

**SENTRAAL KAROO** Distriksmunisipaliteit  
District Municipality



**Finansiële State**  
**Financial Statements**                      **2011/12**

# CENTRAL KAROO DISTRICT MUNICIPALITY

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# CENTRAL KAROO DISTRICT MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

### GENERAL INFORMATION

#### NATURE OF BUSINESS

Central Karoo District Municipality is a District Municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

#### COUNTRY OF ORIGIN AND LEGAL FORM

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

#### JURISDICTION

The Central Karoo District Municipality includes the following areas:

*Beaufort West*

*Prince Albert*

*Laingsburg*

*DMA Murraysburg*

#### MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor

Deputy Executive Mayor

Executive Councillor

#### MUNICIPAL MANAGER

*Mr. N.W. Nortjé*

#### CHIEF FINANCIAL OFFICER

*Mr. N.W. Nortjé*

#### REGISTERED OFFICE

*Private Bag X560*

*BEAUFORT WEST*

*6970*

#### AUDITORS

Auditor-General of South Africa

Private Bag X1

Chempet

7442

#### PRINCIPLE BANKERS

First National Bank

#### ATTORNEYS

*Van Niekerk Attorneys*

#### RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)

Division of Revenue Act

The Income Tax Act

Value Added Tax Act

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Planning and Performance Management Regulations

Water Services Act (Act no 108 of 1997)

Housing Act (Act no 107 of 1997)

Municipal Property Rates Act (Act no 6 of 2004)

Electricity Act (Act no 41 of 1987)

Skills Development Levies Act (Act no 9 of 1999)

Employment Equity Act (Act no 55 of 1998)

Unemployment Insurance Act (Act no 30 of 1966)

Basic Conditions of Employment Act (Act no 75 of 1997)

Supply Chain Management Regulations, 2005

Collective Agreements

Infrastructure Grants

SALBC Leave Regulations

**CENTRAL KAROO DISTRICT MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**

**for the year ended**

**30 June 2012**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 80, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 35 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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N.W. NORTJé  
Municipal Manager

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Date

**CENTRAL KAROO DISTRICT MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012**

	Notes	2012 R	2011 Restated R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net Assets</b>		<b>(13 928 886)</b>	<b>(12 936 943)</b>
Accumulated Surplus/(Deficit)		(13 928 886)	(12 936 943)
<b>Non-Current Liabilities</b>		<b>11 162 298</b>	<b>56 112 790</b>
Long-term Liabilities	3	131 436	138 996
Employee Benefits	4	11 030 862	10 195 568
Liabilities Associated within Assets Held for Sale	42.1	-	45 778 226
<b>Current Liabilities</b>		<b>9 546 576</b>	<b>11 354 056</b>
Short Term Employee Benefits	7	2 042 658	2 139 095
Trade and other payables	9	2 430 039	2 209 383
Unspent Conditional Government Grants and Receipts	10	4 727 218	6 921 201
Cash and Cash Equivalents	23	264 337	-
Current Portion of Long-term Liabilities	3	82 324	84 378
<b>Total Liabilities</b>		<b>6 779 988</b>	<b>54 529 902</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>4 183 678</b>	<b>50 460 513</b>
Property, Plant and Equipment	14	4 137 123	4 571 483
Non-Current Assets Held for Sale	42.2	-	45 778 226
Intangible Assets	17	46 555	110 804
<b>Current Assets</b>		<b>2 596 310</b>	<b>4 069 389</b>
Inventory	20	1 198 088	864 523
Other Receivables from non-exchange transactions	22	736 442	814 002
Unpaid Conditional Government Grants and Receipts	10	508 095	674 655
Taxes	12	153 685	212 646
Cash and Cash Equivalents	23 & 46	-	1 503 565
<b>Total Assets</b>		<b>6 779 988</b>	<b>54 529 902</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012 R	2011 Restated R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>47 324 983</b>	<b>52 074 722</b>
<b>Taxation Revenue</b>		-	-
Property taxes	24	-	-
<b>Transfer Revenue</b>		<b>47 273 327</b>	<b>51 993 713</b>
Government Grants and Subsidies	25	47 131 653	51 958 714
Public Contributions and Donations	26	-	-
Contributed Property, Plant and Equipment	27	141 674	34 999
<b>Other Revenue</b>		<b>51 656</b>	<b>81 009</b>
Fines		-	-
Third party payments		-	-
Stock adjustments		-	-
Actuarial Gains	4	51 656	81 009
Changes in Fair Value	28.1	-	-
Other	29	-	-
<b>Revenue from Exchange Transactions</b>		<b>3 928 870</b>	<b>3 916 523</b>
Property Rates - penalties imposed and collection charges		-	-
Service Charges	30	-	-
Water Services Authority Contribution	31	-	-
Rental of Facilities and Equipment		75 404	47 372
Interest Earned - external investments		90 964	217 463
Interest Earned - outstanding debtors		-	-
Licences and Permits		26 045	12 610
Income for Agency Services	26	2 694 977	2 379 195
Other Income	32	1 041 480	1 259 883
Unamortised discount - Interest	33	-	-
<b>Total Revenue</b>		<b>51 253 853</b>	<b>55 991 245</b>
<b>EXPENDITURE</b>			
Employee related costs	34	9 315 662	9 288 748
Remuneration of Councillors	35	2 819 577	2 758 255
Debt Impairment	36	-	1 419 932
Collection costs		-	-
Depreciation and Amortisation	40	892 574	197 357
Impairments	37	-	-
Repairs and Maintenance		111 580	180 353
Unamortised discount - Interest	33	-	-
Actuarial losses	4	539 229	1 962 038
Finance Charges	38	978 751	804 444
Bulk Purchases	39	-	-
Contracted services		421 747	763 399
Grants and Subsidies Paid		26 726 523	22 580 081
Other Operating Grant Expenditure		-	-
General Expenses	41	10 420 371	13 447 924
Changes in Fair Value	28.2	-	-
<b>Total Expenditure</b>		<b>52 226 014</b>	<b>53 402 531</b>
<b>Operating Surplus/(Defecit) for the Year</b>		<b>(972 161)</b>	<b>2 588 714</b>
Loss on disposal of Property, Plant and Equipment		(19 782)	(954)
Gain on disposal of Property, Plant and Equipment		-	-
Discontinued Operations	42.3	-	(1 752 748)
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(991 943)</b>	<b>835 012</b>
<b>Refer to Appendix E(1) for explanation of variances</b>			

**CENTRAL KAROO DISTRICT MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012 R	2011 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and other		49 213 027	58 832 388
Cash paid to suppliers and employees		(50 532 495)	(53 536 605)
Cash generated/(absorbed) by operations	<b>0</b>	-1 319 471	5 295 783
Interest Received	<b>Fin.Perf.</b>	90 964	217 463
Interest Paid	<b>Fin.Perf.</b>	(978 751)	(788 539)
<b>Net Cash Flows from Operating Activities</b>		<b>-2 207 258</b>	<b>4 724 707</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	<b>14</b>	(407 850)	(8 325 582)
Proceeds on Disposal of Fixed Assets		-	-
(Increase)/Decrease in Intangible Assets	<b>17</b>	(5 898)	(18 291)
(Increase)/Decrease in Long-term Receivables		-	-
(Increase)/Decrease in Discontinued Operations Related to Assets Held for Sale		-	275 422
(Increase)/Decrease in Non-current Investments		-	-
<b>Net Cash from Investing Activities</b>		<b>(413 748)</b>	<b>(8 068 451)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New loans raised/(repaid)	<b>App. A</b>	(9 614)	165 050
Increase/(Decrease) in Discontinued Operations Liabilities Associated within Assets Held for Sale		-	2 632 045
Increase/(Decrease) in Consumer Deposits	<b>6</b>	-	-
<b>Net Cash from Financing Activities</b>		<b>(9 614)</b>	<b>2 797 095</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(2 630 620)</b>	<b>(546 649)</b>
Cash and Cash Equivalents at the beginning of the year		2 366 283	2 912 932
Cash and Cash Equivalents at the end of the year	<b>46</b>	(264 337)	2 366 283
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(2 630 620)</b>	<b>(546 649)</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2012**

	Pre-GAMAP Reserves and Funds	Housing Development Fund	Capital Replacement Reserve	Donations and Public Contribution Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R
<b>Balance at 1 JULY 2010</b>	-	348 691	-	-	30 502 603	30 851 294
Correction of Error - Note 44.8					(144 944)	(144 944)
Change in accounting policy - Note 40.4					-	-
Change in accounting policy - Note 40.4					-	-
<b>Restated Balance</b>		<b>348 691</b>			<b>30 357 659</b>	<b>30 706 350</b>
Net Surplus/(Deficit) for the year					835 012	835 012
Correction of Error - Note 43.9					-	-
Change in accounting policy - Note 40.4	-				-	-
Transfer to/from Discontinued Operations		(348 691)			-44 129 614.00	(44 478 305)
Transfer to/from CRR			127 304		(127 304)	-
Property, Plant and Equipment purchased			(127 304)		127 304	-
Capital Grants used to purchase PPE					-	-
Transfer to Housing Development Fund					-	-
Asset Disposals					-	-
Offsetting of depreciation					-	-
<b>Balance at 30 JUNE 2011</b>	-	-	-	-	<b>(12 936 943)</b>	<b>(12 936 943)</b>
Correction of error - Note 44.8	-	-	-	-	-	-
Change in accounting policy - Note 40.4					-	-
<b>Restated balance</b>	-	-	-	-	<b>(12 936 943)</b>	<b>(12 936 943)</b>
Net Surplus/(Deficit) for the year					(991 943)	(991 943)
Transfer to/from Discontinued Operations					-	-
Transfer to/from Capital Replacement Reserve			227 052		(227 052)	-
Property, Plant and Equipment purchased			(227 052)		227 052	-
Capital Grants used to purchase PPE					-	-
Donations and Public Contributions Reserve					-	-
Transfer to Housing Development Fund					-	-
Asset Disposals					-	-
Offsetting of depreciation					-	-
<b>Balance at 30 JUNE 2012</b>	-	-	-	-	<b>(13 928 886)</b>	<b>(13 928 886)</b>



**CENTRAL KAROO DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

**1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS**

**1.1. BASIS OF PREPARATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8,10 and 11 of GRAP 3 (Revised – February 2010) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board

The Municipality resolved to early adopt the following GRAP standards which have been issued but are not effective yet.

<b>Standard</b>	<b>Description</b>	<b>Effective Date</b>
GRAP 1 (Revised – Mar 2012)	Presentation of Financial Statements	1 April 2013
GRAP 2 (Revised – Feb 2010)	Cash Flow Statements	1 April 2011
GRAP 3 (Revised – Feb 2010)	Accounting Policies, Changes in Accounting Estimates and Errors	1 April 2013
GRAP 4 (Revised – Feb 2010)	The Effects of changes in Foreign Exchange Rates	1 April 2011
GRAP 7 (Revised)	Investments in associates	1 April 2013
GRAP 9 (Revised – Mar 2012)	Revenue from Exchange Transactions	1 April 2013
GRAP 10 (Revised – Feb 2010)	Financial Reporting in Hyperinflationary Economics	1 April 2011
GRAP 11 (Revised – Feb 2010)	Construction Contracts	1 April 2011
GRAP 12 (Revised – Mar 2012)	Inventories	1 April 2013
GRAP 13 (Revised – Mar 2012)	Leases	1 April 2013
GRAP 14 (Revised – Feb 2010)	Events after the reporting date	1 April 2011
GRAP 16 (Revised – Mar 2012)	Investment Property	1 April 2013
GRAP 17 (Revised – Mar 2012)	Property, Plant and Equipment	1 April 2013
GRAP 19 (Revised – Feb 2010)	Provisions, Contingent Liabilities and Contingent Assets	1 April 2011
GRAP 21 (Original – Mar 2009)	Impairment of non-cash-generating assets	1 April 2012

**CENTRAL KAROO DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

GRAP 23 (Original – Feb 2008)	Revenue from Non-Exchange Transactions	1 April 2012
GRAP 25 (Original – Nov 2009)	Employee Benefits	1 April 2013
GRAP 26 (Original – Mar 2009)	Impairment of cash-generating assets	1 April 2012
GRAP 27 (Revised – Mar 2012)	Agriculture	1 April 2013
GRAP 31 (Revised – Mar 2012)	Intangible Assets	1 April 2013
GRAP 100 (Revised – Feb 2010)	Non-current Assets held for Sale and Discontinued Operations	1 April 2011
GRAP 104 (Original – Oct 2009)	Financial Instruments	1 April 2012
IGRAP 16 (Issued – Mar 2012)	Intangible Assets – Website Costs	1 April 2013

The Municipality resolved to formulate an accounting policy based on the following GRAP standards which have been issued but are not effective yet.

<b>Standard</b>	<b>Description</b>	<b>Effective Date</b>
GRAP 20	Related Parties	Unknown

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible where the acquisition cost of an asset could not be determined.

**1.2. PRESENTATION CURRENCY**

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand. No foreign exchange transactions are included in the statements.

**1.3. GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on a going concern basis.

**1.4. COMPARATIVE INFORMATION**

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the

**CENTRAL KAROO DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

**1.5. MATERIALITY**

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total expenditure.

**1.6. PRESENTATION OF BUDGET INFORMATION**

As noted, GRAP 24 is not effective yet, however budget information required in terms of GRAP 1 (Revised – March 2012) paragraph 11 to 14 have been disclosed in the financial statements. The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury.

**1.7. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

<b>Standard</b>	<b>Description</b>	<b>Effective Date</b>
<b>GRAP 6 (Revised – Nov 2010)</b>	<b>Consolidated and Separate Financial Statements</b>  The objective of this Standard is to prescribe the circumstances in which consolidated and separate financial statements are to be prepared and the information to be included in those financial statements so that the consolidated financial statements reflect the financial performance, financial position and cash flows of an economic entity as a single entity.  No significant impact is expected as the Municipality does not have any entities at this stage to be consolidated.	<b>1 April 2011</b>
<b>GRAP 7 (Revised – Mar 2012)</b>	<b>Investments in Associate</b>  This Standard prescribes the accounting treatment for investments in joint ventures where the investment in the associate leads to the holding of an ownership interest in the form of a shareholding or other form of interest in the net assets.  No significant impact is expected as the Municipality does not participate in such business transactions.	<b>Unknown</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

<b>GRAP 18</b> <b>(Original – Feb 2011)</b>	<b>Segment Reporting</b> The objective of this Standard is to establish principles for reporting financial information by segments.  Information to a large extent is already included in the appendices to the annual financial statements which do not form part of the audited financial statements.	<b>Unknown</b>
<b>GRAP 20</b>	<b>Related Parties</b> Information to a large extent is already included in the notes to the annual financial statements.	<b>Unknown</b>
<b>GRAP 21</b>	<b>Impairment of non-cash Generating Assets</b> Information to a large extent is already included in the notes to the annual financial statements.	<b>1 April 2012</b>
<b>GRAP 23</b>	<b>Revenue from non-exchange Transactions</b> Information to a large extent is already included in the notes to the annual financial statements.	<b>1 April 2012</b>
<b>GRAP 24</b> <b>(Original – Nov 2007)</b>	<b>Presentation of Budget Information in Financial Statements</b> This Standard requires a comparison of budget mounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities that are required to, or elect to, make publicly available their approved budget(s) and for which they are, therefore, held publicly accountable. The Standard also requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts.  Information to a large extent is already included in the notes to the annual financial statements and the impact is assessed to not be significant.	<b>1 April 2012</b>
<b>GRAP 25</b>	<b>Employee Benefits</b>  Information to a large extent is already included in the notes to the annual financial statements.	<b>1 April 2013</b>
<b>GRAP 26</b>	<b>Impairment of Cash-Generating Assets</b>  Information to a large extent is already included in the notes to the annual financial statements.	<b>1 April 2012</b>
<b>GRAP 31</b> <b>(Replace GRAP 102)</b>	<b>Intangible Assets</b>  Information to a large extent is already included in the notes to the annual financial statements.	<b>1 April 2013</b>

**CENTRAL KAROO DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

<b>GRAP 103</b> <b>(Original – July 2008)</b>	<b>Heritage Assets</b> The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.  No adjustments necessary as the Municipality has no significant heritage assets other than the assets currently accounted for in terms of GRAP 17.	<b>1 April 2012</b>
<b>GRAP 105</b> <b>(Original – Nov 2010)</b>	<b>Transfer of Functions Between Entities Under Common Control</b>  The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.  No significant impact is expected as the Municipality does not participate in such business transactions.	<b>Unknown</b>
<b>GRAP 106</b> <b>(Original – Nov 2010)</b>	<b>Transfer of Functions Between Entities Not Under Common Control</b>  The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.  No significant impact is expected as the Municipality does not participate in such business transactions.	<b>Unknown</b>
<b>GRAP 107</b> <b>(Original – Nov 2010)</b>	<b>Mergers</b> The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger.  No significant impact is expected as the Municipality does not participate in such business transactions.	<b>Unknown</b>

These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

#### **1.8. RESERVES**

##### **1.8.1 Capital Replacement Reserve (CRR)**

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus / (deficit) to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

##### **1.8.2 Employee Benefits Reserve**

The aim of the reserve is to ensure sufficient cash resources are available for the future payment of employee benefits. Contributions equal to the short term portion of employee benefits, plus 5% of the prior year closing balance of long term employee benefits is contributed to the reserve from accumulated surplus/(deficit).

##### **1.8.3 Government Grant Reserve**

When items of property, plant and equipment are financed from government grants, a transfer is made from accumulated surplus / (deficit) to the Government Grant Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to accumulated surplus / (deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment are offset by transfers from this Reserve to the accumulated surplus/ (deficit).

##### **1.8.4 Housing Development Fund**

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

##### **1.8.5 Non-Current Provisions Reserve**

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of non – current provisions

##### **1.8.6 Public Contributions Reserve**

When items of property, plant and equipment are financed from public contributions, a transfer is made from accumulated surplus/(deficit) to the Public Contributions Reserve equal to the Public Contribution recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

items of property, plant and equipment are depreciated, a transfer is made from the Public Contributions Reserve to accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment are offset by transfers from this Reserve to the accumulated surplus/(deficit).

#### **1.8.7 Revaluations Reserve**

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

All increases in the carrying value of assets as a result of a revaluation are credited against the reserve, except to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

All decreases in the carrying value of assets as a result of a revaluation are debited against the reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

#### **1.8.8 Valuations Reserve**

The aim of this reserve is to ensure sufficient cash resources are available to undertake a General Valuation as per the Municipal Property Rates Act.

The contribution to this reserve should be approximately 25% of the anticipated cost of the General Valuation.

### **1.9. LEASES**

#### **1.9.1 Municipality as Lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality shall recognise the aggregate benefit of

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### **1.9.2 Municipality as Lessor**

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease revenue is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

#### **1.10. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- 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. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

#### **1.11. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of the grant is receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.



## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

#### **1.12. PROVISIONS**

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be de-recognised.

#### **1.13. EMPLOYEE BENEFITS**

##### **(a) *Post Retirement Medical Obligations***

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

#### **(b) Long Service Awards**

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

#### **(c) Ex gratia Gratuities**

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

#### **(d) Provision for Staff Leave**

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

#### **(e) Staff Bonuses Accrued**

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

#### **(f) Provision for Performance Bonuses**

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees.

#### **(g) Pension and retirement fund obligations**

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

### **1.14. BORROWING COSTS**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

### **1.15. PROPERTY, PLANT AND EQUIPMENT**

#### **1.15.1 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

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

year. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded 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 the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

#### **1.15.2 Subsequent Measurement – Cost Model**

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

#### **1.15.3 Depreciation and Impairment**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

	<b>Years</b>		<b>Years</b>
<b><u>Infrastructure</u></b>		<b><u>Other</u></b>	
Roads and Paving	30-167	Buildings	30
Pedestrian Malls	30-167	Specialist vehicles	10
Electricity	20-167	Other vehicles	5-10
Water	15-167	Office equipment	3-7
Sewerage	15-167	Furniture and fittings	7-10
Housing	30	Watercraft	15
		Bins and containers	5
<b><u>Community</u></b>		Specialised plant and	
Buildings	30-100	Equipment	10-15
Recreational Facilities	20-30	Other plant and	

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Security	5	Equipment	2-5
Halls	20-30	Landfill sites	15
Libraries	20-30	Quarries	25
Parks and gardens	15-20	Emergency equipment	10
Other assets	15-20	Computer equipment	3

#### **Finance lease assets**

Office equipment	3
Other assets	5

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

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 an impairment is recognised in the Statement of Financial Performance.

#### **1.15.4 De-recognition**

Items of property, plant and equipment are derecognised when the asset is disposed 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.

### **1.16. INTANGIBLE ASSETS**

#### **1.16.1 Initial Recognition**

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only 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.

Internally generated intangible assets are 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 Municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

- the Municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

#### **1.16.2 Subsequent Measurement – Cost Model**

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

#### **1.16.3 Amortisation and Impairment**

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<b><u>Intangible Assets</u></b>	<b><u>Years</u></b>
Computer Software	5
Computer Software Licenses	5

#### **1.16.4 De-recognition**

Intangible assets are derecognised when the asset is disposed 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 intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### **1.17. INVESTMENT PROPERTY**

#### **1.17.1 Initial Recognition**

Investment property shall be recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) 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. Property with a currently undetermined use, is also classified as investment property.

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

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 measured at cost.

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, 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.

#### **1.17.2 Subsequent Measurement – Cost Model**

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

#### **1.17.3 Subsequent Measurement – Fair Value Model**

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

#### **1.17.3 Depreciation and Impairment – Cost Model**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<b><u>Investment Property</u></b>	<b>Years</b>
Buildings	30

#### **1.17.4 De-recognition**

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

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

#### **1.18. NON-CURRENT ASSETS HELD FOR SALE**

##### **1.18.1 *Initial Recognition***

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

##### **1.18.2 *Subsequent Measurement***

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

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

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

#### **1.19. IMPAIRMENT OF NON-FINANCIAL ASSETS**

##### **1.19.1 *Cash-generating assets***

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

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.



## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

#### **1.19.2 Non-cash-generating assets**

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

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. 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. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

#### **1.20. INVENTORIES**

##### **1.20.1 Initial Recognition**

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories shall be recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current 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.

Where inventory is acquired by the Municipality 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.

##### **1.20.2 Subsequent Measurement**

Inventories, consisting of consumable stores, raw materials, 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. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

#### **1.21. FINANCIAL INSTRUMENTS**

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions).

##### **1.21.1 Initial Recognition**

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

#### **1.21.2 Subsequent Measurement**

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

##### **1.21.2.1 Receivables**

Receivables are classified as financial assets at amortised cost, and are subsequently measured amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial 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. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss 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 expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

##### **1.21.2.2 Payables and Annuity Loans**

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

#### **1.21.2.3 Cash and Cash Equivalents**

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash 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, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

#### **1.21.3 De-recognition of Financial Instruments**

##### **1.21.3.1 Financial Assets**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

##### **1.21.3.2 Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified,

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

#### **1.21.4 *Offsetting of Financial Instruments***

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

#### **1.22. REVENUE**

##### **1.22.1 *Revenue from Non-Exchange Transactions***

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. 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.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The 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 when the asset is recognised.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognised all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months.

Or

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. This policy is in line with prescribed debt principle as enforced by the law.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

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

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

#### **1.22.2 Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable. At the time of initial recognition the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, is a subsequent event.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

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

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

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

#### **1.23. RELATED PARTIES**

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. The following are regarded as related parties of the reporting entity:

- (a) A person or a close member of that person's family is related to the Municipality if that person:
- has control or joint control over the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the management of the reporting entity or its controlling entity.
- (b) An entity is related to the reporting entity if any of the following conditions apply:
- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - both entities are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
  - the entity is controlled or jointly controlled by a person identified in (a); and

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

- a person identified who has control or joint control over the reporting entity and has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

Management includes all persons having the authority and responsibility for planning, directing and controlling the activities of the entity, including:

- (a) all members of the governing body of the reporting entity;
- (b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the entity;
- (c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the entity; and
- (d) the senior management team of the entity, including the chief executive officer or permanent head of the entity, unless already included in (a).

#### **1.24. UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **1.25. 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), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **1.26. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **1.27. PRESENTATION OF BUDGET INFORMATION**

The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury. The presentation of budget information is in line with the basis of accounting as per the GRAP Framework. GRAP 24: Presentation of Budget Information in Financial Statements is not yet effective. This standard brings new rules in respect of presentation of budget information.



## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

#### **1.28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

##### ***Post Retirement medical obligations, Long service awards and Ex gratia gratuities***

The cost of post retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 4 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

##### ***Impairment of Receivables***

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

##### ***Property, Plant and Equipment***

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment.

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- cost of items with a similar nature currently in the Municipality's asset register;

## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

- cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- cost as supplied by suppliers.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

#### ***Intangible Assets***

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Management referred to the following when making assumptions regarding useful lives of intangible assets:

- Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

#### ***Investment Property***

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

**CENTRAL KAROO DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

***Provisions and Contingent Liabilities***

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

***Revenue Recognition***

Accounting Policy 1.22.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.22.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

**1.29. 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.

**1.30. CAPITAL COMMITMENTS**

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

CENTRAL KAROO DISTRICT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1	<b>HOUSING DEVELOPMENT FUND</b>	<b>2012</b> R	<b>2011</b> R
	Housing Development Fund	-	-
	Unappropriated Surplus	-	-
	Loans extinguished by Government on 1 April 1998	-	-
	<b>Total Housing Development Fund Assets and Liabilities</b>	-	-
	<b>Less: Transferred to Discontinued Operations - Note 42.1</b>	-	(348 691)
	<b>Total Housing Development Fund Assets and Liabilities</b>	<b>0</b>	<b>(348 691)</b>
		<b>2012</b> R	<b>2011</b> R
2	<b>NET ASSET RESERVES</b>		
	RESERVES	-	-
	Capital Replacement Reserve	-	-
	Capitalisation Reserve	-	-
	Government Grant Reserve	-	-
	Donations and Public Contribution Reserve	-	-
	Self Insurance Reserve	-	-
	Revaluation Reserve	-	-
	<b>Total Net Asset Reserve and Liabilities</b>	<b>-</b>	<b>-</b>
		<b>2012</b> R	<b>2011</b> R
3	<b>LONG TERM LIABILITIES</b>		
	Annuity Loans - At amortised cost		
	Local Registered Stock		
	Capitalised Lease Liability - At amortised cost	213 760	223 372
		<b>213 760</b>	<b>223 372</b>
	<b>Less:</b> Current Portion transferred to Current Liabilities	<b>(82 324)</b>	<b>(84 378)</b>
	Annuity Loans - At amortised cost	-	-
	Local Registered Stock	-	-
	Capitalised Lease Liability - At amortised cost	(82 324)	(84 378)
		<b>131 436</b>	<b>138 995</b>
	<b>Plus:</b> Unamortised charges on loans	-	-
	Balance 1 July	-	-
	Adjustment for the period	-	-
	Restatement of prior year comparatives Note 43	-	-
	<b>Total Long-term Liabilities - At amortised cost using the effective interest rate method</b>	<b>131 436</b>	<b>138 995</b>
		<b>2012</b> R	<b>2011</b> R
The obligations under finance leases are scheduled below:			
		<b>Minimum lease payments</b>	
Amounts payable under finance leases:			
	Payable within one year	90 463	84 860
	Payable within two to five years	200 372	221 956
	Payable after five years	-	-
		<b>290 835</b>	<b>306 816</b>
	<b>Less:</b> Future finance obligations	<b>(83 442)</b>	<b>(83 442)</b>
	<b>Present value of lease obligations</b>	<b>207 393</b>	<b>223 374</b>
Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.			
Leases are secured by property, plant and equipment - Note 14			

4

**EMPLOYEE BENEFITS**

Provision for Post Retirement Benefits  
 Provision for Ex-Gratia Pension Benefits  
 Provision for Long Service Awards

2012 R	2011 R
10 491 283	9 878 781
-	18 387
539 579	707 203
<b>11 030 862</b>	<b>10 604 371</b>

**Total Non-current Provision Liabilities**

Exemptions taken for provisions according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 62

**Post Retirement Benefits**

Balance 1 July  
 Transfer Curtailment  
 Contribution for the year  
 Expenditure for the year  
 Actuarial Loss/(Gain)

2012 R	2011 R
10 561 509	8 346 663
(197 399)	
994 284	796 502
(682 728)	(622 973)
539 229	2 041 317

**Total provision 30 June**

**Less:** Transfer of Current Portion to Current Provisions - Note 7

<b>11 214 895</b>	<b>10 561 509</b>
(723 612)	(682 728)

**Balance 30 June**

<b>10 491 283</b>	<b>9 878 781</b>
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**Ex-Gratia Pensions**

Balance 1 July  
 Contribution for the year  
 Expenditure for the year  
 Actuarial Loss/(Gain)

2012 R	2011 R
-	25 977
-	2 217
-	-
-	(9 807)

**Total provision 30 June**

**Less:** Transfer of Current Portion to Current Provisions - Note 7

-	<b>18 387</b>
-	-

**Balance 30 June**

-	<b>18 387</b>
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**Long Service Awards**

Balance 1 July  
 Transfer Curtailment  
 Contribution for the year  
 Expenditure for the year  
 Actuarial Loss/(Gain)

2012 R	2011 R
856 758	821 648
(225 312)	
160 023	158 896
(149 555)	(93 348)
(51 656)	(30 438)

**Total provision 30 June**

**Less:** Transfer of Current Portion to Current Provisions - Note 7

<b>590 258</b>	<b>856 758</b>
(50 679)	(149 555)

**Balance 30 June**

<b>539 579</b>	<b>707 203</b>
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**TOTAL EMPLOYEE BENEFITS**

Balance 1 July  
 Transfer Curtailment  
 Contribution for the year  
 Expenditure for the year  
 Actuarial Loss/(Gain)

2012 R	2011 R
11 418 267	9 194 288
(422 711)	-
1 154 307	957 615
(832 283)	(716 321)
487 573	2 001 072

**Total provision 30 June**

**Less:** Transfer of Current Portion to Current Provisions - Note 7

<b>11 805 153</b>	<b>11 436 654</b>
(774 291)	(832 283)

**Balance 30 June**

**Less: Transferred to Discontinued Operations - Note 42.1**

<b>11 030 862</b>	<b>10 604 371</b>
-	<b>(408 803)</b>

<b>11 030 862</b>	<b>10 195 568</b>
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**4.1 Provision for Post Retirement Benefits**

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members  
 Continuation members (e.g. Retirees, widows, orphans)

2012 R	2011 R
12	18
30	28
<b>42</b>	<b>46</b>

The unfunded liability in respect of past service has been estimated to be as follows:

	2012 R	2011 R
In-service members	1 755 763	1 759 688
Continuation members	9 459 132	8 801 821
<b>Total Liability</b>	<b>11 214 895</b>	<b>10 561 509</b>

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

Bonitas  
Hosmed  
LA Health  
Key Health, and  
SAMWU Medical Aid

The Current-service Cost for the ensuing year is estimated to be R152 542, whereas the Interest Cost for the next year is estimated to be R841 742.

	2012 %	2011 %
<b>Key actuarial assumptions used:</b>		
<b>i) Rate of interest</b>		
Discount rate	7.14	8.23
Health Care Cost Inflation Rate	6.79	7.16
Net Effective Discount Rate	0.33	1.00

**ii) Mortality rates**

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

**iii) Normal retirement age**

The normal retirement age for employees of the municipality is 63 years.

	2012 R	2011 R
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	11 214 895	10 561 509
Fair value of plan assets	-	-
	11 214 895	10 561 509
Unrecognised past service cost		
Unrecognised actuarial gains/(losses)		
Present Value of unfunded obligations	11 214 895	10 561 509
<b>Net liability/(asset)</b>	<b>11 214 895</b>	<b>10 561 509</b>

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

	2012 R	2011 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	10 561 509	8 346 663
Transfer Curtailment	(197 399)	
Total expenses	311 556	173 529
Current service cost	152 542	84 923
Interest Cost	841 742	711 579
Benefits Paid	(682 728)	(622 973)
Actuarial (gains)/losses	539 229	2 041 317
Present value of fund obligation at the end of the year	11 214 895	10 561 509

**Sensitivity Analysis on the Accrued Liability**

Assumption	Change	In-Service	Continuation	Total	% Change
Central Assumptions		1 756 000	9 459 000	11 215 000	
Health Care Inflation	1%	2 171 000	10 484 000	12 655 000	13%
	-1%	1 429 000	8 585 000	10 014 000	-11%
Post-Retirement Mortality	-1 yr	1 818 000	9 870 000	11 688 000	4%
Average Retirement Age	-1 yr	1 902 000	9 459 000	11 361 000	1%
Withdrawal Rate	-50%	1 919 000	9 459 000	11 378 000	1%

#### 4.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 54 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R99 334, whereas the Interest Cost for the next year is estimated to be R60 689.

Key actuarial assumptions used:

##### i) Rate of interest

Discount rate	6.34	7.75
General Salary Inflation (long-term)	5.97	6.22
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.35	1.44

The amounts recognised in the Statement of Financial Position are as follows:

	2012 R	2011 R
Present value of fund obligations	590 258	856 758
Fair value of plan assets	-	-
	<u>590 258</u>	<u>856 758</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	590 258	856 758
<b>Net liability/(asset)</b>	<b><u>590 258</u></b>	<b><u>856 758</u></b>

Reconciliation of present value of fund obligation:

	2012 R	2011 R
Present value of fund obligation at the beginning of the year	856 758	821 648
Transfer Curtailment	(225 312)	-
Total expenses	10 468	65 548
Current service cost	99 334	88 272
Vested past service cost	-	-
Interest Cost	60 689	70 624
Benefits Paid	(149 555)	(93 348)
Actuarial (gains)/losses	(51 656)	(30 438)
Present value of fund obligation at the end of the year	<u>590 258</u>	<u>856 758</u>

Sensitivity Analysis on the Accrued Liability

Assumption	Change	Liability	% Change
Central Assumptions		590 000	
General Salary Inflation	+1%	630 000	7%
	-1%	554 000	-6%
Average Retirement Age	-2 yrs	519 000	-12%
	+2 yrs	618 000	5%
Withdrawal Rate	-50%	671 000	14%

#### 4.3 Provision for Ex-Gratia Pension Benefits

The Ex-Gratia Benefits plans are defined benefit plans. As at year end, 6 employees were eligible for Ex-Gratia Benefits.

There is no Current-service Cost as there are no in-service members eligible for ex-gratia pension benefits, whereas the Interest Cost for the next year is estimated to be R1 583.

Key actuarial assumptions used:

##### i) Rate of interest

Discount rate	0.00	8.61
Pension Increase Rate (CPI Inflation)	0.00	5.42

The amounts recognised in the Statement of Financial Position are as follows:

	2012 R	2011 R
Present value of fund obligations	-	-
Fair value of plan assets	-	-
	<u>-</u>	<u>-</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	18 387
<b>Net liability/(asset)</b>	<b><u>-</u></b>	<b><u>18 387</u></b>

	2012 R	2011 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	-	25 977
Total expenses	-	2 217
Current service cost	-	-
Vested past service cost	-	-
Interest Cost	-	2 217
Benefits Paid	-	-
Actuarial (gains)/losses	-	(9 807)
Present value of fund obligation at the end of the year	-	<b>18 387</b>

**Sensitivity Analysis on the Accrued Liability**

Assumption	Change	Liability	% Change
Central Assumptions			
General Salary Inflation			
Average Retirement Age			
Withdrawal Rate			

	2012 R	2011 R
<b>4.4 Provision for the rehabilitation of landfill-sites</b>		
Balance 1 July	-	143 000
Charged/(credited) to the income statement	-	(143 000)
Additional provisions	-	14 300
Contribution to provision - Change in Accounting Policy	-	-
Reversal of provision overstated	-	-
Transfer to current portion	-	(157 300)
Balance 30 June	-	-

In terms of the licensing of the landfill refuse site, the municipality will incur rehabilitation costs of R157 300 to restore the sites at the end of their useful lives, estimated to be in 2015. Provision has been made for the net present value of this cost, using the average cost of borrowing interest rate.

	2012 R	2011 R
<b>4.5 Retirement funds</b>		

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

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

Therefore, although both the Cape Joint Pension Fund and Cape Retirement Fund are defined as defined benefit plans, it will be accounted for as defined contribution plans.

**CAPE JOINT PENSION FUND**

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2011 revealed that the fund is in a sound financial position with a funding level of 98.1% (30 June 2010 - 100%). Whilst this has decreased since the previous actuarial valuation. It is still within the Registrar's normally acceptable range of at least a 95% funding level. Provided that the previous statutory valuation reflected at least a 100% funding level - note 37

**CAPE RETIREMENT FUND**

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2011 revealed that the fund is in a sound financial position with a funding level of 100.3% (30 June 2009 - 103.3%).

**MUNICIPAL COUNCILLORS PENSION**

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and council (15%). The financial statements of the fund have not been audited since June 2006 and the financial position of the fund is not available.



5	<b>NON-CURRENT PROVISIONS</b>	<b>2012</b>	<b>2011</b>
		<b>R</b>	<b>R</b>
	<u>Landfill Sites</u>		
	Balance 1 July	-	143 000
	Contribution for the year	-	14 300
	Expenditure for the year	-	-
	Actuarial Loss/(Gain)	-	-
	<b>Total provision 30 June</b>	<b>-</b>	<b>157 300</b>
	<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 8	-	(157 300)
	<b>Balance 30 June</b>	<b>-</b>	<b>-</b>
		<b>2012</b>	<b>2011</b>
		<b>R</b>	<b>R</b>
	<u>TOTAL NON-CURRENT PROVISIONS</u>		
	Balance 1 July	-	143 000
	Contribution for the year	-	14 300
	Expenditure for the year	-	-
	Actuarial Loss/(Gain)	-	-
	<b>Total provision 30 June</b>	<b>-</b>	<b>157 300</b>
	<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 8	-	(157 300)
	<b>Balance 30 June</b>	<b>-</b>	<b>-</b>
6	<b>CONSUMER DEPOSITS</b>	<b>2012</b>	<b>2011</b>
		<b>R</b>	<b>R</b>
	Water	-	-
	Electricity	0	0
	<b>Total Consumer Deposits</b>	<b>0</b>	<b>-</b>
	The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.		
		<b>2012</b>	<b>2011</b>
		<b>R</b>	<b>R</b>
	<b>Guarantees held in lieu of Water Deposits</b>	<b>-</b>	<b>-</b>
7	<b>SHORT TERM EMPLOYEE BENEFITS</b>	<b>2012</b>	<b>2011</b>
		<b>R</b>	<b>R</b>
	Performance Bonuses	267 424	306 007
	Bonuses	504 550	459 367
	Staff Leave	496 393	781 508
	Current Portion of Short Term Employee Benefits	774 291	832 283
	Current Portion of Post Retirement Benefits - Note 4	723 612	682 728
	Current Portion of Ex-Gratia Pension Provisions - Note 4	-	-
	Current Portion of Long-Service Provisions - Note 4	50 679	149 555
	<b>Total Short Term Employee Benefits</b>	<b>2 042 658</b>	<b>2 379 165</b>
	<b>Less: Transferred to Discontinued Operations - Note 42.1</b>	<b>-</b>	<b>(240 070)</b>
	<b>Total Short Term Employee Benefits</b>	<b>2 042 658</b>	<b>2 139 095</b>
8	<b>PROVISIONS</b>		
	Current Portion of Clearing of Alien Vegetation - Note 5	-	-
	Current Portion of Rehabilitation of Landfill Sites - Note 5	-	-
	<b>Total Provisions</b>	<b>-</b>	<b>-</b>
	<b>Less: Transferred to Discontinued Operations - Note 42.1</b>	<b>-</b>	<b>-</b>
	<b>Total Provisions</b>	<b>-</b>	<b>-</b>

The movement in current provisions are reconciled as follows:

**Rehabilitation of Landfill Sites**

	2012 R	2011 R
Balance at beginning of year	-	143 000
Transfer from non-current	-	-
Contribution to provision	-	14 300
Expenditure incurred	-	-
Balance at end of year	<u>-</u>	<u>157 300</u>

**Post Retirement Benefits**

	2012 R	2011 R
Balance at beginning of year	682 728	622 973
Transfer from non-current	-	-
Contribution to provision	40 884	59 755
Expenditure incurred	-	-
Balance at end of year	<u>723 612</u>	<u>682 728</u>

**Bonuses**

	2012 R	2011 R
Balance at beginning of year	459 367	361 781
Transfer from non-current	-	-
Contribution to provision	963 916	821 147
Expenditure incurred	(918 733)	(723 561)
Balance at end of year	<u>504 550</u>	<u>459 367</u>

**Long-service Awards**

	2012 R	2011 R
Balance at beginning of year	149 555	93 348
Transfer from non-current	-	-
Contribution to provision	-	-
Expenditure incurred	(98 876)	56 207
Balance at end of year	<u>50 679</u>	<u>149 555</u>

**Performance Bonuses**

	2012 R	2011 R
Balance at beginning of year	306 007	229 240
Transfer from non-current	-	-
Contribution to provision	160 127	306 978
Expenditure incurred	(198 710)	(230 211)
Balance at end of year	<u>267 424</u>	<u>306 007</u>

**Staff Leave Reconciliation**

	2012 R	2011 R
Balance at beginning of year	573 733	602 682
Transfer from Provision	(213 390)	(142 533)
Contribution during the year	136 050	321 359
Balance at end of year	<u>496 393</u>	<u>781 508</u>

**TOTAL - CURRENT PROVISIONS**

	2012 R	2011 R
Balance at beginning of year	2 171 390	2 053 024
Transfer from non-current	-	-
Transfer to Trade Payables	-	-
Contribution to provision	1 300 977	1 523 539
Expenditure incurred	(1 429 709)	(1 040 098)
Balance at end of year	<u>2 042 658</u>	<u>2 536 465</u>

For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to **Note 4** to the Financial Statements, Other Defined Benefit Plan Information

	2012 R	2011 R
<b>9 TRADE AND OTHER PAYABLES</b>		
Trade Payables	1 224 733	1 643 750
Less: Correction of Error - Note 44.1	-	-
Balance at 30 JUNE 2012	1 224 733	1 643 750
Payments received in advance	163 658	305 592
Salary Control	34 871	29 072
Beaufort West Municipality	857 390	-
Prince Albert Municipality	0	0
Workshop Auction	68 627	68 627
Fifa 2010	0	1 600
Councillors Allowances Increase 2011/2012	37 962	0
Retention Entsha Henra	0	315 120
Perfecto Builders	39 259	49 259
Retention Council Chambers	3 539	3 539
Karoo Vleisboere	0	284
Deposits: Other	0	9 374
<b>Total Trade Payables</b>	<b>2 430 039</b>	<b>2 426 217</b>
<b>Less: Transferred to Discontinued Operations - 42.1</b>	<b>-</b>	<b>(216 834)</b>
<b>Total Trade Payables</b>	<b>2 430 039</b>	<b>2 209 383</b>
	<b>2012 R</b>	<b>2011 R</b>
<b>10 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS</b>		
<b>10.1 Conditional Grants from other spheres of Government</b>		
Unspent Grants	4 727 218	6 921 201
National and Provincial Government Grants - Appendix F	4 727 218	7 057 450
Correction of error - Note	-	-
Restated balance 30 June 2011	4 727 218	7 057 450
<b>Less: Transferred to Discontinued Operations - 42.1</b>	<b>-</b>	<b>(136 249)</b>
	<b>4 727 218</b>	<b>6 921 201</b>
<b>Less: Unpaid Grants</b>	<b>(508 095)</b>	<b>(674 655)</b>
National Government Grants	-	(445 927)
Provincial Government Grants	(508 095)	(228 728)
Other Sources	0	0
<b>Total Conditional Grants and Receipts</b>	<b>4 219 123</b>	<b>6 246 546</b>
See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are not cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.		
	<b>2012 R</b>	<b>2011 R</b>
<b>11 UNSPENT CONDITIONAL PUBLIC CONTRIBUTIONS AND RECEIPTS</b>		
Unspent augmentation fees from developers	-	-
	<b>2012 R</b>	<b>2011 R</b>
<b>12 TAXES</b>		
VAT Payable	0	140 665
VAT Receivable	153 685	212 646
	(153 685)	(71 981)
<b>Less: Transferred to Discontinued Operations - Note 42.1</b>	<b>-</b>	<b>(140 665)</b>
VAT Receivable	(153 685)	(212 646)
	<b>2012 R</b>	<b>2011 R</b>
<b>13 SHORT-TERM LOANS</b>		
The Municipality has no short term loans.		
	<b>2012 R</b>	<b>2011 R</b>
<b>14 PROPERTY, PLANT AND EQUIPMENT</b>		
<a href="#">See attached sheet</a>		
	<b>2012 R</b>	<b>2011 R</b>
<b>15 NON-CURRENT ASSETS HELD FOR SALE</b>		
Non-current assets held for sale at beginning of year - at book value	-	-
Additions for the year	-	(45 778 226)
	-	(45 778 226)
Non-current assets sold/written off during the year	-	-
Non-current assets held for sale at end of year - at book value	-	<b>(45 778 226)</b>

	2012 R	2011 R
<b>16 INVESTMENT PROPERTY</b>		
None, but if then the fair value of Investment Properties, as valued by the municipality's valuer, will be estimated.		
<b>17 INTANGIBLE ASSETS</b>		
<b>Net Carrying amount at 1 July</b>	<b>119 852</b>	<b>154 947</b>
<b>Change in Accounting Policy - Transfer from Property, Plant and Equipment</b>		
Cost	246 144	340 359
Accumulated Amortisation	(126 292)	-185 412
Acquisitions	5 898	18 291
Amortisation	-79 195	-62 434
Impairment of the Intangible Asset	-	(112 506)
Impairment of the Intangible Asset	-	-
Amortisation transferred to Other Assets	-	112 506
<b>Net Carrying amount at 30 June</b>	<b>46 555</b>	<b>110 804</b>
Cost	252 042	246 144
Accumulated Amortisation	(205 487)	(135 340)
<b>18 INVESTMENTS</b>		
<b>Financial Instruments</b>		
<b>Unlisted</b>		
Long term deposits	0	0
<b>Total Investments</b>	<b>-</b>	<b>-</b>
The average interest rate was xx% (2011: xx%)		
No investments have been pledged as security for any funding facilities of the council.		
Investments are made in terms of the municipality's Cash Management and Investment Policy, as required by means of Regulation R 308 of 1 April 2005 gazetted in the Government Gazette No 27431 of 1 April 2005 and issued by the Minister of Finance.		
<b>19 LONG TERM RECEIVABLES</b>		
No Long term receivables		

	2012 R	2011 R
<b>20 INVENTORY</b>		
Consumable Stores - Stationery and materials - At cost	94 178	60 573
Maintenance Materials - At cost	1 103 910	803 950
Water - At purification cost	0	1 492
Spare Parts - At cost		
<b>Total Inventory</b>	<b>1 198 088</b>	<b>866 015</b>
<b>Less: Transferred to Discontinued Operations - Note 42.2</b>	<b>-</b>	<b>(1 492)</b>
<b>Total Inventory</b>	<b>1 198 088</b>	<b>864 523</b>
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
	2012 R	2011 R
The total inventories expired during the year.		
Inventory issued	767 876	929 274
Petrol, Diesel and Oil issued	3 924 273	3 513 786
	<b>4 692 149</b>	<b>4 443 060</b>
	2012 R	2011 R
Consumable stores materials written down due to losses as identified during the annual stores counts.		
	-	-
<b>21 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>	2012 R	2011 R
Water	-	28 423
Electricity	-	233 514
Housing Rentals	-	-
Refuse	-	681 849
Sewerage	-	213 222
Other Arrears	-	62 697
<b>Total: Trade receivables from exchange transactions (before provision)</b>	<b>-</b>	<b>1 219 705</b>
Provision for Impairments	-	(768 654)
<b>Total: Trade receivables from exchange transactions (after provision)</b>	<b>-</b>	<b>451 051</b>
<b>Less: Transferred to Discontinued Operations - Note 41.2</b>	<b>-</b>	<b>-</b>
Water	-	(28 423)
Electricity	-	(233 514)
Housing Rentals	-	-
Refuse	-	(681 849)
Sewerage	-	(213 222)
Other Arrears	-	(62 697)
<b>Total: Trade receivables from exchange transactions (before provision)</b>	<b>-</b>	<b>(1 219 705)</b>
Provision for Impairments	-	768 654
<b>Total: Trade receivables from exchange transactions (after provision) Transferred to Discontinued Operations</b>	<b>-</b>	<b>(451 051)</b>
<b>Total: Trade receivables from exchange transactions (after provision)</b>	<b>-</b>	<b>-</b>
The fair value of other receivables approximate their carrying value.		
	2012 R	2011 R
<b>(Electricity): Ageing</b>		
Current (0 - 30 days)	-	119 596
31 - 60 Days	-	17 436
61 - 90 Days	-	7 922
+ 90 Days	-	88 560
<b>Total</b>	<b>-</b>	<b>233 514</b>
	2012 R	2011 R
<b>(Water): Ageing</b>		
Current (0 - 30 days)	-	11 524
31 - 60 Days	-	1 733
61 - 90 Days	-	1 692
+ 90 Days	-	13 474
<b>Total</b>	<b>-</b>	<b>28 423</b>
	2012 R	2011 R
<b>(Housing): Ageing</b>		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
	2012 R	2011 R
<b>(Refuse): Ageing</b>		
Current (0 - 30 days)	-	56 084
31 - 60 Days	-	24 459
61 - 90 Days	-	22 794
+ 90 Days	-	578 512
<b>Total</b>	<b>-</b>	<b>681 849</b>

**(Sewerage): Ageing**

	2012 R	2011 R
Current (0 - 30 days)	-	49 610
31 - 60 Days	-	16 882
61 - 90 Days	-	13 524
+ 90 Days	-	133 206
<b>Total</b>	<b>-</b>	<b>213 222</b>

**(Other): Ageing**

	2012 R	2011 R
Current (0 - 30 days)	-	1 001
31 - 60 Days	-	491
61 - 90 Days	-	453
+ 90 Days	-	60 752
<b>Total</b>	<b>-</b>	<b>62 697</b>

**(Total): Ageing**

	2012 R	2011 R
Current (0 - 30 days)	-	237 815
31 - 60 Days	-	61 001
61 - 90 Days	-	46 385
+ 90 Days	-	874 504
<b>Total</b>	<b>-</b>	<b>1 219 705</b>

**Summary of Debtors by Customer Classification**

	<b>Residential</b>	<b>Industrial/ Commercial</b>	<b>National and Provincial Government</b>
<b>30 JUNE 2012</b>			
Current (0 - 30 days)	-	-	-
31 - 60 Days	-	-	-
61 - 90 Days	-	-	-
+ 90 Days	-	-	-
Sub-total	-	-	-
<b>Less:</b> Provision for bad debts	-	-	-
<b>Total debtors by customer classification</b>	<b>(1)</b>	<b>-</b>	<b>-</b>

**Summary of Debtors by Customer Classification**

	<b>Residential</b>	<b>Industrial/ Commercial</b>	<b>National and Provincial Government</b>
<b>30 JUNE 2011</b>			
Current (0 - 30 days)	113 938	25 105	98 772
31 - 60 Days	43 576	4 815	12 610
61 - 90 Days	39 026	4 700	2 659
+ 90 Days	813 992	52 348	8 164
Sub-total	1 010 532	86 968	122 205
<b>Less:</b> Provision for bad debts	(768 654)	-	-
<b>Total debtors by customer classification</b>	<b>241 878</b>	<b>86 968</b>	<b>122 205</b>

**Reconciliation of Provision for Bad Debts**

	2012 R	2011 R
Balance at beginning of year	-	3 095 159
Contribution to provision	0	1 677 172
Bad Debts (written off)	0	(3 847 254)
Balance at end of year	<b>0</b>	<b>925 078</b>

The total amount of this provision is R0.00 and consist of:

	2012 R	2011 R
Rates	-	156 424
Other Debtors	-	768 654
<b>Total Provision for Bad Debts on Trade Receivables from exchange transactions</b>	-	<b>925 078</b>
Less: Rates Provision Transferred to Discontinued Operations	-	(156 424)
Less: Rates Provision Transferred to Discontinued Operations	-	(768 654)
<b>Total Provision for Bad Debts on Trade Receivables from exchange transactions</b>	-	<b>(0)</b>
<b>Financial assets past due not impaired</b>	-	-
Less: Residential past due over impaired	-	(37 754)
Plus: Industrial / Commercial	-	75 018
Plus: Agriculture	-	435 474
Less: VAT on Outstanding Debtors	-	(140 665)
<b>Total Financial assets past due not impaired</b>	-	<b>332 073</b>

The provision for doubtful debts on debtors (loans and receivables) exists in the 2010/2011 Financial year due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

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

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**OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

	2012 R	2011 R
Taxes - Rates	-	613 642
Other Debtors	736 442	1 023 462
	736 442	1 637 104
<b>Less:</b> Provision for bad debts	-	(156 424)
<b>Total Other Receivables from non-exchange transactions</b>	<b>736 442</b>	<b>1 480 680</b>
Less: Transferred to Discontinued Operations - Note 42.2	-	(613 642)
Taxes - Rates	-	(209 460)
Other Debtors	-	(823 102)
	-	156 424
<b>Less:</b> Provision for bad debts	-	(666 678)
Transferred to Discontinued Operations - Note 42.2	-	(666 678)
<b>Total Other Receivables from non-exchange transactions</b>	<b>736 442</b>	<b>814 002</b>

The fair value of other receivables approximate their carrying value.

**(Rates): Ageing**

	2012 R	2011 R
Current (0 - 30 days)	-	5 088
31 - 60 Days	-	893
61 - 90 Days	-	608
+ 90 Days	-	607 053
<b>Total</b>	-	<b>613 642</b>

**Summary of Debtors (Rates) by Customer Classification**

	Residential	Industrial/ Commercial	National and Provincial Government
<b>30 JUNE 2012</b>			
Current (0 - 30 days)	-	-	-
31 - 60 Days	-	-	-
61 - 90 Days	-	-	-
+ 90 Days	(0)	0	-
Sub-total	(0)	0	-
<b>Less:</b> Provision for bad debts	-	-	-
<b>Total debtors by customer classification</b>	<b>(0)</b>	<b>0</b>	<b>-</b>

**Summary of Debtors (Rates) by Customer Classification**

	Residential	Industrial/ Commercial	National and Provincial Government
<b>30 JUNE 2011</b>			
Current (0 - 30 days)	5 088	-	-
31 - 60 Days	893	-	-
61 - 90 Days	608	-	-
+ 90 Days	607 053	-	-
Sub-total	613 642	-	-
<b>Less:</b> Provision for bad debts	(156 424)	-	-
<b>Total debtors by customer classification</b>	<b>457 218</b>	<b>-</b>	<b>-</b>

**Reconciliation of Provision for Bad Debts**

	2012 R	2011 R
Balance at beginning of year	-	3 095 160
Contribution to provision	-	1 677 172
Bad Debts (written off)	-	(3 847 254)
Balance at end of year	-	<b>925 078</b>

The total amount of this provision is R0.00 and consist of:

	2012 R	2011 R
Taxes	-	156 424
Other	-	768 654
Total Provision for Bad Debts on Trade Receivables from non-exchange transactions	-	<b>925 078</b>

The provision for doubtful debts on debtors (loans and receivables) exists in the 2010/2011 Financial year due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

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

**23 CASH AND CASH EQUIVALENTS**

**Assets**

	2012 R	2011 R
Call Investments Deposits - FirstRand Bank Limited - X021903715/DC07A00030	1 311 839	195 932
Call Investments Deposits - Rand Merchant Bank - 6223 6004 355	44 165	-
Primary Bank Account	-	2 163 722
Cash Floats	1 300	6 630
<b>Total Cash and Cash Equivalents - Assets</b>	<b>1 357 304</b>	<b>2 366 284</b>
Less: Transferred to Discontinued Operations Cash Floats - Note 42.2	-	(5 330)
Less: Transferred to Discontinued Operations Primary Bank Account - Note 42.2	-	(857 389)
<b>Total Cash and Cash Equivalents - Assets</b>	<b>1 357 304</b>	<b>1 503 565</b>

**Liabilities**

	2012 R	2011 R
Primary Bank Account	(1 621 641)	-
<b>Total Cash and Cash Equivalents - Liabilities</b>	<b>(1 621 641)</b>	<b>-</b>
Less: Transferred to Discontinued Operations - Note 42.2	-	-
<b>Total Cash and Cash Equivalents - Liabilities</b>	<b>(1 621 641)</b>	<b>-</b>

Call Investments Deposits to an amount of R1 356 004 are held to fund the Unspent Conditional Grants (2011: R195 932). FirstRand Bank Limited - X021903715/DC07A00030 and Rand Merchant Bank - 6223 6004 355

The municipality has the following bank accounts:

**Current Accounts**

	2012 R	2011 R
ABSA Bank - Beaufort West Branch - Account Number 1540 0000 14 (Cheque Account) and First National Bank - Beaufort West Branch - Account Number 6206 2151 429 (Cheque Account)	(1 620 341)	2 170 352
	<b>(1 620 341)</b>	<b>2 170 352</b>

**First National Bank - Beaufort West Branch - Account Number 6206 2151 429 (Cheque**

	2012 R	2011 R
Cash book balance at beginning of year	2 170 352	(221 544)
Cash book balance at end of year	(1 620 341)	2 170 352

Bank statement balance at beginning of year - First National Bank	2 652 921	1 498 925
Bank statement balance at beginning of year - ABSA	957 715	225 552
	<b>3 610 636</b>	<b>1 724 477</b>

Bank statement balance at end of year - First National Bank	(888 367)	2 652 921
Bank statement balance at end of year - ABSA	384 090	957 715
	<b>(504 278)</b>	<b>3 610 636</b>



## PROPERTY RATES

Actual

## Rateable Land and Buildings

Residential Property	-
Commercial Property	-
Industrial Property	-
Public Benefits Organisations	-
Agricultural Purposes	-
State - National / Provincial Services	-
Municipal Property	-
Exceedings	-

**Less:** Rebates

## Total Assessment Rates

Less: Transferred to Discontinued Operations - Note 42.3

## Total Assessment Rates

	2012 R	2011 R
	-	7 194 298
	-	598 682
	-	1 151
	-	-
	-	-
	-	6 176 291
	-	194 667
	-	221 167
	-	2 340
	-	(6 107 011)
	-	1 087 287
	-	(1 087 287)
	-	-

Valuations - 1 JULY 2011

## Rateable Land and Buildings

Residential Property	-
Commercial Property	-
Industrial Property	-
Public Benefits Organisations	-
Agricultural Purposes	-
State - National / Provincial Services	-
Municipal Property	-
Vacant Property	-

**Less:** Income Forgone

## Total Assessment Rates

	2012 R	2011 R
	-	615 192 412
	-	51 369 425
	-	-
	-	-
	-	393 482
	-	527 888 085
	-	16 638 250
	-	18 903 170
	-	-
	-	615 192 412

Valuations on 1 JULY 2011: IN ANY FORMAT YOU CAN GIVE

	Building Clause Valuation	Site Valuation	Exempt Land	Total Valuation
Domestic	-	-	-	-
Accommodation	-	-	-	-
Commercial	-	-	-	-
Church	-	-	-	-
Light Industrial	-	-	-	-
Agricultural/Rural	-	-	-	-
State	-	-	-	-
PSI	-	-	-	-
POP	-	-	-	-
<b>Total Property Valuations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2009. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

A rate in the rand for domestic properties of R 0.0117 was charged on site values and a rate in the rand of R 0.0117 for improvements. Business were charged at a rate in the rand of R 0.0117 on site values and a rate in the rand of R 0.0117 for improvements. Rural Area, PSI and POP were charged at a rate in the rand of R 0.002925 on site values.

Properties used for domestic purposes and consisting of both land and improvements are subject to a R 19,000 valuation reduction. There are also different rebates and phased in tariffs for different sectors of the community. Interest on arrear accounts is charged at bank rate plus one. 76.3% Rebate are given to Rural Areas.

	2012 R	2011 R
<b>25 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable Share	5 641 000	9 364 373
Equitable Share : RSC Replacement Levies	4 979 000	5 477 000
Equitable Share : Special contribution towards council remuneration	915 000	915 000
Equitable Share : Total received	11 535 000	15 756 373
Finance Management Grant	1 250 000	1 000 000
Municipal Systems Improvement Grant	790 000	750 000
Municipal Infrastructure Grant	0	6 292 703
Roads Agency Services	26 700 870	23 089 899
Tourism Baseline Study	14 783	0
Tourism Plan	10 000	0
Tourism Biosfeer	83 749	386 627
Tourism Sustainability	31 570	1 186
Department Social Services	0	0
Department Health Global Fund	1 602 038	656 751
Department Health PHC	83 925	80 582
Department of the Premier	6 009	0
VAT	0	481 285
DBSA	0	1 237 825
Department Human Settlement	787 493	808 205
ISRDS	220 128	0
Economic Development Agency	769 088	0
Integrated Development Trust	94 690	0
Renewal Fund Health	14 981	0
Disaster Management Fund	92 073	0
Department local Government	284 734	882 426
Work for Water Project: DWAF	2 103 057	2 467 101
EPWP	657 465	0
<b>Total Government Grants and Subsidies</b>	<b>47 131 653</b>	<b>53 890 963</b>
<b>Less: Transferred to Discontinued Operations - Note 42.3</b>	<b>-</b>	<b>(2 247 469)</b>
<b>Total Government Grants and Subsidies</b>	<b>47 131 653</b>	<b>51 643 494</b>
The municipality does not expect any significant changes to the level of grants. Appendix F		
<b>26 AGENCY SERVICES</b>	<b>2012 R</b>	<b>2011 R</b>
Department Transport Western Cape	29 363 491	25 469 094
	<b>29 363 491</b>	<b>25 469 094</b>
The municipality has service level agreements with Department Transport Western Cape		
<b>27 CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT</b>	<b>2012 R</b>	<b>2011 R</b>
RED DOOR	111 679	35 000
TOURISM	29 995	944 997
	141 674	979 997
<b>Less: Transferred to Discontinued Operations - Note 42.3</b>	<b>-</b>	<b>(944 997)</b>
<b>Total Contributed Property , Plant and Equipment</b>	<b>141 674</b>	<b>35 000</b>
<b>28 CHANGES IN FAIR VALUE</b>	<b>2012 R</b>	<b>2011 R</b>
<b>28.1 Transactions that gives an increase in surplus</b>		
Fair value changes in Investment Properties	-	-
Unamortised discount - Interest	-	-
<b>Total changes in fair value</b>	<b>-</b>	<b>-</b>
<b>28.2 Transactions that gives an decrease in surplus</b>		
Unamortised discount - Interest	-	-
Fair value changes in Investment Properties	-	-
<b>Total changes in fair value</b>	<b>-</b>	<b>-</b>
<b>29 OTHER REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>	<b>2012 R</b>	<b>2011 R</b>

	2012 R	2011 R
<b>30 SERVICE CHARGES</b>		
Electricity	-	1 628 822
Service Charges	0	1 938 968
<u>Less:</u> Rebates	-	(310 146)
<b>Water</b>	-	175 118
Service Charges	0	620 118
<u>Less:</u> Rebates	-	(445 000)
<b>Refuse, Sewerage and Sanitation Charges</b>	-	1 074 575
Service Charges	0	1 339 605
<u>Less:</u> Rebates	-	(265 030)
<b>Other Service Charges - Swimming Bath</b>	0	4 954
<b>Total Service Charges</b>	-	2 883 468
<b>Less: Transferred to Discontinued Operations - Note 42.3</b>	-	(2 883 468)
<b>Total Service Charges</b>	-	-
	2012 R	2011 R
<b>31 WATER SERVICES AUTHORITY CONTRIBUTION</b>		
None	-	-
	-	-
	-	-
	2012 R	2011 R
<b>32 OTHER INCOME</b>		
Building Plan & Inspection F	0	290
Contributions Beaufort West Municipality	0	-
Contributions Prince Albert Municipality	491 956	483 313
District Council Levies	0	62
Sundry Income;	10 145	65 536
VAT Projects	169 381	76 228
Photostat and Faxes	1 763	5 587
Handlingfees	0	-
Cemetery Fees;	0	555
Commission	15 807	16 537
House Rent	0	11 198
Samples: Milk and Water	52 860	46 922
Milk Sales	215 971	526 126
Private Work	0	-
PMU Funds	0	-
Legal Fees	0	280
Transportaktes	0	-
Books	0	1 265
Lost Books	0	110
Sell of Sand and Gravel	0	-
Insurance Claims	83 597	45 939
Valuation Certificates	0	140
Retirement Benefits	0	-
<b>Total Other Income</b>	1 041 480	1 280 088
<b>Less: Transferred to Discontinued Operations - Note 42.3</b>	-	(20 205)
<b>Total Other Income</b>	1 041 480	1 259 883
	2012 R	2011 R
<b>33 UNAMORTISED DISCOUNT - INTEREST</b>		
	-	-
	-	-
	-	-

**EMPLOYEE RELATED COSTS**

	2012 R	2011 R
Employee Related Costs - Salaries and Wages	6 349 495	8 327 949
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	1 730 298	2 115 550
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	887 188	778 283
Housing Benefits and Allowances	55 044	84 191
Overtime Payments	720	297 395
Bonuses	646 644	847 542
Leave Provision	136 050	321 359
Long Service Awards	90 630	159 447
Contribution to provision - Long Service Awards - Note 4&7	(50 221)	173 195
Contribution to provision - Ex-gratia pensions - Note 4&7	0	-
Contribution to provision - Post Retirement Medical - Note 4&7	(530 186)	(716 321)
	<b>9 315 662</b>	<b>12 388 590</b>

**Less: Transferred to Discontinued Operations - Note 42.3**

Employee Related Costs - Salaries and Wages	0	2 128 634
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	0	453 960
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	0	3 702
Housing Benefits and Allowances	0	23 388
Overtime Payments	0	290 558
Bonuses	0	156 944
Leave Provision	0	-
Long Service Awards	0	16 058
Contribution to provision - Long Service Awards - Note 4&7	0	26 600
Contribution to provision - Ex-gratia pensions - Note 4&7	0	-
Contribution to provision - Post Retirement Medical - Note 4&7	0	-
<b>Total Employee Related Costs Transferred to Discontinued Operations</b>	<b>-</b>	<b>3 099 842</b>

**Less: Employee Costs allocated elsewhere**

<b>Total Employee Related Costs</b>	<b>9 315 662</b>	<b>9 288 748</b>
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**KEY MANAGEMENT PERSONNEL**

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

	2012 R	2011 R
<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	906 521	864 424
Traveling Reimbursement	140 862	264 065
Subsistence Reimbursement	-	-
Performance Bonus	93 084	89 041
Cell Phone Allowance	14 400	14 400
Contributions to UIF, Medical and Pension Funds	-	-
<b>Total</b>	<b>1 154 867</b>	<b>1 231 930</b>

	2012 R	2011 R
<b>Remuneration of the Chief Finance Officer</b>		
Annual Remuneration	806 805	769 338
Traveling Reimbursement	65 960	148 790
Subsistence Reimbursement	-	-
Performance Bonus	82 845	79 246
Cell Phone Allowance	3 600	3 600
Long Service Bonus	-	59 018
Leave Payments	69 557	27 401
Contributions to UIF, Medical and Pension Funds	-	-
<b>Total</b>	<b>1 028 767</b>	<b>1 087 393</b>

	2012 R	2011 R
<b>Remuneration of Director : Technical Services</b>		
Annual Remuneration	725 219	691 541
Traveling Reimbursement	155 888	153 243
Subsistence Reimbursement	-	-
Performance Bonus	74 467	59 281
Cell Phone Allowance	3 600	-
Longservice Bonus	-	7 020
Contributions - UIF, Medical, Pension	-	-
<b>Total</b>	<b>959 174</b>	<b>911 085</b>

	2012 R	2011 R
<b>Remuneration of Director : Corporate and Support Services</b>		
Annual Remuneration	770 546	734 763
Traveling Reimbursement	59 101	65 786
Subsistence Reimbursement	-	-
Performance Bonus	79 122	61 924
Cell Phone Allowance	3 600	3 600
Long Service Bonus	-	56 365
Leave Payments	1 961	50 324
Contributions - UIF, Medical, Pension	-	-
<b>Total</b>	<b>914 330</b>	<b>972 762</b>

	2012 R	2011 R
<b>35</b>		
<b>REMUNERATION OF COUNCILLORS</b>		
Mayor	614 323	625 648
Executive Committee Members	1 238 222	1 140 948
Councillors	967 032	991 661
<b>Total Councillors' Remuneration</b>	<b>2 819 577</b>	<b>2 758 257</b>
<i>In-kind Benefits</i>		
The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.		
	2012 R	2011 R
<b>36</b>		
<b>CONTRIBUTIONS TO BAD DEBTS PROVISION</b>		
Trade Receivables from exchange transactions - Note 21	-	1 677 172
<b>Total Contribution to Bad Debts Provision</b>	<b>-</b>	<b>1 677 172</b>
<b>Less: Transferred to Discontinued Operations - Note 42.3</b>	<b>-</b>	<b>(257 240)</b>
<b>Total Contribution to Bad Debts Provision</b>	<b>-</b>	<b>1 419 932</b>
	2012 R	2011 R
<b>37</b>		
<b>IMPAIRMENTS</b>		
No Impairments during the 2011/2011 Financial year.		
	2012 R	2011 R
<b>38</b>		
<b>FINANCE CHARGES</b>		
Employee Benefits	902 431	784 420
Interest Overdraft	37 001	15 905
Finance Leases	39 319	28 313
<b>Total Finance Charges</b>	<b>978 751</b>	<b>828 638</b>
<b>Less: Transferred to Discontinued Operations - Note 42.3</b>	<b>-</b>	<b>(24 194)</b>
<b>Total Finance Charges</b>	<b>978 751</b>	<b>804 444</b>
<b>Reclassification of Finance Leases</b>		
<b>Balance previously reported</b>	<b>-</b>	<b>-</b>
Transfer to Employee Benefits	-	-
<b>Restated amount for Finance Leases</b>	<b>-</b>	<b>-</b>
	2012 R	2011 R
<b>39</b>		
<b>BULK PURCHASES</b>		
Electricity	0	1 936 596
<b>Less: Transferred to Discontinued Operations</b>	<b>-</b>	<b>(1 936 596)</b>
<b>Total Bulk Purchases</b>	<b>-</b>	<b>-</b>
	2012 R	2011 R
<b>40</b>		
<b>DEPRECIATION AND AMORTISATION</b>		
Depreciation and Amortisation	892 574	2 593 415
<b>Less: Transferred to Discontinued Operations - Note 42.3</b>	<b>-</b>	<b>(2 037 927)</b>
<b>Total Depreciation and Amortisation</b>	<b>892 574</b>	<b>555 488</b>

	2012 R	2011 R
<b>41 GENERAL EXPENSES</b>		
Advertisements	60 746	98 686
Anchor Projects	27 080	37 658
Bank Charges	84 512	110 814
Graveyard	0	-
Fire Extinguishers	0	22 715
Fuel and Oil	44 437	200 981
Study Fund	72 125	128 224
Community Development Workers	0	140 401
Sundry Expenditure	9 069	19 747
Printing and Stationery	92 763	182 960
Department of Water Affairs	0	1 237 825
Primary Health Care	0	-
Nutrition Scheme	76 295	73 257
Rates	59 893	85 815
Electricity	0	167 453
Electricity, Water and Sanitation	152 029	638 053
Global Fund	1 297 660	648 461
Household Expenses	19 511	62 019
Pre-Paid Meters	55 000	38 164
ISRDP	0	49 549
Membership Fees	212 972	164 928
Licences	-1 091	10 104
Vehicle Registration	0	217 383
Milk Powder	233 121	463 361
Samples:Milk, Water and Food	45 038	52 510
IDP Funds	657 465	-
Entertainment	7 964	12 828
Entertainment: Mayor	62 117	48 212
Entertainment: Speaker	2 937	2 900
Entertainment: Deputy Mayor	2 843	2 810
Training	-7 183	206 562
Auditfees	1 204 641	1 607 500
Training Fund	197 293	221 206
Development Human Rights	0	-
Roads from Transport Fund	0	-
Public Functions	55 037	81 823
Legal Fees	1 671	35 913
Cleaning Materials	0	62 406
Travell and Subsistence	739 664	2 022 500
Travell and Subsistence:Council	194 002	362 488
Registration and Congress Fees	29 082	29 403
Computer Expenses	174 641	40 395
Regional Study Fund	0	-
Telephone and Postage	322 580	544 333
Deed of Transfer	0	10 662
Lost Books	0	226
Insurance General	93 846	104 717
Travel Cost: Furniture	3 756	3 500
Valuations	0	35 421
Work for Water Project	2 084 332	2 086 624
Integrated Development Plan : Economic	91 601	679 892
Integrated Development Plan : Financial Services	152 672	149 477
Integrated Development Plan : Institutional	111 125	213 023
Implement Projects	82 574	175 739
Finance Management Grant Interns	442 013	533 956
Contributions Landfill Site	9 335	14 300
Roads Agency Services	0	-
Sundry Projects	117 833	779 890
Integrated Development Plan : Revaluation	284 734	-
Economic Development Agency	760 636	-
General Expenses	10 420 371	14 919 774
<b>Less: Transferred to Discontinued Operations - Note 42.3</b>	-	(1 471 850)
<b>Total General Expenses</b>	<b>10 420 371</b>	<b>13 447 924</b>

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.

	2012 R	2011 R
<b>42 DISCONTINUED OPERATIONS</b>		
<b>42.1 NET ASSETS AND LIABILITIES</b>		
<b>Net Assets</b>	-	44 478 305
Housing Development Fund	-	348 691
Donations and Public Contribution Reserve	-	-
Accumulated Surplus / (Deficit)	-	44 129 614
<b>Non - Current Liabilities</b>	-	408 803
<b>EMPLOYEE BENEFITS</b>		
Provision for Post Retirement Benefits	-	197 399
Provision for Ex-Gratia Pension Benefits	-	18 387
Provision for Long Service Awards	-	193 017
<b>Total Non-current Provision Liabilities</b>	-	408 803
	<b>2012 R</b>	<b>2011 R</b>
<b>Post Retirement Benefits</b>		
Balance 1 July	-	101 384
Contribution for the year	-	16 736
Expenditure for the year	-	-
Actuarial Loss/(Gain)	-	79 279
<b>Total provision 30 June</b>	-	197 399
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note	-	-
<b>Balance 30 June</b>	-	197 399

**Ex-Gratia Pensions**

Balance 1 July	-	25 977
Contribution for the year	-	2 217
Expenditure for the year	-	-
Actuarial Loss/(Gain)	-	(9 807)
<b>Total provision 30 June</b>	-	<b>18 387</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note	-	-
<b>Balance 30 June</b>	-	<b>18 387</b>

**Long Service Awards**

Balance 1 July	-	142 900
Contribution for the year	-	31 841
Expenditure for the year	-	-
Actuarial Loss/(Gain)	-	50 571
<b>Total provision 30 June</b>	-	<b>225 312</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note	-	(32 295)
<b>Balance 30 June</b>	-	<b>193 017</b>

**TOTAL EMPLOYEE BENEFITS**

Balance 1 July	-	270 261
Contribution for the year	-	50 794
Expenditure for the year	-	-
Actuarial Loss/(Gain)	-	120 043
<b>Total provision 30 June</b>	-	<b>441 098</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 7	-	(32 295)
<b>Balance 30 June</b>	-	<b>408 803</b>

**Current Liabilities**

<b>Provisions</b>	-	891 118
Current Portion of Clearing of Alien Vegetation - Note 5	-	157 300
Current Portion of Rehabilitation of Landfill Sites - Note 5	-	-
<b>Total Provisions</b>	-	<b>157 300</b>

The movement in current provisions are reconciled as follows:

**Rehabilitation of Landfill Sites**

Balance at beginning of year	-	143 000
Transfer from non-current	-	-
Contribution to provision	-	14 300
Expenditure incurred	-	-
<b>Balance at end of year</b>	-	<b>157 300</b>

**Short Term Employee Benefits**

Performance Bonuses	-	-
Staff Leave	0	207 775
Current Portion of Short Term Employee Benefits	-	32 295
Current Portion of Post Retirement Benefits - Note	-	-
Current Portion of Ex-Gratia Pension Provisions - Note	-	-
Current Portion of Long-Service Provisions - Note 4	-	32 295
<b>Total Short Term Employee Benefits</b>	-	<b>240 070</b>

**Post Retirement Benefits**

Balance at beginning of year	-	-
Transfer from non-current	-	-
Contribution to provision	-	-
Expenditure incurred	-	-
<b>Balance at end of year</b>	-	-

**Ex-Gratia Pensions**

Balance at beginning of year	-	-
Transfer from non-current	-	-
Contribution to provision	-	-
Expenditure incurred	-	-
<b>Balance at end of year</b>	-	-

**Long-service Awards**

Balance at beginning of year	-	-
Transfer from non-current	-	-
Contribution to provision	-	32 295
Expenditure incurred	-	-
<b>Balance at end of year</b>	-	<b>32 295</b>

2012 R	2011 R
-	25 977
-	2 217
-	-
-	(9 807)
-	18 387
-	-
-	18 387
2012 R	2011 R
-	142 900
-	31 841
-	-
-	50 571
-	225 312
-	(32 295)
-	193 017
2012 R	2011 R
-	270 261
-	50 794
-	-
-	120 043
-	441 098
-	(32 295)
-	408 803
-	891 118
-	157 300
-	-
-	157 300
-	157 300
2012 R	2011 R
-	-
-	143 000
-	-
-	14 300
-	-
-	157 300
-	240 070
-	-
-	207 775
-	32 295
-	-
-	-
-	32 295
-	240 070
2012 R	2011 R
-	-
-	-
-	-
-	-
-	-
2012 R	2011 R
-	-
-	-
-	32 295
-	-
-	32 295

	2012 R	2011 R
<b><u>Staff Leave Reconciliation</u></b>		
Balance at beginning of year	-	-
Transfer from Provision	-	-
Contribution during the year	-	207 775
Balance at end of year	-	<b>207 775</b>
	2012 R	2011 R
<b><u>TOTAL - CURRENT PROVISIONS</u></b>		
Balance at beginning of year	-	-
Transfer from non-current	-	-
Transfer to Trade Payables	-	-
Contribution to provision	-	240 070
Expenditure incurred	-	-
Balance at end of year	-	<b>240 070</b>
For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to <b>Note 4</b> to the Financial Statements, Other Defined Benefit Plan Information		
<b>Trade and Other Payables</b>	-	<b>216 834</b>
Payments in Advance	-	209 460
Other Deposits	-	7 374
<b>Unspent Conditional Government Grants and Receipts</b>	-	136 249
<b>Taxes</b>	-	140 665
<b>Transferred Liabilities to Liabilities Associated with Assets Held for Sale</b>	-	<b>45 778 226</b>
<b>42.2 ASSETS</b>		
<b>Non-Current Assets</b>	-	<b>43 796 286</b>
Property, Plant and Equipment - Note 14 & 15	-	43 796 286
<b>Current Assets</b>	-	<b>1 981 940</b>
<b>Inventory</b>	-	1 492
<b>Trade Receivables from exchange transactions</b>	-	451 051
Water	-	28 423
Electricity	-	233 514
Housing Rentals	-	-
Refuse	-	681 849
Sewerage	-	213 222
Other Arrears	-	62 697
<b>Total: Trade receivables from exchange transactions (before provision)</b>	-	<b>1 219 705</b>
Provision for Impairments	-	(768 654)
<b>Total: Trade receivables from exchange transactions (after provision)</b>	-	<b>451 051</b>
<b>Other Receivables from non-exchange transactions</b>	-	666 678
Taxes - Rates	-	613 642
Other Debtors	0	209 460
<b>Less: Provision for bad debts</b>	-	823 102
	-	(156 424)
<b>Total Other Receivables from non-exchange transactions</b>	-	<b>666 678</b>
<b>Cash and Cash Equivalents</b>	-	<b>862 719</b>
Housing Development Fund	0	348 691
Provision Landfill Site	0	157 300
Provision Leave Fund	0	207 775
Other Deposits	0	7 374
Unspent Conditional Grants	0	136 249
Cash Floats	0	5 330
<b>Transferred Assets Related to Assets Held for Sale</b>	-	<b>45 778 226</b>



42.3 STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

Revenue from Non-exchange Transactions

	-	4 300 898
<b>Taxation Revenue</b>	-	<b>1 087 287</b>
Property Rates	0	1 087 287
<b>Transfer Revenue</b>	-	<b>3 192 466</b>
Government Grants and Subsidies	0	2 247 469
Public Contributions and Donations	0	944 997
<b>Other Revenue</b>	-	<b>21 145</b>
Fines	0	11 338
Actuarial Gains	0	9 807

Revenue from Exchange Transactions

	-	<b>3 194 110</b>
Property Rates- penalties imposed and collection charges	0	2 340
Service Charges	0	2 883 468
Rental of Facilities and Equipment	0	32 962
Interest Earned - External Investments	0	-
Interest Earned - Outstanding Debtors	0	-
Licenses and Permits	0	255 135
Other Income	0	20 205
Unamortised discount - Interest	0	-

**Total Revenue**

- **7 495 008**

EXPENDITURE

Employee related costs	0	3 099 842
Remuneration of Councillors	0	-
Debt Impairment	0	257 240
Collection costs	0	-
Depreciation and Amortisation	0	2 037 927
Impairments	0	-
Repairs and Maintenance	0	285 609
Unamortised discount - Interest	0	-
Actuarial losses	0	129 850
Finance Charges	0	24 194
Bulk Purchases	0	1 936 596
Contracted services	0	4 648
Grants and Subsidies Paid	0	-
Other Operating Grant Expenditure	0	-
General Expenses	0	1 471 850
Changes in Fair Value	0	-

**Total Expenditure**

- **9 247 756**

**NET SURPLUS / (DEFECIT) FOR THE YEAR**

- **(1 752 748)**

2011 R 2010 R

CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 - IMPLEMENTATION OF GRAP

43

No adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

2011 R 2010 R

CORRECTION OF ERROR IN TERMS OF GRAP 3

44

44.1 Property, Plant and Equipment

<b>Balance previously reported</b>	-	<b>57 151 445</b>
Transfer to Accumulated Surplus/(Deficit) [Inventory Items] - Note 44.8	-	3 660
Leases previously not recognised	-	-
<b>Restated amount for Property, Plant and Equipment - Note 14</b>	-	<b>57 155 105</b>

44.2 Accumulated Depreciation

<b>Balance previously reported</b>	<b>4 341 100</b>	<b>15 707 895</b>
Transfer to Accumulated Surplus/(Deficit) [Inventory Items] - Note 44.8	-	-
Transfer to Statement of Financial Performance - Depreciation Note 44.9	(349 083)	(768 781)
<b>Restated amount for Accumulated Depreciation - Note 14</b>	<b>3 992 017</b>	<b>14 939 114</b>

44.3 Government Grants & Subsidies

<b>Balance previously reported</b>	<b>28 553 595</b>	-
Transfer from Income for Agency Services Note 44.10	<b>23 089 899</b>	-
Transfer from Unspent Conditional Grants and Subsidies Note 44.14	<b>315 220</b>	-
<b>Restated amount for Government Grants and Subsidies - Note 25</b>	<b>51 958 714</b>	-

44.4 Employee Benefits

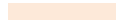
<b>Balance previously reported</b>	-	-
Transfer to Accumulated Surplus/(Deficit) [Staff Bonusses] - Note 44.8	<b>144 944</b>	-
Transfer to Statement of Financial Performance - Staff Bonusses Note 44.9	<b>(797)</b>	-
Transfer to Statement of Financial Performance - Grants & Subsidies Paid Note 44.12	<b>315 220</b>	-
<b>Restated amount for Employee Benefits - Note 7 &amp; 8</b>	<b>459 367</b>	-

44.5 Intangible Assets

<b>Balance previously reported</b>	-	<b>344 349</b>
Transfer to Accumulated Surplus/(Deficit) [Inventory Items] - Note 44.8	-	(3 990)
<b>Restated amount for Intangible Assets - Note 17</b>	-	<b>340 359</b>

44.6 Amortisation

<b>Balance previously reported</b>	<b>135 340</b>	<b>213 738</b>
Transfer to Statement of Financial Performance - Depreciation Note 44.9	<b>(9 048)</b>	<b>(28 326)</b>
<b>Restated amount for Amortisation - Note 17</b>	<b>126 292</b>	<b>185 412</b>



44.7	<b>Other Debtors</b>		
	<b>Balance previously stated</b>	-	869 358
	Transfer to Statement of Financial Performance - Rental of Facilities and Equipment Note 44.9	-	3 678
	<b>Note 22</b>	-	<b>873 036</b>
44.8	<b>Accumulated Surplus/(Deficit)</b>		
	Transfer from Property, Plant & Equipment - Note 44.1	-	3 660
	Transfer from Long term liabilities - Note	-	-
	Provision on Bonuses previously not recognised - Note	-	-
	Transfer from Employee Benefits - Note 44.4	144 944	-
	Transfer from Intangible Assets - Note 44.5	-	(3 990)
	Transfer from Amortisation - Note 44.6	-	-
	<b>Statement of changes in net Assets</b>	<b>144 944</b>	<b>(330)</b>
44.9	<b>Statement of Financial Performance</b>		
	<b>Balance previously stated</b>	-	7 122 848
	Transfer from Accumulated Depreciation - Note 44.2	349 083	768 781
	Transfer from Amortisation - Note 44.6	9 048	28 326
	Transfer from Rental of Facilities and Equipment - Note 44.7	-	3 678
	Transfer from Employee Benefits - Note 44.4	(797)	-
	<b>Restated amount for Statement of Financial Performance</b>	<b>357 334</b>	<b>7 923 633</b>
44.10	<b>Income for Agency Services</b>		
	<b>Balance previously stated</b>	25 469 094	-
	Transfer to Government Grants and Subsidies Note 44.3	(23 089 899)	-
		-	-
	<b>Restated amount for Income for Agency Services</b>	<b>2 379 195</b>	<b>-</b>
44.11	<b>Finance Charges</b>		
	<b>Balance previously stated</b>	788 539	-
	Transfer from General Expenses Note 44.13	15 905	-
	<b>Restated amount for Finance Charges</b>	<b>804 444</b>	<b>-</b>
44.12	<b>Grants and Subsidies Paid</b>		
	<b>Balance previously stated</b>	-	-
	Transfer from General Expenses Note 44.13	22 264 861	-
	Transfer from Employee Benefits - Note 44.4	315 220	-
	<b>Restated amount for Grants and Subsidies</b>	<b>22 580 081</b>	<b>-</b>
44.13	<b>General Expenses</b>		
	<b>Balance previously stated</b>	35 728 690	-
	Transfer to Grants and Subsidies Paid Note 44.12	(22 264 861)	-
	Transfer to Finance Charges Paid Note 44.11	(15 905)	-
	<b>Restated amount for General Expenses</b>	<b>13 447 924</b>	<b>-</b>
44.14	<b>Unspent Government Grants and Subsidies</b>		
	<b>Balance previously stated</b>	7 236 421	-
	Transfer to Government Grants and Subsidies Note 44.3	(315 220)	-
		-	-
	<b>Restated amount for General Expenses</b>	<b>6 921 201</b>	<b>-</b>
45	<b>RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>	<b>2012</b>	<b>2011</b>
		<b>R</b>	<b>R</b>
	Surplus/(Deficit) for the year	(991 943)	835 011
	<b>Adjustments for:</b>		

Depreciation and Amortisation	892 574	197 357
Amortisation of Intangible Assets	-	-
(Gain)/Loss on disposal of property, plant and equipment	19 782	954
Impairments	-	-
Donations and Public Contribution Reserve	-	-
Contribution from/to provisions - Non-Current	1 154 307	957 615
Contribution from/to provisions - Non-Current - Expenditure incurred	(832 283)	(716 321)
Contribution from/to provisions - Non-Current - Actuarial losses	539 229	1 962 038
Contribution from/to provisions - Non-Current - Actuarial gains	(51 656)	(81 009)
Contribution from/to provisions - Non-Current transfer to Current Provision	57 992	(115 962)
Contribution to provisions – current	1 300 977	702 392
Contribution to provisions – current - Expenditure incurred	(1 429 709)	(316 537)
Contribution to provisions – Bad debt	-	1 419 932
Unamortised discount - Interest - Revenue	-	-
Unamortised discount - Interest - Expenditure	-	-
Bad debts written off	-	(3 847 254)
Operating lease income accrued	-	-
Operating lease expenses accrued	-	-
Investment income	(90 964)	(217 463)
Interest paid	978 751	788 539
Operating Surplus/(Deficit) before changes in working capital	8 468 258	1 766 649
Changes in working capital	(2 866 531)	3 727 287
Increase/(Decrease) in Trade and Other Payables	(642 062)	513 756
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(2 193 983)	344 158
Increase/(Decrease) in Unspent Conditional Public Contributions and Receipts	-	-
Increase/(Decrease) in Taxes	58 961	(283 789)
Increase/(Decrease) in Short-term Loans	-	-
Increase/(Decrease) in Operating Lease Liability	-	-
(Increase)/Decrease in Inventory	(333 567)	123 495
(Increase)/Decrease in Trade Receivables from exchange transactions	-	2 918 745
(Increase)/Decrease in Other Receivables from non-exchange transactions	77 560	74 208
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	166 560	36 714
(Increase)/Decrease in Operating Lease Asset	-	-
<b>Cash generated/(absorbed) by operations</b>	<b>5 601 727</b>	<b>5 493 936</b>
	<b>2012</b>	<b>2011</b>
	<b>R</b>	<b>R</b>
<b>46 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Call Investments Deposits - Note 23	1 356 004	195 932
Cash Floats - Note 23	1 300	6 630
Primary Bank Account - Note 23	(1 621 641)	2 163 722
Bank - Note 23	(264 337)	2 366 283
<b>Total cash and cash equivalents</b>	<b>(264 337)</b>	<b>2 366 283</b>
<b>Less: Transferred to Discontinued Operations - Note 42.2</b>	<b>-</b>	<b>(862 719)</b>
<b>Total cash and cash equivalents</b>	<b>(264 337)</b>	<b>1 503 564</b>
Central Karoo District Municipality have a over draft facility to the amount of R3 000 000 at FNB Account Number 6206 2151 429 - Cheque Account Beaufort West Branch		
	<b>2012</b>	<b>2011</b>
	<b>R</b>	<b>R</b>
<b>47 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - Note	(264 337)	1 503 564
Investments - Note	-	-
	<b>(264 337)</b>	<b>1 503 564</b>
Less:	2 225 086	4 871 208
Unspent Committed Conditional Grants - Note 10	4 727 218	6 921 201
Unspent Public Contribution - Note	-	-
Unspent Borrowings - Note	-	-
Unpaid Committed Conditional Grants - Note 10	(508 095)	(674 655)
VAT - Note 12	(153 685)	(212 646)
Other Receivables from non-exchange transactions - Note 22	(736 442)	(814 002)
Cash Portion of Housing Development Fund - Note 1	-	(348 691)
Inventory Road Agency Services	(1 103 910)	-
Secured Investments	-	-
<b>Net cash resources available for internal distribution</b>		
<b>Allocated to:</b>		
Capital Replacement Reserve	-	-
Employee Benefits Reserve	-	-
Social Contribution Reserve	-	-
Non-Current Provisions Reserve	-	-
Valuation Roll Reserve	-	-
<b>Resources available for woking capital requirements</b>	<b>(2 489 422)</b>	<b>(3 367 644)</b>
	<b>2012</b>	<b>2011</b>
	<b>R</b>	<b>R</b>
<b>48 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities - Note 3	213 760	223 372
Used to finance property, plant and equipment - at cost	(213 760)	(223 372)
	-	-
Cash set aside for the repayment of long-term liabilities	-	-
<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act		
<b>49 STATEMENT OF COMPARITIVE AND ACTUAL INFORMATION</b>		
<a href="#">See attached sheet</a>		

		2012 R	2011 R
50	<b>UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
50.1	<b>Unauthorised expenditure</b>		
	Reconciliation of unauthorised expenditure:		
	Opening balance	1 810 241	4 197 138
	Unauthorised expenditure current year	1 836 948	8 549 139
	Approved by Council or condoned	(1 810 241)	(10 936 036)
	Transfer to receivables for recovery	-	-
	Unauthorised expenditure awaiting authorisation	<b>1 836 948</b>	<b>1 810 241</b>
	<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>	
	<i>Over expenditure of approved budget</i>	<i>Mayoral Committee investigate and condoned the expenditure. MFMA Art.32</i>	
50.2	<b>Fruitless and wasteful expenditure</b>	2012 R	2011 R
	Reconciliation of fruitless and wasteful expenditure:		
	Opening balance	-	-
	Fruitless and wasteful expenditure current year	-	-
	Condoned or written off by Council	-	-
	Transfer to receivables for recovery - not condoned	-	-
	Fruitless and wasteful expenditure awaiting condonement	-	-
	<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>	
	<i>None</i>	<i>None</i>	
50.3	<b>Irregular expenditure</b>	2012 R	2011 R
	Reconciliation of irregular expenditure:		
	Opening balance	-	1 146 931
	Irregular expenditure current year	44 391	-
	Condoned or written off by Council	-	(1 146 931)
	Transfer to receivables for recovery - not condoned	-	-
	Irregular expenditure awaiting condonement	<b>44 391</b>	-
	<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>	
	<i>Non-Compliance with Supply Chain Management Policy and Increase in councillors allowances was not approved by the MEC of Local Government - Note 50.3</i>	<i>None</i>	
51	<b>ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>	2012 R	2011 R
51.1	<b>Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</b>		
	Opening balance	-	-
	Council subscriptions	200 000	120 000
	Amount paid - current year	(200 000)	(120 000)
	Amount paid - previous years	-	-
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
51.2	<b>Audit fees - [MFMA 125 (1)(b)]</b>	2012 R	2011 R
	Opening balance	-	-
	Current year audit fee	1 204 641	1 607 500
	External Audit - Auditor-General	1 204 641	1 607 500
	Internal Audit	-	-
	Audit Committee	-	-
	Amount paid - current year	(1 204 641)	(1 607 500)
	Amount paid - previous year	-	-
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

	2012 R	2011 R
<b>51.3 PAYE and UIF - [MFMA 125 (1)(b)]</b>		
Opening balance	(12 667)	7 867
Current year payroll deductions	3 206 306	3 367 898
Amount paid - current year	(3 225 817)	(3 363 098)
<b>Balance unpaid (included in creditors)</b>	<b>(32 178)</b>	<b>12 667</b>

	2012 R	2011 R
<b>51.4 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]</b>		
Opening balance	(191)	(3 087)
Current year payroll deductions and Council Contributions	5 749 281	6 228 289
Amount paid - current year	(5 747 700)	(6 225 011)
Amount paid - previous year		
<b>Balance unpaid (included in creditors)</b>	<b>1 390</b>	<b>191</b>

**51.5 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]**

The following Councillors had arrear accounts for more than 90 days as at 30 JUNE 2012:

*Alderman D Hugo*  
*Councillor F MacPherson*  
Total Councillors Arrear Consumer Accounts

Outstanding  
more than 90  
days

-  
-  
-

The following Councillors had arrear accounts outstanding for more than 90 days during the year:

NAME

Highest  
amount  
outstanding

Ageing

- > 150 days  
- > 120 days  
- > 90 days

**51.6 Non-compliance with Chapter 14 of the Municipal Finance Management Act**

Non-compliance to the Supply Chain Management Regulations were identified on the following categories:

	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Sole Suppliers	-	-	-	-
Agents	-	-	-	-
Other - Verbal Quotations	-	-	-	-
Executive & Council	-	-	-	-
Corporate Services	-	-	-	-
Community Services	-	-	-	-
Financial Services	-	-	-	-
Technical Services	-	-	-	-
Electrical Services	-	-	-	-
Town Planning	-	-	-	-
Strategic Services	-	-	-	-
Irregular Expenditure Note 49.3	-	-	-	-

**50.7 Creditors not paid within 30 Days**

Payments were held back due to not satisfied with the delivery of goods.

**50.8 Non-Compliance with Chapter 11 of the Municipal Finance Management Act**

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The incidents listed hereunder have been condoned.

Non-compliance with the Supply Chain Management Regulations were identified on the following categories:

	Total Suppliers	Amount
Sole Suppliers	61	2 153 922.17
Agents	32	3 914 684.62
Rotation of Suppliers	15	103 509.26
Deviations approved by Municipal Manager	35	1 337 050.18

A Detailed listing are attached as Annexure H and Annexure I

**50.9 Non-compliance with the Municipal Supply Chain Management Regulations-GNR 868 30 May 2005 paragraph 45**

Awards to Creditors who has been in the service of the state.

Name of Person	Capacity	Amount

	2012 R	2011 R
<b>52 CAPITAL COMMITMENTS</b>		
<b>Commitments in respect of capital expenditure:</b>		
Approved and contracted for:	-	154 014
Infrastructure	-	-
Community	-	-
Other	-	154 014
Approved but not yet contracted for	-	-
Infrastructure	-	-
Community	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>154 014</b>
	<b>2012 R</b>	<b>2011 R</b>
This expenditure will be financed from:		
External Loans	-	-
Capital Replacement Reserve	-	-
Government Grants	-	154 014
Own Resources	-	-
District Council Grants	-	-
	<b>-</b>	<b>154 014</b>

	2012 R	2011 R
<b>53 DEFINED CONTRIBUTION FUNDS</b>		
Council employees contribute to the Cape Joint Municipal Pension Fund, Cape Retirement Fund, Municipal Council Pension Fund and SAMWU National Provident Fund which is a defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.		

	2012 R	2011 R
<b>54 FINANCIAL RISK MANAGEMENT</b>		
The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.		
<b>(a) Foreign Exchange Currency Risk</b>		
The municipality does not engage in foreign currency transactions.		
<b>(b) Interest Rate Risk</b>		
As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.		
The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.		
The municipality did not hedge against any interest rate risks during the current year.		
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:	<b>2012 R</b>	<b>2011 R</b>
0.5% (2011 - 0.5%) Increase in interest rates	(26 183)	(23 319)
0.5% (2011 - 0.5%) Decrease in interest rates	26 183	23 319
<b>(c) Credit Risk</b>		
Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.		
Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.		

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+' are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non-payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

**(d) Liquidity Risk**

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

**(e) Other Risks**

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the CFO and authorised by the Municipal Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2012 R	2011 R
The maximum credit and interest risk exposures in respect of the relevant financial instruments are as follows:		
Investments	-	-
Long Term Receivables	-	-
Trade receivables from exchange transactions	-	1 219 705
Other receivables from non-exchange transactions	736 442	1 637 104
Other Debtors	661 780	887 301
Current Portion of Long-term Receivables	-	-
Short-term Investment Deposits	1 311 839	195 932
Bank and Cash Balances	(263 037)	6 630
<b>Maximum Credit and Interest Risk Exposures</b>	<b>2 447 024</b>	<b>3 946 670</b>

	2012 R	2011 R
<b>55 FINANCIAL INSTRUMENTS</b>		
In accordance with IAS 39.09 the financial assets of the municipality are classified as follows:		
<b>55.1 Financial Assets</b>		
	<b>Classification</b>	
<b>Investments</b>		
Fixed Deposits	Held to maturity	-
<b>Long-term Receivables</b>		
Staff Loans	Loans and Receivables	-
<b>Consumer Debtors</b>		
Trade receivables from exchange transactions	Loans and Receivables	-
Other receivables from non-exchange transactions	Loans and Receivables	736 442
<b>Other Debtors</b>		
Payments made in Advance	Loans and Receivables	-
VAT	Loans and Receivables	153 685
Government Subsidies and Grants	Loans and Receivables	508 095
<b>Current Portion of Long-term Receivables</b>		
Staff Loans	Loans and Receivables	-



<b>Short-term Investment Deposits</b>				
Call Deposits	Held to maturity	1 311 839	195 932	
<b>Bank Balances and Cash</b>				
Bank Balances	Held to maturity	(264 337)	-	
Cash Floats and Advances	Held to maturity	1 300	6 630	
		<b>2012</b>	<b>2011</b>	
		<b>R</b>	<b>R</b>	
<b>SUMMARY OF FINANCIAL ASSETS</b>				
<b>Held to maturity:</b>				
Investments	Fixed Deposits	-	-	
Short-term Investment Deposits	Call Deposits	1 311 839	195 932	
Bank Balances		(264 337)	-	
Cash Floats and Advances		1 300	6 630	
		<b>1 048 802</b>	<b>202 562</b>	
<b>Loans and Receivables</b>				
Long-term Receivables	Staff Loans	-	-	
Consumer Debtors	Exchange transactions	-	1 219 705	
Consumer Debtors	Non-exchange transactions	736 442	1 637 104	
Other Debtors	Payments made in advance	-	-	
Other Debtors	Government Subsidies and Grants	508 095	674 655	
Current Portion of Long-term Receivables	Staff Loans	-	-	
VAT	VAT	153 685	212 646	
		<b>1 398 222</b>	<b>3 744 110</b>	
<b>Total Financial Assets</b>		<b>2 447 024</b>	<b>3 946 670</b>	
55.2	<b>Financial Liability</b>	<b>Classification</b>		
<b>Long-term Liabilities</b>				
Annuity Loans	At amortised cost	-	-	
Capitalised Lease Liability	Not valued at Fair Value through Profit or Loss	131 436	138 995	
<b>Consumer Deposits</b>				
Electricity and Water	At amortised cost	-	-	
<b>Trade Payables</b>				
Trade creditors	At amortised cost	1 529 851	2 047 041	
Deposits	At amortised cost	-	9 374	
<b>VAT Payable</b>				
VAT Control Accounts	Not valued at Fair Value through Profit or Loss	-	140 665	
<b>Short-term Loans</b>				
Call Bonds	Not valued at Fair Value through Profit or Loss	-	-	
<b>Current Portion of Long-term Liabilities</b>				
Annuity Loans	At amortised cost	-	-	
Capitalised Lease Liability	At amortised cost	82 324	84 378	
<b>Cash and Cash Equivalents</b>				
Bank Overdraft	Held to maturity	-	-	
		<b>1 743 611</b>	<b>2 420 453</b>	
<b>SUMMARY OF FINANCIAL LIABILITY</b>				
<b>At amortised cost:</b>				
Long-term Liabilities	Annuity Loans	-	-	
Consumer Deposits	Electricity and Water	-	-	
Trade Payables	Trade creditors	1 529 851	2 047 041	
Trade Payables	Deposits	-	9 374	
Current Portion of Long-term Liabilities	Annuity Loans	-	-	
Current Portion of Long-term Liabilities	Capitalised Lease Liability	82 324	84 378	
Cash and Cash Equivalents	Bank Overdraft	-	-	
		<b>1 612 175</b>	<b>2 140 793</b>	
<b>Not valued at Fair Value through Profit or Loss:</b>				
Long-term Liabilities	Capitalised Lease Liability	131 436	138 995	
VAT Payable	VAT Control Accounts	-	140 665	
Short-term Loans	Call Bonds	-	-	
		<b>131 436</b>	<b>279 659</b>	
<b>Total Financial Liability</b>		<b>1 743 611</b>	<b>2 420 453</b>	

56	<b>EVENTS AFTER THE REPORTING DATE</b>	<b>2012 R</b>	<b>2011 R</b>
	The Municipality is not aware of any events after the reporting date.	-	-
57	<b>IN-KIND DONATIONS AND ASSISTANCE</b>	<b>2012 R</b>	<b>2011 R</b>
	The municipality received the following in-kind donations and assistance:		
	<b>Organisation</b>		<b>Contribution towards:</b>
	NONE	-	-
		<hr/>	<hr/>
		-	-
58	<b>PRIVATE PUBLIC PARTNERSHIPS</b>	<b>2012 R</b>	<b>2011 R</b>
	Council has not entered into any private public partnerships during the financial year.	-	-
59	<b>COMPARISON WITH THE BUDGET</b>	<b>2012 R</b>	<b>2011 R</b>
	The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".		
60	<b>CONTINGENT LIABILITY</b>	<b>2012 R</b>	<b>2011 R</b>
	No Claims against Council.	-	-

		2012	2011
		R	R

**61 RELATED PARTIES**

**61.1 Related Party Transactions**

Is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the reporting entity or the government of which it forms part."

Central Karoo District Municipality has facilitated the general valuation for the area which includes Prince Albert, Laingsburg and Beaufort-West Municipalities. The procurement processes were managed by the district municipality and the costs incurred of R1 710 435 was paid by the municipality and subsequently recovered from the municipalities of Prince Albert, Laingsburg and Beaufort-West during the financial year.

	Total Properties	Amount Recovered
<b>Year ended 30 JUNE 2012</b>		
Beaufort West Municipality	14 735	1 242 458
Prince Albert Municipality	3 530	297 650
Laingsburg Municipality	2 020	170 327
<b>Total Recoverd</b>	<b>20 285</b>	<b>1 710 435</b>

**61.2 No Related Party Loans**

**61.3 Compensation of key management personnel**

The compensation of key management personnel is set out in **note 34** to the Annual Financial Statements.

**61.4 Other related party transactions**

The following entity exist during the year where Councillors or staff have an interest:

Councillor/Staff Member	Entity
D Maans	Beaufort West Advice and Development Centre
F Maxhegwana	Nelspoort Aids Action Group

**62 Non-Compliance with the MFMA**

Terms of Section 65(2)(e) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA). Some Creditors were not paid within 30 days.

Terms of Section 71(1) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA). Some Reports were not submitted within 10 working days.

**63 GOING CONCERN**

During the current financial year the Municipality experienced severe cash flow problems. Since August 2012 Council again participate in the LGTAS of COGTA. A Deployee of National Treasury already compiled a Recovery Plan that was approved by Council and submitted to National Treasury for approval. There is also evidence of several correspondences to the MEC for Local Government in the Province and is there evidence available for more than one visit to the MEC for Finance as well as the MEC for Local Government in connection with the financial position of Council.

14 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2012

Reconciliation of Carrying Value

	Opening Balance			Additions			Disposals			Under Construction			Transferred to Assets Held For Sale			Closing Balance			Opening Balance			Additions			Disposals			Transferred to Assets Held For Sale			Closing Balance			Carrying Value		
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R			
<b>Land and Buildings</b>	2 709 925	131 135	-	-	-	-	-	-	-	-	-	-	-	-	-	2 841 060	1 054 729	94 065	-	-	-	-	-	-	-	-	-	1 148 794	1 692 266	239 000	1 148 794	1 463 266	239 000			
Land	239 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	239 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Buildings	2 460 925	131 135	-	-	-	-	-	-	-	-	-	-	-	-	-	2 612 060	1 054 729	94 065	-	-	-	-	-	-	-	-	-	1 148 794	1 463 266	239 000	1 148 794	1 463 266	239 000			
<b>Infrastructure</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Tip Sites	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sewerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Fencing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Community Assets</b>	1 031 424	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 031 424	77 450	34 452	-	-	-	-	-	-	-	-	-	111 902	919 522	-	111 902	919 522	-			
Buildings	1 031 424	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 031 424	77 450	34 452	-	-	-	-	-	-	-	-	-	111 902	919 522	-	111 902	919 522	-			
Public Conveniences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Lease Assets</b>	271 288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	271 288	198 393	38 729	-	-	-	-	-	-	-	-	-	237 122	34 166	-	237 122	34 166	-			
Office Equipment	271 288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	271 288	198 393	38 729	-	-	-	-	-	-	-	-	-	237 122	34 166	-	237 122	34 166	-			
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Other Assets</b>	4 541 815	276 715	(194 205)	-	-	-	(194 205)	-	-	-	-	-	-	-	-	4 624 325	2 861 445	646 134	-	-	-	-	-	-	-	-	-	3 133 156	1 491 169	261 560	3 133 156	1 491 169	261 560			
Machinery and Equipment	762 180	19 951	(76 352)	-	-	-	(76 352)	-	-	-	-	-	-	-	-	705 779	396 259	115 278	-	-	-	-	-	-	-	-	-	444 219	261 560	496 329	444 219	261 560	496 329			
Furniture and Equipment	878 617	173 569	(17 873)	-	-	-	(17 873)	-	-	-	-	-	-	-	-	1 034 213	418 842	134 763	-	-	-	-	-	-	-	-	-	537 884	496 329	273 599	537 884	496 329	273 599			
Office Equipment - Computers	1 108 850	83 195	(99 880)	-	-	-	(99 880)	-	-	-	-	-	-	-	-	1 092 165	711 730	199 220	-	-	-	-	-	-	-	-	-	818 566	273 599	459 681	818 566	273 599	459 681			
Motor vehicles	1 792 168	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 792 168	1 134 614	197 873	-	-	-	-	-	-	-	-	-	1 332 487	-	-	1 332 487	-	-			
Fire Arms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Total Property, Plant and Equipment</b>	8 554 452	407 850	(194 205)	-	-	-	(194 205)	-	-	-	-	-	-	-	-	8 768 097	3 992 017	813 380	-	-	-	-	-	-	-	-	-	4 630 974	4 137 123	-	4 630 974	4 137 123	-			

30 JUNE 2011

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation				Carrying Value		
	Opening Balance	Additions	Disposals	Under Constructions	Closing Balance	Opening Balance	Additions	Disposals	Transferred to Assets Held For Sale	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R
<b>Land and Buildings</b>											
Land	3 278 733	-	-	-	2 709 925	1 182 083	108 431	-	(235 785)	1 054 729	1 655 196
Buildings	307 000	-	-	-	229 000	1 182 083	108 431	-	(235 785)	1 054 729	229 000
	2 971 733	-	-	-	2 460 925	2 364 166	216 862	-	(471 570)	1 988 396	1 426 196
<b>Infrastructure</b>											
Tip Sites	41 297 262	6 776 922	-	-	-	9 198 674	1 772 233	-	(10 970 907)	-	-
Roads	136 216	-	-	-	-	28 607	7 143	-	(35 750)	-	-
Sewerage	23 079 085	5 919 653	-	-	-	5 058 629	1 711 126	-	(6 229 755)	-	-
Electricity	7 216 667	-	-	-	-	1 609 852	156 296	-	(1 766 148)	-	-
Water	2 848 433	-	-	-	-	708 832	65 987	-	(774 819)	-	-
Fencing	7 916 915	457 269	-	-	-	1 792 754	351 399	-	(2 144 153)	-	-
	98 946	400 000	-	-	-	-	20 282	-	(20 282)	-	-
	400 000	-	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>											
Buildings	7 039 454	762 708	-	-	1 031 424	1 013 734	109 749	-	(1 046 033)	77 450	953 974
Recreation	5 042 081	762 708	-	-	1 031 424	247 983	66 845	-	(237 378)	77 450	953 974
	1 997 383	-	-	-	-	765 751	42 904	-	(808 655)	-	-
	271 288	-	-	-	271 288	198 393	38 729	-	-	237 122	34 166
<b>Lease Assets</b>											
Office Equipment	271 288	-	-	-	271 288	198 393	38 729	-	-	237 122	34 166
<b>Heritage Assets</b>											
Buildings	-	-	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>											
Machinery and Equipment	5 268 368	785 952	(345 426)	-	4 541 815	3 346 230	501 839	(344 472)	(531 798)	2 971 799	1 570 016
Furniture and Equipment	663 059	229 358	(9 159)	-	743 418	410 869	80 553	(9 159)	(88 262)	394 001	349 417
Office Equipment - Computers	937 123	456 904	(4 677)	-	989 226	592 672	126 357	(4 623)	(152 489)	561 907	437 319
Motor vehicles	1 332 828	99 690	(331 590)	-	1 007 003	954 339	143 369	(330 690)	(75 685)	691 333	315 670
Fire Arms	2 335 358	-	-	-	1 792 168	1 388 350	151 660	-	(215 352)	1 324 558	467 610
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
<b>Total Property, Plant and Equipment</b>	<b>57 155 105</b>	<b>8 325 582</b>	<b>(345 426)</b>	<b>-</b>	<b>8 554 452</b>	<b>14 939 114</b>	<b>2 530 981</b>	<b>(344 472)</b>	<b>(12 784 523)</b>	<b>4 341 100</b>	<b>4 213 352</b>

Property, Plant and Equipment  
Balance previously reported - Carrying Value  
4 213 352  
Correction of error - Accumulated Depreciation  
358 131  
Restated amount for Property, Plant and Equipment  
4 571 483

CENTRAL KAROO DISTRICT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

STATEMENT OF COMPARITIVE AND ACTUAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2012

Note 49

DESCRIPTION	2011/2012									
	1	2	3	4	5	6	7	8	9	10
R thousands or R	Original Budget	Budget Adjustments (i.e. 28 and 31 of the MPMA)	Virements (i.e. Council approved by-law)	Final Budget	Actual Outcome	Unauthorised Expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Explanations of Unauthorised Expenditure
<b>Financial Performance</b>										
Property Rates	-	-	-	-	-	-	-	0.00%	0.00%	
Less: Income Foregone - Rates	23 002 755	-	-	-	-	-	-	0.00%	0.00%	Less: Grants for EPWP & Work for Water Project were received
Government Grants and Subsidies	-	27 855 051	-	51 657 806	47 131 653	-	4 526 153	91.24%	198.01%	
Public Contributions and Donations	-	-	-	-	-	-	-	0.00%	0.00%	
Fines	5 000	-	-	5 000	-	-	5 000	0.00%	0.00%	
Third Party Payments	-	-	-	-	-	-	-	0.00%	0.00%	
Stock Adjustments	-	-	-	-	-	-	-	0.00%	0.00%	
Actual Gains	-	-	-	-	51 656	-	(51 656)	0.00%	0.00%	
Property Rates - Penalties & Collection Charges	-	-	-	-	-	-	-	0.00%	0.00%	
Service Charges	-	-	-	-	-	-	-	0.00%	0.00%	
Less: Income Foregone - Services	-	-	-	-	-	-	-	0.00%	0.00%	
Water Services Authority Contribution	32 500	-	-	32 500	75 404	-	(42 904)	232.01%	232.01%	Rent out more facilities
Rental of Facilities and Equipment	200 000	-	-	200 000	59 964	-	109 036	45.48%	45.48%	Less investments were made
Interest Earned - External Investments	11 500	-	-	11 500	26 045	-	(14 545)	226.48%	226.48%	More licence & permits were received
Licences and Permits	26 000 000	(23 305 026)	-	2 694 974	2 694 977	-	(3)	100.00%	10.37%	More subsidies were received
Agency Services	1 305 542	212 173	-	1 517 717	1 041 460	-	476 237	68.72%	77.72%	Less powder milk were sold
Other Revenue	-	-	-	-	-	-	-	0.00%	0.00%	
Unreserved Discount - Interest	-	-	-	-	-	-	-	0.00%	0.00%	
Dividends Received	-	-	-	-	-	-	-	0.00%	0.00%	
Contributed PPE	-	-	-	-	141 674	-	(141 674)	0.00%	0.00%	Assets received from Red Door & Tourism
Gains on Disposal of PPE	-	-	-	-	-	-	-	0.00%	0.00%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>51 357 297</b>	<b>4 762 200</b>	<b>-</b>	<b>56 119 497</b>	<b>51 253 853</b>	<b>-</b>	<b>4 865 643</b>	<b>91.33%</b>	<b>99.80%</b>	
<b>Expenditure by nature</b>										
Employee Related Costs	9 786 512	(426 475)	-	9 359 037	9 315 662	-	43 375	99.54%	95.20%	
Remuneration of Councillors	2 625 174	2 644 826	-	2 890 000	2 819 577	-	70 423	97.56%	107.41%	
Collection Costs	398 257	-	-	398 257	895 574	(494 317)	(494 317)	224.12%	224.12%	Assets Depreciate to Zero were rectified
Depreciation and Amortisation	-	-	-	-	-	-	-	0.00%	0.00%	
Debt Impairment	-	-	-	-	-	-	-	0.00%	0.00%	
Asset Impairment	82 000	-	-	82 000	111 580	(29 580)	(29 580)	136.07%	136.07%	Repair BMW not budget for.
Repairs and Maintenance	50 000	-	-	50 000	76 320	(26 320)	(26 320)	152.64%	152.64%	
Finance Charges	241 296	-	-	241 296	324 474	(83 178)	(83 178)	134.47%	134.47%	
Unreserved Discount - Interest	-	628 661	-	628 661	902 451	(32 474)	(32 474)	103.75%	373.99%	
Actual Losses	-	-	-	-	539 229	(539 229)	(539 229)	0.00%	0.00%	Actual Losses i.e. Post Retirement Benefits
Bulk Purchases	500 000	-	-	500 000	421 747	-	78 253	84.35%	84.35%	
Contracted Services	23 145 000	3 665 026	-	26 210 026	26 726 523	(516 497)	(516 497)	101.97%	115.47%	
Grants and Subsidies	-	-	-	-	-	-	-	0.00%	0.00%	
Operating Grant Expenditure	14 818 423	6 165 568	-	15 534 991	10 420 371	-	5 114 620	67.08%	69.85%	Less Grants for EPWP & Work for Water Project were received
General Expenses	-	-	-	-	19 782	(19 782)	(19 782)	0.00%	0.00%	Disposal of Assets
Loss on Disposal of PPE	-	-	-	-	-	-	-	0.00%	0.00%	
<b>Total Expenditure</b>	<b>51 745 662</b>	<b>4 148 606</b>	<b>-</b>	<b>55 894 268</b>	<b>52 245 796</b>	<b>(1 658 199)</b>	<b>3 648 472</b>	<b>93.47%</b>	<b>100.97%</b>	
<b>Surplus/(Deficit)</b>	<b>(888 365)</b>	<b>613 594</b>	<b>-</b>	<b>225 229</b>	<b>(991 943)</b>	<b>(1 658 199)</b>	<b>1 217 171</b>	<b>-440.42%</b>	<b>255.42%</b>	
Transfers recognised - Capital	(108 000)	-	-	(108 000)	-	-	(108 000)	0.00%	0.00%	Assets received from Red Door, Tourism & Finance Lease
Contributions recognised - Capital & contributed assets	(100 000)	(135 000)	-	(235 000)	(413 748)	(178 748)	178 748	176.06%	413.75%	
Transfers from/ (to) other reserves	241 296	91 812	-	333 108	268 686	-	64 413	80.66%	111.35%	
Offsetting Depreciation	398 257	-	-	398 257	892 574	-	(494 317)	224.12%	224.12%	Assets Depreciate to Zero were rectified
<b>Surplus/(Deficit) after capital transfers &amp; contribution:</b>	<b>43 188</b>	<b>570 406</b>	<b>-</b>	<b>613 594</b>	<b>(244 422)</b>	<b>(1 836 948)</b>	<b>858 013</b>	<b>-39.83%</b>	<b>-565.95%</b>	

DESCRIPTION	2011/2012									
	Original Budget	Budget Adjustments (i.e. s28 and s31 of the MPMA)	Virements (i.e. Council approved by-law)	Final Budget	Actual Outcome	Unauthorised Expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Explanations of Unauthorised Expenditure
R thousands or R	1	2	3	4	5	6	7	8	9	10
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(deficit) for the year</b>	<b>43 188</b>	<b>570 406</b>	-	<b>613 594</b>	<b>(244 422)</b>	<b>(1 836 948)</b>	<b>858 015</b>	<b>-100.00%</b>	<b>-100.00%</b>	
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>										
Transfer recognised capital	-	-	-	-	144 674	(141 674)	(141 674)	0.00%	0.00%	Contributed PPE
Transfer contributions & donations	-	-	-	-	46 024	(45 024)	(45 024)	0.00%	0.00%	Finance Lease
Recoveries	-	-	-	-	-	-	-	96.62%	227.05%	
Internally generated funds	100 000	136 000	-	236 000	227 062	-	7 948	96.62%	227.05%	
<b>Total sources of capital funds</b>	<b>100 000</b>	<b>136 000</b>	-	<b>236 000</b>	<b>413 750</b>	<b>(186 698)</b>	<b>(178 750)</b>	<b>176.06%</b>	<b>413.75%</b>	
<b>Cash flows</b>										
Net cash from (used) operating	1 578 050	1 578 050	-	1 578 050	(264 337)	-	1 842 387	-16.75%	-16.75%	
Net cash from (used) investing	-	-	-	-	-	-	-	0.00%	0.00%	
Net cash from (used) financing	-	-	-	-	-	-	-	0.00%	0.00%	
<b>Cash/cash equivalents at year end</b>	<b>1 578 050</b>	<b>1 578 050</b>	-	<b>1 578 050</b>	<b>(264 337)</b>	-	<b>1 842 387</b>	<b>-16.75%</b>	<b>-16.75%</b>	
<b>Expenditure by Vote</b>										
Executive & Council	3 730 537	288 011	-	4 018 548	3 866 249	-	(152 299)	96.21%	103.64%	Actual Losses i.r.o. Post Retirement Benefits
Budget & Treasury	6 082 417	231 468	-	6 323 885	6 504 442	(180 557)	180 557	102.86%	106.76%	
Corporate Services	11 630 788	(1 381 325)	-	10 449 463	8 043 110	-	(2 406 353)	76.97%	67.98%	
Planning & Development	4 153 789	385 086	-	4 518 865	3 977 743	-	(541 112)	88.03%	95.76%	
Health	2 047 650	1 484 957	-	3 542 607	2 246 260	-	(1 296 347)	63.41%	109.70%	
Community & Social Services	-	-	-	-	0	-	-	0.00%	0.00%	
Housing	-	-	-	-	-	-	-	0.00%	0.00%	
Public Safety	703 006	86 403	-	788 409	798 942	(10 533)	10 533	101.34%	113.65%	Assets Depreciate to Zero were rectified
Sport & Recreation	-	-	-	-	0	-	-	0.00%	0.00%	
Environmental Protection	-	-	-	-	-	-	-	0.00%	0.00%	
Waste Management	-	-	-	-	0	-	-	0.00%	0.00%	
Waste Water Management	-	-	-	-	-	-	-	0.00%	0.00%	
Road Transport	23 187 475	3 085 026	-	26 252 501	26 809 045	(556 544)	556 544	102.12%	115.62%	Additional funds available from Department Transport
Water	-	-	-	-	0	-	-	0.00%	0.00%	
Electricity	-	-	-	-	0	-	-	0.00%	0.00%	
<b>Total Expenditure</b>	<b>51 745 662</b>	<b>4 148 606</b>	-	<b>55 894 268</b>	<b>52 245 796</b>	<b>(747 634)</b>	<b>(3 648 472)</b>	<b>93.47%</b>	<b>100.97%</b>	
<b>Capital Expenditure by Vote</b>										
Executive & Council	-	-	-	-	-	-	-	0.00%	-100.00%	Contributed PPE & Finance Lease
Budget & Treasury	100 000	135 000	-	235 000	390 446	(155 446)	155 446	166.15%	390.45%	
Corporate Services	-	-	-	-	-	-	-	0.00%	0.00%	
Planning & Development	108 000	-	-	108 000	-	(108 000)	(108 000)	-100.00%	-100.00%	
Health	-	-	-	-	-	-	-	0.00%	0.00%	
Community & Social Services	-	-	-	-	-	-	-	0.00%	0.00%	
Housing	-	-	-	-	-	-	-	0.00%	0.00%	
Public Safety	-	-	-	-	-	-	-	0.00%	0.00%	
Sport & Recreation	-	-	-	-	-	-	-	0.00%	0.00%	
Environmental Protection	-	-	-	-	-	-	-	0.00%	0.00%	
Waste Management	-	-	-	-	-	-	-	0.00%	0.00%	
Waste Water Management	-	-	-	-	-	-	-	0.00%	0.00%	
Road Transport	-	-	-	-	23 304	(23 304)	23 304	100.00%	100.00%	Budget as Operational Expenditure and not as Capital Expenditure
Water	-	-	-	-	-	-	-	0.00%	0.00%	
Electricity	-	-	-	-	-	-	-	0.00%	0.00%	
<b>Total Expenditure</b>	<b>208 000</b>	<b>135 000</b>	-	<b>343 000</b>	<b>413 750</b>	<b>(178 750)</b>	<b>70 750</b>	<b>120.63%</b>	<b>198.92%</b>	

**APPENDIX A  
CENTRAL KAROO DISTRICT MUNICIPALITY  
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2011	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2012	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
<b>LONG-TERM LOANS</b>									
Stock Loan				-	-	-	-	-	-
Stock Loan				-	-	-	-	-	-
Stock Loan				-	-	-	-	-	-
<b>Total Long-term Loans</b>				-	-	-	-	-	-
<b>ANNUITY LOANS</b>									
Sanlam				-	-	-	-	-	-
DBSA				-	-	-	-	-	-
DBSA				-	-	-	-	-	-
DBSA				-	-	-	-	-	-
<b>Total Annuity Loans</b>				-	-	-	-	-	-
<b>GOVERNMENT LOANS</b>									
Other				-	-	-	-	-	-
<b>Total Government Loans</b>				-	-	-	-	-	-
<b>LEASE LIABILITY</b>									
Gestetner MP 6001 SP	0%			191 720	-	32 425	159 295	142 394	-
Xerox M151	0%			0	-	0	-	-	-
Gestetner MPC 2500	0%			6 945	-	6 945	(0)	-	-
Gestetner DSM 415P	0%			2 564	-	2 564	0	-	-
Gestetner MP 2000 SP	0%			15 442	-	6 829	8 613	5 711	-
Gestetner MP 161 SPF	0%			6 703	-	2 952	3 751	2 459	-
Gestetner MPC 3001	0%			-	45 024	2 922	42 102	39 771	-
<b>Total Lease Liabilities</b>				<b>223 374</b>	<b>45 024</b>	<b>54 637</b>	<b>213 760</b>	<b>190 335</b>	<b>-</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>223 374</b>	<b>45 024</b>	<b>54 637</b>	<b>213 760</b>	<b>190 335</b>	<b>-</b>



APPENDIX B

CENTRAL KAROO DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2012

	Cost/Revaluation					Accumulated Depreciation					Carrying Value					
	Opening Balance	Correction of Error	Balance After Corrections	Additions	Under Construction	Impairment	Transfer to Assets Held Sale	Closing Balance	Opening Balance	Correction of Error		Balance After Corrections	Additions	Impairment	Transfer to Assets Held Sale	Closing Balance
<b>Land and Buildings</b>																
Land	229 000	-	229 000	-	-	-	-	229 000	-	-	-	-	-	-	-	229 000
Buildings	2 480 925	-	2 480 925	131 135	-	-	-	2 612 060	1 054 729	-	1 054 729	94 085	-	-	1 148 794	1 463 266
	2 709 925	-	2 709 925	131 135	-	-	-	2 841 960	1 054 729	-	1 054 729	94 085	-	-	1 148 794	1 692 266
<b>Infrastructure</b>																
Electricity Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tip Sites	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fencing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>																
Buildings	1 031 424	-	1 031 424	-	-	-	-	1 031 424	77 450	-	77 450	34 452	-	-	111 902	919 522
Recreational	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1 031 424	-	1 031 424	-	-	-	-	1 031 424	77 450	-	77 450	34 452	-	-	111 902	919 522
<b>Heritage Assets</b>																
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Painting & Art Galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total carried forward</b>	<b>3 741 349</b>	<b>-</b>	<b>3 741 349</b>	<b>131 135</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 872 484</b>	<b>1 132 179</b>	<b>-</b>	<b>1 132 179</b>	<b>128 517</b>	<b>-</b>	<b>-</b>	<b>1 260 696</b>	<b>2 611 788</b>

**APPENDIX B  
CENTRAL KAROO DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2012**

	Cost				Accumulated Depreciation				Carrying Value				
	Opening Balance	Correction of Error	Balance After Corrections	Additions	Under Construction	Impairment	Transfer to Assets Held Sale	Closing Balance		Balance After Corrections	Impairment	Transfer to Assets Held Sale	Closing Balance
<b>Total brought forward</b>	3 741 249	-	3 741 249	131 135	-	-	-	3 872 384	1 132 179	-	-	1 132 179	2 611 788
Housing Rental Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Leased Assets (Infrastructure)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage Mains & Purity	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	743 418	18 762	762 180	19 951	-	76 352	-	705 779	394 001	2 258	-	444 219	261 560
Machinery and Equipment	1 270 514	-120 609	1 149 905	173 569	-	17 973	-	1 305 901	799 029	-181 794	-	775 006	530 905
Furniture and Equipment	1 007 033	101 847	1 108 880	83 195	-	99 880	-	1 092 165	691 333	201 397	-	916 566	273 889
Office Equipment - Computers	1 792 169	-	1 792 169	-	-	-	-	1 792 169	1 324 558	-189 944	-	1 332 487	459 881
Transport	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Arms	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Property, Plant and Equipment</b>	4 813 103	-	4 813 103	276 715	-	194 205	-	4 895 013	3 208 921	-349 083	-	3 370 278	1 525 395
<b>Investment Property</b>	8 554 452	-	8 554 452	407 850	-	194 205	-	8 768 097	4 341 100	-349 083	-	4 630 974	4 137 123
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	246 144	-	246 144	5 898	-	-	-	252 042	135 340	-9 048	-	202 486	46 556
Computer Software	246 144	-	246 144	5 898	-	-	-	252 042	135 340	-9 048	-	202 486	46 556
<b>Total</b>	8 800 596,00	-	8 800 596	413 748	-	194 205	-	9 020 193	4 476 440	-385 131	-	4 836 460	4 183 879

APPENDIX C

CENTRAL KAROO DISTRICT MUNICIPALITY SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

	Cost				Accumulated Depreciation				Carrying Value					
	Opening Balance	Corrections of error & Transfers	Restated Balance	Additions	Under Construction	Disposals	Residual Value	Closing Balance		Opening Balance	Corrections of error & Transfers	Restated Balance	Additions	Disposals
<b>Council</b>	384 356	-	384 356	9 313	-	5 276	-	388 393	175 729	-	175 729	57 228	5 276	227 681
Executive & Council	347 283	-	347 283	6 263	-	4 624	-	348 922	151 779	-	151 779	50 147	4 624	197 302
Municipal Manager	37 073	-	37 073	3 050	-	652	-	39 471	23 950	-	23 950	7 081	652	30 379
<b>Finance</b>	769 912	-	769 912	68 807	-	5 902	-	832 817	431 464	-	431 464	110 290	5 410	536 344
Financial Services	726 233	-	726 233	61 972	-	5 902	-	782 303	404 638	-	404 638	99 214	5 410	498 442
Internal Audit	43 679	-	43 679	6 835	-	-	-	50 514	26 826	-	26 826	11 076	-	37 902
<b>Corporate Services</b>	3 178 389	-	3 178 389	238 349	-	118 113	-	3 298 625	1 570 333	-	1 570 333	216 216	107 570	1 678 979
Corporate Services	3 178 389	-	3 178 389	238 349	-	118 113	-	3 298 625	1 570 333	-	1 570 333	216 216	107 570	1 678 979
<b>Planning &amp; Development</b>	255 977	-	255 977	36 948	-	-	-	292 925	130 442	-	130 442	49 865	-	180 307
Tourism	11 469	-	11 469	36 948	-	-	-	48 417	6 234	-	6 234	7 258	-	13 492
PMMS	222 881	-	222 881	-	-	-	-	222 881	107 908	-	107 908	39 034	-	146 942
LED	21 627	-	21 627	-	-	-	-	21 627	16 300	-	16 300	3 573	-	19 873
<b>PMU</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Health</b>	366 582	-	366 582	12 222	-	-	-	378 804	216 433	-	216 433	57 543	-	273 976
Environmental Health	197 448	-	197 448	6 010	-	-	-	203 458	131 180	-	131 180	32 419	-	163 599
Global Fund	169 134	-	169 134	6 212	-	-	-	175 346	85 253	-	85 253	25 124	-	110 377
<b>Public Safety</b>	3 189 195	-	3 189 195	1 733	-	47 654	-	3 143 274	1 197 787	-	1 197 787	240 983	40 674	1 398 096
Public Safety	3 189 195	-	3 189 195	1 733	-	47 654	-	3 143 274	1 197 787	-	1 197 787	240 983	40 674	1 398 096
<b>Road Transport</b>	410 041	-	410 041	40 479	-	17 281	-	433 259	269 829	-	269 829	81 255	15 483	335 591
Roads	410 041	-	410 041	40 479	-	17 281	-	433 259	269 829	-	269 829	81 255	15 483	335 591
<b>SUB TOTAL</b>	<b>8 554 452</b>	-	<b>8 554 452</b>	<b>407 851</b>	-	<b>194 206</b>	-	<b>8 768 097</b>	<b>3 992 017</b>	-	<b>3 992 017</b>	<b>813 380</b>	<b>174 423</b>	<b>4 630 974</b>
<b>INTANGIBLE ASSETS:</b>														
Finance	246 144	-	246 144	5 898	-	-	-	252 042	126 292	-	126 292	79 194	-	205 486
	246 144	-	246 144	5 898	-	-	-	252 042	126 292	-	126 292	79 194	-	205 486
<b>SUB TOTAL</b>	<b>246 144</b>	-	<b>246 144</b>	<b>5 898</b>	-	-	-	<b>252 042</b>	<b>126 292</b>	-	<b>126 292</b>	<b>79 194</b>	-	<b>205 486</b>
<b>TOTAL</b>	<b>8 800 596</b>	-	<b>8 800 596</b>	<b>413 749</b>	-	<b>194 206</b>	-	<b>9 020 139</b>	<b>4 118 309</b>	-	<b>4 118 309</b>	<b>892 574</b>	<b>174 423</b>	<b>4 836 460</b>

**APPENDIX C**  
**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012**  
**GENERAL FINANCE STATISTICS CLASSIFICATION**

	Cost/Revaluation				Accumulated Depreciation				Carrying Value					
	Opening Balance	Correction of error or Transfer	Restated Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance		Correction of error or Transfer	Restated Balance	Additions	Disposals Income	Closing Balance
Executive & Council	384 356	-	384 356	9 313	-	5 276	388 393	175 729	-	175 729	57 228	5 276	227 681	160 712
Budget & Treasury Office	769 912	-	769 912	68 807	-	5 902	832 817	431 464	-	431 464	110 290	5 410	536 344	296 473
Corporate Services	3 178 389	-	3 178 389	238 349	-	118 113	3 298 625	1 570 333	-	1 570 333	216 216	107 570	1 678 979	1 619 646
Planning & Development	255 977	-	255 977	36 948	-	-	292 925	130 442	-	130 442	49 865	-	180 307	112 618
Health	366 582	-	366 582	12 222	-	-	378 804	216 433	-	216 433	57 543	-	273 976	104 828
Community & Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety	3 189 195	-	3 189 195	1 733	-	47 654	3 143 274	1 197 787	-	1 197 787	240 983	40 674	1 398 096	1 745 178
Sport & Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	17 261	433 259	269 829	-	269 829	81 255	15 493	335 591	97 668
Road Transport	410 041	-	410 041	40 479	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>8 554 452</b>	<b>-</b>	<b>8 554 452</b>	<b>407 851</b>	<b>-</b>	<b>194 206</b>	<b>8 768 097</b>	<b>3 992 017</b>	<b>-</b>	<b>3 992 017</b>	<b>813 380</b>	<b>174 423</b>	<b>4 630 974</b>	<b>4 137 123</b>
<b>INTANGIBLE ASSETS:</b>														
Budget & Treasury Office	246 144	0	246 144	5 898	0	0	252 042	126 292	0	126 292	79 194	0	205 486	46 556
	<b>246 144</b>	<b>0</b>	<b>246 144</b>	<b>5 898</b>	<b>0</b>	<b>0</b>	<b>252 042</b>	<b>126 292</b>	<b>0</b>	<b>126 292</b>	<b>79 194</b>	<b>0</b>	<b>205 486</b>	<b>46 556</b>
<b>SUB TOTAL</b>	<b>8 800 596</b>	<b>0</b>	<b>8 800 596</b>	<b>413 749</b>	<b>0</b>	<b>194 206</b>	<b>9 020 139</b>	<b>4 118 309</b>	<b>0</b>	<b>4 118 309</b>	<b>892 574</b>	<b>174 423</b>	<b>4 836 460</b>	<b>4 183 679</b>
<b>TOTAL</b>														

**APPENDIX D**  
**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012**  
**GENERAL FINANCE STATISTIC CLASSIFICATIONS**

2011 Actual Income R	2011 Actual Expenditure R	2011 Surplus/ (Deficit) R		2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R
915 000	5 837 935	(4 922 935)	Executive & Council	1 006 137	3 866 249	(2 860 112)
16 800 662	14 413 930	2 386 732	Budget & Treasury	13 748 317	9 678 782	4 069 534
5 985 743	9 757 758	(3 772 015)	Corporate Services	2 594 553	8 309 537	(5 714 984)
7 862 252	2 950 620	4 911 632	Planning & Development	2 078 614	3 977 743	(1 899 129)
796 865	2 780 324	(1 983 459)	Health	2 288 089	2 253 889	34 199
64 613	349 676	(285 063)	Community & Social Services	-	-	-
-	-	-	Housing	-	-	-
446 675	838 107	(391 432)	Public Safety	92 074	798 942	(706 868)
4 954	95 070	(90 116)	Sport & Recreation	-	-	-
-	-	-	Environmental Protection	-	-	-
1 382 675	1 539 859	(157 184)	Waste Management	-	-	-
-	-	-	Waste Water Management	-	-	-
25 559 257	27 486 765	(1 927 508)	Road Transport	29 413 715	29 471 666	(57 952)
897 816	897 792	24	Water	-	-	-
2 454 522	2 454 499	23	Electricity	-	-	-
63 171 034	69 402 335	(6 231 301)	Sub Total	51 221 497	58 356 812	(7 135 315)
-	(6 707 386)	6 707 386	Less Inter-Departmental Charges	-	(6 156 199)	6 156 199
63 171 034	62 694 949	476 085	<b>Total</b>	51 221 497	52 200 613	(979 116)

**APPENDIX E(1)**  
**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**REVENUE AND EXPENDITURE**  
**ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2012**  
**MUNICIPAL VOTES CLASSIFICATION**

	2012 Actual (R)	2012 Budget (R)	2012 Variance (R)	2012 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
<b>REVENUE</b>					
Property Rates	-	-	-	0.00%	
Government Grants and Subsidies	(47 131 653)	(51 657 806)	4 526 153	-8.76%	Less were utilised than budget for
Public Contributions and Donations	-	-	-	0.00%	
Fines	-	(5 000)	5 000	-100.00%	Less were received than budget for
Third Party Payments	-	-	-	0.00%	
Stock Adjustments	-	-	-	0.00%	
Actuarial Gains	(51 656)	-	(51 656)	0.00%	
Property Rates - Penalties & Collection					
Charges	-	-	-	0.00%	
Service Charges	-	-	-	0.00%	
Water Services Authority Contribution	-	-	-	0.00%	
Rental of Facilities and Equipment	(75 404)	(32 500)	(42 904)	132.01%	More facilities were rented out
Interest Earned - External Investments	(90 964)	(200 000)	109 036	-54.52%	Less investements were made
Interest Earned - Outstanding Debtors	-	-	-	0.00%	
Licences and Permits	(26 045)	(11 500)	(14 545)	126.48%	More were received than budget for
Agency Services	(2 694 977)	(2 694 974)	(3)	0.00%	
Other Revenue	(1 041 480)	(1 517 717)	476 237	-31.38%	Less were received than budget for
Unamortised Discount - Interest	-	-	-	0.00%	
Dividends Received	-	-	-	0.00%	
Contributed PPE	(141 674)	-	(141 674)	100.00%	Assets were contributed which were not budget for.
Gains on Disposal of PPE	-	-	-	0.00%	
<b>Total Revenue</b>	<b>(51 253 853)</b>	<b>(56 119 497)</b>	<b>4 865 643</b>	<b>-9%</b>	
<b>EXPENDITURE</b>					
Budget & Treasury	9 678 782	9 498 224	180 558	1.90%	
Corporate Services	3 883 509	3 804 255	79 254	2.08%	
Council	3 443 336	3 446 559	(3 223)	-0.09%	
Executive	422 914	571 989	(149 075)	-26.06%	
Health	2 246 260	2 028 607	217 653	10.73%	
Comm & Soc (Libraries)	-	-	-	0.00%	
Public Safety	798 942	788 409	10 533	1.34%	
Planning & Development	3 977 743	4 518 855	(541 112)	-11.97%	EDA was not utilised in full
Sport & Recreational	-	-	-	0.00%	
Waste Water (Storm Water)	-	-	-	0.00%	
Waste Water (Sewerage)	-	-	-	0.00%	
Waste Management (Sanitation)	-	-	-	0.00%	
Road Transport	29 504 022	28 947 475	556 547	1.92%	
Water	-	-	-	0.00%	
Electricity (Distribution)	-	-	-	0.00%	
Electricity (Street Lighting)	-	-	-	0.00%	
Other	4 446 484	8 720 214	(4 273 730)	-66.46%	Conditional Grants was not utilised in full
Less Internal Charges	(6 156 199)	(6 430 319)	274 120	0.49%	
<b>Total Expenditure</b>	<b>52 245 796</b>	<b>55 894 268</b>	<b>(3 648 472)</b>	<b>-6.98%</b>	
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>991 943</b>	<b>(225 229)</b>	<b>1 217 171</b>	<b>-2.51%</b>	

**APPENDIX E (2)**  
**CENTRAL KAROO DISTRICT MUNICIPALITY**  
**ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2012**  
**ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS**  
**MUNICIPAL VOTES CLASSIFICATION**

	2012 Actual		2012 Under Construction		2012 Total Additions		2012 Budget		2012 Variance		2012 Variance		Explanation of Significant Variances greater than 5% versus Budget
	R		R		R		R		R	%	R	%	
Budget & Treasury	390 446		-		390 446		235 000		155 446		66.15%		Contributed PPE & Finance Lease
Corporate Services	0		-		-		-		-		0.00%		
Executive	0		-		-		-		-		0.00%		
Health	0		-		-		-		-		0.00%		
Comm & Soc (Libraries)	0		-		-		-		-		0.00%		
Comm & Soc (Halls & Faciliti	0		-		-		-		-		0.00%		
Comm & Soc (Cemeteries)	0		-		-		-		-		0.00%		
Housing	0		-		-		-		-		0.00%		
Public Safety	0		-		-		-		-		0.00%		
Planning & Development	0		-		-		108 000	(108 000)	-		-100.00%		EDA funds were not utilised in full
Sport & Recreational	0		-		-		-		-		0.00%		
Waste Water (Storm Water)	0		-		-		-		-		0.00%		
Waste Water (Sewerage)	0		-		-		-		-		0.00%		
Road Transport	23 304		-		23 304		-		23 304		100.00%		Budget as Operational Expenditure and not as Capital Expenditure
Electricity (Distribution)	0		-		-		-		-		0.00%		
Water (Distribution)	0		-		-		-		-		0.00%		
DMA Other	0		-		-		-		-		0.00%		
Other	0		-		-		-		-		0.00%		
<b>Total</b>	<b>413 750</b>		<b>-</b>		<b>413 750</b>		<b>343 000</b>	<b>70 750</b>	<b>70 750</b>		<b>20.63%</b>		<b>120.63%</b>

**APPENDIX F  
CENTRAL KAROO DISTRICT MUNICIPALITY  
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 1 JULY 2011		Internal Transfer	Expenditure Against Fund	Restated balance 1 JULY 2011	Contributions during the year	Interest on Investments	Other Income	Operating Expenditure transferred to Revenue	Capital Expenditure transferred to Revenue	Balance 30 JUNE 2012	Unspent 30 JUNE 2012 (Creditor)	Unpaid 30 JUNE 2012 (Debtor)
	R	R											
<b>TRUST FUNDS</b>													
Finance Management Grant													
IFRDS	220 128	-	-	-	220 128	1 250 000	-	-	1 250 000	-	-	-	-
MS/G	209 447	-	(114 757)	-	94 690	790 000	-	-	790 000	-	-	0	-
Spatial Development Grant	132 166	-	(132 166)	-	-	-	-	-	94 690	-	-	-	-
DWAF Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
Murraysburg Trust	-	-	-	-	-	-	-	-	-	-	-	-	-
Tourism ITDF	-	-	-	-	-	-	-	-	-	-	-	-	-
Tourism Plan	-	-	-	-	-	10 000	-	-	10 000	-	-	-	-
Tourism Blesfer	2 438	-	-	-	134 604	-	-	-	83 749	-	50 855	-	-
Tourism Sustainability	154 891	-	-	-	154 891	-	-	-	31 570	-	123 321	-	-
Tourism Develop Rural Area	14 783	-	-	-	14 783	-	-	-	14 783	-	-	0	-
Department of the Premier	6 009	-	-	-	6 009	-	-	-	6 009	-	0	-	-
Renewal Projects	14 981	-	-	-	14 981	-	-	-	14 981	-	0	-	-
Work for Water Project	445 927	-	-	(443 372)	(445 927)	3 386 180	-	-	2 103 057	-	817 196	-	-
Work for Water Project Advance	443 372	-	-	-	-	-	-	-	-	-	-	-	-
Disaster Management Centre	92 073	-	-	-	92 073	-	-	-	92 073	-	0	-	-
Community Development Workers	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing Project	-	-	-	-	-	-	-	-	-	-	-	-	-
Multi Purpose Centre	1 885 243	-	114 757	(2 000 000)	-	-	-	-	-	-	-	-	-
Multi Purpose Centre DMA	136 249	-	-	(136 249)	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
Global Fund	279 254	-	-	-	279 254	1 390 463	-	-	279 254	-	-	-	-
Global Fund Projects	(121 128)	-	-	-	(121 128)	26 432 473	-	-	1 322 765	-	-	53 430	-
Roads Agency Services	3 019 461	-	-	(315 220)	2 704 241	86 240	-	-	26 700 670	-	2 435 846	-	(4 089)
Nutrition Scheme	-6 403	-	-	(6 403)	-	-	-	-	83 925	-	-	-	-
Major Road 381	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Mechanical Replacement	-	-	-	-	-	1 300 000	-	-	657 465	-	1 300 000	-	-
EPW/	-	-	-	-	-	615 000	-	-	-	-	-	-	-
Primary Health Care	3 142	-	-	(3 142)	-	-	-	-	-	-	-	-	(42 465)
EDW	89 667	-	-	(89 667)	-	747 030	-	-	769 088	-	-	-	(3 142)
EDW	-8 387	-	-	(8 402)	-	9 901	-	-	-	-	-	-	(11 735)
Arbitance Subsidies	-	-	(10 015)	-	(18 402)	-	-	-	-	-	-	-	(8 501)
Department Human Settlement	-	-	-	-	-	787 493	-	-	787 493	-	-	0	-
Equitable Share	-	-	-	-	-	11 535 000	-	-	11 535 000	-	-	-	-
Dept Local Government	500 000	-	-	(500 000)	-	-	-	-	284 734	-	-	-	(284 734)
DWAF Projects	262 175	-	-	(262 175)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6 698 016</b>	<b>-</b>	<b>-</b>	<b>(3 667 031)</b>	<b>3 030 985</b>	<b>48 319 792</b>	<b>-</b>	<b>-</b>	<b>47 131 653</b>	<b>-</b>	<b>4 219 123</b>	<b>4 727 218</b>	<b>(508 095)</b>
<b>Transferred to Discontinued Operations Note 42.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - Note 10</b>	<b>6 698 016</b>	<b>-</b>	<b>-</b>	<b>(3 667 031)</b>	<b>3 030 985</b>	<b>48 319 792</b>	<b>-</b>	<b>-</b>	<b>47 131 653</b>	<b>-</b>	<b>4 219 123</b>	<b>4 727 218</b>	<b>(508 095)</b>



**DEVIATIONS FROM 01 JULIE 2011 - 30 DECEMBER 2011.**

TJEK NO	VERSKAFFER	BEDRAG	REDE VIR AFWYKING
386	Cronje Boerdery	9 685.00	Naaste masjien aan werk punt. A Koopman
350	Motolek	7 387.84	Motor wil nie aansit a.g.v. elektriese probleem. Kwotasie onprakties. K Fass
345	Karoo Motors	712.50	Herstel "manifold Gasket". Kwotasie onprakties. K Fass
338	KVB	25 649.35	Enigste verskaffer op die dorp. aankoop van oorpakke. Mnr ER Klink
333	HPE Technologies	25 460.69	Sny van as. Naaste persone wat die tipe werk kan doen. D Lodewyk.
448	FJ Bruce	75 167.04	Herstel van voedskade, huur van excavator, digger-loader en trok. Naaste verskaffer.
503	FJ Bruce	17 305.20	Herstel van voedskade, huur van excavator, digger-loader en trok. Naaste verskaffer.
483	Airpark Beaufort West	1 060.00	EDA Internet installeering.
479	True Wheel cc	1 500.00	Enigste plek in die Wes Kaap waar ons 'n rim kon kry vir die BMW.
478	J v Heerden Grondver	102 075.60	Herstel voedskade, naaste verskaffer - ander kon nie dadelik lewer nie.
534	J v Heerden Grondver	177 944.88	Herstel voedskade, naaste verskaffer - ander kon nie dadelik lewer nie.
564	J v Heerden Grondver	11 491.12	Herstel voedskade, naaste verskaffer - ander kon nie dadelik lewer nie.
612	FJ Bruce	5 668.08	Herstel van voedskade, huur van excavator, digger-loader en trok. Naaste verskaffer.
608	Airpark Beaufort West	1 617.99	EDA Internet.
44127	Art Welding	4 865.00	Veiligheids hek by BM se kantoor, persoon kon dadelik die hek maak - na inbraak.
823	J v Heerden Grondver	109 267.86	Herstel voedskade, naaste verskaffer - ander kon nie dadelik lewer nie.
798	FJ Bruce	226 825.80	Herstel van voedskade, huur van excavator, digger-loader en trok. Naaste verskaffer.
796	Hunlun Broers	22 731.60	Herstel voedskade, naaste verskaffer - ander kon nie dadelik lewer nie.
730	Airpark Beaufort West	1 000.00	EDA Internet installeering.
709	Rocla De Aar	31 543.57	Herstel voedskade, naaste verskaffer - ander kon nie dadelik lewer nie.
669	FJ Bruce	31 619.04	Herstel van voedskade, huur van excavator, digger-loader en trok. Naaste verskaffer.
		<b>890 578.16</b>	

**DEVIATIONS FROM 01 JANUARY 2012 - 30 JUNE 2012.**

TJEK NO	VERSKAFFER	BEDRAG	REDE VIR AFWYKING
45689	NR Louw	400.00	Moes 'n verskaffer kry wat dadelik beskikbaar is.
45349	Art Work	3 400.00	A.g.v. inbraak moes daar dadelik 'n kontrakteur gekry word.
903	Air park Bwes	1 099.00	EDA Internet installeering.
823	Jaco van Heerden	109 267.86	Herstel voedskade, naaste verskaffer - ander kon nie dadelik lewer nie.
46400	Ignite Adv Serv	42 480.96	Tender spesifikasies het verander. Tyd te min vir her tender.
46449	Ignite Adv Serv	11 514.00	Tender spesifikasies het verander. Tyd te min vir her tender.
46456	NR Louw	1 650.00	Burgemeester het spyskaart op kort kennis verander, kon nie proses volg a.g.v. tyd.
46398	Goodhope Café	254.40	Tydens IDP vergadering het MM die eetgoed versoek.
981	Air park Bwes	700.00	EDA Internet installeering.
1230	Air park Bwes	2 527.00	EDA Internet installeering.
46924	Ignite Adv Serv	20 520.00	Tender spesifikasies het verander. Tyd te min vir her tender.
46787	Lunatis catering	1 575.00	Versoek die oggend voor die opleiding. Enigste persoon wat dadelik kon help.
46784	Lunatis catering	1 000.00	Kort kennis, versoek vanaf Burgemeester. Eetgoed vir vergadering.
46762	Ignite Adv Serv	250 083.80	Tender spesifikasies het verander. Tyd te min vir her tender.
	<b>TOTAL DEVIATIONS</b>	<b>446 472.02</b>	
		<b>1 337 050.18</b>	

<b>SOLE SUPPLIERS</b>	<b>KRED NO</b>	<b>2011/2012</b>	<b>ADRESSE</b>
BREDEVALLEI ULTRA CITY	020017	13 669.75	POSBUS 1298 WORCESTER 6849
COASTAL HIRE/KARROO HIRE	030022	11 341.00	POSBUS 991 OUDTSHOORN 6620
AFROX	010001	21 259.90	POSBUS 207 GERMISTON 1400
DONKIN MOTORS	040002	183 453.82	POSBUS 26 B-WES 6970
HOOFWEG MOTORS	080002	-	PRINCE ALBERT ROAD P/ALBERT 6930
WURTH SA	230007	11 128.68	POSBUS 616 ISANDO 1600
JUTA	100004	4 536.20	POSBUS 14373 LANDSDOWN 7779
LEXIS NEXIS	120004	17 053.03	POSBUS 792 DURBAN 4000
KLEIN KAROO KOOPERASIE	110002	19 563.97	POSBUS 241 OUDTSHOORN 6620
NATIONAL GARAGE	140003	112 933.42	ADDERLEYSTR. 1 P/ALBERT 6930
PRINS ALBERT MOTORS	140014	289.56	ADDERLEYSTR. 1 P/ALBERT 6930
THE WORKSHOP	200015	6 650.00	BEAUFORTSTR. 39 M/BURG 6995
MURRAYSBURG VULSTASIE	130001	485 168.02	POSBUS 331 M/BURG 6995
KAROO VLEISBOERE	110004	36 739.58	POSBUS 390 M/BURG 6995
KAROO MOTORS (BANDE)	110048	39 331.33	POSBUS 36 L/BURG 6900
KAROO MOTORS (WERKSWINKEL)	110012	34 497.88	POSBUS 36 L/BURG 6900
KOUP PRODUSENTE	110020	64 884.52	POSBUS 19 L/BURG 6900
VICTORS GARAGE	220001	149 984.86	POSBUS 7 MERWEVILLE 6940
RUBBERMAN	170002	1 026.00	ALBERTSTR 61 GEORGE 6530
PROPSHAFT ENGINEERING	160008	22 447.74	POSBUS 2642 GEORGE 6530
LITHOTECH	160010	3 391.50	POSBUS 4053 KORSTEN 6014
GRAAFF REINET ADVERTISER	070005	-	POSBUS 31 GRAAFF-REINET 6280
SANITECH	190014	16 096.80	POSBUS 12706 JACOBS 4026
SPOT ON DEALS	190030	5 715.00	POSBUS 631 B-WES 6970
TIME FREIGHT	200023	3 545.26	POSBUS 11441 DORPSPRUIT 3206
NPS COURIERS	130049	391.15	POSBUS 1108 B/WES 6970
THE COURIER & FREIGHT GROUP	200039	968.63	P O BOX 1241 PORT ELIZABETH 6000
SUN COURIERS	190026	14 677.15	POSBUS 7080 ROGEBAAI 6012
MASADA COURIERS	130058	36 575.88	RUSSELLSTR 7 WORCESTER 6850
B/WES ALARMS	020061	6 569.80	DONKINSTR. 59 B-WES 6970
TELERAY CC	200024	14 820.00	POSBUS 34558 NEWTON PARK 6055
TAC	200014	-	POSBUS 594 GRAAFF-REINET 6280
KUDU NISSAN	110014	-	POSBUS 399 GRAAFF-REINET 6280
ELSTER KENT METERING	050013	3 579.54	BOX 201 AUCKLAND PARK 2001
PG GLASS	160017	17 768.86	NUWESTR. 99 B-WES 6970
WINSTON LINFORD MOTORS	230001	4 185.22	POSBUS 999 OUDTSHOORN 6620
CONLOG	030034	-	POSBUS 2332 DURBAN 4000
B/WES PREISIE MOTORINGENIEURS	020006	76 509.96	POSBUS 260 B/WES 6970
PF ELEKTRIES	160013	20914.74	VAN RIEBEECKSTRAAT 40 L/BURG 6900
GROUP EDITORS	070032	1461.02	POSBUS 806 GEORGE 6530
PAYDAY	160031	26057.60	POSBUS 75189 LYNNWOOD RIDGE 0040
HERRIE	080037	0.00	POSBUS 345 OUDTSHOORN 6620
KAROO FIRE	110030	1960.00	POSBUS 1038 B/WES 6970
DIESEL ELECTRIC	040001	0.00	POSBUS 3057 GEORGE 6536
DIESEL ELECTRIC	040005	493.39	POSBUS 468 WORCESTER 6850
ROCLA	170006	31543.57	POSBUS 252 DE AAR 7000
HOISTEC ENGINEERING	080022	14444.14	POSBUS 3418 GEORGE 6536
ELECTRICAL MOTOR REWINDERS	050021	0.00	FABRIEKSTRAAT 11 GRAAFF REINET 6280
MC ELLIS	130009	2120.00	BIRDSTRAAT 53 B/WES 6970
HUMAN COMMUNICATIONS	080010	63321.01	POSBUS 1305 RIVONIA 2128
DIE COURIER	030011	76342.05	POSBUS 64 B/WES 6970
J & E COMMUNICATIONS	100009	12033.84	POSBUS 874 OUDTSHOORN 6620
JINEL BRANDSTOF	110013	250 582.20	POSBUS 71 L/BURG 6900
B/WES VERKOELING	020019	9461.51	POSBUS 1130 B/WES 6970
NIECOR ELEKTRIES & VERKOELING	140027	5260.62	ODENDALSTRAAT 1 P/ALBERT 6930
NEL'S TRUCK	140015	6520.52	POSBUS 1108 B/WES 6970
OUTENIQUA LAB	150003	119290.70	POSBUS 3186 GEORGE INDUSTRIA 6536
BUDCRO	020075	0.00	POSBUS 741 GRAAFF REINET 6280
B/WES VERSPREIDERS	020020	66321.55	VOORTREKKERSTRAAT 2 B/WES
GEORGE SPRINGWORKS	070020	3475.10	POSBUS 3313 GEORGE INDUSTRIA 6536
LAINGSBURG SHELL ULTRA CITY	190002	1564.60	POSBUS 27 LAINGSBURG 6900

**2 153 922.17**

<b>AGENTS</b>	<b>KRED NO</b>	<b>2011/2012</b>	<b>ADRESSE</b>
CP NEL DELTA	030004	46 597.53	POSBUS 177 OUDTSHOORN 6620
COMPACTION & INDUSTRIAL EQUIPMENT	030017	8 686.58	POSBUS 15 SANLAMHOF 7532
DIGICORE	040012	-	POSBUS 1203 GEORGE 6530
ELB	050008	145 328.59	POSBUS 266 EPPINDUST 7475
AFINTAPART	010007	35 063.13	POSBUS 36941 CHEMPET 7442
BEARING & ALLIED SALES	020004	4 360.50	POSBUS 23084 GEORGE INDUSTRIA 6531
BARLOWORLD	020009	1 537 837.25	POSBUS 332 KASSELSVLEI BELLVILLE 7535
DEPT VAN VERVOER & OPENBARE WERKE	020018	434 218.79	PRIVAATSAK X2 KASSELSVLEI 7533
BELL EQUIPMENT	020023	49 667.48	POSBUS 162 EPPINDUST 7475
BABCOCK	020025	71 274.17	PRIVAATSAK X1 EAST RAND 1462
SCAW METALS	080001	-	POSBUS 61721 MARSHALTOWN GAUTENG 2107
IMPERIAL TRUCKS	090001	-	POSBUS 777 PAROW 7499
IAN DICKIE	090002	615.60	POSBUS 103 EPPINDUST 7475
KLEIN KAROO TOYOTA	110003	-	POSBUS 102 OUDTSHOORN 6620
KOMATSU	110005	443 558.93	POSBUS 137 BELLVILLE 7535
TRENTYRE	130003	297 221.53	DONKINSTR. 9 B-WES 6970
OUDTSHOORN NISSAN	150004	26 182.45	POSBUS 1135 OUDTSHOORN 6620
WEARCHECK	230006	5 918.88	POSBUS 15108 WESTMEAD 3608
VISSERS ENGINEERING	220008	12 562.80	POSBUS 688 WORCESTER 6849
AAD	010005	624 486.63	POSBUS 462 EPPINDUST 7475
B/WES TOYOTA	020015	24 690.25	POSBUS B-WES 6970
BESTERS GARAGE	020022	4 205.00	POSBUS 77 VICTORIA-WES 7070
CAPE OTTO SIGNS	030016	42 232.44	POSBUS 563 BRACKENFELL 7561
SIMPLEX TIME RECODERS	190073	-	POSBUS 405 MILNERTON 7435
HALFWAY TOYOTA (LOERIE TOYOTA)	120021	52835.59	POSBUS 415 GEORGE 6530
AGRICO	010002	-	POSBUS 211 LICHTENBURG
BM POWER	020029	-	POSBUS 115 MAITLAND 7404
HITACHI	080009	-	POSBUS 407 SANLAMHOF 7532
MARTIN TRAILER COMPANY	130064	3312.39	POSBUS 16291 LEONDALE
TURNER MORRIS	200012	-	POSBUS 517 PAARDEN EILAND
BURQUIP INTERNATIONAL	020090	33 219.84	POSBUS 281 KUILSRIVIER 7579
VI INSTRUMENTS	220004	10608.27	POSBUS 3803 JOHANNESBURG 2000

**3 914 684.62**

<b>ROTATION</b>	<b>KRED NO</b>	<b>2011/2012</b>	<b>ADRESSE</b>
SP LOODGIETERS/SP BERGH	190033	4453.72	POSBUS 619 B/WES 6970
DE JAGER LOODGIETERS	040006	8060.80	POSBUS 1297 B/WES 6970
KAY'S ALG HANDELAAR	110016	3689.50	POSBUS 360 MURRAYSBURG 6995
INYAMA RAMA	090008	-	POSBUS 441 MURRAYSBURG 6995
VICTORY HILL SUPERMARK	220018	-	POSBUS 319 MURRAYSBURG 6995
BOLAND HYDRAULICS	020032	12420.02	POSBUS 5117 WORCESTER 6849
CB ELEKTRIES	030033	5925.80	POSBUS 244 B/WES 6970
BEAUFORT ELECTRIC	020002	1667.85	POSBUS 109 B/WES 6970
MOTOLEK	130002	34980.67	POSBUS 385 B/WES 6970
SHOPRITE B/WES	190012	6511.08	NUWESTRAAT B/WES 6970
ESSOP MULTISAVE (FOODTOWN)	050009	8578.02	DE VRIESSTRAAT 15 B/WES 6970
GEORGIES MULTISAVE (FOODTOWN)	070012	6215.36	DANIELSTRAAT 20 B/WES 6970
EDEN BLOEMISTE	050014	2940.00	BANTOMSTRAAT 47 B/WES 6970
SONNEBLOM BLOEMISTE	190021	-	KERKSTRAAT B/WES 6970
CZ ELEKTRIES	030006	8066.44	POSBUS 1007 B/WES 6970

**103 509.26**