

Planning by	Reviewed	Performed by	Final review



West Rand District Municipality
Trading as DC 48
Annual Consolidated Financial Statements
for the year ended 30 June 2015

West Rand District Municipality

(Registration number DC48)

Trading as DC 48

Annual Consolidated Financial Statements for the year ended 30 June 2015

General Information

Legal form of entity	District Municipality DC48
Nature of business and principal activities	District Municipality
Mayoral committee	
Executive Mayor	K.M. Nawa J.N. Phiri (Speaker) N.P. Lipudi (Chief Whip) S.E. Thebenare (MMC: Human Settlement & Land Use Planning) S.D. Thabe (MMC: Economic Development & Tourism) M. Kawe (MMC: Finance) G. Khoza (MMC: Technical Support & Transport Planning) L.L. Nkosiyane (MMC: Public Safety) M.P. Kgoleng (MMC: Health & Social Development) O. Caldeira (MMC: Environmental Management) T.E. Mphitikezi (MMC: Corporate Services)
Councillors	B.D. Blake M.F. Chohledi T.N. Daniel P.H.C. De Jager R.J.A. Harris L.A. Isherwood M.V. Jiba N. Best E. du Plessis F.F. Ngcobo T.K. Foteng M.J. Selibo M. Holestein J. Hoon R. Lees T.B.N. Mavuso S. Mcungeli M.V. Mfazi N.P. Mosele D.E. Ngubane M.N. Nomandla M. Nqoro W.M. Plaatjie D.H. Pretorius P.L. Seemela P. Simon C.P. Zagagana J.D.W. Zwart G.S. Isherwood G. Khoza V. Lwai F. Matshogo

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General Information

	T. Nondzaba S. Handula (MPAC Chairperson)
Grading of local authority	Medium Capacity
Chief Finance Officer (CFO)	R. Mohaudi
Accounting Officer	M.D. Mokoena
Business address	Cnr 6th & Park Street Randfontein 1760
Postal address	Private Bag X 033 Randfontein 1760
Bankers	Standard Bank South Africa
Auditors	Auditor-General of South Africa Registered Auditors

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The reports and statements set out below comprise the annual consolidated financial statements presented to the Council of the Municipality:

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
DMA	District Management Area
DBSA	Development Bank of Southern Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
WRDA	West Rand Development Agency
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MSIG	Municipal Systems Improvement Grant
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
WRDM	West Rand District Municipality
FMG	Finance Management Grant
EPWP	Expanded Public Works Programme

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Accounting Officer's Responsibilities and Approval

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

The annual consolidated financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

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

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

The accounting officer has reviewed the economic entity's cash flow forecast for the year to 30 June 2016 and, in the light of this review and the current financial position, he is satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the national and provincial government grants for continued funding of operations. The annual consolidated financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The annual consolidated financial statements set out on pages 5 to 79, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2015 and were signed on its behalf by:

M.D. Mokoena
Accounting Officer

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Statement of Financial Position as at 30 June 2015

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2015	2014 Restated*	2015	2014 Restated*
Assets					
Current Assets					
Inventories	11	867,336	539,307	867,336	539,307
Receivables from exchange transactions	12	2,956,588	1,627,143	2,738,227	1,437,349
Cash and cash equivalents	13	35,611,989	42,423,894	32,775,528	39,158,754
		39,435,913	44,590,344	36,381,091	41,135,410
Non-Current Assets					
Biological assets that form part of an agricultural activity	3	327,862	274,700	327,862	274,700
Investment property	4	4,450,000	3,582,000	4,450,000	3,582,000
Property, plant and equipment	5	67,474,608	78,036,179	50,019,549	57,435,384
Intangible assets	6	908,288	1,830,812	854,620	1,759,275
Investments in controlled entities	7	-	-	14,578,528	14,578,528
Long term receivables	10	1,557,356	927,059	1,557,356	927,059
		74,718,114	84,650,750	71,787,915	78,556,946
Total Assets		114,154,027	129,241,094	108,169,006	119,692,356
Liabilities					
Current Liabilities					
Other financial liabilities	17	-	1,759,472	-	1,759,472
Finance lease obligation	15	-	2,646,976	-	2,646,976
Payables from exchange transactions	19	35,925,829	17,400,924	34,151,179	16,634,065
VAT payable	20	4,030,037	3,518,340	1,378,390	560,678
Employee benefit obligation	9	1,363,440	1,148,856	1,363,440	1,148,856
Unspent conditional grants and receipts	16	480,000	1,183,341	480,000	441,132
Provisions	18	7,938,873	4,686,755	7,938,873	4,686,755
		49,738,179	32,344,664	45,311,882	27,877,934
Non-Current Liabilities					
Finance lease obligation	15	-	744,388	-	744,388
Employee benefit obligation	9	58,037,297	50,497,096	58,037,297	50,497,096
Provisions	18	11,896,056	11,313,847	11,896,056	11,313,847
		69,933,353	62,555,331	69,933,353	62,555,331
Total Liabilities		119,671,532	94,899,995	115,245,235	90,433,265
Net Assets		(5,517,505)	34,341,099	(7,076,229)	29,259,091
Accumulated surplus		(5,517,503)	34,341,099	(7,076,229)	29,259,077

* See Note 41

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Statement of Financial Performance

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2015	2014 Restated*	2015	2014 Restated*
Revenue					
Revenue from exchange transactions					
Service charges	22	1,023,527	2,125,467	1,023,527	2,125,467
Rental of facilities and equipment		1,533,096	1,307,333	1,533,096	1,307,333
Interest received (trading)		129,987	152,597	114,441	137,714
Agency services		37,789,000	35,834,000	37,789,000	35,834,000
Licences and permits		185,764	175,238	185,764	175,238
Other income	23	3,872,486	7,327,804	3,293,023	6,836,075
Interest received - investment	24	3,297,067	4,127,487	3,297,067	4,127,487
Total revenue from exchange transactions		47,830,927	51,049,926	47,235,918	50,543,314
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	26	190,546,984	182,259,606	189,804,775	182,259,606
Total revenue	21	238,377,911	233,309,532	237,040,693	232,802,920
Expenditure					
Employee related costs	27	(175,080,260)	(170,441,476)	(172,428,075)	(168,404,159)
Remuneration of councillors	28	(10,093,371)	(9,508,812)	(10,093,371)	(9,508,812)
Depreciation and amortisation	29	(13,067,526)	(12,923,485)	(12,261,813)	(12,106,509)
Impairment loss/ Reversal of impairments	30	(3,098,687)	-	-	-
Finance costs	31	(600,165)	(738,663)	(600,165)	(738,663)
Lease rentals on operating lease		(6,407,621)	(6,706,904)	(6,407,621)	(6,706,904)
Debt Impairment	32	(3,048,136)	(4,683,863)	(3,048,136)	(4,417,976)
Repairs and maintenance		(2,669,871)	(4,898,436)	(2,530,232)	(4,663,719)
Transfers and Subsidies	25	-	-	(4,394,200)	(4,394,200)
General Expenses	33	(73,160,623)	(75,887,999)	(70,602,146)	(74,439,153)
Total expenditure		(287,226,260)	(285,789,638)	(282,365,759)	(285,380,095)
Operating deficit		(48,848,349)	(52,480,106)	(45,325,066)	(52,577,175)
Loss on disposal of assets and liabilities		(353,231)	(33,301)	(353,231)	(33,301)
Fair value adjustments	34	921,162	149,220	921,162	149,220
Actuarial gains/losses	9	714,750	(6,866,881)	714,750	(6,866,881)
Movement on WCA Provision		803,513	(648,279)	803,513	(648,279)
		2,086,194	(7,399,241)	2,086,194	(7,399,241)
Deficit for the year		(46,762,155)	(59,879,347)	(43,238,872)	(59,976,416)

* See Note 41

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Statement of Changes in Net Assets

Figures in Rand	Share capital / contributed capital	Share premium	Total share capital	Accumulated surplus	Total net assets
Economic entity					
Balance at 01 July 2013	100	14,578,428	14,578,528	94,220,446	108,798,974
Changes in net assets					
Surplus/(deficit) for the year	-	-	-	(59,879,347)	(59,879,347)
Elimination of intra group transactions	-	(14,578,528)	(14,578,528)	-	(14,578,528)
Total changes	-	(14,578,528)	(14,578,528)	(59,879,347)	(74,457,875)
Opening balance as previously reported	100	(100)	-	40,257,614	40,257,614
Adjustments					
Correction of errors	-	-	-	987,038	987,038
Restated* Balance at 01 July 2014 as restated*	100	(100)	-	41,244,652	41,244,652
Changes in net assets					
Surplus/(deficit) for the year	-	-	-	(46,762,155)	(46,762,155)
Total changes	-	-	-	(46,762,155)	(46,762,155)
Balance at 30 June 2015	100	(100)	-	(5,517,503)	(5,517,503)
Note(s)	14	14	14		
Controlling entity					
Balance at 01 July 2013	-	-	-	89,235,493	89,235,493
Changes in net assets					
Surplus for the year	-	-	-	(59,976,416)	(59,976,416)
Total changes	-	-	-	(59,976,416)	(59,976,416)
Opening balance as previously reported	-	-	-	35,175,605	35,175,605
Adjustments					
Correction of errors	-	-	-	987,038	987,038
Restated* Balance at 01 July 2014 as restated*	-	-	-	36,162,643	36,162,643
Changes in net assets					
Surplus/(deficit) for the year	-	-	-	(43,238,872)	(43,238,872)
Total changes	-	-	-	(43,238,872)	(43,238,872)
Balance at 30 June 2015	-	-	-	(7,076,229)	(7,076,229)
Note(s)	14	14	14		

* See Note 41

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Cash Flow Statement

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2015	2014 Restated*	2015	2014 Restated*
Cash flows from operating activities					
Receipts					
Grants		189,804,775	182,259,606	189,804,775	182,259,606
Interest income		3,297,067	4,127,487	3,297,067	4,127,487
Other receipts		61,034,046	56,417,250	56,088,950	51,509,317
		254,135,888	242,804,343	249,190,792	237,896,410
Payments					
Employee costs		(185,195,437)	(179,950,288)	(182,521,446)	(177,912,971)
Suppliers		(67,773,835)	(96,363,866)	(65,799,302)	(95,154,023)
Finance costs		(600,165)	(738,663)	(600,165)	(738,663)
		(253,569,437)	(277,052,817)	(248,920,913)	(273,805,657)
Net cash flows from operating activities	37	566,451	(34,248,474)	269,879	(35,909,247)
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(1,731,112)	(540,991)	(990,315)	(349,135)
Purchase of other intangible assets	6	-	(815,789)	-	(815,789)
Other cash item		15,546	14,883	-	-
Net cash flows from investing activities		(1,715,566)	(1,341,897)	(990,315)	(1,164,924)
Cash flows from financing activities					
Repayment of other financial liabilities		(1,759,472)	(3,270,798)	(1,759,472)	(3,270,798)
Finance lease payments		(3,903,315)	(1,910,261)	(3,903,315)	(1,885,771)
Net cash flows from financing activities		(5,662,787)	(5,181,059)	(5,662,787)	(5,156,569)
Net increase/(decrease) in cash and cash equivalents		(6,811,905)	(40,771,430)	(6,383,226)	(42,230,740)
Cash and cash equivalents at the beginning of the year		42,423,894	83,195,324	39,158,754	81,389,494
Cash and cash equivalents at the end of the year	13	35,611,989	42,423,894	32,775,528	39,158,754

* See Note 41

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	2,457,000	-	2,457,000	-	(2,457,000)	
Service charges	4,683,021	-	4,683,021	1,023,527	(3,659,494)	Non Payment for fire and ambulance services
Rental of facilities and equipment	1,983,431	(50,000)	1,933,431	1,565,175	(368,256)	Payment for rentals of shops for the municipality
Interest received (trading)	130,645	-	130,645	129,987	(658)	
Agency services	37,789,000	-	37,789,000	37,789,000	-	Amount fully collected
Licences and permits	158,876	-	158,876	185,764	26,888	Licences which are issued to businesses
Other income - (rollup)	47,120,219	1,873,781	48,994,000	3,299,082	(45,694,918)	Non-payment for fire and ambulance services
Interest received - investment	6,062,809	-	6,062,809	3,297,067	(2,765,742)	short-term investments
Total revenue from exchange transactions	100,385,001	1,823,781	102,208,782	47,289,602	(54,919,180)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	196,259,000	(831,000)	195,428,000	190,546,984	(4,881,016)	IDC Grant not received by WRDA
Total revenue	296,644,001	992,781	297,636,782	237,836,586	(59,800,196)	
Expenditure						
Personnel	(191,159,938)	13,078,977	(178,080,961)	(175,080,260)	3,000,701	Holiday overtime and leave encashments
Remuneration of councillors	(12,106,916)	(784,098)	(12,891,014)	(10,093,371)	2,797,643	2014_15 upper limits
Depreciation and amortisation	(10,906,428)	-	(10,906,428)	(13,067,526)	(2,161,098)	new acquisitions
Impairment loss/ Reversal of impairments	-	-	-	(3,098,687)	(3,098,687)	Impairment of PPE

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Finance costs	(403,036)	314,822	(88,214)	(600,165)	(511,951)	Interest on finance leases
Lease rentals on operating lease	(6,434,105)	-	(6,434,105)	(6,407,621)	26,484	
Provision for bad debts	-	-	-	(3,048,136)	(3,048,136)	contributions to debt impairment savings on repairs and maintenance
Repairs and maintenance	(3,931,883)	(300,000)	(4,231,883)	(2,669,871)	1,562,012	intragroup transaction
Transfers and Subsidies	(4,394,200)	-	(4,394,200)	-	4,394,200	non-cash transactions omitted in the budget
General Expenses	(67,950,463)	(8,624,478)	(76,574,941)	(73,160,623)	3,414,318	
Total expenditure	(297,286,969)	3,685,223	(293,601,746)	(287,226,260)	6,375,486	
Operating deficit	(642,968)	4,678,004	4,035,036	(49,389,674)	(53,424,710)	
Loss on disposal of assets and liabilities	-	-	-	(353,231)	(353,231)	
Fair value adjustments	-	-	-	921,162	921,162	fair value adjustments
Actuarial gains/losses	-	-	-	714,750	714,750	Net actuarial gains(losses) on Long service awards and PEMA
Movement on WCA Provision	-	-	-	803,513	803,513	WCA movement
	-	-	-	2,086,194	2,086,194	
Deficit before taxation	(642,968)	4,678,004	4,035,036	(47,303,480)	(51,338,516)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(642,968)	4,678,004	4,035,036	(47,303,480)	(51,338,516)	

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	650,000	-	650,000	867,336	217,336	additional inventory purchases
Receivables from exchange transactions	9,135,000	-	9,135,000	2,956,588	(6,178,412)	long outstanding debtors impaired
VAT receivable	10,572,000	-	10,572,000	-	(10,572,000)	vat input and output. prior year incorrect treatment corrected.
Cash and cash equivalents	91,092,000	-	91,092,000	35,611,989	(55,480,011)	municipality honoring contracts and payments
	111,449,000	-	111,449,000	39,435,913	(72,013,087)	
Non-Current Assets						
Biological assets that form part of an agricultural activity	307,000	-	307,000	327,862	20,862	fair valuation movement
Investment property	3,400,000	-	3,400,000	4,450,000	1,050,000	fair valuation movement
Property, plant and equipment	82,505,000	(796,585)	81,708,415	67,474,608	(14,233,807)	corrected/savings on asset register
Intangible assets	1,000,000	-	1,000,000	908,288	(91,712)	savings on intangible assets
Investments in controlled entities	14,578,528	-	14,578,528	-	(14,578,528)	WRDM investment in WRDA
Long term receivables	800,000	-	800,000	1,557,356	757,356	movement on receivables
	102,590,528	(796,585)	101,793,943	74,718,114	(27,075,829)	
Total Assets	214,039,528	(796,585)	213,242,943	114,154,027	(99,088,916)	
Liabilities						
Current Liabilities						
Other financial liabilities	2,169,024	-	2,169,024	-	(2,169,024)	settlement of liabilities
Finance lease obligation	2,646,976	-	2,646,976	-	(2,646,976)	settlement of liabilities
Payables from exchange transactions	20,569,000	-	20,569,000	35,925,829	15,356,829	creditors raised at year end
VAT payable	-	-	-	4,030,037	4,030,037	vat payable to sars

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Employee benefit obligation	1,148,856	-	1,148,856	1,363,440	214,584	latest actuarial valuations
Unspent conditional grants and receipts	-	-	-	480,000	480,000	GDARD unspent grant at year end
Provisions	4,686,755	-	4,686,755	7,938,873	3,252,118	increase of provisions at year end
	31,220,611	-	31,220,611	49,738,179	18,517,568	
Non-Current Liabilities						
Employee benefit obligation	50,497,096	-	50,497,096	58,037,297	7,540,201	movement on actuarial valuations
Provisions	11,313,847	-	11,313,847	11,896,056	582,209	movement of year end provisions
	61,810,943	-	61,810,943	69,933,353	8,122,410	
Total Liabilities	93,031,554	-	93,031,554	119,671,532	26,639,978	
Net Assets	121,007,974	(796,585)	120,211,389	(5,517,505)	(125,728,894)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	121,007,974	(796,585)	120,211,389	(5,517,505)	(125,728,894)	

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Controlling entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	4,683,021	-	4,683,021	1,023,527	(3,659,494)	Non Payment for fire and ambulance services
Rental of facilities and equipment	1,783,431	-	1,783,431	1,533,096	(250,335)	Payment for rentals of shops
Interest received (trading)	130,645	-	130,645	114,441	(16,204)	Non-payment on ambulance and fire service debtors
Agency services	37,789,000	-	37,789,000	37,789,000	-	Amount fully collected
Licences and permits	158,876	-	158,876	185,764	26,888	Licence and permits which the municipality issues to businesses
Other income - (rollup)	47,120,219	1,598,781	48,719,000	3,293,023	(45,425,977)	Non-payment of fire and ambulance services
Interest received - investment	6,062,809	-	6,062,809	3,297,067	(2,765,742)	Short term investment of the municipality
Total revenue from exchange transactions	97,728,001	1,598,781	99,326,782	47,235,918	(52,090,864)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	190,259,000	919,000	191,178,000	189,804,775	(1,373,225)	Grants in Kind
Total revenue	287,987,001	2,517,781	290,504,782	237,040,693	(53,464,089)	
Expenditure						
Personnel	(186,997,681)	13,078,977	(173,918,704)	(172,428,075)	1,490,629	Holiday overtime and leave encashments
Remuneration of councillors	(12,106,916)	(784,084)	(12,891,000)	(10,093,371)	2,797,629	2014_15 Upper Limits
Depreciation and amortisation	(9,164,764)	-	(9,164,764)	(12,261,813)	(3,097,049)	New acquisitions

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Finance costs	(403,036)	314,822	(88,214)	(600,165)	(511,951)	Finance cost on finance leases
Lease rentals on operating lease	(6,434,105)	-	(6,434,105)	(6,407,621)	26,484	
Bad debts written off	-	-	-	(3,048,136)	(3,048,136)	Contributions to debt impairment
Collection costs	-	(1,367,925)	(1,367,925)	-	1,367,925	
Repairs and maintenance	(3,526,883)	-	(3,526,883)	(2,530,232)	996,651	Savings on repairs and maintenance
Transfers and Subsidies	(4,394,200)	-	(4,394,200)	(4,394,200)		- Grant fully paid to WRDA
General Expenses	(64,959,423)	(8,274,478)	(73,233,901)	(70,602,146)	2,631,755	Non-cash transactions omitted in the budget
Total expenditure	(287,987,008)	2,967,312	(285,019,696)	(282,365,759)	2,653,937	
Operating deficit	(7)	5,485,093	5,485,086	(45,325,066)	(50,810,152)	
Loss on disposal of assets and liabilities	-	-	-	(353,231)	(353,231)	
Fair value adjustments	-	-	-	921,162	921,162	Fair value adjustments
Actuarial gains/losses	-	-	-	714,750	714,750	Net actuarial gains(losses) on long service awards and PEMA
Movement on WCA Provision	-	-	-	803,513	803,513	
	-	-	-	2,086,194	2,086,194	
Deficit before taxation	(7)	5,485,093	5,485,086	(43,238,872)	(48,723,958)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(7)	5,485,093	5,485,086	(43,238,872)	(48,723,958)	

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	650,000	-	650,000	867,336	217,336	Additional inventory purchases
Receivables from exchange transactions	9,135,000	-	9,135,000	2,738,227	(6,396,773)	Long outstanding debtors impaired
VAT receivable	10,572,000	-	10,572,000	-	(10,572,000)	Vat input and output. Prior year incorrect vat treatment corrected
Cash and cash equivalents	91,092,000	-	91,092,000	32,775,528	(58,316,472)	Municipality honoring contracts and payments
	111,449,000	-	111,449,000	36,381,091	(75,067,909)	
Non-Current Assets						
Biological assets that form part of an agricultural activity	307,000	-	307,000	327,862	20,862	Fair valuation movement
Investment property	3,400,000	-	3,400,000	4,450,000	1,050,000	Fair valuation movement
Property, plant and equipment	82,505,000	(1,586,585)	80,918,415	50,019,549	(30,898,866)	Corrected/savings on asset register of the municipality
Intangible assets	1,000,000	-	1,000,000	854,620	(145,380)	savings on intangible assets
Investments in controlled entities	14,578,528	-	14,578,528	14,578,528	-	WRDM investment in WRDA
Long term receivables	800,000	-	800,000	1,557,356	757,356	Movement in receivables
	102,590,528	(1,586,585)	101,003,943	71,787,915	(29,216,028)	
Total Assets	214,039,528	(1,586,585)	212,452,943	108,169,006	(104,283,937)	
Liabilities						
Current Liabilities						
Other financial liabilities	2,169,024	-	2,169,024	-	(2,169,024)	Settlement of liabilities
Finance lease obligation	2,646,976	-	2,646,976	-	(2,646,976)	Settlement of liabilities
Payables from exchange transactions	20,569,000	-	20,569,000	34,151,179	13,582,179	Creditors raised at year end

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
VAT payable	-	-	-	1,378,390	1,378,390	Vat payable to SARS
Employee benefit obligation	1,148,856	-	1,148,856	1,363,440	214,584	Latest actuarial assumptions on post-medical aid benefits
Unspent conditional grants and receipts	-	-	-	480,000	480,000	GDARD unspent grant at year end
Provisions	4,686,755	-	4,686,755	7,938,873	3,252,118	Increase of provisions at year end
	31,220,611	-	31,220,611	45,311,882	14,091,271	
Non-Current Liabilities						
Employee benefit obligation	50,497,096	-	50,497,096	58,037,297	7,540,201	Movement on latest actuarial valuation
Provisions	11,313,847	-	11,313,847	11,896,056	582,209	Movement of year end provisions
	61,810,943	-	61,810,943	69,933,353	8,122,410	
Total Liabilities	93,031,554	-	93,031,554	115,245,235	22,213,681	
Net Assets	121,007,974	(1,586,585)	119,421,389	(7,076,229)	(126,497,618)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	121,007,974	(1,586,585)	119,421,389	(7,076,229)	(126,497,618)	

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Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Economic entity - 2015											
Financial Performance											
Service charges	4,683,021	-	4,683,021	-	-	4,683,021	1,023,527	-	(3,659,494)	22 %	22 %
Investment revenue	6,062,809	-	6,062,809	-	-	6,062,809	3,297,067	-	(2,765,742)	54 %	54 %
Transfers recognised - operational	190,259,000	919,000	191,178,000	-	-	191,178,000	189,804,775	-	(1,373,225)	99 %	100 %
Other own revenue	89,639,171	1,825,000	91,464,171	-	-	91,464,171	43,510,333	-	(47,953,838)	48 %	49 %
Total revenue (excluding capital transfers and contributions)	290,644,001	2,744,000	293,388,001	-	-	293,388,001	237,635,702	-	(55,752,299)	81 %	82 %
Employee costs	(189,865,938)	13,079,000	(176,786,938)	-	-	(176,786,938)	(175,080,260)	-	1,706,678	99 %	92 %
Remuneration of councillors	(12,106,916)	(785,000)	(12,891,916)	-	-	(12,891,916)	(10,093,371)	-	2,798,545	78 %	83 %
Debt impairment	-	-	-	-	-	-	(3,048,136)	-	(3,048,136)	DIV/0 %	DIV/0 %
Depreciation and asset impairment	(10,906,428)	-	(10,906,428)	-	-	(10,906,428)	(16,166,213)	-	(5,259,785)	148 %	148 %
Finance charges	(403,036)	314,822	(88,214)	-	-	(88,214)	(600,165)	-	(511,951)	680 %	149 %
Transfers and grants	(4,394,200)	-	(4,394,200)	-	-	(4,394,200)	-	-	4,394,200	- %	- %
Other expenditure	(79,610,444)	(3,271,051)	(82,881,495)	-	-	(82,881,495)	(80,151,921)	-	2,729,574	97 %	101 %
Total expenditure	(297,286,962)	9,337,771	(287,949,191)	-	-	(287,949,191)	(285,140,066)	-	2,809,125	99 %	96 %
Surplus/(Deficit)	(6,642,961)	12,081,771	5,438,810	-	-	5,438,810	(47,504,364)	-	(52,943,174)	(873)%	(873)%

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	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital (GDED Grant)	-	-	-	-	-	-	742,209	-	742,209	DIV/0 %	DIV/0 %
IDC Grant	6,000,000	(1,750,000)	4,250,000	-	-	4,250,000	-	-	(4,250,000)	- %	- %
Surplus (Deficit) after capital transfers and contributions	(642,961)	10,331,771	9,688,810	-	-	9,688,810	(46,762,155)	-	(56,450,965)	(483)%	7,273 %
Surplus/(Deficit) for the year	(642,961)	10,331,771	9,688,810	-	-	9,688,810	(46,762,155)	-	(56,450,965)	(483)%	7,273 %

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	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Controlling entity - 2015											
Financial Performance											
Service charges	4,683,021	-	4,683,021	-	-	4,683,021	1,023,527	-	(3,659,494)	22 %	22 %
Investment revenue	6,062,809	-	6,062,809	-	-	6,062,809	3,297,067	-	(2,765,742)	54 %	54 %
Transfers recognised - operational	190,259,000	919,000	191,178,000	-	-	191,178,000	189,804,775	-	(1,373,225)	99 %	100 %
Other own revenue	86,982,171	1,600,000	88,582,171	-	-	88,582,171	43,836,486	-	(44,745,685)	49 %	50 %
Total revenue (excluding capital transfers and contributions)	287,987,001	2,519,000	290,506,001	-	-	290,506,001	237,961,855	-	(52,544,146)	82 %	83 %
Employee costs	(185,703,681)	13,079,000	(172,624,681)	-	-	(172,624,681)	(172,428,075)	-	196,606	100 %	93 %
Remuneration of councillors	(12,106,916)	(785,000)	(12,891,916)	-	-	(12,891,916)	(10,093,371)	-	2,798,545	78 %	83 %
Debt impairment	-	-	-	-	-	-	(3,048,136)	-	(3,048,136)	DIV/0 %	DIV/0 %
Depreciation and asset impairment	(9,164,764)	-	(9,164,764)	-	-	(9,164,764)	(12,261,813)	-	(3,097,049)	134 %	134 %
Finance charges	(403,036)	314,822	(88,214)	-	-	(88,214)	(600,165)	-	(511,951)	680 %	149 %
Transfers and grants	(4,394,200)	-	(4,394,200)	-	-	(4,394,200)	(4,394,200)	-	-	100 %	100 %
Other expenditure	(76,214,404)	(2,621,051)	(78,835,455)	-	-	(78,835,455)	(78,374,967)	-	460,488	99 %	103 %
Total expenditure	(287,987,001)	9,987,771	(277,999,230)	-	-	(277,999,230)	(281,200,727)	-	(3,201,497)	101 %	98 %
Surplus/(Deficit)	-	12,506,771	12,506,771	-	-	12,506,771	(43,238,872)	-	(55,745,643)	(346)%	DIV/0 %
Surplus/(Deficit) for the year	-	12,506,771	12,506,771	-	-	12,506,771	(43,238,872)	-	(55,745,643)	(346)%	DIV/0 %

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Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
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The accounting policies on pages 21 to 40 and the notes on pages 41 to 79 form an integral part of the annual consolidated financial statements.

Employee Related Costs

The over-expenditure on employee related costs is as a result of prior year restatement of MHS Mogale employee costs incorrectly classified in general expenses. Refer to prior period error note.

Remuneration of Councillors

The saving relates to implementation of the new upper limits of public office bearer's remuneration gazette No.38886 issued 17 June 2015. The grading of council remuneration has downgraded to Grade 4. The municipality has applied the provisions of paragraph 17 transitional provision on implementation of the gazette.

Debt Impairment and Depreciation

Non-cash movements accounted for in accordance with the applicable standards of GRAP . i.e GRAP 17 Property, Plant & Equipment; GRAP 23 Revenue from Non-Exchange Transactions; GRAP 21 Impairment of Non-cash generating assets and GRAP 31 Intangible Assets

General Expenses

Renovation of BP Garage which led to increased water and lights consumption. The difference also relates to year end actuarial expenses recognised on employee benefit obligations (Post Employment Medical Aid and Long Service Awards)

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Accounting Policies

1. Presentation of Annual Consolidated Financial Statements

The annual consolidated financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual consolidated financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. The presentation currency of the financial statements is South African Rand

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual consolidated financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

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

1.2 Consolidation

Basis of consolidation

Consolidated annual consolidated financial statements are the annual consolidated financial statements of the economic entity presented as those of a single entity.

The consolidated annual consolidated financial statements incorporate the annual consolidated financial statements of the controlling entity and all controlled entity, including special purpose entities, which are controlled by the controlling entity.

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

The annual consolidated financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated annual consolidated financial statements are prepared as of the same reporting date.

Adjustments are made when necessary to the annual consolidated financial statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

Minority interests in the surplus or deficit of the economic entity is separately disclosed.

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Accounting Policies

1.3 Transfer of functions between entities under common control

Definitions

An acquirer is the economic entity that obtains control of the acquiree or transferor.

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Control is the power to govern the financial and operating policies of another economic entity so as to benefit from its activities.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an economic entity's objectives, either by providing economic benefits or service potential.

A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified.

Transfer date is the date on which the acquirer obtains control of the function and the transferor loses control of that function.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another economic entity.

A transferor is the economic entity that relinquishes control of a function.

Common control - For a transaction or event to occur between entities under common control, the transaction or event needs to be undertaken between entities within the same sphere of government or between entities that are part of the same economic entity. Entities that are ultimately controlled by the same entity before and after the transfer of functions are within the same economic entity.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an economic entity's objectives, either by providing economic benefits or service potential. A function consists of inputs and processes applied to those inputs that have the ability to create outputs. A function can either be a part or a portion of an entity or can consist of the whole economic entity. Although functions may have outputs, outputs are not required to qualify as a function. The three elements of a function are defined as follows:

- Input: Any resource that creates, or has the ability to create, outputs when one or more processes are applied to it.
- Process: Any system, standard, protocol, convention or rule that when applied to an input or inputs, creates or has the ability to create outputs.
- Output: The result of inputs and processes applied to achieve and improve efficiency. This may be in the form of achieving service delivery objectives, or the delivery of goods and/or services.

Identifying the acquirer and transferor

For each transfer of functions between entities under common control an acquirer and transferor are identified. All relevant facts and circumstances are considered in identifying the acquirer and transferor.

The terms and conditions of a transfer of functions undertaken between entities under common control are set out in a binding arrangement. The binding arrangement governing the terms and conditions of a transfer of functions may identify which economic entity to the transaction or event is the transferor(s) and which economic entity is the acquirer. Where the binding arrangement does not clearly identify the acquirer or the transferor, the behaviour or actions of the entities may indicate which economic entity is the acquirer and which economic entity is the transferor.

Determining the acquirer includes a consideration of, amongst other things, which of the entities involved in the transfer of functions initiated the transaction or event, the relative size of the entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

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Accounting Policies

1.3 Transfer of functions between entities under common control (continued)

Determining the transfer date

The acquirer and the transferor identify the transfer date, which is the date on which the acquirer obtains control and the transferor loses control of that function.

All relevant facts and circumstances are considered in identifying the transfer date.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual consolidated financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual consolidated financial statements. Significant judgements include:

Impairment testing

The economic entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 9.

1.5 Biological assets that form part of an agricultural activity

The entity recognises a biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

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Accounting Policies

1.6 Investment property (continued)

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

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

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

1.7 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the economic entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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Accounting Policies

1.7 Property, plant and equipment (continued)

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight line	7-25 years
Plant and machinery	Straight line	5-17 years
Furniture and fixtures	Straight line	3-17 years
Motor vehicles	Straight line	5-20 years
Office equipment	Straight line	3-17 years
Infrastructure	Straight line	20-30 years
Community	Straight line	20-30 years
Emergency Equipment	Straight line	5-17 years
Water Craft	Straight line	5-15 years
Security measures	Straight line	5-14 years
Other leased assets	Straight line	2-3 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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1.7 Property, plant and equipment (continued)

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.8 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the economic entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the economic entity; and
- the cost or fair value of the asset can be measured reliably.

The economic entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

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

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	2-3 years

1.9 Investments in controlled entities

Economic entity annual consolidated financial statements

The economic entity annual consolidated financial statements include those of the controlling entity and its controlled entities. The revenue and expenses of the controlled entities are included from the effective date of acquisition.

On acquisition the economic entity recognises the controlled entity's identifiable assets, liabilities and contingent liabilities at fair value, except for assets classified as held-for-sale, which are recognised at fair value less costs to sell.

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1.9 Investments in controlled entities (continued)

Controlling entity annual consolidated financial statements

In the municipality's separate annual consolidated financial statements, investments in investments in controlled entities are carried at cost..

The cost of an investment in controlled entity is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the municipality; plus
- any costs directly attributable to the purchase of the controlled entity.

1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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1.10 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long term receivables	Loans and receivables
Receivables from exchange transactions	Loans and receivables
Short Term Investment	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants	Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

1.11 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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1.11 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessor

The economic entity recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the economic entity's net investment in the finance lease.

Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

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1.12 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

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

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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

Operating leases - lessee

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

1.13 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

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

1.14 Impairment of cash-generating assets

Cash-generating assets are those assets held by the economic entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

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1.14 Impairment of cash-generating assets (continued)

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

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

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the economic entity; or
- (b) the number of production or similar units expected to be obtained from the asset by the economic entity.

1.15 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the economic entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the economic entity; or
- (b) the number of production or similar units expected to be obtained from the asset by the economic entity.

1.16 Share capital / contributed capital

Ordinary shares are classified as equity.

1.17 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

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1.17 Employee benefits (continued)

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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1.17 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

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1.17 Employee benefits (continued)

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.18 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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1.18 Provisions and contingencies (continued)

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

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the economic entity

No obligation arises as a consequence of the sale or transfer of an operation until the economic entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The economic entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the economic entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the economic entity considers that an outflow of economic resources is probable, an economic entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and

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1.18 Provisions and contingencies (continued)

- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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1.19 Revenue from exchange transactions (continued)

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

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1.20 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

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

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

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

1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.23 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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1.23 Unauthorised expenditure (continued)

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

1.24 Fruitless and wasteful expenditure

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

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

1.25 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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

1.26 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.27 Budget information

Economic Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

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1.27 Budget information (continued)

General purpose financial reporting by economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2014/07/01 to 2015/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual consolidated financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.28 Related parties

The economic entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the economic entity.

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

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2. New standards and interpretations

2.1 Standards and Interpretations early adopted

The economic entity has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 18: Segment Reporting	01 April 2015	Not Material
• GRAP 105: Transfers of functions between entities under common control	01 April 2015	
• GRAP 106: Transfers of functions between entities not under common control	01 April 2015	Not Material
• GRAP 107: Mergers	01 April 2015	Not Material
• IGRAP 11: Consolidation – Special purpose entities	01 April 2015	Not Material
• IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2015	Not Material
• GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2015	Not Material
• GRAP 7 (as revised 2010): Investments in Associates	01 April 2015	Not Material
• GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2015	Not Material

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	2015	2014	2015	2014

3. Biological assets that form part of an agricultural activity

Economic entity	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Biological assets	327,862	-	327,862	274,700	-	274,700

Controlling entity	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Biological assets	327,862	-	327,862	274,700	-	274,700

Reconciliation of biological assets that form part of an agricultural activity - Economic entity - 2015

	Opening balance	Fair Value adjustments	Total
Biological assets	274,700	53,162	327,862

Reconciliation of biological assets that form part of an agricultural activity - Economic entity - 2014

	Opening balance	Fair Value Adjustments	Total
Biological assets	307,480	(32,780)	274,700

Reconciliation of biological assets that form part of an agricultural activity - Controlling entity - 2015

	Opening balance	Fair Value Adjustments	Total
Biological assets	274,700	53,162	327,862

Reconciliation of biological assets that form part of an agricultural activity - Controlling entity - 2014

	Opening balance	Fair value adjustments	Total
Biological assets	307,480	(32,780)	274,700

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	2015	2014	2015	2014

3. Biological assets that form part of an agricultural activity (continued)

Non - Financial information

The municipality performed a physical verification of all biological assets at 30 June 2015.

A register of all biological assets is available at the Local Economic Development (LED) office of the WRDM for inspection.

Methods and assumptions used in determining fair value

The fair value of the different varieties of plants (flowers) were determined by the Multiflora Auction market. Multiflora Auction market is the outlet through which the flowers are sold.

4. Investment property

Economic entity	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	4,450,000	-	4,450,000	3,582,000	-	3,582,000

Controlling entity	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	4,450,000	-	4,450,000	3,582,000	-	3,582,000

Reconciliation of investment property - Economic entity - 2015

	Opening balance	Fair value adjustments	Total
Investment property	3,582,000	868,000	4,450,000

Reconciliation of investment property - Economic entity - 2014

	Opening balance	Fair value adjustments	Total
Investment property	3,400,000	182,000	3,582,000

Reconciliation of investment property - Controlling entity - 2015

	Opening balance	Fair value adjustments	Total
Investment property	3,582,000	868,000	4,450,000

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Figures in Rand	Economic entity		Controlling entity	
	2015	2014	2015	2014

4. Investment property (continued)

Reconciliation of investment property - Controlling entity - 2014

	Opening balance	Fair value adjustments	Total
Investment property	3,400,000	182,000	3,582,000

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

Details of valuation

The effective date of the revaluations was 30 June 2015. Revaluations were performed by an independent valuer, DB Grobler [Appraiser and Professional Associated Valuer]. DB Grobler is not connected to the municipality and has recent experience in location and category of the investment property being valued.

The valuation was based on rental income payable by BP Southern Africa in terms of the signed rental agreement using the income capitalization approach.

These assumptions are based on current market conditions.

Amounts recognised in surplus and deficit for the year.

Rental revenue from investment property	564,960	513,600	564,960	513,600
Direct operating expenses from rental generating property	(119,542)	(119,542)	(119,542)	(119,542)

5. Property, plant and equipment

Economic entity	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	12,118,881	-	12,118,881	12,118,881	-	12,118,881
Buildings	52,884,532	(30,001,207)	22,883,325	52,884,532	(26,703,578)	26,180,954
Plant and machinery	11,014,298	(9,746,495)	1,267,803	11,518,915	(6,557,985)	4,960,930
Furniture and fixtures	4,969,420	(4,269,780)	699,640	4,987,391	(3,771,227)	1,216,164
Motor vehicles	16,312,972	(10,875,265)	5,437,707	16,312,972	(9,364,028)	6,948,944
Infrastructure	13,100,820	(5,983,551)	7,117,269	13,100,820	(5,052,595)	8,048,225
Security measures	9,405,792	(8,020,836)	1,384,956	9,405,792	(6,503,312)	2,902,480
Emergency equipment	4,074,588	(3,780,187)	294,401	4,074,588	(3,151,133)	923,455
Other property, plant and equipment	100,340	(54,603)	45,737	100,340	(41,990)	58,350
Electricity	152,259	(38,038)	114,221	152,259	(30,430)	121,829
Office equipment	13,344,174	(10,796,516)	2,547,658	12,493,909	(9,035,993)	3,457,916
Other leased Assets	88,164	(88,164)	-	5,066,303	(2,706,415)	2,359,888
Specialised vehicles	4,978,139	(504,037)	4,474,102	-	-	-
Capital work in progress	1,672,580	-	1,672,580	931,783	-	931,783
Community facilities	9,757,656	(2,341,328)	7,416,328	9,757,656	(1,951,276)	7,806,380
Total	153,974,615	(86,500,007)	67,474,608	152,906,141	(74,869,962)	78,036,179

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Figures in Rand	Economic entity		Controlling entity	
	2015	2014	2015	2014

5. Property, plant and equipment (continued)

Controlling entity	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1,425,001	-	1,425,001	1,425,001	-	1,425,001
Buildings	37,529,231	(16,721,421)	20,807,810	37,529,231	(13,832,520)	23,696,711
Plant and machinery	5,083,899	(4,685,071)	398,828	5,578,332	(3,752,250)	1,826,082
Furniture and fixtures	4,701,145	(4,110,188)	590,957	4,701,145	(3,628,881)	1,072,264
Motor vehicles	16,312,972	(10,875,265)	5,437,707	16,312,972	(9,364,028)	6,948,944
Office equipment	8,684,377	(2,425,119)	6,259,258	8,684,377	(1,944,787)	6,739,590
Security measures	5,109,619	(4,769,481)	340,138	5,109,619	(3,857,205)	1,252,414
Emergency equipments	4,074,588	(3,780,187)	294,401	4,074,588	(3,151,133)	923,455
Other property, plant and equipment	100,340	(54,603)	45,737	100,340	(41,990)	58,350
Electricity	152,259	(38,038)	114,221	152,259	(30,430)	121,829
Office equipment	13,067,435	(10,652,374)	2,415,061	12,077,120	(8,872,644)	3,204,476
Other leased Assets	-	-	-	4,978,139	(2,618,251)	2,359,888
Specialised vehicles	4,978,139	(504,037)	4,474,102	-	-	-
Community facilities	9,757,656	(2,341,328)	7,416,328	9,757,656	(1,951,276)	7,806,380
Total	110,976,661	(60,957,112)	50,019,549	110,480,779	(53,045,395)	57,435,384

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5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2015

	Opening balance	Additions	Transfers	Disposals (non-cash)	Depreciation	Impairment loss	Total
Land	12,118,881	-	-	-	-	-	12,118,881
Buildings	26,180,954	-	-	-	(2,974,503)	(323,126)	22,883,325
Plant and machinery	4,960,930	-	-	353,231	(1,889,302)	(2,157,056)	1,267,803
Furniture and fixtures	1,216,164	-	-	-	(503,497)	(13,027)	699,640
Motor vehicles	6,948,944	-	-	-	(1,505,653)	(5,584)	5,437,707
Infrastructure	8,048,225	-	-	-	(545,687)	(385,269)	7,117,269
Security measures	2,902,480	-	-	-	(981,116)	(536,408)	1,384,956
Emergency equipment	923,455	-	-	-	(629,052)	(2)	294,401
Other property, plant and equipment	58,350	-	-	-	(12,613)	-	45,737
Electricity	121,829	-	-	-	(7,608)	-	114,221
Office equipment	3,457,916	990,315	-	-	(1,809,623)	(90,950)	2,547,658
Other leased Assets	2,359,888	-	(1,244,535)	-	(1,115,353)	-	-
Specialised vehicles	-	-	4,548,774	-	(74,672)	-	4,474,102
Capital work in progress	931,783	740,797	-	-	-	-	1,672,580
Community Facilities	7,806,380	-	-	-	(390,052)	-	7,416,328
	78,036,179	1,731,112	3,304,239	353,231	(12,438,731)	(3,511,422)	67,474,608

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5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2014

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	12,118,881	-	-	-	-	12,118,881
Buildings	29,155,473	-	-	-	(2,974,519)	26,180,954
Plant and machinery	6,158,275	178,149	(987)	(201,380)	(1,173,127)	4,960,930
Furniture and fixtures	1,683,503	24,285	-	29,427	(521,051)	1,216,164
Motor vehicles	8,180,378	-	-	-	(1,231,434)	6,948,944
Infrastructure	8,593,912	-	-	-	(545,687)	8,048,225
Security measures	3,883,860	-	-	-	(981,380)	2,902,480
Emergency equipment	1,558,470	8,172	-	-	(643,187)	923,455
Other property, plant and equipment	70,964	-	-	-	(12,614)	58,350
Electricity	129,436	-	-	-	(7,607)	121,829
Office equipment	5,079,471	316,678	(32,314)	20,450	(1,926,369)	3,457,916
Other leased Assets	4,048,926	-	-	-	(1,689,038)	2,359,888
Capital work in progress	918,076	13,707	-	-	-	931,783
Community Facilities	8,196,431	-	-	-	(390,051)	7,806,380
	89,776,056	540,991	(33,301)	(151,503)	(12,096,064)	78,036,179

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5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2015

	Opening balance	Additions	Transfers	Disposals (non-cash)	Depreciation	Impairment loss	Total
Land	1,425,001	-	-	-	-	-	1,425,001
Buildings	23,696,711	-	-	-	(2,888,901)	-	20,807,810
Plant and machinery	1,826,082	-	-	(353,231)	(687,896)	(386,127)	398,828
Furniture and fixtures	1,072,264	-	-	-	(473,788)	(7,519)	590,957
Motor vehicles	6,948,944	-	-	-	(1,505,653)	(5,584)	5,437,707
Infrastructure	6,739,590	-	-	-	(480,332)	-	6,259,258
Security measures	1,252,414	-	-	-	(912,276)	-	340,138
Emergency equipments	923,455	-	-	-	(629,052)	(2)	294,401
Other property, plant and equipment	58,350	-	-	-	(12,613)	-	45,737
Electricity	121,829	-	-	-	(7,608)	-	114,221
Office equipment	3,204,476	990,315	-	-	(1,766,228)	(13,502)	2,415,061
Other leased Assets	2,359,888	-	(1,244,535)	-	(1,115,353)	-	-
Specialised vehicles	-	-	4,548,774	-	(74,672)	-	4,474,102
Community facilities	7,806,380	-	-	-	(390,052)	-	7,416,328
	57,435,384	990,315	3,304,239	(353,231)	(10,944,424)	(412,734)	50,019,549

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5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2014

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	1,425,001	-	-	-	-	1,425,001
Buildings	26,585,627	-	-	-	(2,888,916)	23,696,711
Plant and machinery	2,740,749	-	(987)	(201,380)	(712,300)	1,826,082
Furniture and fixtures	1,508,647	24,285	-	29,427	(490,095)	1,072,264
Motor vehicles	8,180,378	-	-	-	(1,231,434)	6,948,944
Infrastructure	7,219,924	-	-	-	(480,334)	6,739,590
Security measures	2,164,954	-	-	-	(912,540)	1,252,414
Emergency equipment	1,558,470	8,172	-	-	(643,187)	923,455
Other property, plant and equipment	70,964	-	-	-	(12,614)	58,350
Electricity	129,436	-	-	-	(7,607)	121,829
Office equipment	4,767,893	316,678	(32,314)	20,450	(1,868,231)	3,204,476
Other leased Assets	4,019,538	-	-	-	(1,659,650)	2,359,888
Community facilities	8,196,431	-	-	-	(390,051)	7,806,380
	68,568,012	349,135	(33,301)	(151,503)	(11,296,959)	57,435,384

Two fire engines were leased by WRDM from VUZA. The lease liability was fully paid on 5 February 2015. The vehicles were depreciated up to the date of payment and de-recognized. A new asset specialized motor vehicles was raised and a retrospective adjustment of depreciation was done and accumulated depreciation of R504 037 was calculated for the period (1 December 2012 to 30 June 2014) based on a 20 year useful life.

In essence, the application by management was to derecognize other leased assets at the date of settlement of lease liability and contract and recognize appropriately specialized vehicle in terms of council approved policy. In its application, management has looked at the total useful life of the specialized equipment's and accordingly accounted for them.

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

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	2015	2014	2015	2014

6. Intangible assets

Economic entity	2015			2014		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2,828,227	(1,919,939)	908,288	2,828,227	(997,415)	1,830,812

Controlling entity	2015			2014		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2,716,412	(1,861,792)	854,620	2,716,412	(957,137)	1,759,275

Reconciliation of intangible assets - Economic entity - 2015

	Opening balance	Amortisation	Total
Computer software, other	1,830,812	(922,524)	908,288

Reconciliation of intangible assets - Economic entity - 2014

	Opening balance	Additions	Amortisation	Total
Computer software, other	1,842,937	815,789	(827,914)	1,830,812

Reconciliation of intangible assets - Controlling entity - 2015

	Opening balance	Amortisation	Total
Computer software, other	1,759,275	(904,655)	854,620

Reconciliation of intangible assets - Controlling entity - 2014

	Opening balance	Additions	Amortisation	Total
Computer software, other	1,753,531	815,789	(810,045)	1,759,275

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	2015	2014	2015	2014

7. Investments in controlled entities

Name of company	Held by	% holding 2015	% holding 2014	Carrying amount 2015	Carrying amount 2014
West Rand Development Agency (SOC)	West Rand District Municipality	100.00 %	100.00 %	14,578,528	14,578,528

The total investment in WRDA, comprises of Assets transferred on establishment of the Agency. The assets were identified during transitional provision application of GRAP 17 and Directive 4. The value of the assets was correctly accounted for in accordance with Directive 7: The application of deemed cost on the adoption of standards of GRAP.

The Council of WRDM considers the amount of investment in the agency as fair and recoverable.

8. Deferred tax

Deferred tax liability

Deferred tax asset

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Reconciliation of deferred tax asset \ (liability)

9. Employee benefit obligations

Figures in Rand	Economic entity		Controlling entity	
	2015	2014	2015	2014
Post-Retirement Medical Obligation (Non- Current)	58,037,297	50,497,096	58,037,297	50,497,096
Post-Retirement Medical benefit obligation (Current)	1,363,440	1,148,856	1,363,440	1,148,856
Subtotal	59,400,737	51,645,952	59,400,737	51,645,952
	59,400,737	51,645,952	59,400,737	51,645,952

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Figures in Rand	Economic entity		Controlling entity	
	2015	2014	2015	2014

9. Employee benefit obligations (continued)

Defined benefit plan

An actuarial valuation has been performed of the liability in respect of post-employment employment benefits to employees and retirees of the WRDM, and to their registered dependants as at 30 June 2015. An independent Actuarial Valuator, which is ARCH Actuarial Consulting was appointed by the municipality to perform the valuations. The company is practicing according to the conditions and requirements of the Actuarial Society of South Africa.

The valuation considers all employees, retired employees and their dependants who participate in the medical aid arrangements and are entitled to a post-employment medical aid subsidy. The post-employment medical aid subsidy liability is not a funded arrangement, i.e no separate assets have been set aside to meet this liability. The Accounting Standards require that an employer's liability be based on the cost of the benefits provided by the employer.

The Medical Schemes Act 1998 enforces community rating which means that the contributions payable by retirees are the same as those paid by younger members. The employer's cost can therefore be taken as the expected contributions only, as opposed to the expected cost of actual medical aid benefits..

Post retirement medical aid plan

The municipality offers employees and continuation members the opportunity of belonging to one of several medical aid scheme, most of which offers a range of options pertaining to the levels of cover. Upon retirement a retired employee may continue membership of the medical aid scheme. Upon a member's death-in-service or death-on-retirement the surviving dependants may continue membership of the medical scheme

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	51,645,952	39,960,767	51,645,952	39,960,767
Net expense recognised in the statement of financial performance	7,754,785	11,685,185	7,754,785	11,685,185
	59,400,737	51,645,952	59,400,737	51,645,952

Net expense recognised in the statement of financial performance

Current service cost	2,738,558	2,131,909	2,738,558	2,131,909
Interest cost	4,740,583	3,660,759	4,740,583	3,660,759
Actuarial (gains) losses	1,424,500	6,866,881	1,424,500	6,866,881
Benefits paid	(1,148,856)	(974,364)	(1,148,856)	(974,364)
	7,754,785	11,685,185	7,754,785	11,685,185

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	2015	2014	2015	2014

9. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.11 %	9.28 %	9.11 %	9.28 %
Health cost inflation	8.15 %	8.40 %	8.15 %	8.40 %
Net effective discount rate	0.89 %	0.82 %	0.89 %	0.82 %

Medical Scheme Arrangements

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

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

Financial Assumptions

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 yield on government bonds consistent with the estimated term of the post-employment liabilities should be used.

Consequently, a discount rate of 9.11% per annum has been used. The corresponding index-linked yield at this term is 1.85%. These rates do not reflect any adjustment for taxation. These rates were deducted from the JSE Zero Coupon bond yield after the market close on 30 June 2015.

Key Demographic Assumptions

Average retirement age	63
Continuation of membership at retirement	100%
Proportion assumed married at retirement	95%
Mortality during employment	SA 85-90
Mortality post retirement	PA(90)-1

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	9,014,000	6,146,400	9,014,000	6,146,400

Amounts for the current and previous four years are as follows:

10. Long term receivables

Figures in Rand	Economic entity		Controlling entity	
	2015	2014	2015	2014
Long Term Receivables	1,557,356	927,059	1,557,356	927,059

Long term receivables comprises of study assistance to employees in accordance with Council approved policy. All monies are recovered when the employee fails.

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Figures in Rand	Economic entity		Controlling entity	
	2015	2014	2015	2014
11. Inventories				
Consumable stores	867,336	539,307	867,336	539,307
12. Receivables from exchange transactions				
Employee costs in advance	298,801	298,801	298,801	298,801
Prepayments (if immaterial)	218,361	189,794	-	-
Deposits	73,791	73,791	73,791	73,791
Contributions from local municipalities	2,400,000	3,000,000	2,400,000	3,000,000
Fire and ambulance services	889,546	686,104	889,546	686,104
Other consumer debtors	2,174,108	1,846,512	2,174,108	1,846,512
Other debtors	1,152	1,152	1,152	1,152
Accrued interest receivable on short term investment	93,887	93,887	93,887	93,887
Impairment of Debtors	(3,193,058)	(4,562,898)	(3,193,058)	(4,562,898)
	2,956,588	1,627,143	2,738,227	1,437,349

The following receivable balances arise from 2013 system conversion and are included in the provision for impairment:-

	2015	2014
Employee Cost received in Advance	298 801	298 801
Deposits	73 791	73 791
Other Debtors	1 152	1 152
Accrued Interest	93 887	93 887

Trade and other receivables impaired

As of 30 June 2015, trade and other receivables of R 6,149,646 (2014: R 5,959,912) were impaired and provided for.

The amount of the provision was R (3,193,058) as of 30 June 2015 (2014: R (4,562,898)).

The ageing of these trade and receivables is as follows:

Over 6 months	(3,193,058)	(4,562,898)	(3,193,058)	(4,562,898)
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Reconciliation of provision for impairment of trade and other receivables

Opening balance	4,562,898	21,496,575	4,562,898	21,496,575
Contributions to provision for impairment	3,048,136	4,417,976	3,048,136	4,417,976
Amounts written off as uncollectible	-	(20,851,653)	-	(20,851,653)
Unused amounts reversed	(4,417,976)	(500,000)	(4,417,976)	(500,000)
	3,193,058	4,562,898	3,193,058	4,562,898

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,997	10,348	1,806	10,346
Bank balances	13,890,019	42,076,353	11,229,322	39,121,241
Short-term deposits	21,692,806	310,026	21,517,233	-
Other cash and cash equivalents	27,167	27,167	27,167	27,167
	35,611,989	42,423,894	32,775,528	39,158,754

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	2015	2014	2015	2014

13. Consumer debtors disclosure (continued)

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2015	30 June 2014	30 June 2013	30 June 2015	30 June 2014	30 June 2013
Standard Bank Corporate Account (021307350)	2,070,593	39,121,241	40,867,713	11,229,322	39,121,241	40,867,713
Call Account Short Term Investment	21,517,233	-	40,000,000	21,517,233	-	40,000,000
Petty Cash Account	1,806	30,346	20,914	1,806	10,346	914
Heritage Account	27,167	27,167	253,380	27,167	27,167	253,380
WRDA Corporate Account-Standard Bank(021480656)	2,660,697	2,955,112	-	2,660,697	2,955,112	-
WRDA Call Account - Standard Bank	175,573	310,026	-	175,573	310,026	-
Total	26,453,069	42,443,892	81,142,007	35,611,798	42,423,892	81,122,007

14. Share capital / contributed capital

Issued

Ordinary	100	100	-	-
Share premium	(100)	(100)	-	-
	-	-	-	-

15. Finance lease obligation

Minimum lease payments due

- within one year	-	1,885,771	-	1,885,771
- in second to fifth year inclusive	-	942,885	-	942,885
	-	2,828,656	-	2,828,656
less: future finance charges	-	(181,681)	-	(181,681)
Present value of minimum lease payments	-	2,646,975	-	2,646,975
Non-current liabilities	-	744,388	-	744,388
Current liabilities	-	2,646,976	-	2,646,976
	-	3,391,364	-	3,391,364

It is economic entity policy to lease certain motor vehicles and equipments under finance leases.

The average lease term was 2-3 years and the average effective borrowing rate was 9% (2014: 9%).

The finance lease was settled during the financial year.

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	2015	2014	2015	2014

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Gauteng Department of Economic Development(GDED)	-	742,209	-	-
HIV/AIDS Grant	-	3,607	-	3,607
Wireless connection libraries grant	-	437,525	-	437,525
Gauteng Department of Agriculture and Rural Development (GDARD)	480,000	-	480,000	-
	480,000	1,183,341	480,000	441,132

Movement during the year

Balance at the beginning of the year	1,183,341	896,929	441,132	106,037
Additions during the year	191,026,984	183,350,617	189,650,029	182,594,701
Income recognition during the year	(191,730,325)	(183,064,205)	(189,611,161)	(182,259,606)
	480,000	1,183,341	480,000	441,132

The nature and extent of government grants recognised in the annual consolidated financial statements and an indication of other forms of government assistance from which the economic entity has directly benefited; and

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

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

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

17. Other financial liabilities

At amortised cost

Bank loan	-	1,759,472	-	1,759,472
DBSA loans bears interests of 10% per annum and is repayable over a period of 20 years. The loans were utilised to finance capital projects in the local municipalities. The loan was repaid in the current financial year.				

Current liabilities

At amortised cost	-	1,759,472	-	1,759,472
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	2015	2014	2015	2014

18. Provisions

Reconciliation of provisions - Economic entity - 2015

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Total
Long service awards	13,014,898	-	(142,609)	12,872,289
Performance bonus	1,200,278	-	(270,171)	930,107
Department of labour assessment	1,785,426	-	(803,513)	981,913
Closed Circuit Television Service Provision (CCTV)	-	5,050,620	-	5,050,620
	16,000,602	5,050,620	(1,216,293)	19,834,929

Reconciliation of provisions - Economic entity - 2014

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Total
Long service award	11,230,220	1,784,678	-	13,014,898
Performance bonus	956,220	-	244,058	1,200,278
Department of labour assessment provision	1,137,147	648,279	-	1,785,426
	13,323,587	2,432,957	244,058	16,000,602

Reconciliation of provisions - Controlling entity - 2015

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Total
Long service award	13,014,898	-	(142,609)	12,872,289
Performance bonus	1,200,278	-	(270,171)	930,107
Department of labour assessment provision	1,785,426	-	(803,513)	981,913
Closed Curcuit Television Service Provision (CCTV)	-	5,050,620	-	5,050,620
	16,000,602	5,050,620	(1,216,293)	19,834,929

Reconciliation of provisions - Controlling entity - 2014

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Total
Long service award	11,230,220	1,784,678	-	13,014,898
Performance bonus	956,220	-	244,058	1,200,278
Department of labour assessment provision	1,137,147	648,279	-	1,785,426
	13,323,587	2,432,957	244,058	16,000,602

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	2015	2014	2015	2014
18. Provisions (continued)				
Non-current liabilities	11,896,056	11,313,847	11,896,056	11,313,847
Current liabilities	7,938,873	4,686,755	7,938,873	4,686,755
	19,834,929	16,000,602	19,834,929	16,000,602

Provision - CCTV, relates to a court order received subsequent to year end, for services provided before year end.

19. Payables from exchange transactions

Trade payables	11,314,098	876,580	9,714,831	306,909
Consumer deposits	73,137	73,137	73,137	73,137
Other payables	215,883	237,523	40,500	40,335
Deposits received	12,549	7,790	12,549	7,790
Salaries payable	2,557,504	247,033	2,557,504	247,033
Leave payable	15,297,909	13,071,325	15,297,909	13,071,325
Stock in transit	12,525	12,525	12,525	12,525
Outstanding cheques	6,297,339	2,624,231	6,297,339	2,624,231
Interest payable	14,613	14,613	14,613	14,613
Other Creditors	103,105	209,000	103,105	209,000
Heritage creditors account	27,167	27,167	27,167	27,167
	35,925,829	17,400,924	34,151,179	16,634,065

20. VAT payable

Tax payables	4,030,037	3,518,340	1,378,390	560,678
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21. Revenue

Service charges	1,023,527	2,125,467	1,023,527	2,125,467
Rental of facilities and equipment	1,533,096	1,307,333	1,533,096	1,307,333
Interest received (trading)	129,987	152,597	114,441	137,714
Agency services	37,789,000	35,834,000	37,789,000	35,834,000
Licences and permits	185,764	175,238	185,764	175,238
Other income - (rollup)	3,872,486	7,327,804	3,293,023	6,836,075
Interest received - investment	3,297,067	4,127,487	3,297,067	4,127,487
Government grants & subsidies	190,546,984	182,259,606	189,804,775	182,259,606
	238,377,911	233,309,532	237,040,693	232,802,920

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	1,023,527	2,125,467	1,023,527	2,125,467
Rental of facilities and equipment	1,533,096	1,307,333	1,533,096	1,307,333
Interest received (trading)	129,987	152,597	114,441	137,714
Agency services	37,789,000	35,834,000	37,789,000	35,834,000
Licences and permits	185,764	175,238	185,764	175,238
Other income - (rollup)	3,872,486	7,327,804	3,293,023	6,836,075
Interest received - investment	3,297,067	4,127,487	3,297,067	4,127,487
	47,830,927	51,049,926	47,235,918	50,543,314

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	2015	2014	2015	2014

21. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue

Government grants & subsidies	190,546,984	182,259,606	189,804,775	182,259,606
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22. Service charges

service charges	1,023,527	2,125,467	1,023,527	2,125,467
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Service charges consists of Ambulance services, Building plan fees, electricity private sales, fire services tender deposits and recovery of operating costs

23. Other income

Recreation facilities	541,325	458,241	-	-
Sundry income	1,100,961	2,726,642	1,068,882	2,694,563
Donation assets	6,059	51,287	-	49,878
Contributions from local municipalities	1,500,000	2,000,000	1,500,000	2,000,000
Sale of plants	391,177	483,850	391,177	483,850
Insurance claims	42,645	124,177	42,645	124,177
Refund WCA	-	847	-	847
LG Seta grant	284,125	352,538	284,125	352,538
Private telephone calls	6,194	33,731	6,194	33,731
Late President Nelson Mandela funeral contributions	-	1,096,491	-	1,096,491
	3,872,486	7,327,804	3,293,023	6,836,075

An amount of R1 500 000 has been recognised as revenue, from local municipalities contributions towards transformation, Go-West and WRDA subsidy for the 2014/15 based on approved budgets.

24. Investment revenue

Interest revenue

Bank	3,297,067	4,127,487	3,297,067	4,127,487
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25. Grants and subsidies paid

Other subsidies

WRDA Subsidy	-	-	4,394,200	4,394,200
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Subsidy paid for assisting operations of the WRDA

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	2015	2014	2015	2014
26. Government grants and subsidies				
Operating grants				
Equitable share	27,825,000	26,452,000	27,825,000	26,452,000
EPWP	1,290,000	1,000,000	1,290,000	1,000,000
FMG	1,250,000	1,250,000	1,250,000	1,250,000
RSC Replacement grant	150,519,000	146,115,000	150,519,000	146,115,000
HIV/AIDS grant	6,379,607	6,084,297	6,379,607	6,084,297
MSIG	934,000	890,000	934,000	890,000
Network Libraries	937,525	433,250	937,525	433,250
Biodigester and shared service grant	-	35,059	-	35,059
GDARD	669,643	-	669,643	-
	189,804,775	182,259,606	189,804,775	182,259,606
Capital grants				
GDED	742,209	-	-	-
	190,546,984	182,259,606	189,804,775	182,259,606

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	12,202,984	9,781,862	11,460,775	9,692,606
Unconditional grants received	178,344,000	172,567,000	178,344,000	172,567,000
	190,546,984	182,348,862	189,804,775	182,259,606

Equitable Share

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

GDED

Balance unspent at beginning of year	742,209	755,916	-	-
Conditions met - transferred to revenue	(742,209)	(13,707)	-	-
	-	742,209	-	-

Conditions still to be met - remain liabilities (see note 16).

The grant was for plastic recycling project whose aims were for a cleaner environment and job creation.

HIV/AIDS Grant

Balance unspent at beginning of year	3,607	15,904	3,607	15,904
Current-year receipts	6,376,000	6,072,000	6,376,000	6,072,000
Conditions met - transferred to revenue	(6,379,607)	(6,084,297)	(6,379,607)	(6,084,297)
	-	3,607	-	3,607

Conditions still to be met - remain liabilities (see note 16).

Grants is utilised to finance HIV/AIDS projects campaigns at the WRDM and Local Municipalities.

Biodigester and Shared Service Grant

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	2015	2014	2015	2014
26. Government grants and subsidies (continued)				
Balance unspent at beginning of year	-	35,059	-	35,059
Conditions met - transferred to revenue	-	(35,059)	-	(35,059)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 16).

The grant is utilised for biodigester project and shared services for internal audit within the region respectively.

EPWP Grant

Current-year receipts	1,290,000	1,000,000	1,290,000	1,000,000
Conditions met - transferred to revenue	(1,290,000)	(1,000,000)	(1,290,000)	(1,000,000)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 16).

The Grant is used for Labour Intensive programmes as outlined by National Government.

FMG

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

Conditions still to be met - remain liabilities (see note 16).

The grant is used to promote and support reforms in financial management by building capacity in the municipality.

Wireless connections libraries Grant

Balance unspent at beginning of year	437,525	70,477	437,525	70,477
Current-year receipts	500,000	800,000	500,000	800,000
Conditions met - transferred to revenue	(937,525)	(433,250)	(937,525)	(433,250)
Other	-	298	-	298
	-	437,525	-	437,525

Conditions still to be met - remain liabilities (see note 16).

The grant is used to assist with wireless connection and hardwares of libraries within the West Rand region.

MSIG

Balance unspent at beginning of year	-	19,573	-	19,573
Current-year receipts	934,000	890,000	934,000	890,000
Conditions met - transferred to revenue	(934,000)	(890,000)	(934,000)	(890,000)
Other (Roll over not approved by National Treasury)	-	(19,573)	-	(19,573)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 16).

The grant is utilised for systems improvement. During 2014/15, the grant was utilised mainly for performance management systems.

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26. Government grants and subsidies (continued)				
GDARD				
Current-year receipts	1,149,643	-	1,149,643	-
Conditions met - transferred to revenue	(669,643)	-	(669,643)	-
	480,000	-	480,000	-

Conditions still to be met - remain liabilities (see note 16).

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27. Employee related costs				
Basic	106,412,900	96,623,519	103,773,983	94,978,380
Bonus	6,704,685	6,572,553	6,704,685	6,572,553
Medical aid - company contributions	10,982,337	9,608,028	10,982,337	9,608,028
UIF	781,930	722,973	781,930	722,973
WCA	2,225	640	-	-
SDL	1,497,385	1,465,979	1,497,385	1,465,979
Leave pay provision charge	8,701,777	6,620,141	8,693,334	6,486,103
Pension fund contributions	18,843,452	17,478,914	18,843,452	17,478,914
Group insurance	1,649,270	1,466,463	1,649,270	1,466,463
Travel, motor car, accommodation, subsistence and other allowances	9,307,353	9,418,126	9,304,753	9,418,126
Overtime payments	1,444,719	2,709,547	1,444,719	2,709,547
Acting allowances	439,482	159,675	439,482	159,675
Housing benefits and allowances	1,250,708	1,347,855	1,250,708	1,347,855
Standby and night shift allowances	2,566,296	1,126,803	2,566,296	1,126,803
Sunday and public holidays	4,454,033	14,820,534	4,454,033	14,820,534
Industrial council levy	41,708	42,226	41,708	42,226
	175,080,260	170,183,976	172,428,075	168,404,159

Remuneration of Municipal Manager (M.D. Mokoena)

Annual Remuneration	1,275,244	1,257,876	1,275,244	1,275,244
Car Allowance	209,000	132,000	209,000	132,000
Subsistence	10,669	7,066	10,669	7,066
Performance bonus	96,543	-	96,543	-
	1,591,456	1,396,942	1,591,456	1,414,310

Remuneration of Chief Financial Officer (M.J. Rathlogo) Resigned 25 April 2014

Annual Remuneration	-	775,428	-	775,428
Performance bonus	-	95,061	-	95,061
Contributions to UIF, Medical and Pension Funds	-	312,024	-	312,024
Subsistence	-	2,616	-	2,616
Leave encashment	-	187,455	-	187,455
	-	1,372,584	-	1,372,584

Remuneration of Chief Financial Officer (R. Mohaudi) Appointed 01 November 2014

Annual Remuneration	699,896	-	699,896	-
Car Allowance	160,000	-	160,000	-
Subsistence	670	-	670	-
	860,566	-	860,566	-

Remuneration of Executive Manager: Regional and Economic Development (H.Hamer)

Annual Remuneration	1,148,956	993,656	1,148,956	993,656
Car Allowance	140,888	169,332	140,888	169,332
Leave encashment	154,781	46,660	154,781	46,660
Long service award	64,492	-	64,492	-
	1,509,117	1,209,648	1,509,117	1,209,648

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	2015	2014	2015	2014

27. Employee related costs (continued)

Remuneration of Executive Manager: Corporate Services (S.S.L. Ngcobo) Resigned September 2014

Annual Remuneration	201,220	887,183	201,220	887,183
Car Allowance	46,000	220,000	46,000	220,000
Leave payout	49,788	38,650	49,788	38,650
Subsistence	-	1,005	-	1,005
	297,008	1,146,838	297,008	1,146,838

Remuneration of Executive Manager: Health & Social Services (K.S. Ndlovu)

Annual Remuneration	1,049,844	1,007,836	1,049,844	1,007,836
Car Allowance	240,000	200,000	240,000	200,000
Performance Bonuses	-	26,405	-	26,405
Leave encashment	41,275	38,650	41,275	38,650
	1,331,119	1,272,891	1,331,119	1,272,891

Remuneration of Executive Manager: Public Safety (M.E. Koloj)

Annual Remuneration	873,996	810,036	873,996	810,036
Car Allowance	169,332	169,332	169,332	169,332
Performance Bonuses	-	26,405	-	26,405
Leave encashment	196,056	38,650	196,056	38,650
Subsistence	1,005	3,254	1,005	3,254
Long Service Award	67,503	-	67,503	-
	1,307,892	1,047,677	1,307,892	1,047,677

28. Remuneration of councillors

Executive Major	845,255	846,531	845,255	846,531
Mayoral Committee Members	4,676,515	4,953,473	4,676,515	4,953,473
Speaker	680,378	692,801	680,378	692,801
Councillors	3,891,223	3,016,007	3,891,223	3,016,007
	10,093,371	9,508,812	10,093,371	9,508,812

In-kind benefits

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

The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties.

The Mayor has a bodyguard and a driver, whereas the Speaker only has a driver. The personnel costs are paid for by Council.

29. Depreciation and amortisation

Property, plant and equipment	12,162,871	12,113,440	11,357,158	11,296,464
Intangible assets	904,655	810,045	904,655	810,045
	13,067,526	12,923,485	12,261,813	12,106,509

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	2015	2014	2015	2014

30. Impairment of assets

Impairments

Property, plant and equipment	3,098,687	-	-	-
The impairment represents management best estimate of the difference between the carrying amounts and recoverable amounts of Donaldson Dam palisade fence; Katlego Cultural Village; Plastic factory and other assets that are damaged beyond repair.				

The main classes of assets affected by impairment losses are:

Buldings; Plant & Machinery; Furniture and fixtures; Office equipment; IT equipment; Security measures and infrastructure assets.

31. Finance costs

Finance leases	511,951	298,996	511,951	298,996
Other interest paid	88,214	439,667	88,214	439,667
	600,165	738,663	600,165	738,663

32. Debt impairment

Contributions to debt impairment provision	3,048,136	4,417,976	3,048,136	4,417,976
Bad debts written off	-	265,887	-	-
	3,048,136	4,683,863	3,048,136	4,417,976

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	2015	2014	2015	2014
33. General expenses				
External audit fees	2,596,796	2,302,741	2,335,143	2,292,950
Advertising	397,029	391,367	283,579	331,298
Bank charges	134,126	141,858	121,593	130,299
EPWP Expenditures	1,289,775	912,267	1,289,775	912,267
LSA and PEMA Interest cost	5,730,846	4,469,203	5,726,102	4,469,203
Consulting and professional fees	6,495,443	3,791,741	5,909,014	3,586,506
Consumables	111,453	151,686	97,651	141,380
Entertainment	108,400	167,525	101,157	144,198
Fines and penalties	19,502	-	-	-
Pensioners medical aid	1,167,928	1,258,530	1,167,928	1,258,530
Insurance	995,927	803,368	995,927	803,368
Levies	2,719,564	2,730,098	2,229,901	2,504,247
Magazines, books and periodicals	2,174	8,180	2,174	8,180
Operational costs general	-	79,325	-	79,325
Membership fees	1,966,451	2,600,439	1,966,451	2,600,439
Fuel and oil	2,398,084	2,437,641	2,398,084	2,437,641
Printing and stationery	323,081	409,488	252,897	371,789
Royalties and license fees	875,576	1,556,516	875,576	1,556,516
Security (Guarding of municipal property)	2,643,603	1,977,004	1,853,022	1,438,568
Staff welfare	83,977	138,043	83,977	138,043
Telephone and fax	7,787,032	4,092,672	7,680,435	3,970,580
Training	1,019,134	1,191,693	996,769	1,169,715
Uniforms and protective clothing	1,392,428	180,000	1,368,690	180,000
Street lights	-	4,352,669	-	4,352,669
CCTV Surveillance expenses	7,871,383	8,510,565	7,846,894	8,505,667
Nelson Mandela funeral expenses	-	1,748,333	-	1,748,333
current service costs	3,749,680	3,030,733	3,749,680	3,030,733
stock and material	396,940	536,933	396,940	536,933
Special programmes and projects	19,533,013	15,777,307	19,533,013	15,777,307
Unforeseen and disaster expenses	3,512	7,063,585	3,512	7,063,585
Sundry expenses	1,347,766	3,076,489	1,336,262	2,898,884
	73,160,623	75,887,999	70,602,146	74,439,153

Special programmes and projects expenses consists mainly of expenses incurred towards vision 2016 Metro campaign, Go-West Heritage week festival and HIV/Aids programmes.

Telephone and fax expenditure mainly relates to implementation of new telephone management systems.

34. Fair value adjustments

Investment property (Fair value model)	868,000	182,000	868,000	182,000
Biological assets - (Fair value model)	53,162	(32,780)	53,162	(32,780)
	921,162	149,220	921,162	149,220

35. Auditors' remuneration

Fees	2,596,796	2,302,741	2,335,143	2,292,950
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Figures in Rand	Economic entity		Controlling entity	
	2015	2014	2015	2014

36. Operating lease

Figures in Rand	Economic entity		Controlling entity	
	2015	2014	2015	2014
Equipment - Contractual amounts	1,565,393	2,031,993	1,565,393	2,031,993
Motor vehicles - Contractual amounts	4,842,228	4,674,911	4,842,228	4,674,911
	6,407,621	6,706,904	6,407,621	6,706,904

Actual payments made to honor vehicle and photocopier contracts.

37. Cash generated from (used in) operations

Deficit	(46,762,155)	(59,879,347)	(43,238,872)	(59,976,416)
Adjustments for:				
Depreciation and amortisation	13,067,526	12,923,485	12,261,813	12,106,509
Gain on sale of assets and liabilities	353,231	33,301	353,231	33,301
Surplus on distribution of non-cash assets to owners	(803,513)	648,279	(803,513)	648,279
Fair value adjustments	(921,162)	(149,220)	(921,162)	(149,220)
Finance costs - Finance leases	511,951	298,996	511,951	298,996
Debt impairment	3,048,136	4,683,863	3,048,136	4,417,976
Movements in retirement benefit assets and liabilities	7,754,785	11,685,185	7,754,785	11,685,185
Movements in provisions	3,834,327	2,677,015	3,834,327	2,677,015
Finance Costs	(88,214)	(439,667)	88,214	439,667
Other non-cash items	3,342,708	(7,743,841)	825,347	(4,615,282)
Changes in working capital:				
Inventories	(328,029)	(53,193)	(328,029)	(53,193)
Receivables from exchange transactions	(1,329,445)	4,453,635	(1,300,878)	4,431,631
Prepayments	(630,297)	(86,235)	(630,297)	(86,235)
Payables from exchange transactions	18,524,905	(5,690,651)	17,517,114	(6,457,510)
VAT	511,697	1,206,580	817,712	(1,751,082)
Unspent conditional grants and receipts	480,000	1,183,341	480,000	441,132
	566,451	(34,248,474)	269,879	(35,909,247)

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	2015	2014	2015	2014

38. Commitments

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	-	4,768,221	-	4,768,221
- in second to fifth year inclusive	-	6,134,775	-	6,134,775
	-	10,902,996	-	10,902,996

Operating lease payments represent rentals payable by the economic entity for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

The municipality has awarded contracts through its supply chain management processes to replace the expired lease contracts. The total value of commitments as a result of the contract for leasing of fleet vehicles and insurance amount to R5 536 460.70 (Insurance cover for R1 210 027 and Leasing of Fleet for R4 326 433.70).

The contracts were entered into for a period of 12 months.

Operating leases - as lessor (income)

Minimum lease payments due

- within one year	1,050,084	718,735	1,050,084	718,735
- in second to fifth year inclusive	1,208,441	5,156,823	1,208,441	5,156,823
	2,258,525	5,875,558	2,258,525	5,875,558

Certain of the economic entity's equipment is held to generate rental income. Rental of equipment is expected to generate rental yields of 10% on an ongoing basis. Lease agreements are non-cancellable and have terms from 3 to 10 years. There are no contingent rents receivable.

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	2015	2014	2015	2014

39. Contingencies

Figures in Rand	Economic entity		Controlling entity	
	2015	2014	2015	2014
Civil Matters				
Goscon (Fire rigade Krugersdorp)	-	700,000	-	700,000
HR Potgieter	-	115,758	-	115,758
Michelle Louise Sullivan	-	20,000	-	20,000
Van Greunen	1,600,000	2,862,400	1,600,000	2,862,400
Mutual & Federal	-	100,000	-	100,000
IB Gobuamang	-	3,520	-	3,520
Lerato Nhlakeng	43,952	-	43,952	-
Izak Smal (Up & Under Motors)	9,655,700	-	9,655,700	-
Nolusaphu Matwa	10,000,000	-	10,000,000	-
Labour Matters				
JJ Niewoudt	-	500,000	-	500,000
Subtotal	-	500,000	-	500,000
	21,299,652	4,301,678	21,299,652	4,301,678

The details of the ligigations instituted against the municipality are as follows:-

Van Greunen - WRDM

Motor vehicle accident claim. Claim for loss of income from bread winner who died in accident. It is alleged that the WRDM failed to ensure that there are adequate warning signs at a T-junction. Randfontein Local Municipality ID first defendant, WRDM second defendant.

Matter finalized, WRDM raised a special plea of exception that the claim was wrongly instituted against WRDM and that the claim should have been instituted against the Road Accident Fund.

Lerato Nhlakeng - WRDM

A notice of demand was received by the WRDM. The matter is in collaboration with the Department of Health being investigated to prepare for possible litigation. The WRDM has not yet received a formal summons and will only be in a position to act further, once the summons has been received.

Izak Smal (Up & Under Motors) - WRDM

Despite a court order, Plaintiff claims unlawful eviction from the BP Garage Site and claim loss of income. Matter has been handed over to WRDM Attorneys to defend the matter.

Nolusaphu Matwa - WRDM

Claim for medical negligence at Bekkersdal Clinic where baby suffered injuries when born. The claimant was informed that the claim must be instituted against the Department Of Health as the relevant authority dealing with Primary Health Care Services.

Other

During the current year, it was discovered that Vat output paid to WRDA from the WRDM and GDED in the prior years had not been completely accounted for in terms of Sec8(5) of the Vat Act

The economic entity has accounted for the error and restated corresponding figures as disclosed. The Development Agency cannot reliably determine the amount of penalties or interest that would be payable to the Receiver of Revenue as a result of the error

The VAT accrual and any contingent liabilities will be determined and settled once negotiations with SARS have been completed in the 2015/2016 financial year.

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	2015	2014	2015	2014

40. Related parties

Relationships

Controlled entities

Members of key management

Refer to note 7

M.D. Mokoena : Accounting Officer

M.J. Ratlhogo : Chief Financial Officer (Resigned April 2014)

S.S. Ngcobo : Executive Manager - Corporate Services (Resigned September 2014)

R. Mohaudi : Chief Financial Officer

M.E. Koloi : Executive Manager - Public Safety

K.S. Ndlovu : Executive Manger - Health & Social Services

H. Hamer : Executive Manager - Regional and Economic Development

The municipality has a 100% share in the WRDA. The entity has its own board of directors and its own executive management.

Transactions relating to key management personnel are disclosed in employee related cost note and have been accounted for according to IPSAS 23.

Related party balances

Entity

WRDA (SOC)

4,394,200

4,394,200

The WRDM has a relationship with Randfontein, Merafong City, Westonaria and Mogale City local Municipality and WRDA which has resulted in the transfers by the WRDM during 2011/2012 financial year end. In the current financial year end the municipality transferred money to the WRDA.

To the best of the WRDM knowledge and taking into account all disclosures made, no councillor or official has any direct or indirect personal or private business in any matter before the council, or acquired or stand to acquire any direct benefit from contract concluded with the municipality. All assets contributed for establishment of WRDA were at fair value. Mr B. Blake was elected as a councillor in the WRDM from 15 August 2011. No business will be done with Blakes Travel Agency (Pty) Ltd

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	2015	2014	2015	2014

41. Prior period errors

1. Employee related Costs and General Expenses

Re-classification of MHS general operating costs to employee related costs for employee related benefits paid to employees working at Municipal Health Services - Mogale

2. Leave Provision

Leave provision was erroneously calculated in excess of 48 days for some of the employees. The prior year provision has been re-calculated and disclosures updated retrospectively.

3. Petty Cash System Conversion Error

During 2012/2013 the municipality converted from BIQ financial system to Munsoft financial system. The Petty cash account was incorrectly converted with an additional amount of R20 000. Prior Year audit findings were raised on the error. The Petty Cash account has been restated to reflect the correct balance

4. Fair Value Adjustments

Re-classification of fair value adjustments from general expenses, to fair value adjustent operating deficit/surplus

5. Actuarial gains/losses

Re-calssification of actuarial gains and losses previosuly included in general expenses, and now separately presented on the face of the statement of financial performance.

6. Lease rentals on operating lease

Re-classification of lease rentals from general expenses to separate line on the face of the statement of financial performance.

7. Conditional Grants

Correction to recognise grant income utilised for the Buy Back Centre for which conditions were met R13 707

8. Discount received

Correction of discount received recognised as a liability in error of R1 409

9. Receivables and Inventory

recycling plant raw materials (plastics) which are damaged and no longer usable amounting to R163 617; and debtor that is irrecoverable and has been outstanding for more than two years amounting to R265 887

10. Depreciation

Correction of depreciation charge computed on cost instead of using the carrying amount over the estimated remaining useful life

11. Deferred tax

Correction of deferred tax charge recognised as income instead of being an expense arising from a movement in deferred tax balances

12. Property, plant and equipments and Intangible assets

-Correction of depreciation charge computed on cost instead of using the carrying amount over the estimated remaining useful life, R 1 021 195

-Reversal of depreciation charged on assets not in use, R 784 043

- Reclassification of plant and machinery not received to debtors, (R 189 794).

- Recognition of asset additions, R 186 449

- Depreciation on assets recognised, (R 31 680)

- Capital work in progress recognised for buy back centre, R 13 707.

- Correction of amortisation, R 4 494.

13. Receivables

Reclassification of prepayment for property, plant and equipment to debtors R189 794 and and write off of debtor balance irrecoverable R265 887

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	2015	2014	2015	2014

41. Prior period errors (continued)

14. Bank and Cash Balances

Correction of bank balance and accruals for payments made of in July 2014 but recorded in June 2014 amounting to R343 416.

15. Accounts Payables

Reversal of audit fees incorrectly accrued in previous period amounting to R193 881 and correction of leave pay provision which was understated by R104 378 due to misstated leave days.

16. Vat Payable

Correction of Vat output on grants and subsidies R2 073 857

17. Revaluation Reserve

Transfer of Revaluation Reserve to Accumulated Fund in accordance with Accounting Standard Board Directive 7: Deemed Cost, Transitional provisions of GRAP standards and/or Directive 11: Changes in measurement bases following initial adoption of GRAP Standards. The WRDA does not have a policy of revaluing assets.

18. Government Grant Reserve

Government Grant Reserve transferred to accumulated fund in accordance with Accounting Standard Board Directive 4, Transitional Provisions on GRAP Standards. The Government Grant Reserve was initially created in 2012 in accordance with GAMAP 9 standards. The transfer represents a change in accounting policy which should have been accounted for retrospectively at the time of adopting GRAP for the first time

19. Correction of lease liability and accrual

Correction of an error relating to the lease liability and the operating lease expense R 24 490 and a correction of a training expense accrual R 9 000

20.. Reversal of incorrect payable

Reversal of an overstated payable, R17 600.

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

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	2015	2014	2015	2014
41. Prior period errors (continued)				
Statement of financial position				
Current Assets				
Inventories	702,924	-	(163,617)	539,307
Receivables from exchange transactions	1,703,236	-	(76,093)	1,627,143
Cash and cash equivalents	41,790,452	-	433,442	42,423,894
Other financial assets	310,026	-	-	310,026
	44,506,638	-	193,732	44,900,370
Non Current Assets				
Biological assets	274,700	-	-	274,700
Investment Property	3,582,000	-	-	3,582,000
Property, plant and equipment	76,271,859	-	1,764,321	78,036,179
Intangible assets	1,826,318	-	4,494	1,830,812
Investment in controlled entities	-	-	-	-
Long term receivables	927,059	-	-	927,059
	82,881,936	-	1,768,815	84,650,750
Current Liabilities				
Other financial liabilities	1,759,472	-	-	1,759,472
Finance lease obligations	2,646,976	-	-	2,646,976
Payables from exchange transactions	17,793,801	-	(392,877)	17,400,924
Vat payables	926,019	-	2,529,321	3,518,340
Employee benefit obligation	1,148,856	-	-	1,148,856
Unspent conditional grants and receipts	1,183,341	-	-	1,183,341
Provisions	4,686,755	-	-	4,686,755
	30,145,220	-	2,199,444	32,344,664
Non Current Liabilities				
Deferred tax	758,814	-	(758,814)	-
Employee benefit obligation	50,497,096	-	-	50,497,096
Other financial liabilities	-	-	-	-
Finance lease obligations	744,388	-	-	744,388
Provisions	11,313,847	-	-	11,313,847
	63,314,145	-	(758,814)	62,555,331

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	2015	2014	2015	2014
41. Prior period errors (continued)				
Statement of Financial Performance				
Revenue				
Service charges	2,125,467	-	-	2,125,467
Interest received (Trading)	152,597	-	-	152,597
Licence and permits	175,238	-	-	175,238
Income from agency services	35,834,000	-	-	35,834,000
Other income	6,868,154	458,241	1,409	7,327,804
Interest received - investment	4,127,487	-	-	4,127,487
Rental of facilities	1,765,574	(458,241)	-	1,307,333
government grant and subsidies	182,259,606	-	89,256	182,348,862
	233,308,123	-	90,665	233,398,788
Expenditure				
Employee related costs	(164,260,255)	(6,076,843)	(104,378)	(170,441,476)
Remuneration of Councillors	(9,508,812)	-	-	(9,508,812)
Debt impairment	(4,417,976)	-	(265,887)	(4,683,863)
Depreciation and amortisation	(13,915,495)	-	992,010	(12,923,485)
Finance costs	(738,663)	-	-	(738,663)
Lease rentals on operating leases	-	(6,706,904)	-	(6,706,904)
Repairs and maintenance	(4,898,436)	-	-	(4,898,436)
General expenses	(96,056,778)	20,149,687	19,092	(75,887,999)
Loss on disposal of assets and liabilities	(33,301)	-	-	(33,301)
Fair value adjustments	-	149,220	-	149,220
Actuarial gains(losses)	-	(6,866,881)	-	(6,866,881)
Movement on WCA Provision	-	(648,279)	-	(648,279)
Taxation	(706,841)	-	706,841	-
	(294,536,557)	-	1,347,678	(293,188,879)

42. Risk management

Liquidity risk

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

Cash flow forecasts are prepared and adequately utilised.

43. Going concern

The annual consolidated 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.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the continued commitment by the National and Provincial sphere to transfer grants to the district municipality. The accounting officer has further committed to raising funds from savings, these savings include rigorous cost containment measures to restore a positive financial position of the municipality.

In addition, the local municipalities within the West Rand remain committed to contributing funds to the District for Transformation, West Rand Development Agency and other special programs

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	2015	2014	2015	2014

44. Events after the reporting date

A court order for settlement of dispute instituted by Morubisi Technologies against WRDM, was received after year end and provision provided for. Refer to Provision - CCTV

45. Unauthorised expenditure

No unauthorised expenditure as at 30 June 2015.

46. Fruitless and wasteful expenditure

Opening balance	1,802	1,802	1,802	1,802
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2013

Assessment process late which led to interest of R398 and penalties of R1,404 (SARS).

47. Irregular expenditure

Opening balance	851,592	851,592	851,592	851,592
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Analysis of expenditure awaiting condonation per age classification

Prior years	851,592	851,592	851,592	851,592
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Details of irregular expenditure not recoverable (not condoned)

Non-adherence to SCM regulations in the year 2011/2012. The employee was since dismissed in the same year. - Awaiting MPAC Investigation & Recommendation to Council	851,592
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48. In-kind donations and assistance

The WRDM received an amount of R850 000 for Neighbourhood Development Partnership Grant (NDPG) as grant in kind.

49. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	1,906,451	2,600,439	1,906,451	2,600,439
Amount paid - current year	(1,906,451)	(2,600,439)	(1,906,451)	(2,600,439)
	-	-	-	-

Material losses through criminal conduct

Opening balance	4,000,000	4,000,000	4,000,000	4,000,000
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The Accounting Officer opened a criminal case with the South African Police Services (SAPS) in terms of Section 52 of the MFMA. The alleged incumbent resigned and has pleaded guilty and the judgement will be passed by Court. Further civil matters has already been pursued to recover the WRDM losses. The internal personnel has already underwent disciplinary procedures and have been dismissed.

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	2015	2014	2015	2014

49. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE and UIF

Opening balance	28,531,187	27,399,720	27,991,891	26,998,949
Current year subscription / fee	(28,531,187)	(27,399,720)	(27,991,891)	(26,998,949)
	-	-	-	-

Pension and Medical Aid Deductions

Opening balance	29,530,762	26,170,076	29,530,762	26,170,076
Current year subscription / fee	(29,530,762)	(26,170,076)	(29,530,762)	(26,170,076)
	-	-	-	-

VAT

VAT payable	4,030,037	3,518,340	1,378,390	560,678
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All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

There were no Councillors with arrear accounts outstanding for more than 90 days at 30 June 2015:

Supply chain management regulations

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

Incident

Emergency	24,032	8,214,761	24,032	8,214,761
Sole provider	554,153	173,518	554,153	173,518
Acquisition of special works of art or historical objects where specifications are difficult to compile	-	-	-	-
Impractical to follow SCM	2,905,205	3,082,959	2,905,205	3,082,959
	3,483,390	11,471,238	3,483,390	11,471,238

50. Deviation from supply chain management regulations

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

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the Council and includes a note to the annual consolidated financial statements. The disclosure is made in Note 49 supply chain management regulations.

51. Repairs and Maintenance

Repairs and maintenance - deductible	2,669,871	4,898,436	2,530,232	4,663,719
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Repairs and maintenance consists of vehicle repairs, building and equipments.

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	2015	2014	2015	2014		
52. Remuneration of Public Office Bearers						
Description	Basic	Travel Allowance	Cellphone Allowance	Subsistence	Other	Total Package 2014-15 FY
Cllr MR Blaai	231,859	77,286	10,434	-	-	319,579
Cllr RJA Harris	185,487	61,829	20,868	-	-	268,184
Cllr ML Gama	347,788	115,929	27,296	335	-	491,348
Cllr NTB Mavuso	-	-	22,180	1,340	-	23,520
Cllr FF Ngcobo	185,487	61,289	20,868	-	-	267,644
Cllr KM Nawa	618,290	206,097	20,868	1,005	61,157	907,417
Cllr J Zwart	-	-	10,440	-	-	10,440
Cllr MN Nomandla	185,487	61,829	20,868	-	-	268,184
Cllr P Simon	-	-	10,440	-	-	10,440
Cllr JN Phiri	494,633	164,877	20,868	2,345	-	682,723
Cllr DS Thabe	92,743	30,915	10,440	1,005	18,854	153,957
Cllr CP Zagagana	-	-	10,440	-	21,425	31,865
Cllr PM Kgoleng	463,718	154,572	20,868	2,637	6,977	648,772
Cllr PL Seemela	-	-	10,440	-	12,855	23,295
Cllr DH Pretorius	-	-	10,440	-	15,426	25,866
Cllr LL Nkosiyane	463,718	154,572	20,868	1,005	-	640,163
Cllr PN Lipudi	463,718	154,572	20,868	2,345	-	641,503
Cllr PHC De Jager	27,132	-	10,440	-	-	37,572
Cllr TK Foteng	27,132	-	10,440	-	-	37,572
Cllr TE Mphithikezi	463,718	154,572	20,868	670	-	639,828
Cllr BC Xulu	203,575	67,858	6,960	-	2,294	280,687
Cllr N Nqoro	185,487	61,829	20,868	-	-	268,184
Cllr S Mcungeli	185,487	61,829	20,868	-	-	268,184
Cllr M Holenstein	185,487	61,829	20,868	-	-	268,184
Cllr J Julius	185,487	(5,152)	(1,739)	-	(4,500)	174,096
Cllr GS Isherwood	185,487	61,829	20,868	-	-	268,184
Cllr MJ Selibo	-	-	10,440	-	29,995	40,435
Cllr MF Chohledi	-	-	10,440	-	17,997	28,437
Cllr NP Mosetle	-	-	10,440	-	18,854	29,294
Cllr DE Ngubane	-	-	10,440	-	16,283	26,723
Cllr MW Plaatjie	-	-	10,440	-	17,997	28,437
Cllr J Hoon	-	-	10,440	-	11,998	22,438
Cllr R Lees	-	-	10,440	-	12,855	23,295
Cllr SS Handula	274,449	91,483	10,440	3,215	-	379,587
Cllr OL Caldeira	463,718	154,572	20,868	670	-	639,828
Cllr BD Blake	159,095	51,524	19,130	-	-	229,749
Cllr MV Jiba	-	-	10,440	-	-	10,440
Cllr L Isherwood	27,132	-	10,440	-	-	37,572
Cllr TN Daniel	-	-	10,440	-	29,995	40,435
Cllr N Kasibi	-	-	9,570	-	-	9,570
Cllr S Ngweventsha	178,128	59,376	6,090	1,005	-	244,599
Cllr V Lwabi	-	-	10,440	-	-	10,440
Cllr EP Du Plessis	-	-	9,570	-	-	9,570
Cllr FO Matshogo	-	-	9,570	-	-	9,570
Cllr TN Nondzaba	77,286	25,762	4,008	-	-	107,056
Cllr IG Khoza	127,234	42,411	4,008	-	-	173,653
Cllr M Kawe	127,234	42,411	4,008	-	-	173,653
Cllr SE Thebenare	115,929	38,643	5,217	-	-	159,789
Cllr N Best	-	-	870	-	-	870
Subtotal	6,932,125	2,214,543	638,124	17,577	290,462	10,092,831
	6,932,125	2,214,543	638,124	17,577	290,462	10,092,831

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52. Remuneration of Public Office Bearers (continued)

The remuneration of councillors is determined in accordance with Remuneration of Public Bearers Act, No. 20 of 1998 as amended. In terms of Council item 93 dated 28 May 2015, the remuneration of councillors is paid to the affordability of a grade 4 municipality as stipulated in Government Gazette No. R 243 of March 2015

On the 17 June 2015, the Minister for Cooperative Governance and Traditional Affairs has in terms of Section 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Officer Bearers Act, repealed and replaced Government Notice No. R 243 of 25 March 2015 with Government Notice No. R526. Accordingly, in terms of paragraph 17- transitional provision, no irregular expenditure is recorded and no amounts are recorded as recoverable from councillors.