

Matzikama

MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS

30 JUNE 2013

MATZIKAMA MUNICIPALITY

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MATZIKAMA MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

GENERAL INFORMATION

NATURE OF BUSINESS

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

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998) and are classified as a medium capacity municipality.

JURISDICTION

The Matzikama Municipality includes the following areas:

*Vredendal
Vanrhynsdorp
Klawer
Koekenaap
Lutzville
Ebenhaezer
Strandfontein
Doringbaai
Bitterfontein
Nuwerus
Stofkraal
Molsvlei
Rietpoort
Kliprand*

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	<i>J BOTHA</i>
Executive Mayor	<i>JB Bock (01/07/2012 - 09/11/2012)</i>
Deputy Executive Mayor	<i>DS GOEDEMAN</i>
Executive Councillor	<i>F BAM</i>
Executive Councillor	<i>C VAN DER WESTRUIS</i>
Executive Councillor	<i>MC WITBOOI</i>
Executive Councillor	<i>JM Kriel (01/07/2012 - 06/09/2012)</i>
Speaker	<i>WH NELL</i>
Councillor	<i>EC Harris (01/07/2012 - 09/01/2013)</i>
Councillor	<i>PG BOK</i>
Councillor	<i>R STEPHAN</i>
Councillor	<i>B OWIES</i>
Councillor	<i>A SINDYAMBA</i>
Councillor	<i>AGM JULIES</i>
Councillor	<i>IF JULIES</i>
Councillor	<i>EL MQINGQI</i>
Councillor	<i>DD JENNER</i>
Councillor	<i>MJ SMITH</i>

MUNICIPAL MANAGER

D G I O'Neill

CHIEF FINANCIAL OFFICER

U Baartman

REGISTERED OFFICE

37 Church Street, Vredendal, 8160

AUDITORS

Auditor-General, Private Bag X1, Chempet, 7442

PRINCIPLE BANKERS

ABSA Bank

ATTORNEYS

*Swanepoel and Swanepoel Attorneys
Koos Coetzee Prokureurs
Downing en Engelbrecht Prokureurs
Smit en Kie/Co
Van Rensburg & Kie*

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

MATZIKAMA MUNICIPALITY

MEMBERS OF THE MATZIKAMA MUNICIPALITY

COUNCILLORS

1	F BAM
2	DS GOEDEMAN
3	EL MQINGQI
4	PG BOK
5	G STEPHAN
6	IF JULIES
7	A SINDYAMBA
8	C VAN DER WESTRUIS
Proportional	WH NELL
Proportional	MC WITBOOI
Proportional	B OWIES
Proportional	AGM JULIES
Proportional	J BOTHA
Proportional	MJ SMITH
Proportional	DD JENNER

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2012, which are set out on pages 1 to 69 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

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

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2013 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

D G I O'Neill
Municipal Manager

Date

MATZIKAMA MUNICIPALITY

MEMBERS OF THE MATZIKAMA MUNICIPALITY

COUNCILLORS

1	F BAM
2	DS GOEDEMAN
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Proportional	AGM JULIES
Proportional	J BOTHA
Proportional	MJ SMITH
Proportional	W FORTUIN

APPROVAL OF FINANCIAL STATEMENTS

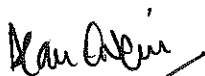
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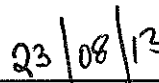
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D G I O'Neill

Municipal Manager



Date

MATZIKAMA MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

	Notes	2013 R	Restated 2012 R
NET ASSETS AND LIABILITIES			
Net Assets		336 428 707	295 789 344
Housing Development Fund	2	-	47 049
Accumulated Surplus/(Deficit)		336 428 707	295 742 295
Non-Current Liabilities		97 045 818	102 431 576
Long-term Liabilities	3	40 583 320	46 980 091
Employee benefits	4	21 332 882	20 495 692
Non-Current Provisions	5	35 129 617	34 955 792
Current Liabilities		48 126 110	46 111 034
Consumer Deposits	6	2 821 386	2 706 613
Current Employee benefits	7	6 748 912	6 888 675
Provisions	8	-	-
Payables from exchange transactions	9	30 151 974	22 440 173
Unspent Conditional Government Grants and Receipts	10	1 980 364	6 176 932
Unspent Public Contributions	11	-	-
Taxes	12	-	-
Operating Lease Liability	20	(0)	3 059
Current Portion of Long-term Liabilities	3	6 423 474	7 890 407
Cash and Cash Equivalents	21	-	5 176
Total Net Assets and Liabilities		481 600 635	444 331 955
ASSETS			
Non-Current Assets		451 082 483	414 618 566
Property, Plant and Equipment	13	394 936 390	368 098 427
Investment Property	14	55 085 250	45 067 300
Intangible Assets	15	802 177	890 254
Long-Term Receivables	16	258 666	562 584
Current Assets		30 518 152	29 713 389
Inventory	17	2 056 210	2 385 291
Receivables from exchange transactions	18	19 886 897	17 070 557
Receivables from non-exchange transactions	19	3 854 652	3 715 889
Unpaid Conditional Government Grants and Receipts	10	481 470	224 781
Unpaid Public Contributions	11	-	(0)
Taxes	12	1 248 174	878 161
Operating Lease Asset	20	35 474	40 312
Current Portion of Long-term Receivables	16	636 520	858 652
Cash and Cash Equivalents	21	2 318 755	4 539 746
Total Assets		481 600 635	444 331 955

MATZIKAMA MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 R	Restated 2012 R	Correction of error R	Previously reported 2012 R
REVENUE					
Revenue from Non-exchange Transactions		135 072 154	98 803 002	(1 808 883)	100 611 885
Taxation Revenue		26 714 399	24 546 082	-	24 546 082
Property taxes	22	26 714 399	24 546 082	-	24 546 082
Transfer Revenue		95 674 992	71 988 673	(1 808 883)	73 797 556
Government Grants and Subsidies - Capital	23	47 287 053	32 342 482	0	32 342 482
Government Grants and Subsidies - Operating	23	48 387 939	36 932 333	(1 192 194)	38 124 526
Public Contributions and Donations	11	-	2 713 859	(616 689)	3 330 548
Other Revenue		12 682 762	2 268 247	-	2 268 247
Actuarial Gains	4	1 085 869	-	-	-
Fines		1 578 943	2 268 247	-	2 268 247
Fair Value adjustments	26	10 017 950	-	-	-
Revenue from Exchange Transactions		106 001 803	132 969 038	175 379	132 793 660
Service Charges	24	96 120 707	92 059 597	-	92 059 597
Rental of Facilities and Equipment		2 977 279	2 722 217	-	2 722 217
Interest Earned - external investments		218 143	384 019	-	384 019
Interest Earned - outstanding debtors		1 650 222	1 435 251	-	1 435 251
Licences and Permits		941 079	842 705	-	842 705
Agency Services		1 780 197	1 569 392	-	1 569 392
Other Income	25	2 314 177	33 955 857	175 379	33 780 478
Gain on disposal of Property, Plant and Equipment		0	-	-	-
Total Revenue		241 073 957	231 772 040	(1 633 504)	233 405 545
EXPENDITURE					
Employee related costs	27	69 654 041	65 432 318		65 432 318
Remuneration of Councillors	28	4 640 726	4 432 920		4 432 920
Debt Impairment	29	3 612 340	7 453 657		7 453 657
Collection Costs		240 883	616 121		616 121
Depreciation and Amortisation	30	12 670 930	15 008 748	6 504	15 002 244
Impairments	31	62 958	2 953 947	2 938 665	15 282
Repairs and Maintenance		12 661 558	15 828 180		15 828 180
Actuarial losses	4	25 071	4 200 157		4 200 157
Finance Charges	32	8 018 687	6 388 588		6 388 588
Bulk Purchases	33	59 705 727	52 191 271		52 191 271
Contracted services		1 682 031	483 545	284 546	198 999
Grants and Subsidies	34	836 358	295 007		295 007
Operating Grant Expenditure	34	7 252 605	6 479 648		6 479 648
General Expenses	36	15 602 951	16 684 043		16 684 045
Loss on disposal of Property, Plant and Equipment		3 767 727	-		-
Total Expenditure		200 434 594	198 448 150	3 229 715	195 218 436
NET SURPLUS/(DEFICIT) FOR THE YEAR		40 639 363	33 323 890	(4 863 218)	38 187 109

MATZIKAMA MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 R	Restated 2012 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		143 522 790	122 541 503
Government Grants		91 221 736	76 798 694
Interest		1 868 365	1 819 270
Payments			
Suppliers and employees		(177 983 913)	(164 337 477)
Transfers and Grants		(836 358)	(295 007)
Finance charges	32	(8 018 687)	(6 388 588)
Net Cash from Operating Activities	38	49 773 933	30 138 395
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	13	(45 174 181)	(48 815 354)
Proceeds on Disposal of Fixed Assets		514 397	0
Purchase of Intangible Assets	15	-	(21 392)
Decrease in Long-term Receivables		418 968	213 356
Net Cash from Investing Activities		(44 240 816)	(48 623 389)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Long-term Liabilities		(7 863 704)	(4 323 159)
New loans raised		-	25 500 000
Increase in Consumer Deposits		114 773	148 572
Net Cash from Financing Activities		(7 748 932)	21 325 415
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(2 215 815)	2 840 421
Cash and Cash Equivalents at the beginning of the year		4 534 570	1 694 149
Cash and Cash Equivalents at the end of the year	39	2 318 755	4 534 570
NET(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(2 215 815)	2 840 421

MATZIKAMA MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2013

	Housing Development Fund	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
2011				
Balance at 1 July 2011	47 049		256 632 020	256 679 069
Correction of errors			5 786 385	5 786 385
Restated Balance at 30 JUNE 2011	47 049		262 418 405	262 465 454
Net Surplus for the year	-	-	33 323 890	33 323 890
Expenditure to Housing Development Fund	-	-	-	-
Restated Balance at 30 JUNE 2012	47 049	-	295 742 295	295 789 344
Net Surplus for the year	-	-	40 639 363	40 639 363
Expenditure to Housing Development Fund	(47 049)	-	47 049	-
Expenditure to Capital Replacement reserve	-	-	-	-
Balance at 30 JUNE 2013	-	-	336 428 707	336 428 707

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

COMPARISON OF ACTUAL FIGURES TO THE FINAL BUDGET

	2013 R (Actual)	2013 R (Final Budget)	2013 R (Variance)	Explanations for material variances
ASSETS				
Current assets				
Cash	2 318 755	-	2 318 755	Cashflow position of the municipality improved, no overdraft facility available. Str
Call investment deposits			-	
Consumer debtors	23 741 549	18 984 473	4 757 076	Budget was more conservative, more revenue realised than anticipated
Other Receivables	1 765 118	911 300	853 818	Other receivables actual includes VAT and unpaid grants that were greater tha
Current portion of long-term receivables	636 520	562 652	73 868	
Inventory	2 056 210	1 629 524	426 686	Water held as inventory was not budgeted for
Total current assets	30 518 152	22 087 949	8 430 203	
Non current assets				
Long-term receivables	258 666	562 584	(303 918)	Budget still included the short term portion
Investments	-		-	
Investment property	55 085 250	37 235 800	17 849 450	Revaluation of investment property took place, did not budget for adjustments
Property, plant and equipment	394 936 390	396 825 024	(1 888 634)	Housing Grant expenditure higher, subsidy increased by Prov Government
Biological Assets	-		-	
Intangible Assets	802 177	889 777	(87 600)	Depreciation on intangibles not taken into account
Heritage Assets	-		-	
Total non current assets	451 082 483	435 513 185	15 569 298	
TOTAL ASSETS	481 600 635	457 601 135	23 999 501	
LIABILITIES				
Current liabilities				
Bank overdraft	-	15 069 955	(15 069 955)	Overdraft facility was still in place during budget process, ended February 2013
Borrowing	6 423 474	7 890 407	(1 466 933)	Short term portion of long term liabilities over budgeted for
Consumer deposits	2 821 386	2 854 665	(33 279)	
Trade and other payables	32 132 337	30 826 154	1 306 183	Operating creditors at year were lower than anticipated
Provisions and Employee Benefits	6 748 912	6 888 675	(139 763)	
Total current liabilities	48 126 110	63 529 856	(15 403 746)	
Non current liabilities				
Borrowing	40 583 320	39 089 684	1 493 636	New 2011 loans redemption were not correctly budgeted for
Non-Current Provisions	56 462 499	59 337 484	(2 874 985)	
Total non current liabilities	97 045 818	98 427 168	(1 381 350)	
TOTAL LIABILITIES	145 171 928	161 957 024	(16 785 096)	
NET ASSETS	336 428 707	295 644 111	40 784 597	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	336 428 707	295 644 112	40 784 595	Actual surplus for the year much more due to Acturial Gains and Fair Value adju:
Reserves	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	336 428 707	295 644 112	40 784 595	

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

ADJUSTMENTS TO APPROVED BUDGET

	2013 R (Approved Budget)	2013 R (Adjustments)	2013 R (Final Budget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash	12 373 941	(12 373 941)	-	
Call investment deposits	-	-	-	
Consumer debtors	21 806 644	(2 822 170)	18 984 473	Final budget reflects realistic anticipated revenues
Other Receivables	1 400 000	(488 700)	911 300	Final budget reflects realistic anticipated revenues
Current portion of long-term receivables	1 200 000	(637 348)	562 652	Budget was corrected to correspond to AFS 2012 figures
Inventory	2 043 837	(414 313)	1 629 524	Land inventory sold was not budgeted
Total current assets	38 824 421	(16 736 472)	22 087 949	
Non current assets				
Long-term receivables	1 300 000	(737 416)	562 584	
Investments	-	-	-	
Investment property	37 235 800	-	37 235 800	
Property, plant and equipment	421 475 965	(24 650 941)	396 825 024	Budget was corrected to correspond to AFS 2012 figures
Biological Assets	-	-	-	
Intangible Assets	500 000	389 777	889 777	Budget was corrected to correspond to AFS 2012 figures
Heritage Assets	-	-	-	
Total non current assets	460 511 765	(24 998 580)	435 513 185	
TOTAL ASSETS	499 336 186	(41 735 051)	457 601 135	
LIABILITIES				
Current liabilities				
Bank overdraft	-	15 069 955	15 069 955	Was corrected to correspond to the actual cash low position of the municipality
Borrowing	7 304 223	586 184	7 890 407	Short term portion of LT liabilities were corrected
Consumer deposits	2 685 943	168 722	2 854 665	
Trade and other payables	23 008 222	7 817 932	30 826 154	Outstanding creditors were incorrectly budgeted for originally
Provisions and Employee Benefits	7 368 063	(479 388)	6 888 675	
Total current liabilities	40 366 451	23 163 405	63 529 856	
Non current liabilities				
Borrowing	68 896 260	(29 806 576)	39 089 684	Budget was corrected to correspond to AFS 2012 figures
Provisions and Employee Benefits	19 153 087	40 184 397	59 337 484	Budget was corrected to correspond to AFS 2012 figures
Total non current liabilities	88 049 347	10 377 821	98 427 168	
TOTAL LIABILITIES	128 415 798	33 541 226	161 957 024	
NET ASSETS	370 920 388	(75 276 277)	295 644 111	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	366 032 947	(70 388 835)	295 644 112	
Reserves	4 887 441	(4 887 441)	-	Originally budgeted for CRR, does not exist anymore
TOTAL COMMUNITY WEALTH/EQUITY	370 920 388	(75 276 276)	295 644 112	

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

COMPARISON OF ACTUAL FIGURES TO ADJUSTMENT BUDGET

	2013 R	2013 R	2013 R	
	(Actual)	(Adjustment Budget)	(Variance)	Explanations for material variances
REVENUE BY SOURCE				
Property rates	(26 714 399)	(25 710 000)	(1 004 399)	Interim valuation was not budgeted for
Property rates - penalties & collection charges		-	-	Increase mainly due to pre-paid electricity sales being more than budgeted.
				Sewerage indigent charges were also not budgeted, that lead to an increase of
Service charges	(96 120 707)	(89 504 000)	(6 616 707)	R2.3million of service charges levied
Rental of facilities and equipment	(2 977 279)	(2 719 500)	(257 779)	
Interest earned - external investments	(218 143)	(600 000)	381 857	Interest earned earned on bank was less than anticipated
Interest earned - outstanding debtors	(1 650 222)	(1 500 000)	(150 222)	Strict debt collection policy was implemented, interest collected was therefor more t
Dividends received		-	-	
Fines	(1 578 943)	(1 370 000)	(208 943)	
Licences and permits	(941 079)	(1 566 000)	624 921	Income realised was lower than anticipated during budget process
Agency services	(1 780 197)	(2 100 000)	319 803	Agency fees lower than anticipated during budget process
Government Grants and Subsidies - Operating	(48 387 939)	(42 579 094)	(5 808 845)	Housing Grant Top Structure also budgeted originally under capital
Other income	(13 417 996)	(1 483 000)	(11 934 996)	Fair value adjustments and Actuarial Gains not Budgeted for
Gain on disposal of Property, Plant and Equipment	(0)	(1 520 000)	1 520 000	
Total Operating Revenue	(193 786 903)	(170 651 594)	(23 135 309)	
EXPENDITURE BY TYPE				
Employee Related Costs	69 654 041	70 494 346	(840 305)	Mainly due to vacancies that could not be filled in the current financial year.
Remuneration of councillors	4 640 726	5 124 000	(483 274)	Increase published was less than budgeted
Debt impairment	3 612 340	6 000 000	(2 387 660)	Other debtors debt impairment were under budgeted
Depreciation and Amortisation	12 670 930	15 084 700	(2 413 770)	Usefull lives reviewed and depreciation lower than anticipated
Finance charges	8 018 687	6 493 209	1 525 478	Repayments on new 2011 loans were under budgeted for
Bulk purchases	59 705 727	66 000 000	(6 294 273)	Due to increase in electricity tariffs there was a saving in usage
Other materials	-	-	-	
Contracted services	1 682 031	75 000	1 607 031	Contract fees incorrectly classified during budget as general expenses
Grants and Subsidies	836 358	455 000	381 358	Contribution to Tourism was more than budgeted
General Expenses	35 846 026	38 884 249	(3 038 223)	Actuarial Losses were over budgeted for
Loss on disposal of Property, Plant and Equipment	3 767 727	-	3 767 727	Did not budget for write-offs.
Total Operating Expenditure	200 434 594	208 610 504	-8 175 910	
Operating Surplus for the year	6 647 690	37 958 910	(31 311 220)	
Government Grants and Subsidies - Capital	(47 287 053)	(38 736 844)	(8 550 209)	Housing grant was much more than budgeted for
Net Surplus for the year	(40 639 363)	(777 934)	(39 861 429)	

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

ADJUSTMENTS TO APPROVED BUDGET

	2013 R (Approved Budget)	2013 R (Adjustments)	2013 R (Final Budget)	
REVENUE BY SOURCE				Explanations for material variances
Property rates	(24 960 000)	(750 000)	(25 710 000)	
Property rates - penalties & collection charges	-	-	-	
Service charges	(99 018 000)	9 514 000	(89 504 000)	Realistically anticipated revenues were not budgeted for
Rental of facilities and equipment	(2 341 000)	(378 500)	(2 719 500)	
Interest earned - external investments	(600 000)	-	(600 000)	
Interest earned - outstanding debtors	(1 500 000)	-	(1 500 000)	
Dividends received	-	-	-	
Fines	(1 370 000)	-	(1 370 000)	
Licences and permits	(281 000)	(1 285 000)	(1 566 000)	
Agency services	(3 330 000)	1 230 000	(2 100 000)	Realistically anticipated revenues were not budgeted for
Government Grants and Subsidies - Operating	(47 584 800)	5 005 706	(42 579 094)	Final budget balances to the grants that were published
Other revenue	(3 812 000)	2 329 000	(1 483 000)	Realistically anticipated revenues were not budgeted for
Gains on disposal of PPE	(100 000)	(1 420 000)	(1 520 000)	Land held for sale was not budgeted for originally
Total Operating Revenue	(184 896 800)	14 245 206	-170 651 594	
EXPENDITURE BY TYPE				
Employee related costs	70 013 760	480 586	70 494 346	Post employment benefits were not correctly budgeted for originally
Remuneration of councillors	5 124 000	-	5 124 000	
Debt impairment	2 000 000	4 000 000	6 000 000	Criteria for debt impairment was adjusted during year end
Depreciation & asset impairment	10 970 000	4 114 700	15 084 700	Under Budgeted for originally
Finance charges	4 668 400	1 824 809	6 493 209	Under Budgeted for originally
Bulk purchases	56 000 000	10 000 000	66 000 000	Under Budgeted for originally
Other materials	-	-	-	
Contracted services	435 000	(360 000)	75 000	Due to cash flow restrictions expenditure was cut
Grants and subsidies paid	600 000	(145 000)	455 000	Due to cash flow restrictions expenditure was cut
Other expenditure	41 227 000	(2 342 751)	38 884 249	Due to cash flow restrictions expenditure was cut
Loss on disposal of PPE	-	-	-	
Total Operating Expenditure	191 038 160	17 572 344	208 610 504	
Operating Surplus/(Deficit) for the year	6 141 360	31 817 550	37 958 910	
Government Grants and Subsidies - Capital	(73 778 440)	35 041 596	(38 736 844)	Original budget included indirect grants, not transferred to municipality
Net Surplus for the year	(67 637 080)	66 859 146	(777 934)	

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2013 R (Actual)	2013 R (Final Budget)	2013 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	143 522 790	122 254 472	21 268 318	Actual income more than anticipated, mainly due to service charges increasing. Under budg
Government - operating	43 934 682	42 579 094	1 355 588	
Government - capital	47 287 053	38 736 844	8 550 209	Housing Grant was more than originally published in the DORA
Interest	1 868 365	2 100 000	(231 635)	Interest earned on positive bank balance did not realise
Dividends	-	-	-	
Payments				
Suppliers and Employees	(177 983 913)	(172 868 527)	(5 115 386)	Under budgeted expenditure, mainly due to Contracted services being more than anticipate
Finance charges	(8 018 687)	(6 493 209)	(1 525 478)	Actuarial valuation performed showed more interest to be paid, than budgeted
Transfers and Grants	(836 358)	(455 000)	(381 358)	Contribution to Tourism was more than budgeted
NET CASH FROM/(USED) OPERATING ACTIVITIES	49 773 933	25 853 674	23 920 259	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	514 397	1 520 000	(1 005 603)	Proceeds on disposal of assets were less than anticipated at auction
Decrease (Increase) in non-current debtors	418 968	296 000	122 968	Long term receivables budgeted did not include the Loans&Agreements
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(45 174 181)	(39 531 844)	(5 642 337)	Housing Grant expenditure more than budgeted. Subsidie increased by government
NET CASH FROM/(USED) INVESTING ACTIVITIES	(44 240 816)	(37 715 844)	(6 524 972)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	114 773	148 052	(33 279)	
Payments				
Repayment of borrowing	(7 863 704)	(7 890 407)	26 703	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(7 748 931)	(7 742 355)	(6 575)	
NET INCREASE/(DECREASE) IN CASH HELD	(2 215 814)	(19 604 525)	17 388 711	
Cash and Cash Equivalents at the beginning of the year	4 534 570	4 534 570	-	
Cash and Cash Equivalents at the end of the year	2 318 755	(15 069 955)	17 388 710	

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

ADJUSTMENTS TO APPROVED BUDGET

	2013 R	2013 R	2013 R	
	(Approved Budget)	(Adjustments)	(Final Budget)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	129 620 597	(7 366 125)	122 254 472	Realistically anticipated revenues were budgeted for in the final budget
Government - operating	47 584 800	(5 005 706)	42 579 094	Final Budget is in line with published grants and subsidies
Government - capital	73 778 440	(35 041 596)	38 736 844	Original budget included indirect transfers and grants not published in the DORA
Interest	2 100 000	-	2 100 000	
Dividends				
Payments				
Suppliers and Employees	(168 296 751)	(4 571 776)	(172 868 527)	
Finance charges	(4 668 400)	(1 824 809)	(6 493 209)	
Transfers and Grants	(600 000)	145 000	(455 000)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	79 518 686	-53 665 012	25 853 674	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	1 100 000	420 000	1 520 000	
Decrease (Increase) in non-current debtors		296 000	296 000	
Decrease/(increase) in non-current receivables		-	-	
Decrease/(increase) in non-current investments		-	-	
Payments				
Capital assets	(87 175 441)	47 643 597	(39 531 844)	Approved budget included projects funded out of external loans and indirect transfers
NET CASH FROM/(USED) FINANCING ACTIVITIES	(86 075 441)	48 359 597	(37 715 844)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	8 510 000	(8 510 000)	-	The final capital budget was restricted to grant funded projects
Increase/(decrease) in consumer deposits	-	148 052	148 052	Not budgeted originally, difficult to determine.
Payments				
Repayment of borrowing	(3 027 370)	(4 863 037)	(7 890 407)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	5 482 630	(13 224 985)	(7 742 355)	
NET INCREASE/(DECREASE) IN CASH HELD				
	(1 074 125)	(18 530 400)	(19 604 525)	
Cash and Cash Equivalents at the beginning of the year	13 448 066	(8 913 496)	4 534 570	
Cash and Cash Equivalents at the end of the year	12 373 941	(27 443 896)	(15 069 955)	

	2013 R	2012 R
2 NET ASSET RESERVES		
Housing Development Fund	-	47 049
Total Net Asset Reserves	<u>-</u>	<u>47 049</u>
3 LONG-TERM LIABILITIES		
Annuity Loans - At amortised cost	47 006 794	54 870 498
Current Portion transferred to Current Liabilities	(6 423 474)	(7 890 407)
Total Long-term Liabilities - At amortised cost using the effective interest rate method	<u>40 583 320</u>	<u>46 980 091</u>
Refer below for maturity dates of long term liabilities:		
The obligations under annuity loans are scheduled below:		
		Minimum annuity payments
Amounts payable under annuity loans:		
Payable within one year	10 633 567	14 304 636
Payable within two to five years	36 517 167	41 339 618
Payable after five years	25 688 158	31 499 274
	<u>72 838 892</u>	<u>87 143 528</u>
Less: Future finance obligations	<u>(25 832 098)</u>	<u>(32 273 030)</u>
Present value of annuity obligations	<u>47 006 794</u>	<u>54 870 498</u>
Annuity loans at amortised cost is calculated at 5.70%-11.14% interest rate, with first maturity date of 30 June 2013 and last maturity date of 30 June 2020.		
4 EMPLOYEE BENEFITS		
Post Retirement Benefits - Refer to Note 4.1	17 844 164	17 469 184
Long Service Awards - Refer to Note 4.2	3 488 718	3 026 508
Total Non-current Employee Benefit Liabilities	<u>21 332 882</u>	<u>20 495 692</u>
Post Retirement Benefits		
Balance 1 July	18 211 828	13 781 488
Contribution for the year	891 559	434 315
Interest Cost	1 385 775	1 134 360
Expenditure for the year	(783 317)	(701 339)
Actuarial Loss/(Gain)	(1 085 869)	3 563 004
Total post retirement benefits 30 June	<u>18 619 976</u>	<u>18 211 828</u>
Less: Transfer of Current Portion - Note 7	<u>(775 812)</u>	<u>(742 644)</u>
Balance 30 June	<u>17 844 164</u>	<u>17 469 184</u>
Long Service Awards		
Balance 1 July	3 242 171	2 284 031
Contribution for the year	402 986	328 319
Interest Cost	212 434	173 695
Expenditure for the year	(174 255)	(181 027)
Actuarial Loss/(Gain)	25 071	637 153
Total long service 30 June	<u>3 708 407</u>	<u>3 242 171</u>
Less: Transfer of Current Portion - Note 7	<u>(219 689)</u>	<u>(215 663)</u>
Balance 30 June	<u>3 488 718</u>	<u>3 026 508</u>
TOTAL NON-CURRENT EMPLOYEE BENEFITS		
Balance 1 July	21 453 999	16 065 519
Contribution for the year	1 294 545	762 634
Interest cost	1 598 209	1 308 055
Expenditure for the year	(957 572)	(882 366)
Actuarial Loss/(Gain)	(1 060 798)	4 200 157
Total employee benefits 30 June	<u>22 328 383</u>	<u>21 453 999</u>
Less: Transfer of Current Portion - Note 7	<u>(995 501)</u>	<u>(958 307)</u>
Balance 30 June	<u>21 332 882</u>	<u>20 495 692</u>
4.1 Post Retirement Benefits	2013 Employees	2012 Employees
The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
In-service (employee) members	103	93
In-service (employee) non-members	88	94
Continuation members (e.g. Retirees, widows, orphans)	29	30
Total Members	<u>220</u>	<u>217</u>

	2013 R	2012 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	6 115 102	5 207 499
In-service non-members	2 041 224	2 585 752
Continuation members	10 463 649	10 421 576
Total Liability	18 619 975	18 214 827

	2009 R	2010 R	2011 R
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:			
In-service members	1 769 000	2 576 000	4 243 330
Continuation members	7 430 086	8 695 948	9 538 157
Total Liability	9 199 086	11 271 948	13 781 487

	2013	2012	2011	2010	2009
History of experience adjustments were calculated as follows:					
Liabilities: (Gain) / loss	(645 000)	2 398 000.00	(198 000)	1 725 000.00	476 000.00
Assets: Gain / (loss)	-	-	-	-	-

The municipality performed their first actuarial valuation on 30 June 2010. Thus there are no experience adjustment figures available on or before 30 June 2010 to fully comply with GRAP 25

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

Bonitas;
LA Health
Samwumed; and
Keyhealth.

Key actuarial assumptions used:	2013 %	2012 %
i) Rate of interest		
Discount rate	8.55%	7.76%
Health Care Cost Inflation Rate	7.65%	7.03%
Net Effective Discount Rate	0.84%	0.69%

The next contribution rate increase is assumed to occur at 1 January 2013

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

ii) Mortality rates	
Mortality during employment - SA 85-90	
Mortality post-retirement - PA90-1	

iii) Normal retirement age

It has been assumed that in-service members will retire at age 65, which then implicitly allows for expected rates of early and ill-health retirement.

	2013 R	2012 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	18 619 976	18 211 828
Total Liability	18 619 976	18 211 828

The fund is wholly unfunded.

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a) and GRAP 25

	2013 R	2012 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	18 211 828	13 781 488
Total expenses	1 494 017	867 336
Current service cost	891 559	434 315
Interest Cost	1 385 775	1 134 360
Benefits Paid	(783 317)	(701 339)
Actuarial (gains)/losses	(1 085 869)	3 563 004
Present value of fund obligation at the end of the year	18 619 976	18 211 828
Less: Transfer of Current Portion - Note 7	(775 812)	(742 644)
Balance 30 June	17 844 164	17 469 184

Sensitivity Analysis on the Accrued Liability

Assumption	In-service members liability R	Continuation members liability R	Total liability R
Central Assumptions	8156326	10 463 649	18 619 975

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability R	Continuation members liability R	Total liability R	Change %
Health care inflation	1%	10 239 000	11 502 000	21 741 000	17%
Health care inflation	-1%	6 550 000	9 557 000	16 107 000	-13%
Post-retirement mortality	-1 year	8 459 000	10 914 000	19 373 000	4%
Average retirement age	-1 year	8 915 000	10 464 000	19 379 000	4%
Withdrawal Rate	-50%	9 234 000	10 464 000	19 698 000	6%

Sensitivity Analysis on the Current-Service and Interest Cost

Assumption	Change	Current Cost R	Service Interest Cost R	Total R	Change %
Central Assumptions		891 600	1 385 800	2 277 400	
Health care inflation	1%	1 132 700	1 625 900	2 758 600	21%
Health care inflation	-1%	708 700	1 192 800	1 901 500	-17%
Post-Retirement mortality	-1 year	923 500	1 442 400	2 365 900	4%
Average retirement age	-1 year	980 100	1 432 500	2 412 600	6%
Withdrawal Rate	-50%	1 037 400	1 466 600	2 504 000	10%

History of experience adjustments: Gains and Losses	2013	2012	2011	2 010	2 009
Liabilities: (Gain) / loss	(645 000)	2 398 000	(198 000)	1 725 000	476 000
Assets: Gain / (loss)	-	-	-	-	-

4.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses.

	2013 Employees	2012 Employees
	382	398

Key actuarial assumptions used:

i) Rate of interest

	2013 %	2012 %
Discount rate	7.66%	6.77%
General Salary Inflation (long-term)	6.87%	6.01%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.74%	0.72%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

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

	2013 R	2012 R
Present value of fund obligations	3 708 407	3 242 171
Net liability	3 708 407	3 242 171

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

	2011 R	2010 R	2009 R
Total Liability	2 284 031	2 005 016	671 621

History of experience adjustments were calculated as follows:

	2013	2012	2011	2010	2009
Liabilities: (Gain) / loss	45 289	392 579	(224 240)	1 264 879	37 021
Assets: Gain / (loss)	-	-	-	-	-

The municipality performed their first actuarial valuation on 30 June 2013. Thus there are no experience adjustment figures available on or before 30 June 2013 to fully comply with GRAP 25

Reconciliation of present value of fund obligation:

	2013 R	2012 R
Present value of fund obligation at the beginning of the year	3 242 171	2 284 031
Total expenses	441 165	320 987
Current service cost	402 986	328 319
Interest Cost	212 434	173 695
Benefits Paid	(174 255)	(181 027)
Actuarial (gains)/losses	25 071	637 153
Present value of fund obligation at the end of the year	3 708 407	3 242 171
Less: Transfer of Current Portion - Note 7	(219 689)	(215 663)
Balance 30 June	3 488 718	3 026 508

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability R	Change %
Central assumptions	-	3 708 000	-
General salary inflation	+1%	4 042 000	9%
General salary inflation	-1%	3 415 000	-8%
Average retirement age	-2%	3 353 000	-10%
Average retirement age	+2%	4 135 000	12%
Withdrawal rates	-50%	4 546 000	23%

Sensitivity Analysis on the Current- Service and Interest Cost

Assumption	Change	Current Cost R	Service R	Interest Cost R	Total R	Change %
Central assumptions		403 000	212 400		615 400	
General salary inflation	+1%	440 700	232 800		673 500	9%
General salary inflation	-1%	370 400	194 500		564 900	-8%
Average retirement age	-2%	373 100	193 200		566 300	-8%
Average retirement age	+2%	435 600	236 700		672 300	9%
Withdrawal rates	-50%	527 500	263 500		791 000	29%

History of experience adjustments: (Gains) and losses

	2013	2012	2011	2010	2009
Plan Liabilities	3 708 407	3 242 171	2 284 031	2 005 016	671 621
Plan assets	-	-	-	-	-

4.3 Retirement funds

2013
R

2012
R

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

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

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

CAPE JOINT PENSION FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2012 revealed that the fund is in an sound financial position with a funding level of 99% (30 June 2011 - 98.10%).

Contributions paid recognised in the Statement of Financial Performance

20 903	19 579
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CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2012 revealed that the fund is in a sound financial position with a funding level of 108% (30 June 2011 - 99.9%).

Contributions paid recognised in the Statement of Financial Performance

6 651 808	6 119 460
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DEFINED CONTRIBUTION FUNDS

Council contribute to the Municipal Council Pension Fund, SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Municipal Councillors Pension Fund	0.00	0.00
SALA Pension Fund	0.00	0.00
SAMWU National Provident Fund	984 843	963 601
	984 843	963 601

5 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites

35 129 617	34 955 792
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Total Non-current Provisions

35 129 617	34 955 792
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In terms of the licensing of the landfill refuse sites, the Municipality will incur rehabilitation costs to restore the sites at the end of their useful lives, estimated to be in 2015.

Landfill Sites

Balance 1 July	34 955 792	27 696 114
Transfer of Functions DMA		5 595 116
Contribution for the year	173 824	1 664 562
Balance 30 June 2013	35 129 617	34 955 792

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Klawer	Vanrhynsdorp	Vredendal	Lutzville	Strandfontein
Rehabilitation Area(m2)	9472	25748	45466	17 443	7 736
P&G	297 342	659 207	974 777	428 000	237 393
Site Clearance (R)	20 838	56 646	100 025	38 375	17 019
Storm Water Drainage (R)	1 425 782	2 753 058	3 611 848	1 771 595	1 125 517
Capping (R)	677 246	1 898 915	3 250 819	1 247 175	553 124
Gas Management (R)	0	0	0	0	0
Other (R)	0	0	0	0	0
Contingencies (R)	242 121	536 783	793 747	348 514	193 305
Engineering (R)	266 333	590 461	873 122	383 366	212 636
Site Supervision (R)	105 120	287 360	179 400	179 400	113 640
Total (Excl VAT)	3 034 784	6 782 428	9 783 737	4 396 425	2 452 634
Rehab cost/m2	320	263	215	252	317
Estimated construction period	3 months	4 months	5 months	4 months	3 months
	Doringbaai	Bitterfontein	Kliprand	Rietpoort	Nuwerus
Rehabilitation Area(m2)	8 029	5 499	1 777	4 601	3 143
P&G	266 392	174 318	85 593	175 353	127 915
Site Clearance (R)	17 664	12 098	3 969	10 122	6 915
Storm Water Drainage (R)	1 311 062	839 852	480 412	913 431	682 041
Capping (R)	574 074	393 176	127 056	328 972	224 725
Gas Management (R)	0	0	0	0	0
Other (R)	0	0	0	0	0
Contingencies (R)	216 919	141 945	69 697	142 788	104 160
Engineering (R)	238 611	156 139	76 867	157 067	114 576
Site Supervision (R)	105 600	117 480	84 160	121 683	77 040
Total (Excl VAT)	2 730 321	1 835 007	927 493	1 849 415	1 337 371
Rehab cost/m2	340.06	333.7	521.94	402	426
Estimated construction period	3 months	3 months	2 months	3 months	2 months

	2013 R	2012 R
6 CONSUMER DEPOSITS		
Water and Electricity	2 821 386	2 706 613
Total Consumer Deposits	2 821 386	2 706 613

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

	2013 R	2012 R
7 CURRENT EMPLOYEE BENEFITS		
Current Portion of Post Retirement Benefits - Note 4	775 812	742 644
Current Portion of Long-Service Provisions - Note 4	219 689	215 663
Provision for Staff Leave	3 754 020	3 719 709
Provision for Performance Bonuses	-	498 408
Bonuses Accrued	1 964 336	1 676 083
Pension	35 055	36 168
Total Current Employee Benefits	6 748 912	6 888 675

The movement in current employee benefits are reconciled as follows:

Provision for Staff Leave

Balance at beginning of year	3 719 709	2 280 636
Transferred from DMA	-	180 518
Contribution to current portion	428 275	1 483 455
Expenditure incurred	(393 964)	(224 899)
Balance at end of year	3 754 020	3 719 709

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

Provision for Performance Bonuses

Balance at beginning of year	498 408	460 107
Contribution to current portion	(269 854)	241 589
Expenditure incurred	(228 554)	(203 288)
Balance at end of year	(0)	498 408

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

Bonuses Accrued

Balance at beginning of year	1 676 083	1 435 366
Contribution to current portion	3 721 362	3 140 711
Expenditure incurred	(3 433 110)	(2 899 994)
Balance at end of year	1 964 336	1 676 083

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

Pension

Balance at beginning of year	36 168	36 168
Contribution to current portion	-	-
Expenditure incurred	(1 113)	-
Balance at end of year	35 055	36 168

Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.

Provision for TASK Evaluation

Balance at beginning of year	-	1 997 490
Contribution to current portion	-	-
Expenditure incurred	-	(1 997 490)
Balance at end of year	-	-

The Categorisation and Job Evaluation Wage Curves Collective Agreement became effective on 1 July 2010. Hereby all employees (excluding Municipal Manager, Section 57 Managers and contractual employees) are to receive new wage rates as a result of their jobs being evaluated as per the TASK Job Evaluation System and published by SALGBC. Qualifying employees will receive back pay as from 1 October 2009 as per clause 7.2.6 of the Collective Agreement.

	2013 R	2012 R
8 PROVISIONS		
Current Portion of Rehabilitation of Landfill-sites - Note 5	-	-
Total Provisions	-	-

	2013 R	2012 R
9 PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	1 310 171	3 574 934
Balance Previously reported		2 957 856
Correction of Error see note 37.01(a)		284 546
Correction of error - see note 37.01(w)		332 532
Pre-paid electricity	162 116	296 303
Sundry Creditors	24 996 233	15 026 166
Payments received in advance	2 325 725	1 608 378
Retentions	1 357 729	1 725 847
Sundry Deposits	0	208 545
Total Trade Payables	30 151 974	22 440 173

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include hall, builders and housing Deposits.

	2013 R	2012 R
10 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		
Unspent Grants	1 980 364	6 176 932
National Government Grants	60 914	3 883 794
Provincial Government Grants	1 919 450	2 293 138
Other Grant Providers	-	-
Less: Unpaid Conditional Government Grants and Receipts	481 470	224 781
National Government Grants	481 470	224 781
Balance Previously reported		1 416 975
Correction of error - see note 37.01 (b)		(1 192 194)
Provincial Government Grants	-	-
Other Grant Providers	-	-
Total Conditional Grants and Receipts	1 498 894	5 952 151

Refer to note 23 for a detail reconciliation of grants.

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

	2013 R	2012 R
11 UNSPENT PUBLIC CONTRIBUTIONS		
Unspent Grants		
Exxaro Namakwa Sands	-	-
Less: Unpaid Public Contributions		
Matzikama Ontwikkeling Trust	-	(616 689)
Correction of Error see note 37.01(c)		616 689
Total Public Contributions and Receipts	-	0
Reconciliation of public contributions:		
Exxaro Namakwa Sands and Matzikama Development Trust		
Opening balance	0	713 859
Contributions received	-	2 000 000
Conditions met - Transferred to revenue	-	(3 330 548)
Correction of Error see note 37.01(c)		616 689
Closing balance	0	0

Contributions received from Exxaro Namakwa Sands (mining) is subject to conditions. The contribution was used to utilised community development and infrastructure.

	2013 R	2012 R
12 TAXES		
12.1 VAT PAYABLE		
VAT Payable	389 597	-
VAT Output in suspense	2 847 332	2 624 551
Less: Contribution to provision for impairment of trade receivables from exchange transactions	(1 570 170)	(1 463 868)
Opening balance	(1 463 868)	(1 658 077)
Movement for the year	(106 302)	194 209
Total VAT Payable	1 666 759	1 160 682
12.2 VAT RECEIVABLE		
VAT Receivable	-	339 377
VAT Input in suspense	2 914 933	1 699 467
Balance previously reported		1 658 630
Correction of error - see note 37.01(w)		40 837
Total VAT Receivable	2 914 933	2 038 844
12.3 NET VAT RECEIVABLE/(PAYABLE)	1 248 174	878 161

VAT is receivable/payable on the cash basis.

	2013 R	2012 R
14 INVESTMENT PROPERTY		
Carrying amount at 1 July	45 067 300	45 067 300
Balance previously reported		37 235 800
Correction of error - see note 37.01 (d)		7 831 500
Fair value gain/(losses)	10 017 950	
Carrying amount at 30 June	55 085 250	45 067 300

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.

Fair value valuations were performed by an independent firm, South Cape Valuers. The valuator, Stephanus Janse Hendrikus de Swardt is a Professional Associated Valuer (registration no 2970) at the South African Council for Property Valuers Profession

The method to be applied in the assessment of value will properly reflect the actions of buyers and sellers, as well as the approach typically followed by market participants, including

brokers, in the assessment of selling prices. It will also reflect market circumstances at the time, such as the availability of property for rental and sale and the respective strengths and weaknesses of buyers and sellers.

	890 254	956 508
15 INTANGIBLE ASSETS		
Computer Software and Servitudes		
Net Carrying amount at 1 July 2012		
Cost	1 341 554	1 320 162
Accumulated Amortisation	(451 300)	(363 654)
Balance previously reported		(363 903)
Correction of error - see note 37.01 (j)		249
Additions	-	21 392
Amortisation	(88 077)	(87 645)
Balance previously reported		(87 874)
Correction of error - see note 37.01 (j)		228
Net Carrying amount at 30 June 2013	802 177	890 254
Cost	1 341 554	1 341 554
Accumulated Amortisation	(539 377)	(451 300)

Computer Software were assets to have a life span of 15 years, Servitudes has an indefinite life span

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

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

16 LONG-TERM RECEIVABLES		
Housing Selling Scheme Loans	633 132	683 512
Receivables subject to repayment arrangements	1 790 373	2 158 961
Total Long Term Receivables	2 423 505	2 842 473
Less: Allowance for Doubtful Debts	(1 528 319)	(1 421 237)
Total Net Long Term Receivables	895 186	1 421 236
Less: Current portion transferred to current receivables	(636 520)	(858 652)
Housing Selling Scheme Loans		(144 701)
Receivables subject to repayment arrangements	(636 520)	(713 951)
Total Long Term Receivables	258 666	562 584
The carrying amount of these assets approximates their fair value.		
The provision for Impairment could be allocated to the different classes of Long Term Receivables as follows:		
Housing Selling Scheme Loans	(633 132)	(341 756)
Receivables subject to repayment arrangements	(895 187)	(1 079 481)
Provision for impairment	(1 528 319)	(1 421 237)

Housing loans are not granted to officials of the municipality, it is in respect of the old housing schemes. The outstanding amount relates to prior years and is not collectable. Housing loans which attract interest at 3-10% per annum and which are repayable over a maximum period of 20 years.

Receivables subject to repayment arrangements are debtors which are repaying their outstanding consumers accounts over a period of more than 12 months.

	2013 R	2012 R
17 INVENTORY		
Consumable Stores - at cost	324 254	593 882
Water - at purification cost	336 045	255 628
Graves - at nett realisable value	52 632	105 263
Niss Wall - at cost	-	176 800
Correction of error - see note 37.01(u)		(176 800)
Housing Inventory - at cost	1 208 407	1 236 759
Land Held for Resale - at cost	134 872	261 181
Correction of error - see note 37.01(t)		(67 432)
Total Inventory	2 056 210	2 385 291
No inventory assets were pledged as security for liabilities.		

	2013 R	2012 R
18 RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Service Receivables	36 812 780	32 318 723
Electricity	6 779 100	6 674 172
Water	5 533 556	5 290 641
Refuse	4 952 551	3 980 389
Sewerage	7 129 200	5 949 943
Other	12 418 372	10 423 578
Other Receivables	216 738	40 823
Sundry Receivables	216 738	40 823
Total Receivables from Exchange Transactions	37 029 518	32 359 546
Less: Allowance for Doubtful Debts	(17 142 621)	(15 288 990)
Total Net Receivables from Exchange Transactions	19 886 897	17 070 557

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.

Receivables to an amount R4 million are pledged as security for financial liabilities.

	2013 R	2012 R
Reconciliation of Provision for Bad Debts		
Balance at beginning of year	18 561 713	16 500 292
Contribution to provision	3 718 642	7 259 448
Bad Debts Written Off	(1 609 944)	(5 198 028)
Balance at end of year	20 670 410	18 561 713
Receivables from Exchange Transactions	17 142 621	15 288 990
Receivables from Non-Exchange Transactions	1 999 470	1 851 486
Long term receivables	1 528 319	1 421 237

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

	2013 R	2012 R
Ageing of Receivables from Exchange Transactions:		
(Electricity): Ageing		
Current (0 - 30 days)	4 255 321	3 916 906
31 - 60 Days	945 902	845 440
61 - 90 Days	232 050	331 736
91 - 120 Days	100 558	187 514
+ 120 Days	1 245 270	1 392 577
Total	6 779 100	6 674 172
(Water): Ageing		
Current (0 - 30 days)	874 447	836 440
31 - 60 Days	430 597	376 962
61 - 90 Days	265 739	291 851
91 - 120 Days	201 372	282 437
+ 120 Days	3 761 401	3 502 951
Total	5 533 556	5 290 641
(Refuse): Ageing		
Current (0 - 30 days)	657 610	614 544
31 - 60 Days	344 079	290 322
61 - 90 Days	242 629	189 723
91 - 120 Days	198 301	157 400
+ 120 Days	3 509 932	2 728 400
Total	4 952 551	3 980 389
(Sewerage): Ageing		
Current (0 - 30 days)	917 891	877 081
31 - 60 Days	488 583	409 222
61 - 90 Days	350 775	259 265
91 - 120 Days	277 134	218 590
+ 120 Days	5 094 817	4 185 785
Total	7 129 200	5 949 943
(Other): Ageing		
Current (0 - 30 days)	465 833	515 059
31 - 60 Days	471 357	486 625
61 - 90 Days	302 912	374 620
91 - 120 Days	347 642	273 184
+ 120 Days	10 830 628	8 768 090
Total	12 418 372	10 423 576
(Totals): Ageing		
Current (0 - 30 days)	7 171 101	6 760 031
31 - 60 Days	2 680 518	2 408 571
61 - 90 Days	1 394 105	1 447 194
91 - 120 Days	1 125 006	1 125 124
+ 120 Days	24 442 048	20 577 803
Total	36 812 780	32 318 723

	2013 R	2012 R
19 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Rates	5 380 412	4 984 251
Other Receivables	473 711	583 124
Electricity Deposits	242 546	236 141
Suspense Debtors	231 165	346 983
Total Receivables from Non-Exchange Transactions	5 854 122	5 567 375
Less: Allowance for Doubtful Debts	(1 999 470)	(1 851 486)
Total Net Receivables from Non-Exchange Transactions	3 854 652	3 715 889

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

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

Ageing of Receivables from Non-Exchange Transactions:

	2013 R	2012 R
(Rates): Ageing		
Current (0 - 30 days)	1 622 669	1 614 711
31 - 60 Days	510 253	457 858
61 - 90 Days	253 996	260 603
91 - 120 Days	204 685	197 874
+ 120 Days	2 788 809	2 453 206
Total	5 380 412	4 984 251

20	OPERATING LEASE ARRANGEMENTS	2013 R	2012 R
20.1	The Municipality as Lessee (Liability)		
	Balance on 1 July	3 059	3 059
	Movement during the year	(3 059)	-
	Balance on 30 June	<u>(0)</u>	<u>3 059</u>
	At the Statement of Financial Position date, where the Municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:		
	Up to 1 Year	-	20 115
	1 to 5 Years	-	-
	More than 5 Years	-	-
	Total Operating Lease Arrangements	<u>-</u>	<u>20 115</u>
	Matzikama Municipality is leasing a community centre at Klawer, from Transnet (Pty) Ltd for 5 year during the period October 2007 to September 2012 with a escalation of 9% per year.		
	The municipality does not engage in any sub-lease arrangements.		
	The municipality did not pay any contingent rent during the year		
20.2	The Municipality as Lessor (Asset)		
	Balance on 1 July	40 312	40 312
	Movement during the year	(4 838)	-
	Balance on 30 June	<u>35 474</u>	<u>40 312</u>
	At the Statement of Financial Position date, where the Municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
	Up to 1 Year	36 260	79 232
	1 to 5 Years	119 862	155 570
	More than 5 Years	711	1 263
	Total Operating Lease Arrangements	<u>156 833</u>	<u>236 065</u>
	This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.		
	Matzikama Municipality is leasing land and buildings to different rate payers for periods ranging from 36-120 months with escalations of between 3% and 10% per year.		
	The leases are in respect of land and buildings being leased out for previous ranging until 2019.		
	The municipality does not engage in any sub-lease arrangements.		
	The municipality did not receive any contingent rent during the year		

		2013 R	2012 R
21	CASH AND CASH EQUIVALENTS		
	Assets		
	Bank Accounts	2 311 955	4 532 946
	Cash Floats	6 800	6 800
	Total Cash and Cash Equivalents - Assets	2 318 755	4 539 746
	Liabilities		
	ABSA Bank - Account Number 4550-1900-3588-9018	-	5 176
	Total Cash and Cash Equivalents - Liabilities	-	5 176
	The Municipality has the following bank accounts:		
	Current Accounts - Assets		
	ABSA Bank - Account Number 4550-1900-3588-9018	-	-
	ABSA Bank - Account Number 40-5057-5029	1 691 052	3 913 695
	ABSA Bank - Account Number 40-7513-2844	4 200	-
	ABSA Bank - Account Number 40-7512-9982	4 036	1 911
	ABSA Bank - Account Number 40-7554-5657	-	11 690
	ABSA Bank - Account Number 40-7670-7628	612 668	605 650
		2 311 955	4 532 946
	Current Accounts - Liabilities		
	ABSA Bank - Account Number 4550-1900-3588-9018	-	5 176
	ABSA Bank - Account Number 40-5057-5029		
	Cash book balance at beginning of year	3 913 695	1 567 937
	Cash book balance at end of year	1 691 052	3 913 695
	Bank statement balance at beginning of year	3 913 695	1 522 302
	Bank statement balance at end of year	1 691 052	3 913 695
	ABSA Bank - Account Number 40-7513-2844		
	Cash book balance at beginning of year	-	-
	Cash book balance at end of year	4 200	-
	Bank statement balance at beginning of year	-	-
	Bank statement balance at end of year	4 200	-
	ABSA Bank - Account Number 40-7512-9982		
	Cash book balance at beginning of year	1 911	121
	Cash book balance at end of year	4 036	1 911
	Bank statement balance at beginning of year	1 911	121
	Bank statement balance at end of year	4 036	1 911
	ABSA Bank - Account Number 40-7554-5657		
	Cash book balance at beginning of year	11 690	-
	Cash book balance at end of year	-	11 690
	Bank statement balance at beginning of year	11 690	-
	Bank statement balance at end of year	-	11 690
	ABSA Bank - Account Number 40-7670-7628		
	Cash book balance at beginning of year	605 650	154 194
	Cash book balance at end of year	612 668	605 650
	Bank statement balance at beginning of year	605 650	154 194
	Bank statement balance at end of year	612 668	605 650
	ABSA Bank - Account Number 4550-1900-3588-9018		
	Cash book balance at beginning of year	(5 176)	(34 453)
	Cash book balance at end of year	-	(5 176)
	Bank statement balance at beginning of year	(5 176)	(34 453)
	Bank statement balance at end of year	-	(5 176)

22	PROPERTY RATES		
	Actual		
	Rateable Land and Buildings		
	Residential, Commercial Property, State	26 714 399	24 546 082
	Total Assessment Rates	26 714 399	24 546 082
	Rates:		
	Residential	0.00830 c/R	0.00729 c/R
	Commercial	0.00830 c/R	0.00729 c/R
	Agricultural (2010 - less 65% rebate)	0.00176 c/R	0.00182 c/R
	DMA Agricultural	0.00044 c/R	

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2013 R	2012 R
23 GOVERNMENT GRANTS AND SUBSIDIES		
Unconditional Grants	36 388 000	32 066 000
Equitable Share	36 388 000	32 066 000
Conditional Grants	59 286 993	37 208 814
CDW's	205 214	207 061
Department of Mineral Resources	1 433 101	1 132 438
Department of Sport and Culture	219 119	280 059
Doringbaai Lobster Holdings	-	-
DOW: Vanthynsdorp	311 362	193 638
Revenue Enhancement	-	300 000
FMG	1 250 000	-
Hoodia Project	-	-
Housing	24 488 993	17 030 829
Housing Consumer Education	-	-
Library Services	3 017 577	2 917 000
Lotto	-	-
MIG	18 584 000	10 684 910
MSIG	800 000	-
EPWP	1 125 436	1 001 000
RBIG Water	-	(0)
ACIP	6 228 056	233 143
Neighbourhood Development	1 177 779	2 576 815
Department of Sport and Culture	-	-
Taxi Terminus	348 078	651 922
Exxaro Namaakwa Sands	-	-
West Coast Community Trust	-	-
Thusong Centre-DMA	98 277	-
Total Government Grants and Subsidies	95 674 993	69 274 814
Government Grants and Subsidies - Capital	47 287 055	32 342 482
Government Grants and Subsidies - Operating	48 387 938	36 932 332
	95 674 993	69 274 814

Revenue recognised per vote as required by Section 123 (c) of the MFMA

Equitable share	36 388 000	32 066 000
Executive and Council	205 214	207 061
Budget and treasury office	48 537 053	32 642 482
Corporate Services	800 000	-
Planning and Development	-	-
Health	-	-
Community and social services	3 075 374	2 863 767
Housing	4 884 475	-
Public Safety	-	-
Sport and Recreation	-	201 764
Environmental Protection	-	-
Waste Management	-	-
Waste Water Management	-	-
Road Transport	1 473 514	1 001 000
Water	311 362	(0)
Electricity	-	292 740
	95 674 992	69 274 814

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

23.1 Equitable share

Opening balance	-	-
Grants received	36 388 000	32 066 000
Conditions met - Operating	(36 388 000)	(32 066 000)
Conditions met - Capital	-	-
Grant Expenditure to be recovered	-	-
	-	-

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

23.2 Local Government Financial Management Grant (FMG)

Opening balance	-	(1 250 000)
Grants received	1 250 000	1 250 000
Conditions met - Operating	(1 250 000)	-
Conditions met - Capital	-	-
Grant Expenditure to be recovered	-	-0
	-	-0

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

23.3 Municipal Systems Improvement Grant

Opening balance	-	(790 000)
Grants received	800 000	790 000
Conditions met - Operating	(800 000)	-
Conditions met - Capital	-	-
Grant Expenditure to be recovered	-	-
	-	-

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

	2013 R	2012 R
23.4 Municipal Infrastructure Grant (MIG)		
Opening balance	0	(4 636 090)
Grants received	18 584 000	15 321 000
Conditions met - Operating	-	-
Conditions met - Capital	(18 584 000)	(10 684 910)
Grant Expenditure to be recovered	<u>0</u>	<u>0</u>
The grant was used to upgrade infrastructure in previously disadvantaged areas.		
23.5 Housing Grants		
Opening balance	-	399 412
Grants received	24 488 993	16 631 417
Conditions met - Operating	(4 884 474)	-
Conditions met - Capital	(19 604 519)	(17 030 829)
Conditions still to be met	<u>-</u>	<u>-</u>
Housing grants was utilised for the development of erven and the erection of top structures.		
	2013	2012
	R	R
23.6 Department of Mineral Resources		
Opening balance	2 045 015	585 452
Grants received	-	2 592 000
Conditions met - Operating	-	(292 740)
Conditions met - Capital	(1 433 101)	(839 697)
Grants withheld	(551 000)	-
Conditions still to be met	<u>60 913</u>	<u>2 045 015</u>
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
23.7 Other Grants		
Opening balance	3 907 135	4 119 497
Grants received	13 061 743	8 156 000
Grants withheld	(2 800 000)	(106 000)
Transfer from DMA	-	98 277
Conditions met - Operating	(5 065 464)	(5 765 786)
Correction of error- see note 37.01(b)	-	1 192 194
Conditions met - Capital	(7 665 434)	(3 787 046)
Write off - Irrecoverable grant expenditure	-	-
Conditions still to be met(Grant Expenditure to be recovered)	<u>1 437 980</u>	<u>3 907 135</u>
Various grants were received from other spheres of government (e.g. Library Services Grant and Neighbourhood Development Grant).		
23.8 Total Grants		
Opening balance	5 952 150	(1 571 729)
Grants received	94 572 736	76 806 417
Grants withheld	(3 351 000)	(106 000)
Transfer from DMA	-	98 277
Conditions met - Operating	(48 387 939)	(36 932 333)
Conditions met - Capital	(47 287 053)	(32 342 482)
Write off - Irrecoverable grant expenditure	-	-
Conditions still to be met(Grant expenditure to be recovered)	<u>1 498 893</u>	<u>5 952 150</u>
Disclosed as follows:		
Unspent Conditional Government Grants and Receipts	1 980 364	6 176 932
Unpaid Conditional Government Grants and Receipts	(481 470)	(224 781)
	<u>1 498 894</u>	<u>5 952 151</u>
	2013	2012
	R	R
24 SERVICE CHARGES		
Electricity	67 907 264	64 435 598
Service Charges	68 620 951	65 361 444
Less: Rebates	(713 686)	(925 846)
Water	10 749 878	11 659 931
Service Charges	12 236 964	13 018 705
Less: Rebates	(1 487 086)	(1 358 774)
Refuse removal	7 302 572	6 657 627
Service Charges	10 520 403	9 813 149
Less: Rebates	(3 217 831)	(3 155 522)
Sewerage and Sanitation Charges	10 160 993	9 306 441
Service Charges	14 830 545	13 831 113
Less: Rebates	(4 669 552)	(4 524 672)
Total Service Charges	<u>96 120 707</u>	<u>92 059 597</u>
Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		

25	OTHER INCOME	2013 R	2012 R
	Advertising	8 880	3 852
	Application Fees - Town Planning	58 333	50 533
	Building Plan Fees	179 091	247 269
	Cemetery	271 432	271 984
	Cemetery Digging	11 057	9 781
	Driveways	-	16 696
	Encroachments	33 282	80 347
	Housing Redesmed	62 488	69 655
	Insurance Claims	59 871	535 181
	Photocopies	28 236	21 780
	Refuse Bags	717	628
	Roadworthy Certificates	664 943	652 453
	Subscription Fees	395	570
	Sundry Income - Finance	427 167	860 321
	Valuation Certificates	49 981	50 091
	Land Sales	328 750	92 178
	Telephone	129 554	-
	Transfer from DMA	-	30 816 959
	Correction of error - see note 37.01(v)	-	175 379
	Total Other Income	2 314 177	33 955 857

26	FAIR VALUE ADJUSTMENTS	2013 R	2012 R
	Fair Value adjustments of Investment Property	10 017 950	-
	Total	10 017 950	-

27	EMPLOYEE RELATED COSTS	2013 R	2012 R
	Bonuses	3 391 498	3 382 300
	Contributions for UIF, pensions and medical aids	10 957 471	10 314 297
	Housing Subsidy	237 552	182 072
	Long service awards	402 986	328 319
	Overtime	1 662 034	2 178 134
	Post Employment Health	891 559	434 315
	Protective Clothing	386 304	384 874
	Provision for Staff Leave	428 275	1 483 455
	Salaries and Wages	47 894 991	42 450 385
	Skills Development Levy and Training	551 439	841 926
	Travel, motor car, telephone, assistance and other allowances	2 849 931	3 452 241
	Total Employee Related Costs	69 654 041	65 432 318

KEY MANAGEMENT PERSONNEL

Municipal Manager is appointed on a 5 year fixed contract. There are no post-employment or termination benefits payable at the end of the contract period. All other Directors are permanently appointed.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager: D O'NEILL

Annual Remuneration	1 107 882	1 062 045
Performance Bonuses	80 760	66 583
Total	1 188 642	1 128 628

Remuneration of the Director Technical Services: J PEKEUR

Annual Remuneration	725 014	652 980
Performance Bonuses	52 238	30 044
Total	777 252	683 024

Remuneration of the Director Corporate Services: W CONRADIE

Annual Remuneration	658 440	598 276
Performance Bonuses	46 020	30 113
Total	704 460	628 389

Remuneration of the Director Community Services: J SWARTZ

Annual Remuneration	708 738	619 200
Performance Bonuses	49 536	35 844
Total	758 274	655 044

Remuneration of the Director Financial Services: K BRUWER

Annual Remuneration	-	703 128
Performance Bonuses	-	40 703
Total	-	743 831

Remuneration of the Director Financial Services: U BAARTMAN

Annual Remuneration	826 944	-
Performance Bonuses	-	-
Total	826 944	-

	2013 R	2012 R
28 REMUNERATION OF COUNCILLORS		
Salaries	3 491 383	3 436 898
Housing Subsidy	-	-
Travel, motor car, telephone, assistance and other allowances	831 847	996 022
Contributions for UIF, pensions and medical aids	317 496	-
Total Councillors' Remuneration	4 640 726	4 432 920
Mayor	598 939	582 679
Deputy Mayor	480 795	460 303
Speaker	508 866	480 300
Mayoral Committee	1 262 517	1 225 973
Councillors	1 799 609	1 703 666
Total Councillors' Remuneration	4 640 726	4 432 920
In-kind Benefits		
The Executive Mayor and all the committee members are part-time. The Mayor are provided with secretarial support and an office at the cost of the Council.		
29 DEBT IMPAIRMENT		
Trade Receivables from exchange transactions - Note 18	3 685 211	5 904 923
Trade Receivables from non-exchange transactions	33 431	1 354 525
VAT Portion of Provision - note 12	(106 302)	194 209
Total Contribution to Debt Impairment	3 612 340	7 453 657
30 DEPRECIATION AND AMORTISATION		
Property Plant and Equipment	12 582 853	14 921 103
Intangible Assets	88 077	87 645
Total Depreciation and Amortisation	12 670 930	15 008 748
31 IMPAIRMENTS		
Property, Plant & Equipment	62 958	2 953 947
Total Impairments	62 958	2 953 947
32 FINANCE CHARGES		
Long-term Liabilities	4 654 706	4 194 895
Landfill Sites	1 582 109	1 664 562
Post Employment Health	1 385 775	1 134 360
Long service awards	212 434	173 695
Interest paid on arrear account	223 811	-
	8 058 835	7 167 511
Less: Borrowing Cost Capitalised (Refer note 13 PPE)	(40 148)	(778 923)
Total Finance Charges	8 018 687	6 388 588
33 BULK PURCHASES		
Electricity	55 699 511	48 590 251
Water	4 006 217	3 601 019
Total Bulk Purchases	59 705 727	52 191 271
	2013 R	2012 R
34 GRANTS AND SUBSIDIES		
Donations General	50 750	165 000
Life Guards	55 455	116 096
Poverty Alleviation	15 154	13 911
Tourism	700 000	-
Sport development	15 000	-
Total Grants and Subsidies	836 358	295 007
35 Operating Grant Expenditure		
Operating grant expenditure per vote		
Executive and Council	278 029	129 633
Budget and treasury office	1 296 521	2 435 687
Corporate Services	599 879	8 990
Planning and Development	-	1 504 684
Health	-	-
Community and social services	180 012	823 270
Housing	4 884 474	-
Public Safety	-	-
Sport and Recreation	-	202 396
Environmental Protection	-	-
Waste Management	6 130	47 387
Waste Water Management	-	-
Road Transport	-	21 878
Water	-	1 047 534
Electricity	7 560	258 190
Total Operating grant expenditure	7 252 605	6 479 648

	2013 R	2012 R
36 GENERAL EXPENSES		
Advertisements	218 439	502 254
Audit Committee Fees	41 737	68 294
Audit Fees	1 358 122	1 235 492
Bank Charges	342 672	381 328
Cleaning Material	102 293	85 809
Commission Paid	887 240	943 513
Computer Charges	764 608	990 440
Consulting fees	-	256 092
Contributions	-	350 000
Development Programmes	61 983	22 088
Embellishment of Towns	1 990	34 648
Entertainment Costs	37 849	64 442
Gas	64 108	79 235
Information Signs	33 198	15 318
Insurance	1 561 491	1 387 228
Interest paid on arrear account	-	-
Photocopies	27 437	21 270
Postage	30 413	29 907
Printing and Stationary	879 349	846 243
Public Entertainment	95 032	247 426
Rental	87 673	79 516
Security Costs	656 945	808 667
Service Connection Fees	618 024	636 841
Services	111 995	339 819
Subscription Fees	611 265	457 910
Survey Costs	6 150	16 000
Telephone	1 378 628	1 524 666
Training Costs	158 265	16 384
Travel and Subsistence	1 266 402	1 713 075
Valuation Costs	217 056	504 450
Other	3 786 286	2 801 172
VAT Review	-	6 312
Prodiva payments	194 300	211 725
TV Licences	-	6 500
General Expenses	15 602 951	16 684 044

37 CORRECTION OF ERROR IN TERMS OF GRAP 3

- 37.01 (a)** Contracted service payments for MVS amounting to R284 545 was not accrued as a creditor in the previous Financial year. This is now rectified with the following entries: (Dt) Accumulated Surplus 2010/11 (Contracted Services) R284 545 (Ct) Payables from Exchange Transactions R284 545
- (b)** Correction of Unpaid Government Grants & Subsidies - RBIG R expenditure wrongfully classified as grant expenditure This is now rectified with the following entries: (Dt)Accumulated Surplus 2011/12 R1 192 194 (Government Grants and Subsidies Operating Revenue) (Ct) Unpaid Grants and Subsidies R1 192 194
- (c)** Correction of Unpaid Public Contributions - Matzikama trust, expenditure wrongfully classified as grant expenditure This is now rectified with the following entries: (Dt)Accumulated Surplus 2011/12, R616 689 (Public Contributions Operating Revenue) (Ct) Unpaid Public Contributions R616 689 (Matzikama Trust)
- (d)** Correction of Opening balance Investment Property, property valuation was incorrectly performed by the valuator. This is now rectified with the following entries: (Dt) Investment Property R7 831 500 , (Ct) Accumulated Surplus Prior year, R7 831 500
- (e)** Correction of Opening balance Acc Depreciation 2012 and Annual depreciation 2011/12 due to the recalculation of depreciation using 365.25 days and the RUL with the following entries (Dt)Accumulated Surplus 2010/11 R 6062, (Dt) Acc Surplus 2011/12 R 7217.73 (Depreciation) and (Ct)Accumulated Depreciation Other Assets, R13 461. 23
- (f)** Correction of Opening balance Acc Depreciation 2012 and Annual depreciation 2011/12 due to the recalculation of depreciation using 365.25 days and the RUL with the following entries (Dt)Accumulated Surplus 2010/11 R 952.62, (Dt) Acc Surplus 2011/12 R 654.67 (Depreciation) and (Ct)Accumulated Depreciation Land&Buildings, R1607.29
- (g)** Correction of Opening balance Acc Depreciation 2012 and Annual depreciation 2011/12 due to the recalculation of depreciation using 365.25 days and the RUL with the following entries (Dt)Accumulated Surplus 2010/11 R 1763.11, (Dt) Acc Surplus 2011/12 R 1204.69 (Depreciation) and (Ct)Accumulated Depreciation Community Assets, R2967.80
- (h)** Correction of Opening balance Acc Depreciation 2012 and Annual depreciation 2011/12 due to the recalculation of depreciation using 365.25 days and the RUL with the following entries (Dt)Accumulated Surplus 2010/11 R 4892.60, (Dt) Acc Surplus 2011/12 R 2320.02 (Depreciation) and (Ct)Accumulated Depreciation Electricity, R7212.62
- (i)** Correction of Opening balance Acc Depreciation 2012 and Annual depreciation 2011/12 due to the recalculation of depreciation using 365.25 days and the RUL with the following entries (Dt)Accumulated Surplus 2010/11 R33217.80 , (Dt) Acc Surplus 2011/12 R 62121.60 (Depreciation)and (Ct)Accumulated Depreciation Infrastructure Assets, R115339.40
- (j)** Correction of Opening balance Acc Depreciation 2012 and Annual depreciation 2011/12 due to the recalculation of depreciation using 365.25 days and the RUL with the following entries (Dt)Accumulated Surplus 2010/11 R 249.04, (Dt) Acc Surplus 2011/12 R 228.11(Depreciation) and (Ct)Accumulated Depreciation Intangible Assets, R477.15
- (k)** Correction of Opening balance Land&Buildings. Housing scheme properties still appears on the register, although was handed over and no longer municipal property. This was done with the following entries (Dt) Acc Surplus 2010/11 R2 501 500, (Kt) Land&Buildings at Cost R2 501 500
- (l)** First time recognition of OTHER Assets at cost as at 1 July 2007 with the following entries. (Dt) Other Assets at Cost, R 1 166 841.45, (Ct) Acc Surplus 2010/11 R 1 166 841.45
- (m)** First time recognition of Acc Depreciation OTHER Assets Opening opening balance 2011/12 with the following entries (Dt)Acc Surplus 2010/11 R 235304.06, (Ct) Acc Depreciation Other assets, R 234304.06
- (n)** First time recognition of Depreciation for 2011/12 with the following entries, (Dt) Acc Surplus 2011/12, R95217.33, (Ct) Acc Depreciation Other Assets R95217.33
- (o)** Correction of Land & Buildings Work in Progress , incorrectly capitalised. This is now corrected with the following entries. (Dt) Acc Surplus Current year (Impairment loss) R2 938 665.08, (Ct) Land & Buildings Accumulated Impairments R2 938 665.08
- (p)** Correction of Infrastructure -Sewerage Work in Progress 2011/12. Consultancy fees incorrectly capitalised, project will not continue. This is corrected with the following entries (Dt) Acc Surplus 2011/12, R172177.90. (Ct) Infrastructure at Cost, R172177.90
- (q)** Correction of Electricity Assets 2011/12 Depreciation. Asset was incorrectly classified as WIP. This is now corrected with the following entries, (Dt) Acc Surplus 2011/12 R3095.97, (Ct) Acc Depreciation Electricity R3095.97
- (s)** Correction of Infrastructure Sewerage 2011/12 Depreciation. Asset previously incorrectly classified as WIP. This is now corrected with the following entries (Dt) Acc Surplus 2011/12 R93.98, (Ct) Acc Depreciation Infrastructure R93.98
- (t)** Correction of operating expenditure incorrectly allocated against inventory. This is now corrected with the following entry, (Dt) Acc Surplus Prior year R67 431.23, (Ct) Inventory R67 431.23
- (u)** Correction of the Nis wall incorrectly classified as inventory . This is now corrected with the following entry, (Dt) Acc Surplus Prior Year R176800, (Ct) Nis wall Inventory R176800
- (v)** Correction of Other Asset Additions 2011/12 - Opel Combo bus was donated from Department of Health . This is now corrected with the following entries (Dt) Other Assets at Cost R68500, (Ct) Acc Surplus Current year R68 500 (Other revenue), and (Dt) Acc Suptus Current year (Depreciation) R1843.75, (Ct) Acc Depreciation Other Assets R1843.75
- (w)** Correction of 2011/12 WIP - Invoice for 2011/12 was incorrectly captured in 2012/13 financial year. This is now corrected with following entries: (Dt) Payables from Exchange Transactions R332532, (Dt) Vat receivable R40837, (Dt) WIP 2011/12 - See COMAF 29, no impact on accumulated surplus.

	2012 R	2011 R
37.02 Accumulated Surplus/(Deficit)		
Balance previously reported	294 819 129	256 632 020
Correction of Payables from exchange transactions-see note 37.01(a)	(284 546)	-
Correction of Unpaid Conditional grants - see note 37.01(b)	(1 192 194)	-
Correction of Unpaid Public Contributions - see note 37.01(c)	(616 689)	-
Correction of Investment Property Opening balance - see note 37.01 (d)	7 831 500	7 831 500
Correction of Acc Depreciation Opening Balance Other Assets - see note 37.01(e)	6 062	6 062
Correction of Depreciation 2011/12 Other Assets - see note 37.01(e)	7 218	-
Correction of Acc Depreciation Opening balance Land&Buildings see note 37.01(f)	953	953
Correction of Depreciation 2011/12 Land&Buildings see note 37.01 (f)	655	-
Correction of Acc Depreciation Opening balance Community Assets see note 37.01(g)	1 763	1 763
Correction of Depreciation 2011/12 Community Assets - see note 37.01(g)	1 205	-
Correction of Acc Depreciation Opening balance Electricity assets - see note 37.01(h)	4 893	4 893
Correction of Depreciation 2011/12 Electricity assets - see note 37.01(h)	2 320	-
Correction of Acc Depreciation Opening balance Infrastructure assets - see note 37.01(i)	33 218	33 218
Correction of Depreciation 2011/12 Infrastructure assets - see note 37.01(i)	82 122	-
Correction of Acc Depreciation Opening balance Intangible Assets - see note 37.01(j)	249	249
Correction of Depreciation 2011/12 Intangible Assets - see note 37.01(j)	228	-
Correction of Land&Buildings at cost Opening balance - see note 37.01(k)	(2 501 500)	(2 501 500)
Correction of Other assets at Cost opening balance- see note 37.01(l)	1 059 963	1 059 963
Correction of Other assets at Cost 2011/12 - see note 37.01(l)	106 879	-
Correction of Acc Depreciation Opening balance Other Assets - see note 37.01(m)	(234 304)	(234 304)
Correction of Depreciation Other Assets 2011/12 - see note 37.01(n)	(95 217)	-
Correction of Land & Buildings 2011/12 Closing balance - see note 37.01(o)	(1 945 145)	-
Correction of Land&Buildings Cost -Work in Progress 2011/12 - see note 37.01(o)	(993 520)	-
Correction of Infrastructure Sanitation Opening balance 2010/11- see note 37.01(p)	(172 178)	(172 178)
Correction of Depreciation 2011/12 Infrastructure assets- see note 37.01(q)	(3 096)	-
Correction of Depreciation 2011/12 Infrastructure assets - see note 37.01(s)	(94)	-
Correction of Inventory Opening balance 2012 - see note 37.01(t)	(67 432)	(67 432)
Correction of Inventory Opening balance 2012 - see note 37.01(u)	(176 800)	(176 800)
Correction of Other Assets 2011/12 Cost - see note 37.01(v)	68 500	-
Correction of Other Assets 2011/12 Depreciation - see note 37.01(v)	(1 844)	-
Restated Balance	295 742 295	262 418 405
	2012 R	2011 R
37.03 Payables from exchange transactions		
Balance previously reported	21 823 095	-
Correction of Contracted services-see note 37.01(a)	284 546	-
Correction of Payables from exchange transactions - see 37.01(w)	332 532	-
Total	22 440 173	-
37.04 Unpaid Grants and Subsidies		
Balance previously reported	1 416 975	-
Correction of Unpaid Government Grants and Subsidies note 37.01(b)	(1 192 194)	-
Total	224 781	-
37.05 Unpaid Public Contributions		
Balance previously reported	616 689	-
Correction of Unpaid Public Contributions note 37.01 (c)	(616 689)	-
Total	-	-
37.06 Investment Property		
Balance previously reported	37 235 800	37 235 800
Correction 1 July 2011 balance - Investment Property note 37.01 (d)	7 831 500	7 831 500
Total	45 067 300	45 067 300
	2012	2011
	COST	COST
37.07 Property Plant & Equipment		
Balance previously reported Property Plant & Equipment at Cost	467 542 039	382 955 987
Correction of Land&Buildings at cost Opening balance - see note 37.01(k)	(2 501 500)	(2 501 500)
Correction of Other assets at Cost opening balance-see note 37.01(l)	1 059 964	1 059 963
Correction of Other assets at Cost 2011/12 - see note 37.01(l)	106 879	-
Correction of Land & Buildings at Cost Opening balance - see note 37.01(o)	(1 945 145)	-
Correction of Land&Buildings Work in Progress 2011/12 - see note 37.01(o)	(993 520)	-
Correction of Infrastructure Sanitation Opening balance 2010/11- see note 37.01(p)	(172 178)	(172 178)
Correction of Other assets at Cost 2011/12- see note 37.01 (v)	68 500	-
Correction of Roads Infrastructure Work in Progress 2011/12 - see note 37.01 (w)	291 695	-
Total	463 456 733	381 342 272
	ACC DEPR	ACC DEPR
Balance previously reported Property Plant & Equipment - Accumulated Depreciation	95 164 159	80 234 507
Correction of Acc Depreciation Opening Balance Other Assets - see note 37.01(e)	(6 062)	(6 062)
Correction of Depreciation 2011/12 Other Assets - see note 37.01(e)	(7 218)	-
Correction of Acc Depreciation Opening balance Land&Buildings see note 37.01(f)	(953)	(953)
Correction of Depreciation 2011/12 Land&Buildings see note 37.01 (f)	(655)	-
Correction of Acc Depreciation Opening balance Community Assets see note 37.01(g)	(1 763)	(1 763)
Correction of Depreciation 2011/12 Community Assets - see note 37.01(g)	(1 205)	-
Correction of Acc Depreciation Opening balance Electricity assets - see note 37.01(h)	(4 893)	(4 893)
Correction of Depreciation 2011/12 Electricity assets - see note 37.01(h)	(2 320)	-
Correction of Acc Depreciation Opening balance Infrastructure assets - see note 37.01(i)	(33 218)	(33 218)
Correction of Depreciation 2011/12 Infrastructure assets - see note 37.01(i)	(82 122)	-
Correction of Acc Depreciation Opening balance Other Assets - see note 37.01(m)	234 304	234 304
Correction of Depreciation Other Assets 2011/12 - see note 37.01(n)	95 217	-
Correction of Depreciation 2011/12 Infrastructure assets- see note 37.01(q)	3 096	-
Correction of Depreciation 2011/12 Infrastructure assets - see note 37.01(s)	94	-
Correction of Depreciation 2011/12 Other assets - see note 37.01(v)	1 844	-
Total	95 358 308	80 421 923
37.08 Intangible Assets		
Balance Previously reported	889 777	956 259
Correction of Acc Depreciation Opening balance Intangible Assets - see note 37.01(j)	249	249
Correction of Depreciation 2011/12 Intangible Assets - see note 37.01(j)	228	-
Total	890 254	956 508
37.08 Inventory		
Balance Previously reported	2 629 524	1 946 511
Correction of Inventory 1 July 2011 balance - see note 37.01(t)	(67 432)	(67 432)
Correction of Inventory 1 July 2011 balance - see note 37.01(u)	(176 800)	(176 800)
Total	2 385 292	1 702 279

37.09 Taxes		
Balance Previously reported	1 998 007	
Correction of VAT receivable 2011/12 balance - see note 37.01(w)	40 837	
	2 038 844	
	2013	2012
	R	R
38 RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS		
Surplus/(Deficit) for the year	40 639 363	33 323 890
Adjustments for:		
Depreciation and Amortisation	12 670 930	15 008 748
Gain on disposal of property, plant and equipment	(0)	-
Change in provision for rehab coats	1 408 285	-
Grants received	91 221 736	76 798 694
Grants recognised as revenue	(95 674 992)	(69 274 814)
Debt Impairment	3 718 642	7 259 448
Bad Debts Written off	(1 609 944)	(5 198 028)
Contribution from/to employee benefits - non-current	2 892 754	2 070 689
Contribution from/to employee benefits - non-current - expenditure incurred	(957 572)	(882 366)
Actuarial Losses	25 071	4 200 157
Actuarial Gains	(1 085 869)	-
Contribution to employee benefits – current	3 879 783	5 046 273
Contribution to employee benefits – current - expenditure incurred	(4 056 741)	(5 325 671)
Contribution to provisions – non-current	173 824	1 664 562
Impairment written off	62 958	2 953 947
Operating lease income accrued	4 838	817
Operating lease expenses accrued	(3 059)	(10 573)
Loss on disposal of Property, Plant and Equipment	3 767 727	-
Fair value adjustments	(10 017 950)	-
Transfer from DMA	-	(30 642 663)
Operating Surplus before changes in working capital	47 059 782	36 993 109
Changes in working capital	2 714 151	(6 854 714)
Increase in Payables from Exchange Transactions	7 711 801	1 792 355
Increase in Unspent Public Contributions	-	(713 859)
Increase/(Decrease) in Taxes	(370 013)	(3 120 239)
(Increase)/Decrease in Inventory	329 081	(683 011)
(Increase)/Decrease in Receivables from Exchange Transactions	(4 669 371)	(3 660 509)
(Increase)/Decrease in Receivables from Non-Exchange Transactions	(286 747)	(469 452)
(Increase)/Decrease in Unpaid Public Contributions	-	-
Cash generated/(absorbed) by operations	49 773 933	30 138 395
	2013	2012
	R	R
39 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Cash Floats - Note 21	6 800	6 800
Bank - Note 21	2 311 955	4 532 946
Bank Overdraft - Note 21	-	(5 176)
Total cash and cash equivalents	2 318 755	4 534 570
	2013	2012
	R	R
40 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 39	2 318 755	4 534 570
Less:	3 647 122	7 337 614
Unspent Committed Conditional Grants - Note 10	1 980 364	6 176 932
VAT Payable - Note 12	1 666 759	1 160 682
Net cash resources available for internal distribution/(resources utilised for internal distribution)	(1 328 367)	(2 803 044)
	2013	2012
	R	R
41 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 3	40 583 320	46 980 091
Used to finance property, plant and equipment - at cost	(40 583 320)	(46 980 091)
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

42 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

R R

42.1 **Unauthorised expenditure**

Reconciliation of unauthorised expenditure:

Opening balance	61 674 600	25 489 995
Unauthorised expenditure current year - capital	9 459 650	7 020 296
Unauthorised expenditure current year - operating	3 465 962	29 164 309
Written off by council	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation by municipal council	74 600 211	61 674 600

Incident	Disciplinary steps/criminal proceedings		
Over expenditure on votes	None	11 597 244	33 381 561
Utilisation of grant monies for operational expenditure	None	1 328 367	2 803 044
		12 925 612	36 184 604

	2013 R (Actual)	2013 R (Budget)	2013 R (Variance)	2013 R (Unauthorised)
Unauthorised expenditure current year - capital				
COMMUNITY SERVICES	20 339 650	10 880 000	9 459 650	9 459 650
CORPORATE SERVICES	36 225	100 000	-63 775	0
EXECUTIVE AND COUNCIL	1 337 722	2 257 000	-919 278	0
FINANCE	21 159	30 000	-8 841	0
TECHNICAL SERVICES	23 439 431	26 264 844	-2 825 413	0
	45 174 187	39 531 844	5 642 343	9 459 650
Unauthorised expenditure current year - operating				
COMMUNITY SERVICES	34 583 129	34 019 899	563 230	563 230
CORPORATE SERVICES	15 029 579	17 444 765	-2 415 186	0
EXECUTIVE AND COUNCIL	13 071 191	13 260 670	-189 479	0
FINANCE	27 491 974	25 917 610	1 574 364	1 574 364
TECHNICAL SERVICES	110 258 720	117 967 910	-7 709 190	0
	200 434 594	208 610 854	-8 176 260	2 137 594

42.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance	613 189	613 189
Fruitless and wasteful expenditure current year	-	-
Written off by council	-	-
Transfer to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting further action	613 189	613 189

Incident	Disciplinary steps/criminal proceedings		
Interest and penalties on late payment of creditors	None	-	-
SARS interest and penalties relating to VAT	None	-	-
		-	-

42.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

Opening balance	39 081 620	33 273 685
Irregular expenditure current year	-	5 807 935
Written off by council	-	-
Transfer to receivables for recovery	-	-
Condonement supported by council	-	-
Irregular expenditure awaiting further action	39 081 620	39 081 620

Irregular expenditure awaiting condonement from National Treasury

Incident	Disciplinary steps/criminal proceedings		
Purchases made without tax clearance certificates	None	-	-
Additional payments made to employees i.e., Essential Motor Scheme	None	-	-
Payments to Ebenhaezer Farm	None	-	181 582
Members of State - refer to 43.08	None	-	5 486 854
BBBEE points incorrectly calculated - Refer note 43.09	None	-	139 500
		-	5 807 935

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

42.4 **Material Losses**

Water distribution losses

- Kilo litres disinfected/purified/purchased	4 557 616	4 472 496
- Kilo litres lost during distribution	1 583 850	1 598 747
- Percentage lost during distribution	34.75%	35.75%

Electricity distribution losses

- Units purchased (Kwh)	78 511 323	78 849 703
- Units lost during distribution (Kwh)	17 701 957	22 386 248
- Percentage lost during distribution	22.55%	28.39%

	2013 R	2012 R
43		
ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
43.01 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS		
Opening balance	-	-
Council subscriptions	582 400	416 016
Amount paid - current year	(582 400)	(416 016)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
43.02 Audit fees - [MFMA 125 (1)(b)]		
Opening balance	684 697	-
Current year audit fee	1 399 859	1 303 786
External Audit - Auditor-General	1 358 122	1 235 492
Audit Committee	41 737	68 294
Amount paid - current year	(2 084 556)	(619 089)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	-	684 697
43.03 VAT - [MFMA 125 (1)(b)]		
Opening balance	339 377	(2 629 826)
Amounts received - current year	(2 413 802)	(2 486 369)
Amounts paid - current year	1 975 627	3 303 304
Amounts received - previous years	(339 376)	(105 329)
Amounts claimed - current year	48 578	2 257 597
Closing balance - (Payable)/Receivable	(389 596)	339 377
VAT in suspense due to cash basis of accounting		
Input VAT	2 914 933	1 699 467
Output VAT	(1 277 162)	(1 160 682)
Claimable	1 637 771	538 785

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.

	2013 R	2012 R
43.04 PAYE, SDL and UIF - [MFMA 125 (1)(b)]		
Opening balance	645 199	-
Current year payroll deductions and Council Contributions	8 070 165	7 859 722
Amount paid - current year	(8 715 364)	(7 214 523)
Balance unpaid (included in creditors)	-	645 199
43.05 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	16 142 587	13 356 982
Amount paid - current year	(16 142 587)	(13 356 982)
Balance unpaid (included in creditors)	-	-
43.06 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]		
The following Councillors had arrear accounts for more than 90 days as at 30 June:		
Councillor F Bam		914
Councillor DS Goedeman	313	
Councillor WH Nell	18 575	51 001
Councillor EL Mgingqi	35 656	35 267
Councillor M J Smith	492	-
Councillor PG Bok		1 280
Total Councillor Arrear Consumer Accounts	55 036	88 463

43.07 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation (36)(1)(a) & (b)

	Single Supplier R	Sec 35 R	Emergency R	Total R
Jul-12	600 444	242 218	42 529	885 191
Aug-12	667 479	78 848	26 272	772 599
Sep-12	301 747	134 024	56 451	492 222
Oct-12	343 946	167 372	13 911	525 228
Nov-12	432 097	174 418	8 026	614 541
Dec-12	669 451	178 392	14 630	862 473
Jan-13	261 652	287 044	20 402	569 098
Feb-13	366 119	94 008	41 954	502 081
Mar-13	302 763	64 658	5 187	372 608
Apr-13	325 738	76 492	8 704	410 935
May-13	138 045	361 222	38 929	538 195
Jun-13	210 435	44 800	22 847	278 082
	4 619 916	1 903 495	299 843	6 823 253

	2013 R	2012 R
43.08		
No declaration by suppliers as required in Section 13(c) of the Supply Chain Management Regulations		
The contract values of suppliers who did not indicate on the registration forms that members are in service of the state or has been in service of the state in the previous twelve months, are as follow:		
R 10 000 – R 199 999	0	5 486 854
Greater than R 200 000	-	-
	<u>-</u>	<u>5 486 854</u>
43.09		
BBBEE points according to Preferential Procurement Regulation 2011 section 5 was incorrectly calculated		
Vredendal Motors - Tender number T43/2011	-	139 500
	<u>-</u>	<u>139 500</u>
43.10		
Non Compliance with section 15 of the Municipal Financial Management Act		
Unauthorised, irregular, fruitless and wasteful expenditure reports were not submitted to the MEC for local government in the province and the Auditor General with regards to unauthorised, irregular, fruitless and wasteful expenditure, disclosed in note 42 in the financial statements, as required by section 32(4) of the Municipal Finance Management Act.		
Unforeseen and Unavoidable expenditure was not appropriated in the adjustment budget		
The adjustment budget appropriating the unforeseen and unavoidable expenditure was not passed within 60 days after the expenditure was incurred		
The mayor did not approve any unforeseen and unavoidable expenditure		
The total unforeseen and unavoidable expenditure for the current year were more than 5% of the municipal		
44		
CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
Approved and contracted for:		
Infrastructure	6 187 356	2 383 913
	<u>6 187 356</u>	<u>2 383 913</u>
This expenditure will be financed from:		
Government Grants	6 187 356	1 749 053
External Loans	-	634 860
	<u>6 187 356</u>	<u>2 383 913</u>
	2013 R	2012 R
45		
FINANCIAL RISK MANAGEMENT		
The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk, and price risk), credit risk and liquidity risk. The Municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.		
(a) Foreign Exchange Currency Risk		
The Municipality does not engage in foreign currency transactions.		
(b) Price risk		
The Municipality is not exposed to price risk.		
(c) Interest Rate Risk		
As the Municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.		
The Municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.		
The Municipality did not hedge against any interest rate risks during the current year.		
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:		
1% (2012 - 1%) Increase in interest rates	(446 948)	(503 427)
0.5% (2012 - 0.5%) Decrease in interest rates	223 474	251 714
(d) Credit Risk		
Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur a financial loss.		
Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.		
Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in		
All rates and services are payable within 30 days from invoice date. Refer to note 18 and 19 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.		
Receivables of R4 million are pledged as security for financial liabilities.		
Due to the short term nature of receivables the carrying value disclosed in note 18 and 19 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.		

	2013 %	2013 R	2012 %	2012 R
The provision for bad debts could be allocated between the different classes of debtors as follows:				
<u>Non-Exchange Receivables</u>				
Rates	9.67%	1 999 470	9.97%	1 851 486
Long Term Receivables	7.39%	1 528 319	7.66%	1 421 237
	<u>17.07%</u>	<u>3 527 789</u>	<u>17.63%</u>	<u>3 272 723</u>

<u>Exchange Receivables</u>				
Service Charges	82.93%	17 142 621	82.37%	15 288 990
	<u>100.00%</u>	<u>20 670 410</u>	<u>100.00%</u>	<u>18 561 712</u>

	2013 %	2013 R	2012 %	2012 R
The provision for bad debts could be allocated between the different categories of debtors as follows:				
Water	18.45%	3 813 861	13.71%	2 544 656
Electricity	4.69%	968 648	13.15%	2 441 430
Rates	7.86%	1 623 831	8.72%	1 619 313
Rental	0.20%	41 578	0.64%	118 316
Refuse	11.39%	2 354 236	10.21%	1 895 824
Sewerage	16.36%	3 380 732	15.22%	2 824 445
Other exchange	14.91%	3 081 584	13.16%	2 442 810
Loans	4.33%	895 187	5.82%	1 079 481
Other debtors	3.06%	633 132	1.84%	341 756
Top 50 debtors	14.66%	3 029 782	14.01%	2 600 521
Government debtors	0.06%	12 240	0.09%	16 053
Indigent debtors	4.04%	835 598	3.43%	637 108
	<u>100.00%</u>	<u>20 670 409</u>	<u>100.00%</u>	<u>18 561 713</u>

	2013 %	2013 R	2012 %	2012 R
Bad debts written off per financial asset class:				
Financial instruments at amortised cost	100.00%	1 609 944	100.00%	5 198 028
	<u>100.00%</u>	<u>1 609 944</u>	<u>100.00%</u>	<u>5 198 028</u>

	2013 %	2013 R	2012 %	2012 R
Balances past due not impaired:				
<u>Non-Exchange Receivables</u>				
Rates	12%	1 758 272	13%	1 518 054
	<u>12%</u>	<u>1 758 272</u>	<u>13%</u>	<u>1 518 054</u>

<u>Exchange Receivables</u>				
Service Charges	88%	12 499 058	87%	10 269 703
	<u>100%</u>	<u>14 257 330</u>	<u>100%</u>	<u>11 787 757</u>

As at 30 June 2013, trade receivables of R 8 793 770 (2012: R8 374 741) were fully performing

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

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

Long-term Receivables, Receivables from Exchange Transactions and Receivables from Non-Exchange Transactions are individually evaluated annually at year end for impairment.

	2013 R	2012 R
Financial assets exposed to credit risk at year end are as follows:		
Long term receivables	895 186	1 421 236
Receivables from exchange transactions	19 886 897	17 070 557
Receivables from non-exchange transactions	3 854 652	3 715 889
Cash and Cash Equivalents	2 318 755	4 539 746
Unpaid conditional grants and subsidies	481 470	224 781
	<u>27 436 960</u>	<u>26 972 209</u>

(e) **Liquidity Risk**

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

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

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

	Less than 1 year	Between 2 and 5 years	Between 6 and 10 years	Over 10 years
2013				
Non-current Provisions	-	38 730 402	-	-
Capital	-	35 129 617	-	-
Interest	-	3 600 786	-	-
Long Term liabilities	10 633 567	36 517 167	25 688 158	-
Payables from Exchange Transactions	27 664 133	-	-	-
Unspent conditional government grants and receipts	1 980 364	-	-	-
	40 278 063	75 247 570	25 688 158	-
2012				
Non-current Provisions	-	38 538 761	-	-
Capital	-	34 955 793	-	-
Interest	-	3 582 969	-	-
Long Term liabilities	14 304 636	41 339 618	31 499 274	-
Payables from Exchange Transactions	20 535 492	-	-	-
Unspent conditional government grants and receipts	6 176 932	-	-	-
	41 017 060	79 878 379	31 499 274	-

	2013 R	2012 R
46 FINANCIAL INSTRUMENTS		
In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:		
46.1 Financial Assets		
Financial instruments at amortised cost		
Long-Term Receivables	258 666	562 584
Receivables from exchange transactions	19 886 897	17 070 557
Current Portion of Long-term Receivables	636 520	858 652
Cash and Cash Equivalents	2 318 755	4 539 746
Unpaid Conditional Grants	481 470	224 781
Total carrying amount of financial assets	23 582 308	23 256 320
46.2 Financial Liability		
Financial instruments at amortised cost		
Long-term Liabilities	40 583 320	46 980 091
Payables from exchange transactions	30 151 974	22 440 173
Unspent Conditional Government Grants and Receipts	1 980 364	6 176 932
Current Portion of Long-term Liabilities	6 423 474	7 890 407
Cash and Cash Equivalents	-	5 176
Unspent Public Contributions	-	-
	79 139 131	83 492 778

47 EVENTS AFTER THE REPORTING DATE

No such instances

48 IN-KIND DONATIONS AND ASSISTANCE

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

49 PRIVATE PUBLIC PARTNERSHIPS

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

50 CONTINGENT LIABILITY

The municipality does not have a permit or license for any of the landfill sites currently in use and could be liable for a penalty in terms of section 24G of the Environmental Conservation Act.

Council currently has a dispute with the Bargaining Council with regards to the grading of the municipality. TASK was implemented on the current grading, with the condition that back-pay will be paid out to employees eligible if the Bargaining council approves the higher grading. Therefore an amount of R1,918,566.79 was calculated as possible back pay due in 2013/14

The Trade Union, IMATU, contested the implementation of a wage curve agreement in the Labour Court and the court ruled in favour of IMATU. The Employers Organisation, SALGA, resolved to take the ruling of the Labour Court on review. The effect of the ruling is a general 2% increase in remuneration as from October 2009.

51 RELATED PARTIES

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

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

51.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date are disclosed in note 16 to the Annual Financial Statements.

51.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.

51.3 Other related party transactions

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

Supplier	Relationship	Department	Amount
Autopage Cellular	Owner: Husband - Lize Kleinhans	Budget & Treasury	356 494
H D Meyer	Owner: Husband - Heleen Meyer	Budget & Treasury	19 494
K C Verkoeling	Owner: Husband - Liefie van Wyk	Budget & Treasury	6 352
Total			382 340

13 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2013

Reconciliation of Carrying Value

	COST							Accumulated Depreciation and Impairment Losses					Carrying Value		
	Opening Balance	Transfer of Functions	Additions	Under Construction	Transfers	Disposals	Impairments	Closing Balance	Opening Balance	Depreciation Charge	Transfers	Disposals		Impairments	Closing Balance
	R		R	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	39 687 294	-	461 255	-	-	-	-	40 148 549	1 656 299	292 821	-	-	-	1 949 120	38 199 429
Land	11 556 220	-	-	-	-	-	-	11 556 220	-	-	-	-	-	-	11 556 220
Buildings	28 131 074	-	461 255	-	-	-	-	28 592 329	1 656 299	292 821	-	-	-	1 949 120	26 643 209
Infrastructure	297 364 926	-	17 318 698	26 413 162	800 000	(505 911)	-	341 390 875	77 892 969	9 232 739	133 333	-	62 958	87 322 000	254 068 876
Storm water and Roads	67 619 877	-	7 133 123	-	-	-	-	74 753 000	17 009 425	2 090 173	-	-	-	19 099 597	55 653 402
Sewerage	115 998 778	-	6 810 986	26 413 162	-	-	-	149 222 926	17 882 270	3 048 667	-	-	-	20 930 937	128 291 989
Electricity	36 654 741	-	1 257 106	-	800 000	-	-	38 711 847	8 214 919	1 140 246	133 333	-	-	9 488 499	29 223 348
Water	62 539 240	-	2 117 483	-	-	-	-	64 656 722	24 940 586	1 427 998	-	-	-	26 368 584	38 288 139
Solid Waste Disposal	199 887	-	-	-	-	-	-	199 887	54 490	12 116	-	-	-	66 606	133 281
Landfill Sites	14 352 404	-	-	-	-	(505 911)	-	13 846 493	9 791 280	1 513 539	-	-	62 958	11 367 776	2 478 717
Community Assets	90 176 347	-	-	663 340	-	-	-	90 839 688	3 073 197	501 748	-	-	-	3 574 946	87 264 742
Parks and Gardens	23 339 480	-	-	-	-	-	-	23 339 480	34 986	12 386	-	-	-	47 373	23 292 108
Libraries	880 861	-	-	-	-	-	-	880 861	91 407	9 971	-	-	-	101 378	779 483
Recreation Grounds	31 925 260	-	-	663 340	-	-	-	32 588 600	1 427 009	197 299	-	-	-	1 624 308	30 964 292
Taxi Ranks & Parking Areas	5 187 500	-	-	-	-	-	-	5 187 500	52 875	10 575	-	-	-	63 450	5 124 050
Cemeteries	680 500	-	-	-	-	-	-	680 500	1 050	210	-	-	-	1 260	679 240
Community Buildings	28 162 746	-	-	-	-	-	-	28 162 746	1 465 870	271 307	-	-	-	1 737 176	26 425 570
Other Assets	36 228 166	-	317 731	-	(800 000)	(10 549 003)	-	25 196 893	12 735 842	2 555 544	(133 333)	(5 364 506)	-	9 793 547	15 403 347
Office Equipment	7 176 379	-	142 561	-	-	(3 493 774)	-	3 825 167	2 917 582	642 785	-	(1 847 656)	-	1 712 711	2 112 456
Motor vehicles	21 335 860	-	131 602	-	-	(2 632 207)	-	18 835 255	6 767 676	1 204 131	-	(967 389)	-	7 004 418	11 830 837
Plant & Equipment	7 507 615	-	34 473	-	(800 000)	(4 368 452)	-	2 373 636	3 024 466	679 569	(133 333)	(2 536 292)	-	1 034 409	1 339 226
Computer equipment	208 312	-	9 095	-	-	(54 571)	-	162 836	26 118	29 059	-	(13 169)	-	42 008	120 827
	463 456 733	-	18 097 685	27 076 502	-	(11 054 915)	-	497 576 005	95 358 307	12 582 853	-	(5 364 506)	62 958	102 639 612	394 936 393

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.

The effect of the Change in Accounting estimates due to the review of useful lives and residual values is as follows:

Increase / (Decrease) in depreciation on other assets for the year
 Increase / (Decrease) in depreciation on infrastructure assets for the year

	2013 R	2014 R	2015 R
Increase / (Decrease) in depreciation on other assets for the year	(271 487)	(235 188)	(82 271)
Increase / (Decrease) in depreciation on infrastructure assets for the year	(629 700)	(317 661)	(316 699)
	(901 188)	(552 850)	(398 970)

Included in the cost above is interest amounting to R40148 incurred on qualifying assets which has been capitalised during the year.

MATZIKAMA MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

30 JUNE 2012

Reconciliation of Carrying Value

	COST							Accumulated Depreciation and Impairment Losses					Carrying Value		
	Opening Balance	Transfer of Functions	Additions	Under Construction	Transfers	Disposals	Impairments	Closing Balance	Opening Balance	Depreciation Charge	Transfers	Disposals		Impairments	Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	R		R	R
Land and Buildings	34 581 858	5 286 897	820 249	1 936 954	-	-	(2 938 665)	39 687 294	1 390 836	265 463	-	-	-	1 656 299	38 030 995
Land	9 648 423	1 786 299	121 498	-	-	-	-	11 556 220	-	-	-	-	-	-	11 556 220
Balance Previously Reported	12 149 923	1 786 299	121 498	-	-	-	-	14 057 720	-	-	-	-	-	-	-
Correction of Error	(2 501 500)	-	-	-	-	-	-	(2 501 500)	-	-	-	-	-	-	-
Buildings	24 933 435	3 500 598	698 752	1 936 954	-	-	(2 938 665)	28 131 074	1 390 836	265 463	-	-	-	1 656 299	26 474 775
Balance Previously Reported	24 933 435	3 500 598	698 752	1 534 485	-	-	-	30 667 270	1 391 788	266 118	-	-	-	1 657 906	29 009 364
Transfer from Infrastructure- Sewerage	-	-	-	402 469	-	-	-	402 469	-	-	-	-	-	-	402 469
Correction of Error- see note 37.01(f)	-	-	-	-	-	-	-	-	(953)	(655)	-	-	-	(1 607)	1 607
Correction of Error - see note 37.01(o)	-	-	-	-	-	-	(2 938 665)	(2 938 665)	-	-	-	-	-	-	(2 938 665)
Infrastructure	232 043 365	24 135 765	22 378 709	18 807 087	-	-	-	297 364 926	67 046 764	10 830 923	-	-	15 282	77 892 969	219 471 957
Storm water and Roads	51 823 912	6 179 546	7 316 819	2 299 601	-	-	-	67 619 877	14 525 205	2 484 219	-	-	-	17 009 425	50 610 452
Balance Previously Reported	51 823 912	6 179 546	7 035 327	2 029 140	-	-	-	67 067 924	14 535 154	2 506 506	-	-	-	17 041 660	50 026 264
Correction of Error	-	-	281 492	(21 234)	-	-	-	260 258	-	-	-	-	-	-	260 258
Correction of Error- see note 37.01(w)	-	-	-	291 695	-	-	-	291 695	-	-	-	-	-	-	291 695
Correction of Error- see note 37.01(i)	-	-	-	-	-	-	-	-	(9 949)	(22 287)	-	-	-	(32 236)	32 236
Sewerage	79 896 912	8 366 868	11 452 302	16 282 695	-	-	-	115 998 778	14 531 850	3 350 420	-	-	-	17 882 270	98 116 508
Balance Previously Reported	80 069 090	8 366 868	5 032 915	22 979 562	-	-	-	116 448 435	14 541 777	3 359 193	-	-	-	17 900 971	98 547 464
Correction of error 37.01 (s)	-	-	6 419 387	(6 696 866)	-	-	-	(277 479)	-	94	-	-	-	-	-
Correction of Error - see note 37.07(p)	(172 178)	-	-	-	-	-	-	(172 178)	-	-	-	-	-	-	-
Correction of Error- see note 37.01(i)	-	-	-	-	-	-	-	-	(9 927)	(8 867)	-	-	-	(18 794)	18 794
Electricity	30 498 556	3 744 398	2 411 787	-	-	-	-	36 654 741	7 142 640	1 072 279	-	-	-	8 214 919	28 439 822
Balance Previously Reported	30 498 556	3 744 398	2 333 944	77 843	-	-	-	36 654 741	7 147 533	1 071 503	-	-	-	8 219 036	28 435 705
Correction of Error - see note 37.01(q)	-	-	77 843	(77 843)	-	-	-	-	-	3 096	-	-	-	-	-
Correction of Error- see note 37.01(h)	-	-	-	-	-	-	-	-	(4 893)	(2 320)	-	-	-	(7 213)	7 213
Water	60 866 809	249 837	1 197 802	224 791	-	-	-	62 539 240	23 171 432	1 769 154	-	-	-	24 940 586	37 598 654
Balance Previously Reported	60 866 809	249 837	982 747	825 094	-	-	-	62 924 487	23 184 746	1 820 084	-	-	-	25 004 830	37 919 657
Correction of Error	-	-	215 055	(197 834)	-	-	-	17 221	-	-	-	-	-	-	17 221
Transfer to Buildings	-	-	-	(402 469)	-	-	-	(402 469)	-	-	-	-	-	-	(402 469)
Correction of Error- see note 37.01(i)	-	-	-	-	-	-	-	-	(13 314)	(50 930)	-	-	-	(64 245)	64 245
Solid Waste Disposal	199 887	-	-	-	-	-	-	199 887	39 950	14 540	-	-	-	54 490	145 397
Balance Previously Reported	199 887	-	-	-	-	-	-	199 887	39 977	14 577	-	-	-	54 554	145 333
Correction of Error- see note 37.01(i)	-	-	-	-	-	-	-	-	(27)	(37)	-	-	-	(65)	65
Landfill Sites	8 757 288	5 595 116	-	-	-	-	-	14 352 404	7 635 686	2 140 312	-	-	15 282	9 791 280	4 561 125

MATZIKAMA MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Community Assets	83 793 623	6 147 330	235 394	-	-	-	-	90 176 347	2 574 104	499 094	-	-	-	3 073 197	87 103 150	
Parks and Gardens	23 415 744	-	-	-	(76 264)	-	-	23 339 480	22 600	12 386	-	-	-	34 986	23 304 494	
Balance Previously Reported	23 415 744	-	-	-	(76 264)	-	-	23 339 480	22 615	12 420	-	-	-	35 036	23 304 445	
Correction of Error - see note 37.01(g)	-	-	-	-	-	-	-	-	(15)	(34)	-	-	-	(49)	49	
Libraries	880 861	-	-	-	-	-	-	880 861	81 435	9 971	-	-	-	91 407	789 454	
Balance Previously Reported	880 861	-	-	-	-	-	-	880 861	81 491	9 997	-	-	-	91 488	789 373	
Correction of Error - see note 37.01(g)	-	-	-	-	-	-	-	-	(56)	(26)	-	-	-	(82)	82	
Recreation Grounds	31 126 949	486 653	235 394	-	76 264	-	-	31 925 260	1 232 365	194 644	-	-	-	1 427 009	30 498 251	
Balance Previously Reported	31 126 949	486 653	235 394	-	76 264	-	-	31 925 260	1 233 209	195 188	-	-	-	1 428 398	30 496 862	
Correction of Error - see note 37.01(g)	-	-	-	-	-	-	-	-	(844)	(544)	-	-	-	(1 388)	1 388	
Taxi Ranks and Parking Areas	5 187 500	-	-	-	-	-	-	5 187 500	42 300	10 575	-	-	-	52 875	5 134 625	
Balance Previously Reported	5 187 500	-	-	-	-	-	-	5 187 500	42 329	10 604	-	-	-	52 933	5 134 567	
Correction of Error - see note 37.01(g)	-	-	-	-	-	-	-	-	(29)	(29)	-	-	-	(58)	58	
Cemeteries	680 500	-	-	-	-	-	-	680 500	840	210	-	-	-	1 050	679 450	
Balance Previously Reported	680 500	-	-	-	-	-	-	680 500	841	211	-	-	-	1 051	679 449	
Correction of Error - see note 37.01(g)	-	-	-	-	-	-	-	-	(1)	(1)	-	-	-	(1)	1	
Community Buildings	22 502 069	5 660 677	-	-	-	-	-	28 162 746	1 194 563	271 307	-	-	-	1 465 870	26 696 876	
Balance Previously Reported	22 502 069	5 660 677	-	-	-	-	-	28 162 746	1 195 381	271 878	-	-	-	1 467 259	26 695 487	
Correction of Error	-	-	-	-	-	-	-	-	(818)	(571)	-	-	-	(1 389)	1 389	
Other Assets	30 923 427	667 786	4 636 953	-	-	-	-	36 228 166	9 410 219	3 325 623	-	-	-	12 735 842	23 492 324	
Office Equipment	6 162 977	189 069	824 334	-	-	-	-	7 176 379	1 981 744	935 837	-	-	-	2 917 582	4 258 797	
Balance Previously Reported	5 786 426	183 207	824 334	-	-	-	-	6 793 967	1 883 605	911 478	-	-	-	2 795 083	3 998 883	
Correction of Error see note 37.01(l - m)	376 550	5 862	-	-	-	-	-	382 412	99 393	26 125	-	-	-	125 519	256 894	
Correction of Error - see note 37.01(e)	-	-	-	-	-	-	-	-	(1 254)	(1 766)	-	-	-	(3 020)	3 020	
Motor vehicles	18 490 361	430 073	2 415 426	-	-	-	-	21 335 860	5 228 317	1 539 359	-	-	-	6 767 676	14 568 184	
Balance Previously Reported	18 024 687	261 447	2 415 426	-	-	-	-	20 701 559	5 148 696	1 486 302	-	-	-	6 634 997	14 066 562	
Correction of Error see note 37.01(l - m)	465 674	100 126	-	-	-	-	-	565 800	82 965	54 134	-	-	-	137 100	428 701	
Correction of Error - see note 37.01(e)	-	-	-	-	-	-	-	-	(3 344)	(2 921)	-	-	-	(6 265)	6 265	
Correction of Error - see note 37.02(v)	-	68 500	-	-	-	-	-	68 500	-	1 844	-	-	-	1 844	66 656	
Plant & Equipment	6 231 746	48 644	1 227 226	-	-	-	-	7 507 615	2 189 939	834 527	-	-	-	3 024 466	4 483 149	
Balance Previously Reported	6 052 350	47 754	1 227 226	-	-	-	-	7 327 329	2 149 676	824 648	-	-	-	2 974 325	4 353 005	
Correction of Error see note 37.01(l - m)	179 396	890	-	-	-	-	-	180 286	41 727	12 401	-	-	-	54 128	126 158	
Correction of Error - see note 37.01(e)	-	-	-	-	-	-	-	-	(1 464)	(2 522)	-	-	-	(3 986)	3 986	
Computer equipment	38 344	-	169 968	-	-	-	-	208 312	10 218	15 900	-	-	-	26 118	182 194	
Balance Previously Reported	-	-	169 968	-	-	-	-	169 968	-	13 351	-	-	-	13 351	156 617	
Correction of Error see note 37.01(l - m)	38 344	-	-	-	-	-	-	38 344	10 218	2 556.88	-	-	-	12 775	25 569	
Correction of Error - see note 37.01(e)	-	-	-	-	-	-	-	-	-	(8)	-	-	-	(8)	8	
	381 342 273	36 237 779	28 071 305	20 744 042	-	-	(2 938 665)	463 456 733	80 421 923	14 921 103	-	-	-	15 282	95 358 307	368 098 426

APPENDIX A
MATZIKAMA MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2013

EXTERNAL LOANS	Rate	Loan Number	Redeemable		Balance at 30 JUNE 2012	Balance at 30 JUNE 2012 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2013
ANNUITY LOANS									
DBSA accrued payment					1 743 129.90	1 743 129.90	-	1 743 130	-
DBSA	10.00%	10096	2015	6306306333	605 292	605 292	-	201 405	403 887
DBSA	7.08%	100035	2012	6306306334	164 323	164 323	-	164 323	(0)
DBSA	10.80%	101025	2014	6306306335	1 364 398	1 364 398	-	646 296	718 102
DBSA	9.92%	101953	2015	6306306336	1 517 383	1 517 383	-	457 609	1 059 774
DBSA	5.70%	102857	2018	6306306343	2 666 667	2 666 667	-	444 444	2 222 222
DBSA	6.75%	103143(1)	2016	6306306344	878 303	878 303	-	225 428	652 876
DBSA	6.75%	103143(2)	2018	6306306345	1 717 045	1 717 045	-	215 651	1 501 394
DBSA	11.14%	103749	2020	6306306346	13 146 028	13 146 028	-	1 090 753	12 055 275
DBSA		WC12007362.1		6306306356	10 197 417	10 197 417	-	223 707	9 973 710
DBSA		WC12007362.2		6306306357	1 160 729	1 160 729	-	84 572	1 076 157
DBSA		1007262		6306306358	14 000 000	14 000 000	-	1 027 848	12 972 152
					-	-	-	-	-
INCA - Water and Sewerage	9.75%	3156	2015	6306306332	1 307 942	1 307 942	-	393 978	913 964
					-	-	-	-	-
ABSA - Water Scheme	9.77%	40-6255-0510	2015	6306306330	1 197 184	1 197 184	-	344 134	853 050
ABSA - Capital Works 2005/2006	9.15%	40-6512-9293	2016	6306306331	1 799 982	1 799 982	-	389 426	1 410 557
ABSA - Capital Works 2008/2009	Prime - 2%	40-7292-9600	2018	6306306355	1 404 676	1 404 676	-	211 000	1 193 676
					-	-	-	-	-
Total Annuity Loans					54 870 498	54 870 498	-	7 863 704	47 006 794

APPENDIX B
MATZIKAMA MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 JULY 2012 R	Contributions during the year R	Correction of error R	Operating Expenditure during the year Transferred to Revenue R	Capital Expenditure during the year Transferred to Revenue R	Grants Withheld R	Balance 30 JUNE 2013 R	Unspent 30 JUNE 2013 (Creditor) R	Unpaid 30 JUNE 2013 (Debtor) R
UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS									
<u>National Government Grants</u>									
Equitable Share	-	36 388 000		(36 388 000)			-	-	-
Department of Mineral Resources	2 045 015				(1 433 101)	(551 000)	60 913	60 913	-
FMG	-	1 250 000		(1 250 000)			-	-	-
MIG	0	18 584 000			(18 584 000)		0	0	-
MSIG	-	800 000		(800 000)			-	-	-
Neighbourhood Development	1 038 779	2 139 000			(1 177 779)	(2 000 000)	0	0	-
EPWP	-	1 125 436		(1 125 436)			0	0	-
RBIG	(1 192 194)		1 192 194				0	-	-
DWAF	8 362	303 000		(311 362)			0	0	-
ACIP	(233 143)	5 979 730			(6 228 056)		(481 470)	-	(481 470)
IDC	800 000					(800 000)	-	-	-
Total National Government Grants	2 466 819	66 569 166	1 192 194	(39 874 798)	(27 422 936)	(3 351 000)	(420 555)	60 915	(481 470)
<u>Provincial Government Grants</u>									
CDW's	78 939	297 000		(205 214)			170 725	170 725	-
Department of Sport and Culture	1 767 844				(219 119)		1 548 725	1 548 725	-
Housing	-	24 488 993		(4 884 474)	(19 604 519)		(1)	-	(1)
Library Services	0	3 017 577		(2 977 097)	(40 480)		(0)	-	(0)
Revenue Enhancement	0	200 000					200 000	200 000	-
Public Transport Infrastructure	348 078			(348 078)			(0)	-	(0)
Thusong Centre-DMA	98 277			(98 277)			-	-	-
Total Provincial Government Grants	2 293 137	28 003 570	-	(8 513 140)	(19 864 118)	-	1 919 449	1 919 450	(1)
TOTAL GOVERNMENT GRANTS	4 759 957	94 572 736	1 192 194	(48 387 938)	(47 287 055)	(3 351 000)	1 498 893		
<u>Other Grant Providers</u>									
Lotto	-						-	-	-
Exxaro Namakwa Sands	(0)						(0)	-	-
West Coast Community Trust	(616 689)		616 689				-	-	-
Total Other Grant Providers	(616 689)	-	616 689	-	-	-	(0)	-	-
TOTAL	4 143 268	94 572 736	1 808 882	(48 387 938)	(47 287 055)	(3 351 000)	1 498 893	1 980 364	(481 471)