

MAGARENG

MUNICIPALITY



[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2015

MAGARENG LOCAL MUNICIPALITY

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MAGARENG LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GENERAL INFORMATION

NATURE OF BUSINESS

Magareng Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Magareng Municipality includes the following areas:

<i>Warrenton</i>	Molekos Farm
<i>Ikhutseng</i>	Sydneys Hope
<i>Warrenvale</i>	Windsorton Station
<i>Majeng</i>	

MUNICIPAL MANAGER

Mr M.L. Mokoena (Acting)

CHIEF FINANCIAL OFFICER

Mr O.M. Phasha

REGISTERED OFFICE

Magrieta Prinsloo Street, Warrenton, 8530

AUDITORS

Office of the Auditor General (Kimberley)

PRINCIPLE BANKERS

FIRST NATIONAL Bank, Uys Street, Warrenton,8530

ATTORNEYS

Matthews and Partners, 33 Park road, Belgravia, Kimberley, 8301

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

MAGARENG LOCAL MUNICIPALITY

MEMBERS OF THE MAGARENG LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	<i>E.M. Hans</i>
2	<i>V.M. Ximba</i>
3	<i>G.E. Manopole (Mayor)</i>
4	<i>W.D. Jones (Resigned April 2015)</i>
4	<i>A.K.Zaliza (Started June 2015)</i>
5	<i>.J. Potgieter</i>
Proportional	<i>O.M. Majola</i>
Proportional	<i>J. Louw</i>
Proportional	<i>M.R. Moleko</i>
Proportional	<i>S.P. Mnqathula(Left November 2014)</i>

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2015 , which are set out on pages 1 to 76 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2015 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Corporative Governance determination in accordance with this Act.

Mr M.L. Mokoena (Acting)
Municipal Manager

31 August 2015
Date

MAGARENG LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

	Notes	2015 R (Actual)	2014 R (Restated)
NET ASSETS AND LIABILITIES			
Net Assets		204 478 131	232 161 156
Accumulated Surplus/(Deficit)		204 478 131	232 161 156
Non-Current Liabilities		20 877 674	10 469 908
Long-term Liabilities	2	-	323 964
Employee benefits	3	10 394 337	8 725 186
Non-Current Provisions	4	6 534 337	1 420 758
Non-Current Payables	7	3 949 000	-
Current Liabilities		72 974 201	65 284 635
Consumer Deposits	5	666 660	617 683
Current Employee benefits	6	3 407 313	3 295 791
Payables from exchange transactions	7	54 442 190	39 778 271
Unspent Conditional Government Grants and Receipts	8	14 134 074	21 471 490
Current Portion of Long-term Liabilities	2	323 964	121 401
Total Net Assets and Liabilities		298 330 007	307 915 699
ASSETS			
Non-Current Assets		268 825 887	276 239 426
Property, Plant and Equipment	10	256 553 706	268 851 742
Investment Property	11	6 770 544	6 812 274
Intangible Assets	12	316 806	395 953
Heritage Assets	13	-	-
Capitalised Restoration Costs	14	5 184 832	179 457
Current Assets		29 504 119	31 676 273
Inventory	15	71 280	415 738
Receivables from exchange transactions	16	2 526 306	12 646 793
Receivables from non-exchange transactions	17	2 025 046	1 624 114
Unpaid Conditional Government Grants and Receipts	8	-	-
Operating Lease Asset	18	24 114	22 308
Taxes	9	20 355 350	16 087 759
Cash and Cash Equivalents	19	4 502 023	879 561
Total Assets		298 330 007	307 915 699

MAGARENG LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

Notes	2015 (Actual) R	2014 (Restated) R	Correction of error R	2014 (Previously reported) R
REVENUE				
Revenue from Non-exchange Transactions	64 658 827	58 520 702	(1 639 924)	60 160 626
Taxation Revenue	4 725 901	4 522 649	-	4 522 649
Property taxes	4 725 901	4 522 649	-	4 522 649
Transfer Revenue	59 869 574	46 696 985	(1 639 924)	48 336 909
Government Grants and Subsidies	59 869 574	46 696 985	(1 639 924)	48 336 909
Other Revenue	63 352	7 301 068	-	7 301 068
Actuarial Gains	-	208 435	-	208 435
Contributed PPE	-	6 890 172	-	6 890 172
Fines	63 352	202 461	-	202 461
Revenue from Exchange Transactions	35 527 829	30 957 518	-	30 957 518
Service Charges	29 322 808	24 097 138	-	24 097 138
Rental of Facilities and Equipment	29 504	52 995	-	52 995
Interest Earned - external investments	171 384	240 183	-	240 183
Interest Earned - outstanding debtors	5 444 576	5 199 344	-	5 199 344
Licences and Permits	347 411	397 060	-	397 060
Other Income	212 146	970 798	-	970 798
Total Revenue	100 186 656	89 478 220	(1 639 924)	91 118 144
EXPENDITURE				
Employee related costs	30 426 859	27 695 418	-	27 695 418
Remuneration of Councillors	2 324 459	2 893 209	-	2 893 211
Debt Impairment	23 035 332	2 637 393	-	2 637 393
Depreciation and Amortisation	30 323 493	30 108 065	10 481 716	19 626 349
Repairs and Maintenance	2 734 499	3 601 951	1 000 000	2 601 951
Actuarial losses	499 166	366 429	-	366 429
Finance Charges	1 083 002	992 194	-	992 194
Bulk Purchases	22 583 132	16 626 554	-	16 626 554
Contracted services	2 481 737	3 301 819	1 842 242	1 459 577
Stock Adjustments	-	2 133 809	-	2 133 809
Operating Grant Expenditure	-	-	(3 042 182)	3 042 182
General Expenses	12 377 997	15 707 689	199 940	15 507 749
Total Expenditure	127 869 676	106 064 530	10 481 716	95 582 816
NET SURPLUS/(DEFICIT) FOR THE YEAR	(27 683 020)	(16 586 310)	(12 121 640)	(4 464 672)

MAGARENG LOCAL MUNICIPALITY

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

	Accumulated Surplus/ (Deficit)	Total
	R	R
Balance at 30 JUNE 2013	322 795 733	322 795 733
Correction of error - Refer to note 33.03	(74 048 274)	(74 048 274)
Restated Balance at 1 JULY 2013	248 747 460	248 747 460
Net Deficit for the year	(4 464 672)	(4 464 672)
Correction of error - Refer to note 33.04	(12 121 640)	(12 121 640)
Rounding	8	(8)
Balance at 30 JUNE 2014	232 161 156	232 161 140
Net Deficit for the year	(27 683 020)	(27 683 020)
Rounding	(5)	5
Balance at 30 JUNE 2015	204 478 131	204 478 125

MAGARENG LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	30 JUNE 2015 (Actual) R	30 JUNE 2014 (Restated) R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		15 685 664	14 153 808
Government		52 532 159	57 006 569
Interest		5 615 960	5 439 527
Payments			
Suppliers and employees		(55 136 203)	(63 801 589)
Finance charges	28	(1 083 002)	(992 194)
Cash generated by operations	34	<u>17 614 578</u>	<u>11 806 122</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	10	(17 868 689)	(10 919 027)
Net Cash from Investing Activities		<u>(17 868 689)</u>	<u>(10 919 027)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(121 401)	(111 618)
New agreements raised		3 949 000	-
Increase in Consumer Deposits		48 977	33 314
Rounding		(3)	6
Net Cash from Financing Activities		<u>3 876 573</u>	<u>(78 298)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u><u>3 622 462</u></u>	<u><u>808 797</u></u>
Cash and Cash Equivalents at the beginning of the year		879 561	70 764
Cash and Cash Equivalents at the end of the year	35	<u>4 502 023</u>	<u>879 561</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u><u>3 622 462</u></u>	<u><u>808 797</u></u>

MAGARENG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)	Explanations for material variances
ASSETS				
Current assets				
Cash	4 279 081	500 000	3 779 081	More grants unspent than expected
Call investment deposits	222 942	2 200 000	(1 977 058)	More grants unspent than expected
Consumer debtors	3 992 165	12 441 626	(8 449 461)	Bigger provision for debt impairment
Other Receivables	20 938 651	1 000 000	19 938 651	Taxes (VAT)
Current portion of long-term receivables	-	6 000 000	(6 000 000)	No long term receivables
Inventory	71 280	1 000 000	(928 720)	Only water stock at year end
Total current assets	<u>29 504 119</u>	<u>23 141 626</u>	<u>6 362 493</u>	
Non current assets				
Long-term receivables	-	-	-	
Investments	-	-	-	
Investment property	6 770 544	7 229 011	(458 467)	No purchases in investment properties
Property, plant and equipment	261 738 538	250 636 160	11 102 377	Restate PPE balances
Biological Assets	-	-	-	
Intangible Assets	316 806	762 743	(445 937)	No purchases in intangible assets
Heritage Assets	-	-	-	
Total non current assets	<u>268 825 887</u>	<u>258 627 914</u>	<u>10 197 973</u>	
TOTAL ASSETS	<u><u>298 330 007</u></u>	<u><u>281 769 540</u></u>	<u><u>16 560 466</u></u>	
LIABILITIES				
Current liabilities				
Bank overdraft	-	-	-	
Borrowing	323 964	-	323 964	Mayor Vehicle
Consumer deposits	666 660	584 370	82 290	More municipal accounts opened
Trade and other payables	68 576 264	56 000 000	12 576 264	Cash flow problems
Provisions and Employee Benefits	3 407 313	-	3 407 313	Included in Trade and other payables
Total current liabilities	<u>72 974 201</u>	<u>56 584 370</u>	<u>16 389 831</u>	
Non current liabilities				
Borrowing	-	-	-	
Provisions and Employee Benefits	16 928 674	9 981 952	6 946 722	Landfill provision increase due to additional legislative requirements with rehabilitation.
Total non current liabilities	<u>16 928 674</u>	<u>9 981 952</u>	<u>6 946 722</u>	
TOTAL LIABILITIES	<u><u>89 902 875</u></u>	<u><u>66 566 322</u></u>	<u><u>23 336 553</u></u>	
NET ASSETS	<u><u>89 902 875</u></u>	<u><u>215 203 218</u></u>	<u><u>(125 300 343)</u></u>	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	204 478 131	215 203 218	(10 725 087)	Net of above mentioned reasons
Reserves	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	<u><u>204 478 131</u></u>	<u><u>215 203 218</u></u>	<u><u>(10 725 087)</u></u>	

MAGARENG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

ADJUSTMENTS TO APPROVED BUDGET

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash	500 000	-	500 000	
Call investment deposits	2 200 000	-	2 200 000	
Consumer debtors	12 441 626	-	12 441 626	
Other Receivables	1 000 000	-	1 000 000	
Current portion of long-term receivables	6 000 000	-	6 000 000	
Inventory	1 000 000	-	1 000 000	
Total current assets	<u>23 141 626</u>	<u>-</u>	<u>23 141 626</u>	
Non current assets				
Long-term receivables	-	-	-	
Investments	-	-	-	
Investment property	7 229 011	-	7 229 011	
Property, plant and equipment	250 636 160	-	250 636 160	
Biological Assets	-	-	-	
Intangible Assets	762 743	-	762 743	
Heritage Assets	-	-	-	
Total non current assets	<u>258 627 914</u>	<u>-</u>	<u>258 627 914</u>	
TOTAL ASSETS	<u><u>281 769 540</u></u>	<u><u>-</u></u>	<u><u>281 769 540</u></u>	
LIABILITIES				
Current liabilities				
Bank overdraft	-	-	-	
Borrowing	-	-	-	
Consumer deposits	584 370	-	584 370	
Trade and other payables	56 000 000	-	56 000 000	
Provisions and Employee Benefits	-	-	-	
Total current liabilities	<u>56 584 370</u>	<u>-</u>	<u>56 584 370</u>	
Non current liabilities				
Borrowing	-	-	-	
Provisions and Employee Benefits	9 981 952	-	9 981 952	
Total non current liabilities	<u>9 981 952</u>	<u>-</u>	<u>9 981 952</u>	
TOTAL LIABILITIES	<u><u>66 566 322</u></u>	<u><u>-</u></u>	<u><u>66 566 322</u></u>	
NET ASSETS	<u><u>215 203 218</u></u>	<u><u>-</u></u>	<u><u>215 203 218</u></u>	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	215 203 218	-	215 203 218	
Reserves	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	<u><u>215 203 218</u></u>	<u><u>-</u></u>	<u><u>215 203 218</u></u>	

MAGARENG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Property rates	4 725 901	4 897 563	(171 662)	
Property rates - penalties & collection charges	-	700 000	(700 000)	
Service charges	29 322 808	31 497 579	(2 174 771)	Economic climate restricted consumption
Rental of facilities and equipment	29 504	30 000	(496)	
Interest earned - external investments	171 384	323 302	(151 918)	Cash flow in less investments
Interest earned - outstanding debtors	5 444 576	6 635 000	(1 190 424)	Economic climate restricted consumption
Dividends received	-	-	-	
Fines	63 352	158 750	(95 398)	Less enforcement of traffic laws
Licences and permits	347 411	438 500	(91 089)	Less licenses issued and renewed
Agency services	-	6 250	(6 250)	
Government Grants and Subsidies - Operating	42 464 307	30 328 692	12 135 615	Forfeited grants was funded by equitable share
Other revenue	212 146	1 414 951	(1 202 805)	Expected movement due to previous year other income
Gains on disposal of PPE	-	200 000	(200 000)	No disposals during the year
Total Operating Revenue	<u>82 781 389</u>	<u>76 630 587</u>	<u>6 150 802</u>	
EXPENDITURE BY TYPE				
Employee related costs	30 426 859	32 690 687	(2 263 828)	None implementation of traveling allowance to managers
Remuneration of councillors	2 324 459	3 119 260	(794 801)	None implementation of upper limits for council
Debt impairment	23 035 332	18 852 959	4 182 373	Bigger provision than expected
Depreciation & asset impairment	30 323 493	11 186 314	19 137 179	Restatement of Assets
Finance charges	1 083 002	100 000	983 002	Not provided for Actuarial interest and Landfill site interest
Bulk purchases	22 583 132	13 839 713	8 743 419	Cash flow problems
Other materials	-	-	-	
Contracted services	2 481 737	2 177 500	304 237	Cost cutting
Grants and subsidies paid	-	6 761 000	(6 761 000)	Actual was moved between other line items
Other expenditure	15 611 662	17 134 848	(1 523 186)	Cost cutting
Loss on disposal of PPE	-	-	-	
Total Operating Expenditure	<u>127 869 676</u>	<u>105 862 279</u>	<u>22 007 397</u>	
Operating Deficit for the year	<u>(45 088 287)</u>	<u>(29 231 692)</u>	<u>(15 856 595)</u>	
Government Grants and Subsidies - Capital	17 405 267	21 487 000	(4 081 733)	Forfeited grants was funded by equitable share
Net Deficit for the year	<u>(27 683 020)</u>	<u>(7 744 692)</u>	<u>(19 938 328)</u>	

MAGARENG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

ADJUSTMENTS TO APPROVED BUDGET

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)	Reasons for material adjustments
REVENUE BY SOURCE				
Property rates	4 897 563	-	4 897 563	
Property rates - penalties & collection charges	1 000 000	(300 000)	700 000	Less interest charged on rates than expected.
Service charges	29 455 356	2 042 223	31 497 579	More services levied
Rental of facilities and equipment	60 000	(30 000)	30 000	Less activities
Interest earned - external investments	1 003 500	(680 198)	323 302	Cash flow in less investments
Interest earned - outstanding debtors	6 490 000	145 000	6 635 000	
Dividends received	-	-	-	
Fines	1 012 500	(853 750)	158 750	Less enforcement of traffic laws
Licences and permits	426 500	12 000	438 500	
Agency services	12 500	(6 250)	6 250	
Government Grants and Subsidies - Operating	39 351 000	(9 022 308)	30 328 692	Forfeited grants
Other revenue	618 500	796 451	1 414 951	Expected movement due to previous year other income
Gains on disposal of PPE	1 987 630	(1 787 630)	200 000	Expected limited disposals
Total Operating Revenue	<u>86 315 049</u>	<u>(9 684 462)</u>	<u>76 630 587</u>	
EXPENDITURE BY TYPE				
Employee related costs	33 857 392	(1 166 705)	32 690 687	None implementation of traveling allowance to managers
Remuneration of councillors	3 119 260	-	3 119 260	
Debt impairment	18 852 959	-	18 852 959	
Depreciation & asset impairment	11 186 314	-	11 186 314	
Finance charges	100 000	-	100 000	
Bulk purchases	16 739 713	(2 900 000)	13 839 713	Planned less purchases due to cash flow
Other materials	-	-	-	
Contracted services	2 842 000	(664 500)	2 177 500	Cost cutting
Grants and subsidies paid	6 761 000	-	6 761 000	
Other expenditure	21 829 507	(4 694 659)	17 134 848	Cost cutting
Loss on disposal of PPE	-	-	-	
Total Operating Expenditure	<u>115 288 143</u>	<u>-9 425 864</u>	<u>105 862 279</u>	
Operating Deficit for the year	<u>(28 973 094)</u>	<u>(258 598)</u>	<u>(29 231 692)</u>	
Government Grants and Subsidies - Capital	22 287 000	(800 000)	21 487 000	
Net Deficit for the year	<u><u>(6 686 094)</u></u>	<u><u>(1 058 598)</u></u>	<u><u>(7 744 692)</u></u>	

MAGARENG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	15 685 664	27 535 706	(11 850 042)	Net reasons on Financial Performance (Income)
Government - operating	27 874 926	30 328 692	(2 453 766)	Forfeited grants was funded by equitable share
Government - capital	24 657 233	21 487 000	3 170 233	Forfeited grants was funded by equitable share
Interest	5 615 960	6 958 302	(1 342 342)	Economic climate restricted consumption
Dividends	-	-	-	
Payments				
Suppliers and Employees	(55 136 203)	(68 656 316)	13 520 113	Net reasons on Financial Performance (Expenditure)
Finance charges	(1 083 002)	(100 000)	(983 002)	Not provided for Actuarial interest and Landfill site interest
Transfers and Grants	-	(6 963 000)	6 963 000	Forfeited grants was funded by equitable share
NET CASH FROM/(USED) OPERATING ACTIVITIES	17 614 578	10 590 384	-	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	-	200 000	(200 000)	No disposals during the year
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(17 868 689)	(21 487 000)	3 618 311	Forfeited grants
NET CASH FROM/(USED) INVESTING ACTIVITIES	-17 868 689	(21 287 000)	3 418 311	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	(121 401)	-	(121 401)	
Increase/(decrease) in consumer deposits	48 977	-	48 977	
Payments				
Repayment of borrowing	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(72 424)	-	-72 424	
NET INCREASE/(DECREASE) IN CASH HELD	(326 535)	(10 696 616)	3 345 887	
Cash and Cash Equivalents at the beginning of the year	879 561	2 863 020	(1 983 459)	Unspent Grants
Cash and Cash Equivalents at the end of the year	4 502 023	(7 833 596)	12 335 619	Unspent Grants

**MAGARENG LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

ADJUSTMENTS TO APPROVED BUDGET

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	26 633 378	902 328	27 535 706	Net reasons on Financial Performance (Income)
Government - operating	39 351 000	(9 022 308)	30 328 692	Forfeited grants
Government - capital	22 287 000	(800 000)	21 487 000	Forfeited grants
Interest	7 493 500	(535 198)	6 958 302	
Dividends	-	-	-	
Payments				
Suppliers and Employees	(77 126 690)	8 470 374	(68 656 316)	Net reasons on Financial Performance (Expenditure)
Finance charges	(100 000)	-	(100 000)	
Transfers and Grants	(6 963 000)	-	(6 963 000)	Forfeited grants
NET CASH FROM/(USED) OPERATING ACTIVITIES	11 575 188	-984 804	10 590 384	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	1 987 630	(1 787 630)	200 000	Expected limited disposals
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(22 287 000)	800 000	(21 487 000)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(20 299 370)	(987 630)	(21 287 000)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	-	-	-	
Payments				
Repayment of borrowing	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	
NET INCREASE/(DECREASE) IN CASH HELD	(8 724 182)	(1 972 434)	(10 696 616)	
Cash and Cash Equivalents at the beginning of the year	1 431 510	1 431 510	2 863 020	Cash flow problems
Cash and Cash Equivalents at the end of the year	(7 292 672)	(540 924)	(7 833 596)	

INSERT ACCOUNTING POLICY

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2	LONG-TERM LIABILITIES	2015	2014
		R	R
	Capitalised Lease Liability - At amortised cost	323 964	445 365
		323 964	445 365
	Current Portion transferred to Current Liabilities	323 964	121 401
	Capitalised Lease Liability - At amortised cost	323 964	121 401
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	-	323 964
	The obligations under finance leases are scheduled below:		
		Minimum lease payments	
	Amounts payable under finance leases:		
	Payable within one year	346 853	157 434
	Payable within two to five years	-	346 853
	Payable after five years	-	-
		346 853	504 287
	Less: Future finance obligations	(22 889)	(58 922)
	Present value of lease obligations	323 964	445 365
	The capitalised lease liability consist out of the following contracts:		
		<u>Description of</u>	<u>Effective Interest</u>
	<u>Supplier</u>	<u>leased item</u>	<u>rate</u>
		<u>Annual</u>	<u>Escalation</u>
		<u>Lease Term</u>	<u>Maturity Date</u>
	Mercedes-Benz Financial Services	Motor vehicles	8.51% - 9.26%
			0%
			3 Years
			May 2016
	Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.		
3	EMPLOYEE BENEFITS		
	Post Retirement Benefits - Refer to Note 4.1	8 912 096	7 489 282
	Long Service Awards - Refer to Note 4.2	1 482 241	1 235 904
	Total Non-current Employee Benefit Liabilities	10 394 337	8 725 186
	<u>Post Retirement Benefits</u>		
	Balance 1 July	7 600 834	6 482 022
	Contribution for the year	535 390	437 923
	Interest Cost	698 884	514 234
	Expenditure for the year	(184 939)	(199 774)
	Actuarial Loss	414 027	366 429
	Total post retirement benefits 30 June	9 064 196	7 600 834
	Less: Transfer of Current Portion - Note 6	(152 100)	(111 552)
	Balance 30 June	8 912 096	7 489 282
	<u>Long Service Awards</u>		
	Balance 1 July	1 433 528	1 400 593
	Contribution for the year	156 143	222 388
	Interest Cost	106 151	85 703
	Expenditure for the year	(95 205)	(66 721)
	Actuarial (Gain)	85 139	(208 435)
	Total long service 30 June	1 685 756	1 433 528
	Less: Transfer of Current Portion - Note 6	(203 515)	(197 624)
	Balance 30 June	1 482 241	1 235 904
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
	Balance 1 July	9 034 362	7 882 615
	Contribution for the year	691 533	660 311
	Interest cost	805 035	599 937
	Expenditure for the year	(280 144)	(266 495)
	Actuarial Loss/(Gain)	499 166	157 994
	Total employee benefits 30 June	10 749 952	9 034 362
	Less: Transfer of Current Portion - Note 6	(355 615)	(309 176)
	Balance 30 June	10 394 337	8 725 186

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3	EMPLOYEE BENEFITS (CONTINUE)	2015	2014
		R	R
3.1	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	64	65
In-service (employee) non-members	90	96
Continuation members (e.g. Retirees, widows, orphans)	6	5
Total Members	160	166

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

In-service (employee) members	6 392 163	5 360 185
In-service (employee) non-members	422 293	354 116
Continuation members (e.g. Retirees, widows, orphans)	2 249 740	1 886 532
Total Liability	9 064 196	7 600 834

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013	2012	2011
	R	R	R
In-service members	4 966 033	3 791 660	3 367 326
Continuation members	1 515 989	1 973 537	1 752 674
Total Liability	6 482 022	5 765 197	5 120 000

	2015	2014	2012	2010
	Rm	Rm	Rm	Rm
Experience adjustments were calculated as follows:				
Liabilities: (Gain) / loss	0.427	0.089	(0.795)	0.076
Assets: Gain / (loss)	-	-	-	-

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

Bonitas;
 LA Health
 Samwumed; and
 Keyhealth.

Key actuarial assumptions used:

i) Rate of interest

Discount rate	9.08%	9.26%
Health Care Cost Inflation Rate	8.16%	8.39%
Net Effective Discount Rate	0.85%	0.80%

Discount Rate: GRAP 25 stipulates that the choice of this rate should be derived from high quality corporate bond yields. However, where the market in these bonds is not significant, the market yields on government bonds consistent with the estimated term of the post-employment liabilities should be used.

Consequently, a discount rate of 9.08% per annum has been used. The corresponding index-linked yield at this term is 1.80%. These rates do not reflect any adjustment for taxation. These rates were deduced from the JSE Zero Coupon bond yield after the market close on 30 June 2015.

ii) Mortality rates

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

iii) Normal retirement age

It has been assumed that in-service members will retire at age 63, which then implicitly allows for expected rates of early and ill-health retirement.

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

Present value of fund obligations	9 064 196	7 600 834
Total Liability	9 064 196	7 600 834

The fund is wholly unfunded.

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

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3 EMPLOYEE BENEFITS (CONTINUE)	2015 R	2014 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	7 600 834	6 482 022
Total expenses	1 049 335	752 383
Current service cost	535 390	437 923
Interest Cost	698 884	514 234
Benefits Paid	(184 939)	(199 774)
Actuarial losses	414 027	366 429
Present value of fund obligation at the end of the year	9 064 196	7 600 834
Less: Transfer of Current Portion - Note 6	(152 100)	(111 552)
Balance 30 June	8 912 096	7 489 282

Sensitivity Analysis on the Accrued Liability

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions		6.814	2.25	9.064	
Health care inflation	+1%	8.286	2.478	10.764	19%
Health care inflation	-1%	5.657	2.051	7.708	-15%
Discount Rate	+1%	5.674	2.055	7.729	-15%
Discount Rate	-1%	8.288	2.478	10.766	19%
Post-retirement mortality	-1 year	7.065	2.342	9.407	4%
Average retirement age	-1 year	7.430	2.250	9.680	7%
Continuation of membership at retirement	-10%	5.310	2.250	7.560	-17%

Sensitivity Analysis on Current-service and Interest Costs for year ending 30/06/2015

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		535 400	698 900	1 234 300	
Health care inflation	+1%	669 600	835 500	1 505 100	22%
Health care inflation	-1%	432 700	590 200	1 022 900	-17%
Discount Rate	+1%	438 200	655 800	1 094 000	-11%
Discount Rate	-1%	663 700	745 400	1 409 100	14%
Post-retirement mortality	-1 year	554 700	725 200	1 279 900	4%
Average retirement age	-1 year	582 200	747 900	1 330 100	8%
Continuation of membership at retirement	-10%	410 500	559 600	970 100	-21%

Sensitivity Analysis on Current-service and Interest Costs for year ending 30/06/2016

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		595 900	816 500	1 412 400	
Health care inflation	+1%	741 300	970 800	1 712 100	21%
Health care inflation	-1%	484 200	693 300	1 177 500	-17%
Discount Rate	+1%	490 300	771 700	1 262 000	-11%
Discount Rate	-1%	734 700	864 100	1 598 800	13%
Post-retirement mortality	-1 year	617 300	847 600	1 464 900	4%
Average retirement age	-1 year	593 600	872 400	1 466 000	4%
Continuation of membership at retirement	-10%	465 700	679 900	1 145 600	-19%

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3.2 Long Service Bonuses	2015 R	2014 R
The Long Service Bonus plans are defined benefit plans.		
As at year end, the following number of employees were eligible for Long Service Bonuses.	154	161
Key actuarial assumptions used:	2015 %	2014 %
i) Rate of interest		
Discount rate	8.05%	7.94%
General Salary Inflation (long-term)	7.10%	7.12%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.89%	0.77%
<p>Discount Rate: GRAP 25 stipulates that the choice of this rate should be derived from high quality corporate bond yields. However, where the market in these bonds is not significant, the market yields on government bonds consistent with the estimated term of the liabilities should be used. Consequently, a discount rate of 8.05% per annum has been used. This is derived by using a liability-weighted average of the yields corresponding to the average term until payment of long service awards, for each employee. The corresponding liability-weighted index-linked yield is 1.37%. These rates do not reflect any adjustment for taxation. These rates were deduced from the Johannesburg Stock Exchange (JSE) Zero Coupon bond yield after the market close on 30 June 2015.</p>		
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1 685 756	1 433 528
Net liability	1 685 756	1 433 528
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2013 R	2012 R
	2011 R	
Total Liability	1 400 593	1 345 584
	2015 R	2014 R
Experience adjustments were calculated as follows:	2013 R	
Liabilities: (Gain) / loss	202 341	(90 384)
Assets: Gain / (loss)	-	-
The municipality performed their first actuarial valuation on 30 June 2012. Thus there are no experience adjustment figures available on or before 30 June 2012 to fully comply with GRAP 25		
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	1 433 528	1 400 593
Total expenses	167 089	241 370
Current service cost	156 143	222 388
Interest Cost	106 151	85 703
Benefits Paid	(95 205)	(66 721)
Actuarial (gains)	85 139	(208 435)
Present value of fund obligation at the end of the year	1 685 756	1 433 528
Less: Transfer of Current Portion - Note 6	(203 515)	(197 624)
Balance 30 June	1 482 241	1 235 904

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3 EMPLOYEE BENEFITS (CONTINUE)	2015 R	2014 R	
Sensitivity Analysis on the Unfunded Accrued Liability			
Assumption	Change	Liability (R)	% change
Central assumptions		1.686	
General salary inflation	+1%	1.801	7%
General salary inflation	-1%	1.581	-6%
Discount Rate	+1%	1.576	-7%
Discount Rate	-1%	1.810	7%
Average retirement age	-2 year	1.525	-10%
Average retirement age	+2 year	1.882	12%
Withdrawal rates	-50%	2.020	20%

Sensitivity Analysis on Current-service and Interest Costs for year ending 30/06/2015

Assumption	Change	Current-service		Total (R)	% change
		Cost (R)	Interest Cost (R)		
Central Assumption		156 100	106 200	262 300	
Health care inflation	+1%	169 700	113 600	283 300	8%
Health care inflation	-1%	144 100	99 400	243 500	-7%
Discount Rate	+1%	143 600	111 400	255 000	-3%
Discount Rate	-1%	170 600	99 900	270 500	3%
Average retirement age	-2 year	144 200	94 900	239 100	-9%
Average retirement age	+2 year	171 400	121 000	292 400	11%
Withdrawal rates	-50%	210 000	128 500	338 500	29%

Sensitivity Analysis on Current-service and Interest Costs for year ending 30/06/2016

Assumption	Change	Current-service		Total (R)	% change
		Cost (R)	Interest Cost (R)		
Central Assumption		200 100	127 600	327 700	
Health care inflation	+1%	218 100	136 900	355 000	8%
Health care inflation	-1%	184 100	119 300	303 400	-7%
Discount Rate	+1%	185 200	133 600	318 800	-3%
Discount Rate	-1%	217 200	120 500	337 700	3%
Average retirement age	-2 year	181 500	114 700	296 200	-10%
Average retirement age	+2 year	217 500	143 500	361 000	10%
Withdrawal rates	-50%	268 300	154 500	422 800	29%

3.3 Retirement funds

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 assets of 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 the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

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 2014 revealed that the fund is in a sound financial position with a funding level of 99.9% (30 June 2013 - 100.2%).

DEFINED CONTRIBUTION FUNDS

The contribution rate payable is 9% by members and 18% or 23.06% by Council, till 31 August 2014. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in a sound financial position with a funding level of 101.70% (30 June 2013 - 99.20%). Whilst this has increased since the previous actuarial valuations 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 99.4% funding level.

Contributions paid recognised in the Statement of Financial Performance

2015 R	2014 R
3 453 323.35	3 099 200

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	6 534 337	1 420 758
Total Non-current Employee Benefit Liabilities	6 534 337	1 420 758
<u>Landfill Sites</u>		
Balance 1 July	1 420 758	1 325 612
Increase in Estimate	5 039 165	32 733
Unwinding of discounted interest	74 415	62 413
Total provision 30 June	6 534 337	1 420 758
Less: Transfer of Current Portion to Current Provisions	-	-
Balance 30 June	6 534 337	1 420 758

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

Location	Estimated decommission date	Cost of rehabilitation	Cost of rehabilitation
		2015 R	2014 R
Warrenton	2019	6 534 337	1 420 758

Material Assumptions used

Area of landfill site consumed	2013	2014	2015
Warrenton	63.72%	66.39%	80.59%
Discount Rate used	4.53%	4.71%	5.24%

The discount rate used to calculate the present value of the rehabilitation costs at each reporting period is based on a calculated risk free rate as determined by the municipality. This rate is in line with a competitive investment rate the municipality can obtain from an A grade financial institution. This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

The licence of the landfill site is currently issued to Frances Baard District Municipality and must still be transferred to Magareng Municipality.

5 CONSUMER DEPOSITS

	2015 R	2014 R
Electricity	558 632	511 277
Water	108 028	106 406
Total Consumer Deposits	666 660	617 683

6 CURRENT EMPLOYEE BENEFITS

Current Portion of Post Retirement Benefits - Note 3	152 100	111 552
Current Portion of Long-Service Provisions - Note 3	203 515	197 624
Staff Leave	2 156 085	2 181 737
Staff Bonuses accrued	895 613	804 878
Total Current Employee Benefits	3 407 313	3 295 791

The movement in current employee benefits are reconciled as follows:

Staff Leave

Balance at beginning of year	2 181 737	2 868 963
Contribution to current portion	398 797	(610 348)
Expenditure incurred	(424 449)	(76 879)
Balance at end of year	2 156 084	2 181 737

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6	CURRENT EMPLOYEE BENEFITS (CONTINUE)	2015	2014
		R	R
	<u>Staff Bonuses accrued</u>		
	Balance at beginning of year	804 878	678 441
	Contribution to current portion	90 735	126 437
	Balance at end of year	<u>895 613</u>	<u>804 878</u>

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

7	PAYABLES FROM EXCHANGE TRANSACTIONS	2015	2014
		R	R
	Trade Payables	55 646 668	36 960 387
	Payments received in advance	1 546 794	1 642 548
	Deposits received	25 647	18 319
	Salary deductions and unknown deposits on bank statements	1 172 081	1 157 017
	LESS: Non-current Payables	(3 949 000)	-
	Total Payables from Exchange transactions	<u>54 442 190</u>	<u>39 778 271</u>

All payables are unsecured.

8	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		
	Unspent Grants	14 134 074	21 471 490
	National Government Grants	6 965 668	14 107 702
	Provincial Government Grants	7 168 407	7 363 787
	District Municipality	-	-
	Less: Unpaid Grants	-	-
	National Government Grants	-	-
	Provincial Government Grants	-	-
	District Municipality	-	-
	Total Conditional Grants and Receipts	<u>14 134 074</u>	<u>21 471 490</u>

See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. R15 394 000 grants were withheld.

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

9	TAXES		
	9.1 VAT PAYABLE		
	VAT Payable	23 996 426	21 055 199
	Total Vat payable	<u>23 996 426</u>	<u>21 055 199</u>
	9.2 VAT RECEIVABLE		
	VAT receivable	36 465 303	30 688 575
	Total VAT receivable	<u>36 465 303</u>	<u>30 688 575</u>
	9.3 VAT DEBT IMPAIRMENT		
	VAT Debt Impairment	7 886 473	6 454 383
	Total VAT Debt Impairment	<u>7 886 473</u>	<u>6 454 383</u>
	9.4 NET VAT RECEIVABLE/(PAYABLE)	<u>20 355 350</u>	<u>16 087 759</u>

VAT is receivable/payable on the cash basis.

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10 PROPERTY, PLANT AND EQUIPMENT

See attached sheet

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10 PROPERTY, PLANT AND EQUIPMENT

See attached sheet

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10	PROPERTY, PLANT AND EQUIPMENT (CONTINUE)	2015 R	2014 R
	Third party payments received for losses incurred:		
	Payments received (Excluding VAT)		
	Carrying value of assets written off/lost		
	Surplus/Deficit	-	-
		<u> </u>	<u> </u>
	Impairment of property plant and equipment for the year		
	Impairment charges on Property, plant and equipment recognised in statement of financial performance		
	Land and Buildings	-	-
	Infrastructure	-	-
	Community Assets	-	-
	Lease Assets	-	-
	Heritage	-	-
	Other	-	-
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
	Reversal of impairment charges on property plant and equipment for the year		
	Impairment charges on Property, plant and equipment recognised in statement of financial performance		
	Land and Buildings	-	-
	Infrastructure	-	-
	Community Assets	-	-
	Lease Assets	-	-
	Heritage	-	-
	Other	-	-
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
	Cumulative impairment charges included in major balances		
	Land and Buildings	289 147	-
	Infrastructure	-	-
	Community Assets	-	-
	Lease Assets	-	-
	Heritage	-	-
	Other	-	-
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
		289 147	-
		<u> </u>	<u> </u>
	Effect of changes in accounting estimates		
	There were no change in accounting estimate as GRAP 17 was only fully implemented during the current year and review due to Directive 4.		
		2015 R	2016 R
	Effect on Property, plant and equipment	-	-
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

11	INVESTMENT PROPERTY	2015 R	2014 R
	Net Carrying amount at 1 July	6 812 274	6 858 644
	Cost	7 067 551	7 067 551
	Accumulated Depreciation	(255 277)	(208 907)
	Depreciation for the year	(41 730)	(46 370)
	Net Carrying amount at 30 June	6 770 544	6 812 274
	Cost	7 067 551	7 067 551
	Accumulated Depreciation	(297 007)	(255 277)

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

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

Revenue derived from the rental of investment property

-	-
---	---

Operating expenditure incurred on properties generating revenue

-	-
---	---

Operating expenditure incurred on properties not generating revenue

-	-
---	---

12	INTANGIBLE ASSETS	2015 R	2014 R
	Computer Software		
	Net Carrying amount at 1 July	395 953	762 743
	Cost	1 079 115	1 079 115
	Accumulated Amortisation	(683 162)	(316 372)
	Amortisation	(79 147)	(366 790)
	Net Carrying amount at 30 June	316 806	395 953
	Cost	1 079 115	1 079 115
	Accumulated Amortisation	(762 309)	(683 162)

The following material intangible assets are included in the carrying value above

<u>Description</u>	<u>Remaining Amortisation</u> <u>Period</u>	<u>Carrying Value</u>	
		2015 R	2014 R
E-Venus Financial Management System	4	316 806	395 953

No Intangible Asset Were Assessed Having An Indefinite Useful Life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
13 HERITAGE ASSETS		
Net Carrying amount at 1 July	-	-
Acquisitions	-	-
Disposals	-	-
Impairments	-	-
Reversal of Impairment losses	-	-
Transfers from Property, Plant and equipment	-	-
Net Carrying amount at 30 June	-	-
Cost	-	-
Accumulated Impairment	-	-

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

Third party payments received for losses and impairments incurred:

Payments received (Excluding VAT)	-	-
Carrying value of assets written off/lost/impairment	-	-
Surplus/Deficit	-	-

14 CAPITALISED RESTORATION COST		
Net Carrying amount at 1 July	179 457	194 686
Additions	5 039 165	32 733
Depreciation	(35 891)	(48 671)
Impairment	2 101	710
Net Carrying amount at 30 June	5 184 832	179 457
Cost	5 505 338	466 173
Accumulated Depreciation	(292 753)	(256 861)
Accumulated Impairments	(27 753)	(29 855)

Refuse tip-sites financed by way of a provision recognised previously not recognised - Refer to note 4

15 INVENTORY		
Water – at cost	71 280	54 230
Maintenance materials	-	324 961
Stores	-	36 547
Total Inventory	71 280	415 738

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16	RECEIVABLES FROM EXCHANGE TRANSACTIONS	2015 R	2014 R
	Service Receivables		
	Electricity	14 227 215	11 380 367
	Water	21 182 153	15 423 362
	Refuse	14 819 816	11 352 363
	Sewerage	15 934 462	12 175 934
	Housing Rental	22 567	16 799
	Other	27 222 768	29 438 216
	Total Service Receivables	93 408 981	79 787 042
	Less: Provision for Debt Impairment	(90 948 607)	(67 206 180)
	Net Service Receivables	2 460 374	12 580 861
	Other Receivables		
	Other Arrears	65 932	65 932
	Total Other Receivables	65 932	65 932
	Less: Provision for Debt Impairment	-	-
	Net Other Receivables	65 932	65 932
	Total Net Receivables from Exchange Transactions	2 526 306	12 646 793
	Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.		
	Ageing of Receivables from Exchange Transactions:		
	<u>(Electricity): Ageing</u>		
	Current (0 - 30 days)	2 014 589	1 588 788
	31 - 60 Days	1 155 542	572 359
	61 - 90 Days	232 879	707 209
	+ 90 Days	10 824 206	8 512 011
	Total	14 227 215	11 380 367
	<u>(Water): Ageing</u>		
	Current (0 - 30 days)	1 376 986	613 453
	31 - 60 Days	362 683	256 962
	61 - 90 Days	317 123	261 707
	+ 90 Days	19 125 360	14 291 240
	Total	21 182 153	15 423 362
	<u>(Refuse): Ageing</u>		
	Current (0 - 30 days)	383 572	297 947
	31 - 60 Days	175 681	139 133
	61 - 90 Days	172 365	135 947
	+ 90 Days	14 088 198	10 779 336
	Total	14 819 816	11 352 363
	<u>(Sewerage): Ageing</u>		
	Current (0 - 30 days)	378 497	295 380
	31 - 60 Days	176 577	139 974
	61 - 90 Days	175 689	138 732
	+ 90 Days	15 203 700	11 601 848
	Total	15 934 462	12 175 934

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
16	RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUE)	R	R
	<u>(Housing Rental): Ageing</u>		
	Current (0 - 30 days)	391	463
	31 - 60 Days	682	-
	61 - 90 Days	1 355	995
	+ 90 Days	20 139	15 341
	Total	22 567	16 799
	<u>(Other): Ageing</u>		
	Current (0 - 30 days)	1 163 863	1 348 024
	31 - 60 Days	554 705	756 269
	61 - 90 Days	555 563	620 851
	+ 90 Days	24 948 637	26 713 072
	Total	27 222 768	29 438 216
	<u>(Total): Ageing</u>		
	Current (0 - 30 days)	5 317 898	4 144 055
	31 - 60 Days	2 425 871	1 864 697
	61 - 90 Days	1 454 974	1 865 442
	+ 90 Days	84 210 239	71 912 848
	Total	93 408 981	79 787 042
	Reconciliation of Provision for Bad Debts		
	Balance at beginning of year	67 206 180	64 385 387
	Contribution to provision/reversal of provision	23 742 427	2 820 793
	Bad Debts Written Off	-	-
	Balance at end of year	90 948 607	67 206 180
	The Provision for Impairment could be allocated between the different classes of receivables as follows:		
	Electricity	12 799 310	6 976 732
	Water	20 831 978	13 857 280
	Refuse	14 756 072	10 336 386
	Sewerage	15 733 922	11 105 559
	Housing Rental	20 139	15 640
	Other	26 807 185	24 914 583
		90 948 606	67 206 180
17	RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS	2015	2014
		R	R
	Rates	12 668 881	11 529 154
	Other Receivables	493 255	507 055
	Total Receivables from Non-Exchange Transactions	13 162 136	12 036 209
	Less: Allowance for Doubtful Debts	(11 137 090)	(10 412 095)
	Total Net Receivables from Non-Exchange Transactions	2 025 046	1 624 114

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

17	RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUE)	2015	2014
		R	R
	Ageing of Receivables from Non-Exchange Transactions:		
	<u>(Rates): Ageing</u>		
	Current (0 - 30 days)	599 268	539 988
	31 - 60 Days	251 428	226 319
	61 - 90 Days	239 204	217 804
	+ 90 Days	11 578 981	10 545 043
	Total	12 668 881	11 529 154
	Reconciliation of Provision for Bad Debts		
	Balance at beginning of year	10 412 095	10 037 509
	Contribution to provision/reversal of provision	724 995	374 586
	Bad Debts Written Off	-	-
	Balance at end of year	11 137 090	10 412 095

The entire provision for bad debts relates to the outstanding rates balance.

18 OPERATING LEASE ARRANGEMENTS

18.1 The Municipality as Lessor (Asset)

Balance on 1 July	22 308	18 710
Movement during the year	1 806	3 598
Balance on 30 June	24 114	22 308

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year	26 121	24 186
1 to 5 Years	127 122	117 706
More than 5 Years	2 999	38 536
Total Operating Lease Arrangements	156 242	180 429

This relates to a 9 years 11 months lease agreement with MTN as Lessee for land on which a cell phone tower was erected. This lease commenced in October 2010 and escalates at 8% per year.

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The municipality does not engage in any sub-lease arrangements.

The municipality did not receive any contingent rent during the year

Provide further detail regarding contingent rent

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
19	CASH AND CASH EQUIVALENTS		
	Assets		
	Call Investments Deposits	222 942	477 567
	Primary Bank Account	4 277 081	399 994
	Balance previously reported		399 994
	Correction of error - Refer to note		-
	Cash Floats	2 000	2 000
	Total Cash and Cash Equivalents - Assets	4 502 023	879 561
	Liabilities		
	Primary Bank Account	-	-
	Total Cash and Cash Equivalents - Liabilities	-	-
	Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.		
	The municipality has the following bank accounts:		
	Current Accounts		
	ABSA Bank - Cheque Account - 2290000036:	-	-
	First National Bank - Account - 62314181075:	4 277 081	399 994
		4 277 081	399 994
	First National Bank - Account - 62314181075:		
	Cash book balance at beginning of year	399 994	69 764
	Cash book balance at end of year	4 277 081	399 994
		4 277 081	399 994
	Bank statement balance at beginning of year	468 927	124 860
	Bank statement balance at end of year	4 785 769	468 927
		4 785 769	468 927
	Call Investment Deposits		
	Call investment deposits consist out of the following accounts:		
	FNB - Acc.no.7442 2832 862	208 312	409 245
	FNB - Acc.no.6246 3875 199	14 631	68 322
		222 942	477 567

20	PROPERTY TAXES		
	Actual		
	Rateable Land and Buildings	4 725 901	4 522 649
	Residential	2 912 937	2 830 596
	Commercial Property	1 023 205	949 671
	State	504 643	475 861
	Other	285 116	266 521
	Total Assessment Rates	4 725 901	4 522 649
	Valuations - 1 JULY 2014		
	Rateable Land and Buildings		
	Residential	277 183 500	277 183 500
	Commercial	57 787 900	57 787 900
	State	27 178 900	27 178 900
	Municipal	7 385 340	7 385 340
	Small holdings and farms	619 816 575	619 816 575
	Total Assessment Rates	989 352 215	989 352 215

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2010. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied monthly and are payable after due dates. Interest is levied at the prime rate plus 1% on outstanding amounts after due dates

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

21	GOVERNMENT GRANTS AND SUBSIDIES	2015 R	2014 R
	Unconditional Grants	38 169 000	30 294 000
	Equitable Share	38 169 000	30 294 000
	Conditional Grants	21 700 574	16 402 985
	Finance Management Grant	1 800 000	1 650 000
	Municipal Infrastructure Grant	9 109 537	6 441 459
	Municipal Systems Improvement Grant	934 000	890 000
	Frances Baard	338 926	1 504 899
	DWAF	8 295 730	558 000
	Expanded Public Works Programme (EPWP) - Paving Warrenvale	-	1 674 737
	Library Development Fund	-	746 890
	Intergrated National Electrification Programme	-	1 937 000
	Expanded Public Works Programme (EPWP) - Paving Ikhutseng	1 222 381	1 000 000
	Total Government Grants and Subsidies	59 869 574	46 696 985
	Government Grants and Subsidies - Capital	17 405 267	11 136 880
	Government Grants and Subsidies - Operating	42 464 307	35 560 105
	Revenue recognised per vote as required by Section 123 (c) of the MFMA		
	Equitable share	38 169 000	30 294 000
	Executive & Council	2 156 381	1 890 000
	Budget & Treasury	2 138 926	3 154 899
	Community & Social Services	-	746 890
	Road Transport	9 109 537	8 116 196
	Water	8 295 730	558 000
	Electricity	-	1 937 000
		59 869 574	46 696 985

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

21.01 Equitable share

Grants received	38 169 000	30 294 000
Conditions met - transferred to revenue	(38 169 000)	(30 294 000)
Conditions still to be met	-	-

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

21.02 Finance Management Grant

Grants received	1 800 000	1 650 000
Conditions met - transferred to revenue	(1 800 000)	(1 650 000)
Conditions still to be met	-	-

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

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

21	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)	2015 R	2014 R
21.03	Municipal Infrastructure Grant		
	Opening balance	7 890 656	6 545 115
	Grants received	15 787 000	12 435 000
	Grants forfeited	(8 531 000)	(4 648 000)
	Conditions met - transferred to revenue	(9 109 537)	(6 441 459)
	Conditions still to be met	<u>6 037 119</u>	<u>7 890 656</u>
	The Municipal Infrastructure Grant (MIG) is a conditional grant to support municipal capital budgets to fund municipal infrastructure and to upgrade existing infrastructure, primarily benefiting poor households.		
21.04	Municipal Systems Improvement Grant		
	Grants received	934 000	890 000
	Conditions met - transferred to revenue	(934 000)	(890 000)
	Conditions still to be met	<u>-</u>	<u>-</u>
	The Municipal Systems Improvement Grant (MSIG) is a conditional grant directed to selected Local and District municipalities. The purpose of the grant is to support municipalities in implementing new systems as provided in the Municipal Systems Act, Municipal Structures Act and other related local government policy and legislation so that they can carry mandated functions effectively.		
21.05	Frances Baard		
	Opening balance	-	-
	Grants received	338 926	1 504 899
	Conditions met - transferred to revenue	(338 926)	(1 504 899)
	Conditions still to be met	<u>-</u>	<u>-</u>
	The Frances Baard Grant is paid by Frances Baard District Municipality to the municipality to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003.		
21.06	Department of Water and Forestry (DWAF)		
	Opening balance	354 048	-
	Grants received	8 870 233	912 048
	Conditions met - transferred to revenue	(8 295 730)	(558 000)
	Conditions still to be met	<u>928 550</u>	<u>354 048</u>
	The Department of Water and Forestry grant was used for water personnel salaries in the Magareng area.		
21.07	Provincial Infrastructure Grant		
	Opening balance	3 005 723	3 005 723
	Conditions still to be met	<u>3 005 723</u>	<u>3 005 723</u>
	The Department of Public Works grant was used for the upgrading of the sewer network in the Magareng area.		
21.08	Library Development Fund		
	Opening balance	175 239	441 129
	Grants received/forfeited	679 000	481 000
	Conditions met - transferred to revenue	-	(746 890)
	Conditions still to be met	<u>854 239</u>	<u>175 239</u>
	The Department of Sport, Arts & Culture grant was used for the development of libraries in the Magareng area.		

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

21	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)	2015 R	2014 R
21.09	Expanded Public Works Program (EPWP)		
	Opening balance	1 982 825	1 169 939
	Grants received	1 348 000	3 487 623
	Conditions met - transferred to revenue	(1 222 381)	(2 674 737)
	Grants Forfeited	(1 000 000)	-
	Conditions still to be met	<u>1 108 444</u>	<u>1 982 825</u>
	The EPWP grant was used for road infrastructure development in the Magareng area.		
21.10	Other Grants		
	Opening balance	8 063 000	-
	Grants received	-	10 000 000
	Conditions met - transferred to revenue	-	(1 937 000)
	Grants Forfeited	(5 863 000)	-
	Conditions still to be met	<u>2 200 000</u>	<u>8 063 000</u>
	Other grants include grants like Intergrated National Electrification Programme (INEP) and Agricultured Grant		
21.11	Total Grants		
	Opening balance	21 471 490	11 161 906
	Correction of Error - Note	-	-
	Grants received	67 926 159	61 654 569
	Grants forfeited	(15 394 000)	(4 648 000)
	Conditions met - transferred to revenue	(59 869 574)	(46 696 985)
	Conditions still to be met	<u>14 134 075</u>	<u>21 471 490</u>
22	SERVICE CHARGES		
	Electricity	16 184 194	13 341 099
	Water	5 579 211	3 578 011
	Refuse removal	3 672 355	3 492 264
	Sewerage and Sanitation Charges	3 887 048	3 685 764
	Total Service Charges	<u>29 322 808</u>	<u>24 097 138</u>
	Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
23	OTHER INCOME		
	Commonage	49 960	58 517
	Photocopies	24 915	35 362
	Sale of land	30 000	76 900
	Rendering of Services	43 105	37 618
	Certificates	8 670	7 630
	Staff leave contribution	-	610 348
	Skills Education Training Authority	-	114 315
	Reversal of impairment	2 101	710
	Commissions	12 364	-
	Sundry income	41 031	29 398
	Total Other Income	<u>212 146</u>	<u>970 798</u>
	Sundry income represents sundry income such as building plans, sale of sundry items (wood, sand and stones) an fees for items not included under service charges (camping, fire brigade and impounding fees)		

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

24	EMPLOYEE RELATED COSTS	2015	2014
		R	R
	Basic Salary	19 794 471	18 021 552
	Bonus	1 528 252	1 388 313
	Contributions for UIF, pensions and medical aids	5 196 614	4 390 077
	Travel, motor car, telephone, assistance and other allowances	402 067	387 885
	Housing Subsidy	21 458	22 958
	Overtime	1 570 949	2 172 905
	Acting Allowance	135 355	275 053
	Standby Allowance	106 650	119 505
	Skills Development Levy	261 351	245 472
	Industrial Council	11 746	11 387
	Termination Benefits	691 533	660 311
	Other National Grants	307 616	-
	Staff leave contribution	398 797	-
		<hr/>	<hr/>
		30 426 859	27 695 418
	Less: Employee Costs allocated elsewhere	-	-
	Total Employee Related Costs - Restatede 2014	<hr/> 30 426 859 <hr/>	<hr/> 27 695 418 <hr/>
	KEY MANAGEMENT PERSONNEL		
	There are no post-employment or termination benefits payable to them at the end of the contract period.		
	REMUNERATION OF KEY MANAGEMENT PERSONNEL		
	<i>Remuneration of the Municipal Manager - JTF Leeuw (Contract started March 2013)</i>		
	Annual Remuneration	652 261	637 831
	Travel Allowance	131 043	131 048
	Backpay	37 820	-
	Contributions to UIF	1 785	1 785
	Total	<hr/> 822 908 <hr/>	<hr/> 770 664 <hr/>
	<i>Remuneration of the HOD Corporate Services - CD Lentsoe (Contract started May 2012)</i>		
	Annual Remuneration	447 780	474 377
	Contributions to UIF	1 785	1 785
	Contributions to Medical Fund	25 805	23 400
	Contributions to Pension Funds	97 160	90 993
	Telephone allowance	9 000	9 000
	Bonus	36 491	-
	Backpay	19 784	-
	Total	<hr/> 637 804 <hr/>	<hr/> 599 555 <hr/>
	<i>Remuneration of the Chief Financial Officer - HS Oberholzer (Contract ended December 2014)</i>		
	Annual Remuneration	243 445	584 269
	Contributions to UIF	1 248	-
	Contributions to Medical Fund	-	21 540
	Telephone allowance	3 750	9 000
	Leave Pay	112 554	-
	Acting Allowance	-	39 801
	Total	<hr/> 360 997 <hr/>	<hr/> 654 610 <hr/>
	<i>Remuneration of the Chief Financial Officer - OM Phasha (Contract started February 2015)</i>		
	Annual Remuneration	218 495	-
	Travel Allowance	22 000	-
	Contributions to UIF	744	-
	Contributions to Medical Fund	7 218	-
	Contributions to Pension Funds	8 826	-
	Telephone allowance	3 750	-
	Total	<hr/> 261 033 <hr/>	<hr/> - <hr/>
	<i>Remuneration of the HOD Technical Services - ML Mokoena (Contract started June 2012)</i>		
	Annual Remuneration	485 110	513 900
	Travel Allowance	48 162	48 162
	Contributions to UIF	1 785	1 785
	Contributions to Medical Fund	40 493	36 680
	Contributions to Pension Funds	91 186	85 386
	Telephone allowance	9 000	9 000
	Bonus	39 531	-
	Backpay	21 480	-
	Acting Allowance	19 402	-
	Total	<hr/> 756 149 <hr/>	<hr/> 694 913 <hr/>

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

25	REMUNERATION OF COUNCILLORS	2015 R	2014 R
	<i>Councillor: GE Manopole (Ward 3) - Started May 2011</i>		
	Councillor Salary	433 500	433 500
	Councillors' Medical contributions	20 018	39 948
	Travelling Allowance	151 116	151 116
	Cellphone Allowance	19 872	19 872
	Total	624 506	644 436
	<i>Councillor: OM Majola (Ward 4 PR) - Started May 2011</i>		
	Councillor Salary	118 176	118 176
	Councillors' Medical contributions	18 066	33 118
	Councillors' Pension contributions	17 726	17 726
	Travelling Allowance	45 336	45 336
	Cellphone Allowance	12 396	12 396
	Total	211 701	226 752
	<i>Councillor: J Louw (Ward 5) - Started May 2011</i>		
	Councillor Salary	136 008	136 008
	Travelling Allowance	45 336	45 336
	Cellphone Allowance	12 396	12 396
	Total	193 740	193 740
	<i>Councillor: BV Ximba (Ward 2) - Started May 2011</i>		
	Councillor Salary	136 008	136 008
	Councillors' Pension contributions	20 401	20 401
	Travelling Allowance	45 336	45 336
	Cellphone Allowance	12 396	12 396
	Total	214 141	214 141
	<i>Councillor: MR Moleko (Ward 2 PR) - Started May 2011</i>		
	Councillor Salary	136 008	136 008
	Councillors' Pension contributions	20 401	20 401
	Travelling Allowance	45 336	45 336
	Cellphone Allowance	12 396	12 396
	Total	214 141	214 141
	<i>Councillor: WJ Potgieter (Ward 5) - Started May 2011</i>		
	Councillor Salary	136 008	136 008
	Travelling Allowance	45 336	45 336
	Cellphone Allowance	12 396	12 396
	Total	193 740	193 740
	<i>Councillor: SP Mngathula (Ward 3 PR) - Started May 2011</i>		
	Councillor Salary	45 336	136 008
	Travelling Allowance	15 112	45 336
	Cellphone Allowance	4 132	12 396
	Total	64 580	193 740
	<i>Councillor: EM Hans (Ward 1) - Started May 2011</i>		
	Councillor Salary	100 104	100 104
	Councillors' Medical contributions	20 576	54 527
	Councillors' Pension contributions	15 016	15 015
	Travelling Allowance	45 336	45 336
	Cellphone Allowance	12 396	12 396
	Total	193 428	227 378
	<i>Councillor: WD Jones (Ward 4) - Started March 2013</i>		
	Councillor Salary	93 090	136 008
	Councillors' Medical contributions	5 994	
	Councillors' Pension contributions	13 964	20 401
	Travelling Allowance	34 002	45 336
	Cellphone Allowance	9 297	12 396
	Total	156 347	214 141

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

25	REMUNERATION OF COUNCILLORS (CONTINUE)	2015 R	2014 R
	<i>Councillor: MK Majoro (Ward 4) - Started November 2014</i>		
	Councillor Salary	90 672	-
	Travelling Allowance	30 224	-
	Cellphone Allowance	8 264	-
	Total	129 160	-
	<i>Councillor: AK Zalisa (Ward 4) - Started June 2015</i>		
	Councillor Salary	11 334	-
	Travelling Allowance	3 778	-
	Cellphone Allowance	1 033	-
	Total	16 145	-
	Ward committee salaries	112 831	571 000
	Total Councillors' Remuneration	2 324 459	2 893 209
	<i>In-kind Benefits</i>		
	The Mayor is full-time. She is provided with an office and secretarial support at the cost of the Council.		
	The Mayor has the use of a Council owned vehicle and a Driver for official duties.		
26	DEBT IMPAIRMENT		
	Receivables from exchange transactions - Note 16	23 742 427	2 820 793
	Receivables from non-exchange transactions - Note 17	724 995	374 586
	Total Contribution to Debt Impairment	24 467 422	3 195 379
	Less: Portion Relating to VAT - Refer to note 9.3	(1 432 090)	(557 986)
	Debt impairment recognised in statement of financial performance	23 035 332	2 637 393
27	DEPRECIATION AND AMORTISATION		
	Property Plant and Equipment	30 166 724	29 646 233
	Investment Property	41 730	46 370
	Intangible Assets	79 147	366 790
	Capitalised Restoration Costs	35 891	48 671
	Total Depreciation and Amortisation	30 323 493	30 108 065
28	FINANCE CHARGES		
	Actuarial Interest	805 035	599 937
	Landfill Sites	74 415	62 413
	Finance Lease	36 033	43 900
	Trade Payables	167 519	285 944
	Total Finance Charges	1 083 002	992 194
29	BULK PURCHASES		
	Electricity	16 184 734	13 229 363
	Water	6 398 398	5 531 000
	Total Bulk Purchases	22 583 132	18 760 363
	Stock Adjustments	-	(2 133 809)
	Total Bulk Purchases including Stock Adjustments	22 583 132	16 626 554

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30	CONTRACTED SERVICES	2015 R	2014 R
	BCX	420 429	472 883
	Bytes documents	1 814	43 812
	Cartrack	-	2 524
	Legal Services	192 182	126 721
	Mokomota Consultants	190 059	135 211
	Other	2 443	5 446
	Procon	96 180	86 088
	Steiner Hygiene	81 612	90 507
	Telephone and fax	188 332	223 471
	Top Security	47 689	13 911
	Vodacom	186 806	259 003
	Municipal Systems Improvement Grant	947 434	192 242
	Finance Management Grant	1 851 250	1 650 000
	Other National Grants	(1 745 997)	-
	Total Contracted Services - Restatede 2014	2 481 737	3 301 819
31	OPERATING GRANT EXPENDITURE		
	Operating grant expenditure per vote		
	Expanded Public Works Programme	-	1 000 000
	Finance Management Grant	-	1 650 000
	Municipal Systems Improvement Grant	-	192 242
	Other National Grants	-	199 940
	Correction of Error - Note 33.04		(3 042 182)
	Total Operating grant expenditure	-	-
32	GENERAL EXPENSES	2015 R	2014 R
	Advertising	40 155	70 631
	Affiliation fees	750 000	400 000
	Auditors Remuneration	2 198 293	1 629 609
	Bank Charges	136 968	123 989
	Chemicals	581 988	678 804
	Cleaning Materials and Consumables	18 356	11 134
	Computer Software	6 451	356 452
	Entertainment	22 634	53 864
	Fuel and oil	574 739	794 606
	Insurance	240 135	220 118
	Municipal Departmental Charges	1 790 864	5 047 246
	Other	236 567	113 838
	Postage and courier	3 214	30 058
	Printing And Stationery	297 923	349 852
	Protective Clothing	5 626	18 107
	Rebates	4 626 398	3 805 201
	Special Programs	70 145	469 537
	Telephone and fax	188 184	312 580
	Traffic Fines Paid	-	311 730
	Training	166 706	165 343
	Travelling	283 438	545 050
	Valuation Costs	(35 438)	-
	Other National Grants	174 651	199 940
	General Expenses	12 377 997	15 707 689
33	CORRECTION OF ERROR IN TERMS OF GRAP 3		2014 R
33.01	Receivables from non-exchange transactions		
	Balance previously reported		1 611 875
	Incorrectly classified in AFS 2013 - Corrected from Consumer debtors - Refer to note 33.02		10 911
	Incorrectly classified in AFS 2013 - Corrected from Consumer debtors - Refer to note 33.02		1 328
			1 624 114
33.02	Payables from exchange transactions		
	Balance previously reported		39 766 032
	Incorrectly classified in AFS 2013 - Corrected from Consumer debtors - Refer to note 33.01		10 911
	Incorrectly classified in AFS 2013 - Corrected from Consumer debtors - Refer to note 33.01		1 328
			39 778 270

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

33	CORRECTION OF ERROR IN TERMS OF GRAP 3		2014
			R
33.03	Accumulated Surplus/(Deficit)		
	Balance previously reported		322 795 733
	Property, plant and equipment cost newly identified till 30 June 2013- Refer to note 33.05		(72 557 932)
	Property, plant and equipment accumulated impairment newly identified till 30 June 2013 - Refer to note 33.05		(289 147)
	Property, plant and equipment accumulated depreciation newly identified till 30 June 2013 - Refer to note 33.05		(1 201 195)
			248 747 460
			R
33.04	Statement of Financial Performance		
	Balance previously reported		(4 464 672)
	Transferred from Operating Grant Expenditure (Correction of Classification) - Refer to note 33.04		(3 042 182)
	Transferred to General Expenditure (Correction of Classification) - Refer to note 33.04		199 940
	Transferred to Contracted Services (Correction of Classification) - Refer to note 33.04		1 842 242
	Transferred from Repairs and Maintenance (Correction of Classification) - Refer to note 33.04		1 000 000
	Property, plant and equipment depreciation newly identified for 2013/2014 - Refer to note 33.05		(10 481 716)
	Correct spending on Intergrated National Electrification Programme (INEP) to be spending out of own sources - Refer to note 33.06		(1 639 924)
			(16 586 312)
33.05	Property, Plant and Equipment		
	Balance previously reported		353 381 731
	Property, plant and equipment cost newly identified till 30 June 2013- Refer to note 33.03		(72 557 932)
	Property, plant and equipment accumulated impairment newly identified till 30 June 2013 - Refer to note 33.03		(289 147)
	Property, plant and equipment accumulated depreciation newly identified till 30 June 2013 - Refer to note 33.03		(1 201 195)
	Property, plant and equipment depreciation newly identified for 2013/2014 - Refer to note 33.04		(10 481 716)
			268 851 742
33.06	Unspent Conditional Government Grants and Receipts		
	Balance previously reported		19 831 566
	Correct spending on Intergrated National Electrification Programme (INEP) to be spending out of own sources - Refer to note 33.04		1 639 924
	Total		21 471 490

		2015	2014
		R	R
34	RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
	Surplus/(Deficit) for the year	(27 683 020)	(16 586 310)
	Adjustments for:		
	Depreciation	30 244 346	29 741 275
	Amortisation of Intangible Assets	79 147	366 790
	Contributed PPE	-	(6 890 172)
	Debt Impairment	24 467 422	3 195 379
	Contribution to staff leave	(25 653)	(687 226)
	Contribution to Annual Bonuses	90 735	126 437
	Contribution from/to employee benefits	1 216 424	993 753
	Actuarial Gains/Losses	499 166	157 994
	Movements in Provisions	5 113 579	95 146
	Movements in Capitalised Restoration Costs	(5 041 266)	(33 443)
	Grants Received	67 926 159	61 654 569
	Grant Expenditure	(75 263 574)	(51 344 985)
	Operating lease income accrued	(1 806)	(3 598)
	Operating Surplus/(Deficit) before changes in working capital	21 621 659	20 785 609
	Changes in working capital	(4 007 081)	-8 979 487
	Increase/(Decrease) in Trade and Other Payables	14 663 919	7 032 457
	Increase/(Decrease) in Taxes	(4 267 591)	(3 783 445)
	(Increase)/Decrease in Inventory	344 458	285 783
	(Increase)/Decrease in Trade and other receivables	(14 747 867)	(12 514 282)
	Cash generated/(absorbed) by operations	17 614 578	11 806 122

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

35	CASH AND CASH EQUIVALENTS	2015	2014
		R	R
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Call Investments Deposits - Note 19	222 942	477 567
	Cash Floats - Note 19	2 000	2 000
	Bank - Note 19	4 277 081	399 994
	Total cash and cash equivalents	4 502 023	879 561

36	RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
	Cash and Cash Equivalents - Note 35	4 502 023	879 561
	Less:	4 502 023	879 561
	Unspent Committed Conditional Grants - Note 8	14 134 074	21 471 490
	Resources available for working capital requirements	(9 632 051)	(20 591 929)

37	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2015	2014
		R	R
37.1	Unauthorised expenditure		
	Reconciliation of unauthorised expenditure:		
	Opening balance	14 757 337	1 474 724
	Unauthorised expenditure current year - capital	463 422	1 212 264
	Unauthorised expenditure current year - operating	34 705 474	12 070 349
	Condonement supported by council	-	-
	Unauthorised expenditure awaiting authorisation	49 926 234	14 757 337

Incident	Disciplinary steps/criminal proceedings
<i>Over expenditure on votes</i>	<i>Awaiting council decision</i>

	2015 R	2015 R	2015 R	2015 R
	(Actual)	(Budget)	(Variance)	(Unauthorised)
Unauthorised expenditure current year - operating				
Executive & Council	41 398 423	20 372 082	21 026 341	21 026 341
Budget & Treasury	16 113 106	22 644 779	(6 531 673)	-
Corporate Services	5 029 448	8 237 591	(3 208 143)	-
Planning & Development	979 511	1 249 860	(270 349)	-
Community & Social Services	1 177 158	2 127 254	(950 096)	-
Public Safety	2 390 458	3 222 183	(831 725)	-
Sport & Recreation	800 507	1 034 363	(233 856)	-
Waste Management	7 589 319	6 049 821	1 539 498	1 539 498
Waste Water Management	7 518 333	6 096 574	1 421 759	1 421 759
Road Transport	2 823 175	3 495 414	(672 239)	-
Water	17 872 502	13 108 518	4 763 985	4 763 985
Electricity	24 177 736	18 223 844	5 953 892	5 953 892
	127 869 676	105 862 283	22 007 393	34 705 474
Unauthorised expenditure current year - capital				
	2015 R	2015 R	2015 R	2015 R
	(Actual)	(Budget)	(Variance)	(Unauthorised)
Executive & Council	33 202	-	33 202	33 202
Road Transport	8 566 061	10 787 000	(2 220 939)	-
Water	8 295 730	10 700 000	(2 404 270)	-
Electricity	430 220	-	430 220	430 220
	17 325 213	21 487 000	(4 161 787)	463 422

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

37	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUE)	2015	2014
		R	R

37.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	1 943 885	1 041 366
Fruitless and wasteful expenditure current year	1 092 016	902 519
Condonement supported by council	-	-
	3 035 901	1 943 885

Fruitless and wasteful expenditure awaiting further action

Incident	Disciplinary steps/criminal proceedings		
<i>Various contraventions of procurement prescripts - 2015</i>	<i>Awaiting council decision</i>	869 052	-
<i>Interest and penalties relating to late payment to SARS for PAYE and SITE - 2015</i>	<i>Awaiting council decision</i>	222 965	-
<i>Various contraventions of procurement prescripts - 2014</i>	<i>Awaiting council decision</i>	-	902 519
<i>Various contraventions of procurement prescripts - 2013</i>	<i>Awaiting council decision</i>	-	565 302
<i>Various contraventions of procurement prescripts - 2012</i>	<i>Awaiting council decision</i>	-	476 064
		1 092 016	1 943 885

37.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	16 449 166	2 486 655
Irregular expenditure current year	352 665	13 962 511
Condonement supported by council	-	-
	16 801 831	16 449 166

Irregular expenditure awaiting further action

Irregular expenditure awaiting condonement from National Treasury

Incident	Disciplinary steps/criminal proceedings		
<i>Various contraventions of procurement prescripts - 2015</i>	<i>Awaiting council decision</i>	352 665	-
<i>Various contraventions of procurement prescripts - 2014</i>	<i>Awaiting council decision</i>	-	13 962 511
<i>Various contraventions of procurement prescripts - 2013</i>	<i>Awaiting council decision</i>	-	2 486 655
		352 665	16 449 166

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

37.4 Material Losses

Water distribution losses

- Kilo litres disinfected/purified/purchased	-	-
- Kilo litres lost during distribution	-	-
- Percentage lost during distribution	0.00%	0.00%

No bulk water meters to meter output - will be installed during 2015/2016

Electricity distribution losses

- Units purchased (Kwh)	-	16 096 179
- Units lost during distribution (Kwh)	-	2 596 207
- Percentage lost during distribution	0.00%	16.13%

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
38	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
38.01	<u>Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</u>		
	Opening balance	-	242 914
	Council subscriptions	250 000	400 000
	Amount paid - current year	(250 000)	(400 000)
	Amount paid - previous years	-	(242 914)
	Balance unpaid (included in creditors)	-	-
38.02	<u>Audit fees - [MFMA 125 (1)(b)]</u>		
	Opening balance	1 071 565	1 785 746
	Current year audit fee	-	1 872 472
	Amount paid - current year	1 071 565	(1 280 674)
	Amount paid - previous year	(1 071 565)	(1 305 979)
	Balance unpaid (included in creditors)	1 071 565	1 071 565
38.03	<u>VAT - [MFMA 125 (1)(b)]</u>		
	VAT Receivable	20 355 350	16 087 759
	VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.		
38.04	<u>PAYE, SDL and UIF - [MFMA 125 (1)(b)]</u>		
	Opening balance	518 918	454 880
	Current year payroll deductions and Council Contributions - PAYE	2 799 276	2 567 778
	Current year payroll deductions and Council Contributions - SDL	265 713	231 386
	Current year payroll deductions and Council Contributions - UIF	435 859	364 470
	Amount paid - current year	(3 500 848)	(2 644 716)
	Amount paid - previous year	(518 918)	(454 880)
	Balance unpaid (included in creditors)	-	518 918
38.05	<u>Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]</u>		
	Opening balance	-	1 064 688
	Current year payroll deductions and Council Contributions - Pension	4 949 107	4 441 184
	Current year payroll deductions and Council Contributions - Medical	2 506 728	2 379 829
	Amount paid - current year	(7 455 835)	(6 821 013)
	Amount paid - previous years	-	(1 064 688)
	Balance unpaid (included in creditors)	-	-
38.06	<u>Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]</u>		
	The following Councillors had arrear accounts for more than 90 days as at 30 June 2015:		
		2015 R	2014 R
		Outstanding more than 90 days	Outstanding more than 90 days
	Councillor: G.A. Manopole	827	-
	Councillor: L. Louw	2 190	1 978
	Councillor: E.V. Hans	13 790	12 889
	Councillor: B.V. Ximba	9 659	10 566
	Total Councillor Arrear Consumer Accounts	26 466	25 433

During the year the following Councillors' had arrear accounts outstanding for more than 90 days

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

38	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUE)	2015 R	2015 R
		Highest outstanding amount	Aging (in days)
	Councillor: G.A. Manopole	1 449	150
	Councillor: L. Louw	3 090	240
	Councillor: E.V. Hans	14 465	1 710
	Councillor: B.V. Ximba	11 575	870
	Total Councillor Arrear Consumer Accounts	30 578	

During the year the following Councillors' had arrear accounts outstanding for more than 90 days

	2014 R Highest outstanding amount	2014 R Aging (in days)
Councillor: L. Louw	1 978	300
Councillor: E.V. Hans	12 889	1 740
Councillor: B.V. Ximba	10 566	1 080
Total Councillor Arrear Consumer Accounts	25 433	

38.07 Other non-compliance (MFMA 125(2)(e))

Money owing by the municipality was not always paid within 30 days of receiving an invoice, as required by section 65(2)(e) of the MFMA.

Payments were made without the approval of the accounting officer or a properly authorised official, as required by section 11(1) of the MFMA.

Although the accounting officer has taken reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds as required by Section 65(2)(a) of the MFMA, there are still deficiencies.

A credit control and debt collection policy was not fully implemented, as required by section 96(b) of the MSA.

Section 9(b) of the MFMA requires that annually before the start of a financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account should be submitted to the relevant provincial treasury and the Auditor-General in writing. The municipality did not adhere to this section in the current year.

The Municipality received its Audit Report in November 2014 and is in the process of compiling unauthorized, irregular or fruitless and wasteful expenditure for Council to either condone or to investigate so that the relevant parties can be duly informed in accordance with Section 32(4)(a) of the MFMA.

The municipality did not update their website with all relevant documentation as required by Section 75(2) of the MFMA.

38.08 Deviations - Section 36(2) - Supply Chain Management

	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Sole provider	33 985		-	-
Emergency cases	80 667		-	-
Availability	45 666	528 229	-	-
Limited Quotations	56 143	91 918	-	-
	216 460	620 147	-	-

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
39	CAPITAL COMMITMENTS		
	Commitments in respect of capital expenditure:		
	Already contracted for but not provided for:	6 037 118	12 926 617
	Not yet contracted for and authorised by accounting officer:	<u>-</u>	<u>2 200 000</u>
	 This expenditure will be financed from:		
	Government Grants	6 037 118	15 126 617
		<u>6 037 118</u>	<u>15 126 617</u>
		2015	2014
		R	R

40 FINANCIAL RISK MANAGEMENT

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.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

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:

0.5% (2011 - 0.5%) Increase in interest rates	20 880	2 161
0.5% (2011 - 0.5%) Decrease in interest rates	(20 880)	(2 161)

(d) Credit Risk

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

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade 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. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. 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. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 16 and 17 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 16 and 17 for balances included in receivables that were re-negotiated for the period under review.

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

40 FINANCIAL RISK MANAGEMENT (CONTINUE)

Balances past due not impaired:

	2015 %	2015 R	2014 %	2014 R
<u>Non-Exchange Receivables</u>				
Rates	100.00%	1 305 215	100.00%	577 071
<u>Exchange Receivables</u>				
Electricity	40.62%	479 061	33.36%	2 814 848
Water	14.83%	174 966	11.29%	952 629
Refuse	1.44%	16 983	8.51%	718 030
Sewerage	13.06%	154 078	9.19%	774 995
Housing	0.17%	2 038	0.01%	695
Other	29.88%	352 379	37.64%	3 175 609
	100.00%	1 179 505	100.00%	8 436 807

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 16 and 17 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2015 %	2015 R	2014 %	2014 R
<u>Non-Exchange Receivables</u>				
Rates	100.00%	11 137 090	100.00%	10 412 095
<u>Exchange Receivables</u>				
Electricity	14.07%	12 799 310	10.38%	6 976 732
Water	22.91%	20 831 978	20.62%	13 857 280
Refuse	16.22%	14 756 072	15.38%	10 336 386
Sewerage	17.30%	15 733 922	16.52%	11 105 559
Housing	0.02%	20 139	0.02%	15 640
Other	29.48%	26 807 185	37.07%	24 914 583
	100.00%	90 948 606	100%	67 206 180

Bad debts written off per debtor class:

<u>Non-Exchange Receivables</u>				
Rates	0.00%	-	0.00%	-
<u>Exchange Receivables</u>				
Electricity	0.00%	-	0.00%	-
Water	0.00%	-	0.00%	-
Refuse	0.00%	-	0.00%	-
Sewerage	0.00%	-	0.00%	-
Other	0.00%	-	0.00%	-
	0.00%	-	0.00%	-

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

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

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

40 FINANCIAL RISK MANAGEMENT (CONTINUE)

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

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

	2015 R	2014 R
Receivables from exchange transactions	2 526 306	12 646 793
Receivables from non-exchange transactions	2 025 046	1 624 114
Cash and Cash Equivalents	4 502 023	879 561
	9 053 376	15 150 469

(e) Liquidity Risk

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

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

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

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2015				
Long Term liabilities - Finance Lease Liability	346 853	-	-	-
Capital repayments	323 964	-	-	-
Interest	22 889	-	-	-
Provisions - Landfill Sites	-	7 792 319	-	-
Capital repayments	-	6 534 337	-	-
Interest	-	1 257 981	-	-
Trade and Other Payables	55 672 315	-	-	-
Unspent conditional government grants and receipts	14 134 074	-	-	-
	70 153 243	7 792 319	-	-
2014				
Long Term liabilities - Finance Lease Liability	157 434	346 853	-	-
Capital repayments	121 401	323 964	-	-
Interest	36 033	22 889	-	-
Provisions - Landfill Sites	-	1 644 705	-	-
Capital repayments	-	1 420 758	-	-
Interest	-	223 947	-	-
Trade and Other Payables	36 978 706	-	-	-
Unspent conditional government grants and receipts	21 471 490	-	-	-
	58 607 629	1 991 558	-	-

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
41	FINANCIAL INSTRUMENTS		
	In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:		
41.1	<u>Financial Assets</u>		
	<u>Classification</u>		
	Receivables		
	Receivables from exchange transactions	2 526 306	12 646 793
	Short-term Investment Deposits		
	Call Deposits	222 942	477 567
	Bank Balances and Cash		
	Bank Balances	4 277 081	399 994
	Cash Floats and Advances	2 000	2 000
		7 028 329	13 526 354

SUMMARY OF FINANCIAL ASSETS

Financial instruments at amortised cost	7 028 329	13 526 354
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		2015 R	2014 R
41	FINANCIAL INSTRUMENTS (CONTINUE)		
41.2	<u>Financial Liability</u>		
	<u>Classification</u>		
	Long-term Liabilities		
	Capitalised Lease Liability	-	323 964
	Payables from exchange transactions		
	Trade creditors	55 646 668	36 960 387
	Deposits	25 647	18 319
	Other	2 718 875	2 799 565
	Other Payables		
	Government Subsidies and Grants	14 134 074	21 471 490
	Current Portion of Long-term Liabilities		
	Capitalised Lease Liability	323 964	121 401
		72 849 228	61 695 126

SUMMARY OF FINANCIAL LIABILITY

Financial instruments at amortised cost	72 849 228	61 695 126
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42 EVENTS AFTER THE REPORTING DATE

The municipality has no events after reporting date during the financial year ended 2014/2015.

43 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

44 PRIVATE PUBLIC PARTNERSHIPS

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

45 CONTINGENT LIABILITY

Mrs Neo Ikaneng: The Municipality was sued for injury on Duty claim as a result of the Municipality owing the Compensation Commissioner. The matter is currently before the Court of Law.

Skilful 1149 CC: The Municipality was sued for non-payment to the Plaintiff claiming that the defendant did not fulfil contractual obligation after the plaintiff completed the job. The matter is currently before the court of law.

2015 R	2014 R
650 000	

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

46 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

46.1 Related Party Transactions

Year ended	Rates - Levied 1 Jul 14 - 30 Jun 15	Service Charges - Levied 1 Jul 14 - 30 Jun 15	Other - Levied 1 Jul 14 - 30 Jun 15	Outstanding Balances 30 June 2015
Councillors	8 783	30 170	1 689	30 674
ES Manopole (1006555)	360	3 090	13	1 449
OM Majola (1009540)	-	1 844	-	-
BV Ximba (1007671)	-	3 352	675	10 309
EM Hans (1009329)	-	2 349	789	14 339
WJ Potgieter (1000894)	6 028	-	13	502
WJ Potgieter (1000899)	-	19 536	49	4 074
MR Moleko (1006514)	2 395	-	-	-
J Louw (1004957)	-	3 683	150	2 845
Municipal Manager and Section 57 Employees	5 553	29 737	366	2 362
CD Lentsoe (1003758)	1 568	9 569	-	-
HS Oberholzer (1012848)	-	3 111	51	2 362
JTF Leeuw (1015052)	-	16 556	301	-
JTF Leeuw (1011663)	3 985	502	15	-

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

46 RELATED PARTIES

2015
R **2014**
R

46.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date are disclosed in note to the Annual Financial Statements.

46.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 24 to the Annual Financial Statements.

46.4 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

None

47 FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The current ratio increased to 0.50:1 from 0.51:1 in the prior year.

The municipality have budgeted for a deficit of R 7 744 692 for the 2014/2015 financial year. The municipality is also budgeting for negative cash flows during 2015/2016 and 2016/2017 amounting to R 11 557 354 and R 26 070 229 respectively.

The average debtors' payment days increased to 985 days from 866 days. The debtors impairment ration increased to 94% from the previous years 84%.

Other Indicators

Possible outflow of resources due the contingent liability disclosed in note 45

48 GOING CONCERN

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

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

49	STATUTORY RECEIVABLES	2015 R	2014 R
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
	Receivables from non-exchange transactions		
	Property Rates	2 025 046	1 624 114
	Taxes		
	VAT Receivable	36 465 303	30 688 575
	Total Statutory Receivables	38 490 349	32 312 689

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2015

Reconciliation of Carrying Value

	Cost			Accumulated Impairment	Accumulated Depreciation and Impairment Losses				Carrying Value	
	Opening Balance	Additions	Disposals		Opening Balance	Depreciation Charge	Disposals	Closing Balance		
	R	R	R	R	R	R	R	R	R	
Land and Buildings	19 876 154	-	-	19 876 154	289 147	2 232 964	350 426	-	2 583 390	17 003 617
Land	9 088 212	-	-	9 088 212	-	-	-	-	-	9 088 212
Buildings	10 787 942	-	-	10 787 942	289 147	2 232 964	350 426	-	2 583 390	7 915 405
Infrastructure	390 717 475	17 835 487	-	408 552 962	-	149 575 822	27 009 817	-	176 585 640	231 967 323
Electricity	52 955 857	430 220	-	53 386 077	-	20 210 703	6 567 748	-	26 778 451	26 607 626
Roads	202 471 044	8 566 061	-	211 037 106	-	57 912 809	15 747 607	-	73 660 416	137 376 690
Sewerage	46 798 007	-	-	46 798 007	-	19 792 253	1 272 480	-	21 064 733	25 733 274
Water	88 492 567	8 295 730	-	96 788 297	-	51 660 057	3 421 983	-	55 082 040	41 706 256
WIP	-	543 476	-	543 476	-	-	-	-	-	543 476
Community Assets	10 205 387	-	-	10 205 387	-	4 787 504	707 053	-	5 494 557	4 710 831
Buildings	6 476 717	-	-	6 476 717	-	3 552 491	530 055	-	4 082 546	2 394 171
Land	1 332 150	-	-	1 332 150	-	4 783	2 374	-	7 157	1 324 993
Recreational Facilities	2 396 521	-	-	2 396 521	-	1 230 229	174 624	-	1 404 853	991 667
Lease Assets	565 607	-	-	565 607	-	208 126	188 536	-	396 661	168 946
Vehicles	565 607	-	-	565 607	-	208 126	188 536	-	396 661	168 946
Other Assets	12 757 698	33 202	-	12 790 900	-	8 177 018	1 910 893	-	10 087 911	2 702 989
Bins & Containers	1 522	-	-	1 522	-	1 066	304	-	1 370	152
Computer Equipment	694 932	3 964	-	698 897	-	502 371	85 693	-	588 064	110 832
Electricity	133 391	-	-	133 391	-	70 715	5 170	-	75 886	57 505
Emergency & Rescue	168 201	-	-	168 201	-	103 135	11 335	-	114 470	53 731
Emergency Equipment	3 309	-	-	3 309	-	624	1 290	-	1 914	1 395
Furniture & Fittings	881 156	29 238	-	910 394	-	606 188	117 504	-	723 692	186 701
Office Equipment	406 676	-	-	406 676	-	263 183	70 902	-	334 086	72 591
Plant & Equipment	3 686 636	-	-	3 686 636	-	2 797 755	484 621	-	3 282 376	404 260
Roads	1 356 735	-	-	1 356 735	-	770 749	45 588	-	816 338	540 397
Security Measures	307 389	-	-	307 389	-	140 521	30 739	-	171 260	136 129
Sewer	4 782	-	-	4 782	-	4 546	79	-	4 625	157
Vehicle	5 097 577	-	-	5 097 577	-	2 910 601	1 056 901	-	3 967 503	1 130 075
Water	15 392	-	-	15 392	-	5 562	766	-	6 328	9 063
	434 122 322	17 868 689	-	451 991 011	289 147	164 981 433	30 166 725	-	195 148 158	256 553 706

MAGARENG MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2014

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation and Impairment Losses				Carrying Value R	
	Opening Balance R	Additions R	Disposals/ Transfers R	Closing Balance R	Opening Balance R	Depreciation Charge R	Disposals/ Transfers R	Closing Balance R		
Land and Buildings	19 876 154	-	-	19 876 154	289 147	1 893 969	338 995	-	2 232 964	17 354 043
Land	9 290 884	-	-	9 290 884	-	-	-	-	-	9 290 884
Buildings	6 093 142	-	-	6 093 142	-	955 009	471 649	-	1 426 657	4 666 484
Correction of Error - Note 33.05	4 492 129	-	-	4 492 129	289 147	938 960	-132 653	-	806 307	3 396 675
Infrastructure	372 920 557	17 796 918	-	390 717 475	-	123 289 113	26 286 710	-	149 575 822	241 141 653
Electricity	60 272 343	-	-	60 272 343	-	12 219 171	3 311 714	-	15 530 885	44 741 458
Roads	252 695 541	-	-	252 695 541	-	48 383 969	9 444 197	-	57 828 166	194 867 375
Sewerage	45 808 159	-	-	45 808 159	-	18 510 448	1 314 366	-	19 824 813	25 983 346
Water	84 394 037	-	-	84 394 037	-	48 584 265	3 531 763	-	52 116 028	32 278 010
WIP	15 807 188	17 796 918	-	33 604 106	-	-	-	-	-	33 604 106
Correction of Error - Note 33.05	-86 056 711	-	-	-86 056 711	-	-4 408 740	8 684 670	-	4 275 930	-90 332 641
Community Assets	10 205 387	-	-	10 205 387	-	3 764 321	1 023 183	-	4 787 504	5 417 884
Buildings	2 010 477	-	-	2 010 477	-	315 421	67 016	-	382 436	1 628 040
Land	1 284 939	-	-	1 284 939	-	-	-	-	-	1 284 939
Recreational Facilities	1 026 803	-	-	1 026 803	-	62 331	87 561	-	149 892	876 911
Correction of Error - Note 33.05	5 883 169	-	-	5 883 169	-	3 386 569	868 606	-	4 255 175	1 627 994
Lease Assets	565 607	-	-	565 607	-	19 590	188 536	-	208 126	357 481
Other Assets	12 745 418	12 281	-	12 757 698	-	6 368 207	1 808 811	-	8 177 018	4 580 681
Buildings	127 981	-	-	127 981	-	7 317	33 835	-	41 151	86 830
Computer Equipment	980 566	12 281	-	992 847	-	624 546	118 857	-	743 403	249 444
Furniture And Office Equipment	592 455	-	-	592 455	-	391 347	49 287	-	440 634	151 822
Machinery And Equipment	1 525 873	-	-	1 525 873	-	731 386	99 986	-	831 373	694 500
Office Equipment	68 215	-	-	68 215	-	20 626	15 817	-	36 444	31 771
Plant & Machinery	2 759	-	-	2 759	-	-	1 103	-	1 103	1 655
Router	520	-	-	520	-	-	93	-	93	427
Transport Assets	6 323 568	-	-	6 323 568	-	3 308 580	428 739	-	3 737 319	2 586 249
Correction of Error - Note 33.05	3 123 481	-	-	3 123 481	-	1 284 405	1 061 093	-	2 345 498	777 982
	416 313 123	17 809 199	-	434 122 322	289 147	135 335 199	29 646 234	-	164 981 433	268 851 742

**APPENDIX A - Unaudited
MAGARENG LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2014	Correction of Error	Balance at 30 JUNE 2014 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2015
LEASE LIABILITY									
Mayor Vehicle	9.26%	Merc Benz	3 Years	445 365	-	445 365	-	121 401	323 964
Total Lease Liabilities				445 365	-	445 365	-	121 401	323 964
TOTAL EXTERNAL LOANS				445 365	-	445 365	-	121 401	323 964

**APPENDIX B - Unaudited
MAGARENG LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015
MUNICIPAL VOTES CLASSIFICATION**

2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R		2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R
-	(1 545 876)	(1 545 876)	Admin & Legal	-	(1 636 898)	(1 636 898)
37 618	(400)	37 218	Cemetery	43 105	-	43 105
29 128	(2 376 019)	(2 346 891)	Corporate Administration	1 806	(2 362 925)	(2 361 119)
32 469 335	(39 451 978)	(6 982 643)	Council & Executive Admin	40 366 997	(40 065 459)	301 538
16 046 668	(15 565 739)	480 929	Electricity	16 935 152	(24 177 736)	(7 242 584)
9 212 487	(11 640 507)	(2 428 020)	Finance	7 864 760	(16 113 106)	(8 248 346)
114 315	(996 424)	(882 109)	Human Resources	-	(1 029 625)	(1 029 625)
-	(210)	(210)	Integrated Delvelopment Plan	-	(179 099)	(179 099)
-	(173)	(173)	Land Use	-	(147 096)	(147 096)
746 890	(917 369)	(170 479)	Library	213	(1 177 158)	(1 176 945)
-	(514 583)	(514 583)	Local Economic Development	-	(417 084)	(417 084)
35 874	(1 451 721)	(1 415 847)	Office of the Municipal Manager	26 017	(1 332 964)	(1 306 947)
23 867	(698 426)	(674 559)	Parks & Recreation	27 698	(800 507)	(772 809)
-	(378 095)	(378 095)	Planning & Development	-	(236 232)	(236 232)
8 193 092	(4 790 325)	3 402 767	Roads and Storm Water	9 204 957	(106 735)	9 098 222
-	(1 303 490)	(1 303 490)	Safety	-	(1 158 721)	(1 158 721)
6 018 635	(4 147 597)	1 871 038	Sanitation	5 094 966	(7 518 333)	(2 423 367)
4 544 348	(3 299 175)	1 245 173	Solid Waste Management	4 794 529	(7 589 319)	(2 794 790)
-	(2 468 510)	(2 468 510)	Technical Admin	-	(2 716 440)	(2 716 440)
599 620	(2 298 513)	(1 698 893)	Traffic	410 763	(1 231 737)	(820 974)
10 795 995	(11 609 054)	(813 059)	Water	15 415 693	(17 872 502)	(2 456 809)
88 867 872	(105 454 184)	(16 586 312)	Sub Total	100 186 656	(127 869 676)	(27 683 020)
-	-	-		-	-	-
88 867 872	(105 454 184)	(16 586 312)	Total	100 186 656	(127 869 676)	(27 683 020)

**APPENDIX C - Unaudited
MAGARENG LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015
GENERAL FINANCE STATISTIC CLASSIFICATIONS**

2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R		2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R
32 505 209	(40 903 699)	(8 398 490)	Executive & Council	40 393 014	(41 398 423)	(1 005 409)
9 212 487	(11 640 507)	(2 428 020)	Budget & Treasury	7 864 760	(16 113 106)	(8 248 346)
143 443	(4 918 319)	(4 774 876)	Corporate Services	1 806	(5 029 448)	(5 027 642)
-	(893 061)	(893 061)	Planning & Development	-	(979 511)	(979 511)
784 508	(917 769)	(133 261)	Community & Social Services	43 318	(1 177 158)	(1 133 840)
599 620	(3 602 003)	(3 002 383)	Public Safety	410 763	(2 390 458)	(1 979 695)
23 867	(698 426)	(674 559)	Sport & Recreation	27 698	(800 507)	(772 809)
4 544 348	(3 299 175)	1 245 173	Waste Management	4 794 529	(7 589 319)	(2 794 790)
6 018 635	(4 147 597)	1 871 038	Waste Water Management	5 094 966	(7 518 333)	(2 423 367)
8 193 092	(7 258 835)	934 257	Road Transport	9 204 957	(2 823 175)	6 381 782
10 795 995	(11 609 054)	(813 059)	Water	15 415 693	(17 872 502)	(2 456 809)
16 046 668	(15 565 739)	480 929	Electricity	16 935 152	(24 177 736)	(7 242 584)
						-
88 867 872	(105 454 184)	(16 586 312)	Sub Total	100 186 656	(127 869 676)	(27 683 020)
88 867 872	(105 454 184)	(16 586 312)	Total	100 186 656	(127 869 676)	(27 683 020)

APPENDIX D - Unaudited
MAGARENG LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 JULY 2014	Correction of error Note	Balance 1 JULY 2014	Grants Received	Forfeited to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2015	Unspent 30 JUNE 2015 (Creditor)	Unpaid 30 JUNE 2015 (Debtor)
	R	R	R	R	R	R	R	R	R	R
UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS										
<u>National Government Grants</u>										
Equitable Share	-	-	-	38 169 000	-	38 169 000	-	-	-	-
Municipal Infrastructure Grant (MIG)	7 890 655	-	7 890 655	15 787 000	8 531 000	-	9 109 537	6 037 118	6 037 118	-
Municipal Systems Improvement Grant (MSIG)	-	-	-	934 000	-	934 000	-	-	-	-
Finance Management Grant (FMG)	-	-	-	1 800 000	-	1 800 000	-	-	-	-
Water Grant (DWAF)	354 048	-	354 048	8 870 233	-	-	8 295 730	928 550	928 550	-
Intergrated National Electrification Programme (INEP)	4 223 076	1 639 924	5 863 000	-	5 863 000	-	-	-	-	-
Total National Government Grants	12 467 778	1 639 924	14 107 702	65 560 233	14 394 000	40 903 000	17 405 267	6 965 668	6 965 668	-
<u>Provincial Government Grants</u>										
Library Development Fund	175 239	-	175 239	679 000	-	-	-	854 239	854 239	-
Agricultured Grant	2 200 000	-	2 200 000	-	-	-	-	2 200 000	2 200 000	-
Expanded Public Works Programme (EPWP) - Paving Warrenvale	812 886	-	812 886	-	-	-	-	812 886	812 886	-
Expanded Public Works Programme (EPWP) - Paving Ikhutseng	1 169 939	-	1 169 939	1 348 000	1 000 000	1 222 381	-	295 559	295 559	-
Provincial Infrastructure Grant	3 005 723	-	3 005 723	-	-	-	-	3 005 723	3 005 723	-
Total Provincial Government Grants	7 363 787	-	7 363 787	2 027 000	1 000 000	1 222 381	-	7 168 407	7 168 407	-
<u>District Municipality Grants</u>										
Frances Baard	-	-	-	338 926	-	338 926	-	-	-	-
Total District Municipality Grants	-	-	-	338 926	-	338 926	-	-	-	-
Total	19 831 566	1 639 924	21 471 490	67 926 159	15 394 000	42 464 307	17 405 267	14 134 074	14 134 074	-