALD CAN BE REACHED BY EVERYONE.	e36(1)(g)(v)	AO	R 8 882.28	47629
17/03/2017	SMITH TABATA INCORPORATED	LEGAL COSTS RE INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY.FROM THE COMMENCEMENT OF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER.SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	e36(1)(g)(v)	AO	R 193 748.18	48219
17/03/2017	CHRIS BAKER AND ASSOCIATES INC	OCTOBER INVOICES,NOVEMBER INVOICES	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE.THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY.FROM THE COMMENCEMENT OF THESE LEGAL MATTERS.IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER CHRIS BAKER AND ASSOCIATES ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	e36(1)(g)(v)	AO	R 18 396.19	48217
28/03/2017	SONDLO AND KNOPP ADVERTISING	PUBLICATION OF NOTICE 14/02/17 COUNCIL MEETING	ONLY ONE ADVERTISING AGENCY IS WILLING TO QUOTE FOR US.	e36(1)(g)(v)	AAD	R 4 688.30	48258
23/03/2017	NELSON MANDELA METROPOLITAN UNIVERSITY	STUDY FEES FOR NJ ODLO	THE INSTITUTION WAS THE EMPLOYEES' CHOICE FOR UNDERTAKING THEIR STUDIES IN (B TECH) ENVIRONMENTAL HEALTH SERVICES.	e36(1)(g)(v)	AO	R 98 320.88	48294
27/01/2017	HIND ALGOA	SERVICE FOR 20 000KM FOR HMN448EC	THE TRUCK WAS BOUGHT FROM THE SERVICE AND THEY HAVE BEEN DOING ITS SERVICE.	e36(1)(g)(v)	AO	R 5 786.75	47850
27/01/2017	HIND ALGOA	SERVICE FOR 20 000KM FOR HMN448EC	THE TRUCK WAS BOUGHT FROM THE SERVICE AND THEY HAVE BEEN DOING ITS SERVICE.	e36(1)(g)(v)	AO	R 5 786.75	47850
13/03/2017	TRUVELO MANUFACTURING	CALIBRATION PROLASER	TRUVELO IS THE MANUFACTURER OF THE EQUIPMENT IN THE TRAFFIC SECTION HENCE THEY ARE THERE ONLY ONES THAT CALIBRATE THE MACHINES.	e36(1)(g)(v)	AAD	R 5 335.34	48178
22/02/2017	FULCRUM TECHNOLOGIES	TAPE MEASURE STRAIGHT EDGE	THERE ARE ONLY 2 SERVICE PROVIDERS IN THE COUNTRY.	e36(1)(g)(v)	AAD	R 14 421.00	48228
02/02/2017	PRINTTEGRATION	CALL OUT	PRINTTEGRATION IS THE ONLY PROVIDER OR SUPPLIER THAT WORKS OR DOES REPAIRS ON THE TALLYPRINTERS.	e36(1)(g)(v)	AO	R 5 776.92	47858
03/02/2017	SONDLO AND KNOPP ADVERTISING	ADVERT FOR ANNUAL REPORT 2015/2016	WE COULD NOT OBTAIN 3 QUOTATIONS. EMAILS SENT TO OTHER ADVERTISING AGENCIES DUE TO TIME CONSTRAINTS AND NO RESPONSE FROM THE AGENCIES WE WILL BE USING SONDLO AND KNOPP ADVERTISING BEING THE CHEAPEST ADVERTISING AGENCY ON THE 2 OBTAINED.	e36(1)(g)(v)	AO	R 4 868.30	47804
03/02/2017	XL BAY	ACCOMMODATION AND SHUTTLE FOR 5 NKUNYATI	WE HAVE RECEIVED THREE QUOTATION FROM RENNIES TRAVEL ,WILLARDS & XL BAY,WILLARDS IS THE CHEAPEST BUT WE DIDNT GET ALL SERVICES REQUIRED.	e36(1)(g)(v)	AAD	R 8 016.54	47806

14/02/2017	BYTES TECHNOLOGY GROUP	SAMRAS TRAINING (TECHNICAL ADMINISTRATOR)	BYTES IS THE CURRENT SERVICE PROVIDER OF OUR CURRENT FINANCIAL SYSTEMS AND THE TRAINING IS ONLY OFFERED BY THEM ON HOW TO ADMINISTER THE NEW FINANCIAL SYSTEMS	s38(1)(e)(v)	AO	R 5 400.00	47983
21/02/2017	FISH RIVER SUN HOTEL	STRAT. PLAN. PLANNING FOR 30 PEOPLE AT FISH RIVER SUN	3 QUOTES WERE SOUGHT AND THE FISH RIVER SUN WAS THE LOWEST, EVEN THOUGH ADVERTISEMENT PROCESS CAN BE UNDERTAKEN, BUT DUE TO PAST EXPERIENCE DURING THE PREVIOUS STRAT PLAN WHEREIN ONLY NPEKVENI RESORT RESPONDED TO THE ADVERT AND DUE CASH FLOW CHALLENGES THE MUNICIPALITY IS FACING AND LACK OF GUARANTEE THAT THE ACCOMMODATION WILL BE AVAILABLE AFTER 7 DAYS ADVERT.	s38(1)(e)(v)	AO	R 42 540.00	48014

ANNEXURE A- DEVIATIONS 01 APRIL TO 30 JUNE 2017

January to March 2017

R 554 093.52

Date	Company Name	Description of Goods / Services	Reason for Deviation	ECG# Ref#	Approved By	Value	Order#
07/04/2017	ALGOA TOYOTA	80000KM SERVICE AS PER QUOTATIONS - FTY 745	SERVICE TO BE DONE BY AGENTS WHICH IS HMO ALGOA	s38(1)(e)(v)	AAC	R 3 089.05	48322
20/04/2017	A&D POWER	REPAIR OF CABLE AT BOSBERG SUBSTATION	ON 24 MARCH 2017 A RING MAIN UNIT CABLE IN BOBRIVER DEVELOPED A FAULT DUE TO HEAVY THUNDERSTORMS AND AREA OF THE TOWN, PAULET STREET AND WESTVIEW WERE LEFT WITHOUT POWER, AND WHICH IS THE ONLY SERVICE PROVIDER IN BORM DATABASE THAT DOES CABLE FAULT AND REPAIRS WAS CALLED TO ASSIST WITH THE EMERGENCY REPAIRS TO RESTORE POWER.	s38(1)(e)(v)	AO	R 21 648.90	48377
20/04/2017	A&D POWER	REPAIR OF MINI SUBSTATION	ON 24 MARCH 2017 A MINI SUBSTATION IN NGDANTOBI SOMERSET EAST WAS DAMAGED BY LIGHTNING AND JOHNSON NGONDOZA HIGH SCHOOL AS WELL AS NGDANTOBI WERE LEFT WITHOUT POWER AND POWER WHICH IS THE ONLY SERVICE PROVIDER THAT IS BORM DATABASE THAT DOES TESTING AND REPAIRS ON MINI SUBSTATIONS WAS CALLED TO ASSIST WITH THE EMERGENCY REPAIRS.	s38(1)(e)(v)	AO	R 25 400.60	48378
08/04/2017	SONDLO AND KNOPP ADVERTISING CC	PW003/2017, T04/2017 T09/2017 TO/	OTHER ADVERTISING AGENCIES DO NOT WANT TO QUOTE	s38(1)(e)(v)	AO	R 5 904.48	48307
18/04/2017	SONDLO AND KNOPP ADVERTISING CC	T02/2017-SOMERSET EAST, COOKHOUSE AND PEARSTON STREET LIGHT PROJECT	OTHER ADVERTISING AGENCIES DO NOT WANT TO QUOTE	s38(1)(e)(v)	AO	R 12 674.52	48365
07/04/2017	BLUE CRANE PRINTERS	PUBLICATION OF NOTICE 17/2017	WE ARE ADVERTISING IN THE LOCAL PAPER HAARTLAND NUUS IS THE ONLY SERVICE PROVIDER IN AREA.	s38(1)(e)(v)	AO	R 2 548.12	48317
07/04/2017	BG SECURITY	ALARM SERVICES AT VARIOUS BUILDINGS	BG SECURITY IS THE SOLE SUPPLIER OF ALARM SYSTEM SERVICES IN BORM AREA.	s38(1)(e)(v)	AO	R 7 280.00	48312
07/04/2017	CHRIS BAKER AND ASSOCIATES INC	G SAMMY INVOICE C15852	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY FROM THE COMMENCEMENT OF THESE LEGAL MATTERS. IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER. CHRIS BAKER AND ASSOCIATES ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s38(1)(e)(v)	AO	R 4 142.33	48218
25/04/2017	SMITH TABATA INCORPORATED	LEGAL COSTS RE INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY FROM THE COMMENCEMENT OF THESE LEGAL MATTERS. IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER. SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	s38(1)(e)(v)	AO	R 92 476.98	48411
26/04/2017	SONDLO AND KNOPP	ADVERT FOR VACANT POSITION	WE REQUESTED QUOTATIONS FROM SONDLO AND KNOPP, DAILY DISPATCH AND HERALD. DAILY DISPATCH DID NOT RESPOND.	s38(1)(e)(v)	AAC	R 6 846.84	48412
08/04/2017	MEDIA TIME 6	NOTICE NO18/2017 DRAFT IDP 2017-2022	WE REQUESTED QUOTATION FROM THE SINCE IT CAN BE REACHED BY EVERYONE, AND IS THE CHEAPEST FROM SONDLO AND KNOPP ADVERTISING AGENCY.	s38(1)(e)(v)	AO	R 5 591.70	48306



21/04/2017	TRACKOS	REPLACEMENT BATTERY FOR 10 KVA UPS	CURRENTLY WE ARE HELPING A CLIENT WITH TRACKOS FOR THE SERVICE ROOM ON THE PREVIOUS SERVICE TERM ON THE UPS IT WAS NOTICED THE BATTERIES WERE FAULTY AND NEEDED TO BE REPLACED SO WE BUY THE BATTERIES FROM TRACKOS AS THEY ARE THE ONE WHO MUST REPLACE THEM UNDER THE MAINTENANCE CONTRACT. WE INCORPORATED INTO THE SERVER SYSTEM THAT WAS DONE BY TRACKOS AND HAS A MAINTENANCE PLAN.	638(1)(a)(v)	AO	R 6 650.40	48300
03/05/2017	BG SECURITY	AFTER HOURS SERVICE	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ALL ELECTRICAL PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	638(1)(a)(v)	AO	R 3 950.00	48450
18/05/2017	AFRCX	ARGON TEG AGENT TEC AND OXYCYL	SOLE PROVIDER OF ARGON GAS	638(1)(a)(v)	AO	R 3 184.98	48520
04/05/2017	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM 807216	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCMR VEHICLES. DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCMR AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING. DE KLERKS BODY IS CURRENTLY REGISTERED ON THE BCMR SUPPLIER DATABASE.	638(1)(a)(v)	AO	R 3 000.00	48456
04/05/2017	DE KLERKS BODY REPAIRS	EXCESS ON CLAIM 808788	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCMR VEHICLES. DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCMR AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING. DE KLERKS BODY IS CURRENTLY REGISTERED ON THE BCMR SUPPLIER DATABASE.	638(1)(a)(v)	AO	R 3 000.00	48457
04/05/2017	SONDLO AND KNOPP ADVERTISING	109/2017 UPGRADE OR REFURBISHMENT OF CIVIL WORKS IN THE MAIN ELECTRICAL SUBSTATION	OTHER ADVERTISING AGENCIES ARE NOT INTERESTED IN ADVERTISING ANYMORE	638(1)(a)(v)	AO	R 11 185.40	48461
09/05/2017	BG SECURITY	SERVICES 07/03-27/03/2017	THE SERVICES FOR CIT ARE REQUIRED FROM THE TIME BEING THE MUNICIPALITY WAS USING SBV THROUGH FNB AS WE WERE USING DROP BOX WHICH IS ONLY COVERED IF WE HAVE AN ALARM SYSTEM THAT IS MONITORED BY A SAIDSA CALL CENTRE WHICH UNFORTUNATELY BG IS NOT CURRENTLY IN THE INTERIM WE ARE BANKING THE MONEY DAILY HENCE THE NEED FOR CIT SERVICES WHICH BG IS THE ONLY SERVICE PROVIDER AROUND IN OUR AREA.	638(1)(a)(v)	AO	R 2 074.80	48482
09/05/2017	DE KLERKS BODY REPAIRS	FIT CANOPY GLASS STRIP AND ASSEMBLE PARTS, PAINT REPAIRS	DE KLERKS BODY REPAIRS IS CURRENTLY CARRYING OUT INSURANCE AUTHORISED BODY REPAIRS/PANEL BEATING ON BCMR VEHICLES. DE KLERKS BODY REPAIRS IS ALSO THE ONLY INSTITUTION OF IT SORT IN THE BCMR AREA CARRYING OUT BODY REPAIRS AND PANEL BEATING. DE KLERKS BODY IS CURRENTLY REGISTERED ON THE BCMR SUPPLIER DATABASE.	638(1)(a)(v)	AO	R 8 874.20	48483
10/05/2017	SONDLO AND KNOPP ADVERTISING	110/2017 UPGRADE OF COOKHOUSE WASTE WATER TREATMENT WORKS	OTHER ADVERTISING AGENCIES ARE NOT INTERESTED IN QUOTING	638(1)(a)(v)	AAO	R 7 790.50	48482
26/05/2017	SMITH TABATA INCORPORATED	LEGAL FEES APRIL 2017 INVOICE	THERE IS NO CONTRACT FOR THE UNDERMENTIONED SERVICE PROVIDER IN PLACE. THE SERVICE PROVIDER IS HANDLING ALL OF THE UNDERMENTIONED COURT CASES ON BEHALF OF THE MUNICIPALITY. FROM THE COMMENCEMENT OF THESE LEGAL MATTERS, IT IS THEREFORE IMPRACTICAL NOT TO CARRY ON MAKING USE OF THIS SERVICE PROVIDER SMITH TABATA ARE CURRENTLY HANDLING ALL THE FOLLOWING ONGOING LEGAL MATTERS.	638(1)(a)(v)	AO	R 16 131.00	48585
09/05/2017	BG SECURITY	AFTER HOURS PHONE CALLS WATER DEPT.	THIS IS AN AFTER HOURS SERVICE WHERE BG SECURITY IS HANDLING ALL CALLS RELATED TO ELECTRICAL PROBLEMS AFTER HOURS. THEY ARE THE ONLY PROVIDER IN OUR AREA WHO IS WILLING TO DO THE SERVICE.	638(1)(a)(v)	AO	R 2 658.12	48735
12/06/2017	ALL CUT POWER PRODUCTS	SUPPLY PARTS AND REPAIR AS PER QUOTATION	PARTS & LABOUR TO BE DONE AGENTS ONLY	638(1)(a)(v)	AD	R 6 479.34	48714

02/06/2017	BELL EQUIPMENT SALES	400KM TRAVEL-EXTERNAL AND LABOUR 8HRS EXTERNAL	REPAIRS ON THE MUNICIPAL VEHICLE HAD BEEN AUTHORISED AT BELL EQUIPMENT SALES. THE TLB VEHICLE DUE FOR REPAIRS IS OF THE MAKE BELL AND SERIES BACKHOE LOADER AS REGISTERED. BELL EQUIPMENT IS CURRENTLY REGISTERED ON THE BCMR SUPPLIER DATABASE BASIS EXCESS PAYABLE BY THE BCMR WITH REGARD TO THIS CLAIM: R15000.00 AMOUNT DUE BY THE INSURER WITH REGARD TO THIS CLAIM: R21832.51 (AMOUNT PAID DIRECTLY TO THE BCMR INSTEAD OF THE REPAIRER BELL) BY REASON OF BELL EQUIPMENT'S KEY CONTROL FRAMEWORK WHICH REQUIRE A CUSTOMER ORDER TO THE FULL AMOUNT OF THE REPAIRS.	420(1)(a)(v)	AO	R 36 832.51	48736
13/06/2017	TIMES MEDIA EC	FY2017 SUPPLY AND DELIVERY OF BUILDING MATERIAL FOR POUND	THE OTHER ADVERTISING AGENCIES ARE NO LONGER INTERESTED IN QUOTING HENCE THE TWO QUOTATIONS	420(1)(a)(v)	AD	R 6 337.28	48845
April to June 2017						R 907 860.74	
Total for 2016/17						R 2 259 729.80	