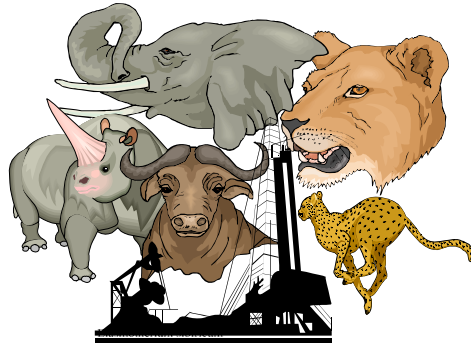


BOJANALA PLATINUM DISTRICT MUNICIPALITY



BOJANALA PLATINUM DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2013

BOJANALA PLATINUM DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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BOJANALA PLATINUM DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 28, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 15 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr. I K Sirovha
Municipal Manager
31 August 2013

BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

	Note	2013 R	2012 R
NET ASSETS AND LIABILITIES			
Net assets		13 470 317	28 519 993
Revaluation Reserve		792 713	842 769
Accumulated Surplus/(Deficit)		12 677 604	27 677 224
Non-current liabilities		0	65 345
Long-term liabilities	2	0	65 345
Current liabilities		35 157 720	30 732 016
Provisions	3	12 355 150	9 489 525
Creditors	4	19 920 283	13 198 319
Unspent conditional grants and receipts	5	2 882 287	7 919 197
Current portion of long-term liabilities	2	0	124 975
Total Net Assets and Liabilities		<u>48 628 036</u>	<u>59 317 354</u>
ASSETS			
Non-current assets		36 452 310	28 872 095
Property, plant and equipment	7	36 449 692	28 866 826
Intangible assets	8	2 618	5 269
Current assets		12 175 727	30 445 259
Other debtors	9	1 239 563	10 492 481
VAT	6	8 346 890	19 330 173
Call investment deposits	10	0	0
Bank balances and cash	11	2 589 274	662 605
Total Assets		<u>48 628 036</u>	<u>59 317 354</u>

BOJANALA PLATINUM DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 R	2011 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from government and other		244 268 090	253 163 974
Cash paid to suppliers and employees		-263 683 595	(358 644 514)
Cash generated from/(utilised in) operations	20	-19 415 505	(105 480 540)
Interest received		1 586 309	5 377 002
Interest paid		-16 757	(31 624)
NET CASH FROM OPERATING ACTIVITIES		-17 845 954	(100 135 162)
CASH FLOWS UTILISED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-12 922 271	(11 202 521)
(Increase)/decrease in non-current receivables			-
Proceeds on disposal of property, plant and equipment		0	914 900
NET CASH UTILISED IN INVESTING ACTIVITIES		(12 922 271)	(10 287 621)
CASH FLOW FROM FINANCING ACTIVITIES			
Net new leases and Lease liability repaid		-65 344	(111 188)
NET CASH FROM FINANCING ACTIVITIES		-65 344	(111 188)
NET INCREASE/(DECREASE IN CASH AND EQUIVALENT		1 966 669	(136 947 828)
Cash and cash equivalents at the beginning of the year		622 605	137 570 433
Cash and cash equivalents at the end of the year	21	2 589 274	622 605

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	Actual	
		2013 R	2012 R
REVENUE			
Non Exchange Transactions			
Government grants and subsidies	12	249 305 000	248 959 632
Public contributions and donations		0	0
Exchange Transactions			
Interest earned - external investments		1 586 309	5 377 002
Other income	13	145 587	254 977
Total Revenue		251 036 896	254 591 611
EXPENDITURE			
Employee related costs	14	118 169 485	106 552 362
Remuneration of Councillors	15	12 783 047	8 860 278
Donations		410 244	0
Depreciation		7 143 971	5 956 352
Repairs and maintenance		2 902 749	5 733 870
Interest paid	16	16 757	31 624
Grants and subsidies paid	17	74 431 644	189 645 257
General expenses	18	50 228 675	51 474 759
Total Expenditure		266 086 572	368 254 502
GAINS AND LOSSES			
Gain/(Loss) on disposal of Property, Plant and Equipment	19	0	13 997
Reversal of impairment losses/(Impairment losses)		0	0
Fair value adjustments of Property, Plant and Equipment		0	0
Net Gains and losses		0	13 997
SURPLUS/(DEFICIT)		-15 049 676	-113 648 894
Share of surplus/(deficit) of associate accounted for under the equity method		0	0
SURPLUS/(DEFICIT) FOR THE YEAR		-15 049 676	-113 648 894

No segmental statement of financial performance has been prepared
Refer to Appendix E(1) for comparison with the approved budget.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2013

	Revaluation Reserve	Accumulated Surplus (Deficit)	Total
	R	R	R
2012			
Balance at 1 July 2011	892 825	140 478 280	141 371 105
Correction of error (Note 36)	0	0	0
Correction of assets incorrectly written off in prior periods	0	797 782	0
Restated balance	892 825	141 276 062	141 371 105
Surplus/(deficit) for the year		-113 648 894	-113 648 894
Correction of prior period error:	0	0	0
Transfer of Revaluation Reserve (Note 36)	-50 056	50 056	0
Land and Buildings revalued	0	0	0
Balance at 30 JUNE 2012	842 769	27 677 224	27 722 211
Change in accounting policy		0	0
Correction of error		0	0
Restated balance	842 769	27 677 224	27 722 211
Surplus/(deficit) for the year		-15 049 676	-15 049 676
Transfer of Revaluation Reserve	-50 056	50 056	0
Land and Buildings Revalued		0	0
Balance at 30 JUNE 2013	792 713	12 677 604	12 672 535

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2 013	2 012
	R	R
2 LONG-TERM LIABILITIES		
Long-term lease liability	-	190 319
Less : Current portion transferred to current liabilities	-	124 975
Total Long-term liability	<u>-</u>	<u>65 345</u>
3 PROVISIONS		
Provision for medical aid continued members	-	101 011
Staff leave	9 926 454	6 353 497
Provision for Performance bonuses	2 428 696	3 035 017
Total Provisions	<u>12 355 150</u>	<u>9 489 525</u>
4 CREDITORS		
Trade creditors	11 643 088	3 045 113
VAT on creditors accrued	234 718	247 346
Retention money on projects	7 861 180	9 545 378
Bohale M J Civilis	-	336 132
Technofin: Lease installments not collected	14 040	14 040
Other Creditors	400	-
Unidentified direct deposit	166 857	10 311
Total Creditors	<u>19 920 283</u>	<u>13 198 320</u>
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
5.1 Conditional Grants from other spheres of Government	2 358 743	2 784 467
FM Grant	77 305	(470)
IMMIS	765	3 900
Fire Support Grant	270 959	1 114 099
Conditional Disaster Management Grant	683 001	668 285
Municipal Systems Improvement Grant	-	(45 546)
Expanded Public Works	1 326 713	1 044 198
5.2 Other Conditional Receipts	523 543	5 134 730
SETA Skills Development	178 020	577 023
National Lottery Grant	-	982 000
Standard Bank Disaster Management Donation	5 497	58 597
Coordination Fee	306 976	306 976
Water Provision Maubane	33 049	3 210 133
Miscellaneous Receipts	-	-
Total Conditional Grants and Receipts	<u>2 882 287</u>	<u>7 919 196</u>
See Note 12 for reconciliation of grants from other spheres of government.		
6 VAT		
VAT Receivable	<u>8 346 890</u>	<u>19 330 173</u>
VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS. The municipality claims back VAT on expenditure resulting in SARS being a debtor.		

7 PROPERTY, PLANT AND EQUIPMENT

30-Jun-13

Reconciliation of Carrying Value	Office Equipment Leased	WIP	Land	Buildings	Other PPE	Total
	R		R	R	R	R
Carrying values at 1 July 2012	197 561	-	1 300 000	3 840 575	23 528 790	28 069 144
Cost	355 804	-	1 300 000.00	4 561 238	48 136 789	54 353 831
Revaluation	-	-	-	1 242 394	-	1 242 394
Accumulated depreciation	158 243	-	-	1 963 057	25 405 781	27 527 081
Correction of error (note 19)	-	-	-	-	141 193	141 193
- Cost & Revaluation	158 243.00	-	-	1 963 057.00	25 264 588	27 385 888.00
Acquisitions	-	-	9 860 400.00	-	3 061 871	12 922 271
Capital under Construction	-	2 239 761.00	-	-	-	2 239 761
Increases/decreases in revaluation	-	-	-	-	0	-
Depreciation	-	-	-	-	-	-
- based on cost	118 601.00	-	-	306 864	6 715 855	7 141 320
- Correction of error (note 19)	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	(437 947)	(437 947)
Decognition	-	-	-	-	(8 017 979)	(8 017 979)
Accumulated depreciation	-	-	-	-	(7 580 032)	(7 580 032)
Other movements	-	-	-	-	-	-
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Carrying values at 30 June 2013	78 960.00	2 239 761.00	11 160 400.00	3 533 711.00	19 436 859.50	36 449 691.50
Cost	355 804.00	2 239 761.00	11 160 400.00	4 561 238.00	43 978 463.33	62 295 666
Revaluation/WIP	-	-	-	1 242 394	-	1 242 394
Accumulated depreciation	276 844.00	-	-	2 269 921.00	24 541 603.83	27 088 368.83
- Cost & Revaluation	276 844.00	-	-	2 269 921.00	24 541 603.83	27 088 369

36 449 692

30-Jun-12

Reconciliation of Carrying Value	Office Equipment Leased	WIP	Land	Buildings	Other PPE	Total
	R		R	R	R	R
Carrying values at 1 July 2011	355 804	-	1 300 000	5 803 632	42 256 093	49 715 529
Cost	355 804	0	1 300 000	4 561 238	41 458 311	47 675 353
Revaluation	-	0	-	1 242 394	-	1 242 394
Correction of error (note 19)	0	0	-	-	797 782	797 782
Accumulated depreciation	39 317	0	-	1 655 350	23 503 944	25 198 611
Correction of error (note 36)	0	0	-	-	-	-
- Cost & Revaluation	39 317	0	-	1 655 352	23 503 944	25 198 613
Acquisitions	0	0	-	-	11 202 521	11 202 521
Capital under Construction	-	0	-	-	-	-
Increases/decreases in revaluation	-	0	-	-	-	-
Depreciation	0	0	-	-	-	-
- based on cost	118 926	0	-	307 705	5 383 784	5 810 415
Correction of error (note 36)	0	0	-	-	-	-
- based on cost	-	0	-	-	141 293	141 293
Carrying value of disposals	0	0	-	-	900 903	900 903
Cost/revaluation	0	0	-	-	4 524 043	4 524 043
Accumulated depreciation	0	0	-	-	3 623 140	3 623 140
Other movements	0	0	-	-	-	-
Cost	-	0	-	-	-	-
Accumulated depreciation	-	0	-	-	-	-
Carrying values at 30 June 2012	197 561	0	1 300 000	3 840 575	23 528 690	28 866 826
Cost	355 804	0	1 300 000	4 561 238	48 136 789	54 353 831
Revaluation	-	0	-	1 242 394	-	1 242 394
Correction of error (note 19)	0	0	-	-	797 782	797 782
Accumulated depreciation	158 243	0	0	1 963 057	25 405 881	27 527 181
- Cost & Revaluation	158 243	0	-	1 963 057	25 264 588	27 385 888
Correction of error (note 36)	0	0	-	-	-	-
- Cost & Revaluation	0	0	-	-	141 293	141 293

During June 2012 all items of PPE were physically verified and assessed for physical impairment and relevance of calculated remaining useful life spans. Where the remaining useful lifespans have been deemed inaccurate, adjustments have been made prospectively.

Refer to Appendix B for more detail on property, plant and equipment. The opening balance of Land and buildings and "Other PPE" has been allocated to more asset categories in Appendix B.

8 INTANGIBLE ASSETS

2 013

2 012

Reconciliation of Carrying Value	<u>Computer Software</u>	2 013	<u>Computer Software</u>	2 012
		Total		Total
	R	R	R	R
Carrying values				
Beginning of year				
Cost	5 269	5 269	9 913	9 913
Accumulated depreciation	26 383	26 383	26 383	26 383
Correction of error (note 19)	21 114	21 114	16 470	16 470
- Cost	-	-	-	-
Acquisitions	-	-	-	-
Depreciation	2 651	2 651	4 644	4 644
- based on cost	2 651	2 651	4 644	4 644
Carrying value of disposals	-	-	-	-
Cost/revaluation	-	-	-	-
Accumulated depreciation	-	-	-	-
Other movements				
Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Carrying values				
End of year				
Cost	2 618	2 618	5 269	5 269
Revaluation	26 383	26 383	26 383	26 383
Accumulated depreciation	23 765	23 765	21 114	21 114
- Cost	23 765	23 765	26 383	26 383
- Revaluation	-	-	-	-

9 OTHER DEBTORS

	2 013	2 012
	R	R
VAT receivable on trade creditors accrued	-	247 346
Employee related costs - Salaries and Wages	64 056	-
Employee related costs - Contributions for UIF, pensions and medical aids	60 494	-
Expenses of staff and councillors:salary suspense	321 039	291 921
Deposit on property transaction	-	9 860 400
Lion of Africa (Insurance)	641 463	-
Mogorosi V R (Maternity leave repayment)	66 556	78 556
Bursary Repayable	262	14 258
Kgwetlo Projects	85 693	-
Sub Total	1 239 563	10 492 481
Less: Provision for bad debt	-	-
Total Other Debtors	1 239 563	10 492 481

Reconciliation of the Bad Debt provision:-

	2 013	2 012
	R	R
Balance at the beginning of the year	-	-
Contribution to provision	-	-
Contribution from accumulated surplus	-	-
Bad Debt written off against provision	-	-
Reversal of provision and other	-	-
Balance at the end of the year	-	-

10 CALL INVESTMENT DEPOSITS

	2 013	2 012
	R	R
Deposits (mature within 3 months)	-	-
The allocation of investments :-		
Unspent grants	-	-
Operating account	-	-

11 BANK BALANCES AND CASH

The Municipality has the following main bank accounts: -

Current Account (Primary Bank Account)

ABSA, Rustenburg

Account Number: 11-3150-0277

Cash book balance at beginning of year / (overdrawn)	619 445	137 565 539
Cash book balance at end of year / (overdrawn)	(6 786 478)	619 445
Bank statement balance at beginning of year / (overdrawn)	14 410 248	142 761 874
Bank statement balance at end of year / (overdrawn)	2 586 137	14 410 248

Savings Account

ABSA, Rustenburg, Account Number 90-8451-8967

Cash book balance	1 160	1 160
Bank statement balance	1 160	1 160

Cash on hand 1 977 2 000

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

12 GOVERNMENT GRANTS AND SUBSIDIES	2 013 R	2 012 R
Equitable share	239 064 000	231 895 000
Financial Management Grant	1 172 224	1 250 471
Disaster management Grant	85 284	-
Expanded Public Works	1 129 486	910 113
Municipal Systems Improvement Grant	954 454	835 546
Fire Support Grants	943 140	1 636 654
Integrated Municipal Management Information System	3 135	4 550
Water Provision Maubane	3 177 085	10 789 867
National Lottery Fund	982 000	18 000
SETA Skills Development	641 092	618 028
Donation Standard Bank	53 100	1 403
Madibeng Rescue Boat	-	1 000 000
16 days of activism	1 100 000	-
Total Government Grant and Subsidies	<u>249 305 000</u>	<u>248 959 632</u>
12.1 Equitable Share		
This unconditional grant is used as general revenue that is used to finance special projects and capital expenditure on behalf of local municipalities		
12.2 Financial Management Grant		
Balance unspent at beginning of year	(471)	-
Current year receipts	1 250 000	1 250 000
Conditions met - transferred to revenue	1 172 224	(1 250 471)
Conditions still to be met - transferred to liabilities (see note 5)	<u>77 305</u>	<u>(471)</u>
12.3 Expanded Public Works Grant		
Balance unspent at beginning of year	1 044 199	1 318 312
Current year receipts	1 412 000	636 000
Conditions met - transferred to revenue	(1 129 486)	(910 113)
Conditions still to be met - transferred to liabilities (see note 5)	<u>1 326 713</u>	<u>1 044 199</u>
12.4 Disaster Management Grant		
Balance unspent at beginning of year	668 285	68 285
Current year receipts	100 000	600 000
Conditions met - transferred to revenue	(85 284)	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>683 001</u>	<u>668 285</u>
12.5 Integrated Municipal Management Information System		
Balance unspent at beginning of year	3 900	8 450
Current year receipts	-	-
Conditions met - transferred to revenue	(3 135)	(4 550)
Conditions still to be met - transferred to liabilities (see note 5)	<u>765</u>	<u>3 900</u>
12.6 Fire Support Grants		
Balance unspent at beginning of year	1 114 099	450 753
Current year receipts	100 000	2 300 000
Conditions met - transferred to revenue	(943 140)	(1 636 654)
Conditions still to be met - transferred to liabilities (see note 5)	<u>270 959</u>	<u>1 114 099</u>
12.7 Municipal Systems Improvement Grant		
Balance unspent at beginning of year	(45 546)	-
Current year receipts	1 000 000	790 000
Conditions met - transferred to revenue	(954 454)	(835 546)
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>(45 546)</u>
12.8 16 days of activism		
Balance unspent at beginning of year	-	-
Current year receipts	1 100 000	-
Conditions met - transferred to revenue	(1 100 000)	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>-</u>
12.9 Changes in levels of government grants		
Based on the allocations set out in the Division of Revenue Act, 2012, no significant changes in the level of government grant funding are expected over the forthcoming three financial years. A RSC Levies Replacement Grant is included in the Equitable Share.		

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

		2 013		2 012	
		R		R	
13 OTHER INCOME					
Eskom Servitude		328		4 680	
Sale of tender documents		111 044		225 967	
Miscellaneous revenue		34 216		24 330	
		<u>145 587</u>		<u>254 977</u>	
14 EMPLOYEE RELATED COSTS					
Employee related costs - Salaries and Wages		76 666 371		72 476 373	
Employee related costs - Contributions for UIF, pensions and medical aids		17 646 399		15 139 244	
Travel and other allowances		13 821 406		14 290 623	
Housing subsidy		2 469 387		1 154 382	
Overtime payments		4 700 297		4 625 500	
Performance bonus and provision staff leave		2 865 625		(1 133 760)	
Less: Employee costs capitalised to Property, Plant and Equipment		-		-	
Less: Employee costs included in other expenses		-		-	
Total Employee Related Costs		<u>118 169 485</u>		<u>106 552 362</u>	
Remuneration of the Municipal Manager					
Annual Remuneration		454 510		394 167	
Performance Bonuses		-		-	
Car Allowance		180 000		165 000	
Medical, pension fund and other allowances		804 000		737 000	
Total		<u>1 438 510</u>		<u>1 296 167</u>	
Remuneration of the Chief Finance Officer					
Annual Remuneration		756 885		638 505	
Performance Bonuses		-		-	
Car Allowance		214 000		81 000	
Medical, pension fund and other allowances		117 116		13 500	
Total		<u>1 088 001</u>		<u>733 005</u>	
Remuneration of the Acting Chief Finance Officer					
Annual Remuneration - Acting allowance		18 930		56 790	
Performance Bonuses		-		-	
Car Allowance		-		-	
Medical, pension fund and other allowances		-		-	
Total		<u>18 930</u>		<u>56 790</u>	
Remuneration of Individual Executive Directors					
	30-Jun-13	<u>Community Env</u>	<u>Corporate</u>	<u>LED</u>	<u>Technical</u>
		<u>Directorate</u>	<u>Directorate</u>	<u>Directorate</u>	<u>Directorate</u>
		R	R	R	R
Annual Remuneration		632 004	738 516	666 572	252 000
Performance Bonuses		-	-	-	-
Car Allowance		144 000	108 000	102 000	300 000
Medical, pension fund and other allowances		204 000	18 000	18 000	498 000
Total		<u>980 004</u>	<u>864 516</u>	<u>786 572</u>	<u>1 050 000</u>
Remuneration of Individual Acting Executive Directors					
	30-Jun-13	<u>Corporate Support</u>	<u>Community Env</u>	<u>LED</u>	<u>Technical</u>
		<u>Directorate</u>	<u>Directorate</u>	<u>Directorate</u>	<u>Directorate</u>
		R	R	R	R
Annual Remuneration - Acting Allowance		159 553	177 947	109 932	-
Performance Bonuses		-	-	-	-
Car Allowance		-	-	-	-
Medical, pension fund and other allowances		-	-	-	-
Total		<u>159 553</u>	<u>177 947</u>	<u>109 932</u>	<u>-</u>
	30-Jun-12	<u>Community</u>	<u>Corporate</u>	<u>LED</u>	<u>Technical</u>
		<u>Directorate</u>	<u>Directorate</u>	<u>Directorate</u>	<u>Directorate</u>
		R	R	R	R
Annual Remuneration		585 312	738 516	666 572	502 089
Performance Bonuses		-	-	-	-
Car Allowance		-	108 000	102 000	35 000
Medical, pension fund and other allowances		12 000	18 000	18 000	10 500
Total		<u>597 312</u>	<u>864 516</u>	<u>786 572</u>	<u>547 589</u>
15 REMUNERATION OF COUNCILLORS					
		2 013		2 012	
		R		R	
Executive Mayor		755 376		605 923	
Speaker		580 502		473 287	
Councillors		10 636 693		7 293 904	
Councillors' pension contribution		810 476		487 164	
Total Councillors' Remuneration		<u>12 783 047</u>		<u>8 860 278</u>	

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2 013	2 012
	R	R
16 INTEREST PAID		
Long-term liabilities: Finance Leases	16 757	31 624
Bank overdrafts	-	-
Total Interest on External Borrowings	16 757	31 624
17 GRANTS AND SUBSIDIES PAID		
Grant to Rustenburg Municipality	-	1 100 000
Grant to Kgetlengrivier Municipality	2 600 000	292 966
Grant to Moses Kotane Municipality	-	600 000
Grant to Madibeng Municipality	-	1 000 000
Grant to Moretele Municipality	-	1 350 000
Vehicles for Municipalities	-	2 650 000
Expenditure on regional facilities/special projects	68 654 559	171 862 425
Water provision Maubane	3 177 085	10 789 867
Study loans converted to grants	-	-
Total Grants and Subsidies	74 431 644	189 645 257
The grants paid are in the form of special projects.		
18 GENERAL EXPENSES		
Incentive for volunteers	-	6 400
Advertising cost	1 721 135	2 534 046
Stationery	610 914	956 134
Bank charges	329 160	286 085
Printing Cost	29 000	43 749
Commission VAT collection	2 162 582	-
Rental offices	3 116 759	3 786 661
Rental Office machines	1 951 201	2 148 292
Membership fees SALGA & Compensation Commission	1 450 791	847 483
Membership fees	100 227	60 607
Materials and stocks	605 492	750 356
Entertainment cost	1 693 208	1 910 174
Abatement of nuisance	-	49 895
Training	18 784	32 040
Education & awareness	5 950	44 040
Audit fees	1 956 966	1 284 564
Audit Committee payments	143 443	146 630
Postage	5 434	4 253
Telephone and fax	4 582 333	4 523 898
Programming	33 173	35 276
Professional fees	-	313 469
Lawbooks and amendments/ professional and technical library	-	499 563
Legal expenses	2 024 512	2 130 482
Contribution medical aid continued members	98 008	89 531
Registration Fees Workshops/seminars & Travelling & Subsis	3 477 650	4 686 488
Skills development levy	1 054 479	906 934
Uniforms and protective clothing	670 892	814 126
Reservists stipend	-	-
Disposable tents and salvage sheets	-	2 778 053
CBRA	14 942	77 377
Disaster awareness programmes	1 798 510	-
Burial of indigents	-	-
Subscriptions	-	-
Water quality monitoring	-	-
Insurance	711 551	686 738
Food samples	746 630	1 515 590
Vehicle fuel	2 029 521	2 089 939
M H S equipment	1 342	132 447
Water electricity and services accounts	836 666	972 068
Radio and repeater licences	106 270	92 807
Payment security guards	6 809 674	5 724 898
All cylinders hydro testing	-	2 100
Mayor's residence	124 915	148 808
Garden maintenance	153 075	301 791
Computer licences	847 946	281 329
Computer utilities	3 070 652	1 509 427
Accommodation	139 237	1 307 014
Consulting fees	-	246 002
Radio communication	-	25 000
BPDM website	-	138 600
Branding and corporate gifts	56 000	350 050
Operating Expenses from grants (See Note 12)	4 939 651	4 203 545
Total	50 228 675	51 474 759

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

19	LOSS AT DISPOSAL OF ASSETS	2 013	2 012
	Gain/Loss through disposal of assets	-	13 997
	Loss due to scrapping of assets	-	-
		<u>-</u>	<u>13 997</u>
		2 013	2 012
		R	R
20	CASH GENERATED BY OPERATIONS		
	Surplus/(Deficit) for the year	(15 049 676)	(113 648 894)
	Adjustment for:-		
	Cash contributions from State	-	-
	Depreciation	7 143 971	5 956 352
	Adjustment provisions	2 865 625	(1 337 960)
	Gain/Loss on disposal of property, plant and equipment	-	(13 997)
	Donations	410 244	-
	Investment income	(1 586 309)	(5 377 002)
	Interest paid	16 757	31 624
	Operating surplus before working capital changes:	(6 199 388)	(114 185 677)
	(Increase)/decrease in other debtors	1 239 563	10 492 481
	(Decrease)/increase in conditional grants and receipts	(2 882 287)	(7 919 197)
	(Decrease)/Increase in creditors	(19 920 283)	(13 198 320)
	Decrease/(Increase) in VAT	8 346 890	19 330 173
	Cash generated by/(utilized in) operations	(19 415 505)	(105 480 540)
21	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :		
	Bank balances and cash	2 589 274	622 605
	Call investment	-	-
	Bank overdraft	-	-
	Total cash and cash equivalents	2 589 274	622 605
22	UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2 013	2 012
	<u>22.1 Unauthorized expenditure</u>	R	R
	Reconciliation of unauthorized expenditure		
	Opening balance	8 423 805	-
	Unauthorized expenditure current year	7 392 525	8 423 805
	Approved by Council or condoned	-	-
	Transfer to receivables for recovery (note 16)	-	-
	Unauthorized expenditure awaiting authorization	-	-
	Unauthorized expenditure incurred due to over expenditure of a votes within the budget. Municipality did not overspent on total budget. Detail disclosed in appendix G	15 816 330	8 423 805
	<u>22.2 Fruitless and wasteful expenditure</u>		
	Reconciliation of fruitless and wasteful expenditure		
	Opening balance	529 049	-
	Fruitless and wasteful expenditure current year	24 457	529 049
	Condoned or written off by Council	-	-
	To be recovered – contingent asset (see note 40)	-	-
	Fruitless and wasteful expenditure awaiting condonement	553 506	529 049
	Fruitless and wasteful expenditure was incurred due to penalties from SARS and interest from SARS and TELKOM. Detail disclosed in appendix G		

BOJANALA PLATINUM DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

22.3 Irregular expenditure

	2 013	2 012
Reconciliation of irregular expenditure		
Opening balance	3 050 094	-
Expenditure during the year	-	3 050 094
Expenditure during 2011/2012.	-	-
Condoned by Council	-	-
Irregular expenditure awaiting condonement	<u><u>3 050 094</u></u>	<u><u>3 050 094</u></u>
Insufficient written or verbal quotations for procurements of a transaction value over R2 000 and not more than R10 000 (VAT included)	-	25 865
Insufficient written quotations for procurements of a transaction value over R10 000 and not more than R200 000 (VAT included)	-	771 913
Municipal Systems Act No. 32 of 2000 S56Acting allowance exceeding 3 months	-	127 391
Procurement transactions performed with officials in employment of state	-	2 124 926

2 013

2 012

23 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

23.1 Contributions to organized local government

Opening balance	-	-
Council subscriptions	1 450 791	841 483
Amount paid - current year	(1 450 791)	(841 483)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

23.2 Audit fees

Opening balance	-	-
Current year audit fee and Audit Committee members	1 956 966	1 284 566
Amount paid to Auditor General - current year	(1 956 966)	(1 284 566)
Amount paid to Audit Committee members - current year	143 443	146 560
Amount paid - previous years	(143 443)	(146 560)
Balance unpaid (included in creditors)	-	-

23.3 VAT

VAT returns have been submitted by the due date throughout the year.

23.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	20 547 838	-
Amount paid - current year	(20 547 838)	19 066 731
Amount paid - previous years	-	(19 066 732)
Balance unpaid (included in creditors)	-	-

24 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

24.1 Pension and Medical Aid Deductions

	2 013	2 012
	R	R
Opening balance	-	-
Current year payroll deductions and Council Contributions	23 428 454	23 588 330
Amount paid - current year	(23 428 454)	(23 588 330)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

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

Service Provider and kind of goods or service	Motivation	Value
See Unauthorised Expenditure in note 22.1. and appendix G		R
See Fruitless and wasteful in note 22.2.		
See Irregular Expenditure in note 22.3.		

25 CAPITAL COMMITMENTS

	2 013	2 012
	R	R
Commitments in respect of capital expenditure:		
- Approved and contracted for	8 160 078	18 665 105
Infrastructure	8 160 078	18 665 105
Community	-	-
Other	-	-
- Approved but not yet contracted for	-	-
Infrastructure	-	-
Community	-	-
Other	-	-
Total	8 160 078	18 665 105

The expenditure will be financed from current revenue cash flows and grants. The expenditure is not recognised as Property, plant and equipment by the District Municipality as the assets are transferred to the local municipalities. These transfers are recognised as Grants Paid in the Statement of Financial Performance.

26 RETIREMENT BENEFIT INFORMATION

Contributions by Council in respect of Councillor and employees retirement funding have been expended in the year

27 CONTINGENT LIABILITIES

Integrated fish farming and irrigation SA (PTY) LTD t/a Agriculture Project consulting (Ref. No. CIV 4276) - Investigation by Public Protector The municipality was lodged with a claim for recovery of monies arising out of a procurement of goods and services and is still in process.	180 000
Wessels Vervoer CC (Ref. No. CIV 4313) The municipality was lodged with a claim for recovery of monies arising out of a procurement of goods and services and is still in process.	55 000
Neo Maape (Ref. No. CIV 3358) - Labour Dispute The municipality was lodged with a claim for arbitration which is still in process.	89 925
H & J.O Brand (Ref. No. CIV4402) The municipality was lodged with a claim for recovery of monies arising out of a procurement of goods and services and is still in process.	85 000
On 21 April 2010 SALGA signed the "Categorisation and job evaluation wage curve collective agreement" (wage curve agreement) with IMATU and SAMWU on behalf of the municipalities. The agreement established the wage curves and wage scales to be used by municipalities in determining the wages of the municipal employees, based on an evaluation of employees jobs per the TASK job evaluation system. The job evaluation process of the municipality has not yet been finalised and therefore the financial implications of the new wage curve collective agreement cannot be reliably estimated.	
	409 925

28 CONTINGENT ASSETS

Seripele and Dinkwanyane Trading CC - Civil Claim The municipality has lodged a claim for recovery of monies arising out of a procurement of goods and services and is still in process.	150 000
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29 EVENTS AFTER THE REPORTING DATE

None

30 COMPARISON WITH THE BUDGET

APPENDIX E(1)
BOJANALA PLATINUM DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2013

	2013 Actual (R)	2013 Budget (R)	2013 Variance (R)	2013 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Interest earned - external investments	1 586 309	733 000	853 309	116%	Interest earned not budgeted for on additional funds available throughout the year
Interest earned - outstanding debtors	0	0	0	0%	
Government grants and subsidies	249 305 000	242 726 000	6 579 000	3%	
Other income	145 587	0	145 587	100%	Other income not budgeted for.
Total Revenue	251 036 896	243 459 000	7 577 896	3%	
EXPENDITURE					
Employee related costs	118 169 485	117 651 801	517 684	0%	
Remuneration of Councillors	12 783 047	12 783 599	-552	0%	
Donations	410 244	0	410 244	100%	Donations have not been budgeted for.
Depreciation	7 143 971	0	7 143 971	100%	Depreciation has not been budgeted for.
Repairs and maintenance	2 902 749	1 709 792	1 192 957	70%	Unforeseen repairs and maintenance due to additional staff members appointed as well as unforeseen repairs and maintenance underbudgeted
Interest paid	16 757	0	16 757	100%	Not anticipated as a result not budgeted for.
Grants and subsidies paid	74 431 644	73 003 944	1 427 700	2%	
General expenses - other	50 228 675	38 929 001	11 299 674	29%	Additional costs due to increase in staff complement.
Total Expenditure	266 086 572	244 078 137	22 008 435	9%	
Net Gains and losses	0	0	0	0%	Not budgeted
NET SURPLUS/(DEFICIT) FOR THE YEAR	-15 049 676	-619 137	-14 430 539	2331%	

APPENDIX E(2)
BOJANALA PLATINUM DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2013

	2013 Actual	2013 Under Construction	2013 Total Additions	2013 Budget	2013 Variance	2013 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Land and Buildings							

Buildings	0	2 239 761	2 239 761	0	2 239 761	100%	Construction of Bojanaia Office Building not budgeted for as actual construction will be undertaken during the 2013/14 financial year.
Other Assets	0	0	0	0	0	0%	
Security S	0	0	0	1 057 000	-1 057 000	-100%	Saving on security equipment due to impending relocation to new office building to be constructed.
Furniture a	371 203	0	371 203	440 000	-68 797	-16%	Saving on purchase of furniture and fittings
Emergen	129 245	0	129 245	0	129 245	100%	Unforeseen emergency equipment required during the financial year mainly due to the increase in the staff complement of the municipality
Office Equ	1 417 297	0	1 417 297	1 362 400	54 897	4%	Due to increase in the staff complement of the municipality requiring additional office equipment
Vehicles	815 000	0	815 000	815 000	0	0%	
Plant and	329 126	0	329 126	0	329 126	100%	Unforeseen plant and equipment required during the financial year mainly due to the increase in the staff complement of the municipality
	3 061 871	0	3 061 871	3 674 400	-612 529	-17%	
Total Additions : Own Assets	3 061 871	2 239 761	5 301 632	3 674 400	1 627 232	44%	

The comparison of the Municipality's actual financial performance with that budgeted for the current financial year is set out in the below mentioned table.

Vote	Final Budgeted Amount	Actual Expenditure	Underspent / (Overspent) on Budget
Community Services	52 102 690	51 951 573	151 117
Community Environment Services	30 611 882	28 426 432	2 185 450
Municipal Manager's Office	21 970 275	25 520 258	(3 549 983)
Municipal Council	19 516 089	19 261 227	254 862
Corporate Support Service	40 190 072	43 408 062	(3 217 990)
Economic Development, Agriculture and Tourism	10 385 445	9 732 467	652 978
Budget & Treasury Office	16 965 781	17 027 063	(61 282)
Technical Services	40 114 799	39 891 858	222 941
Mayoral Executive	17 365 504	17 928 774	(563 270)
	<u>249 222 537</u>	<u>253 147 714</u>	<u>-3 925 177</u>

2 013

2 012

31 FINANCE LEASE OBLIGATION

Minimum Lease Payments Due		
Within One Year	-	141 731
In second and fifth year inclusive	-	65 345
	-	207 076
Less future finance charges	-	(16 757)
Present value of minimum lease payments	-	190 319
Present value of Lease Payments Due		
Within One Year	-	124 975
In second and fifth year inclusive	-	65 344
	-	190 319

32 MINIMUM LEASE PAYMENTS: OPERATING LEASE

R 2 013

R 2 012

Minimum Lease Payments Due	1 564 968	
Not later than one year	2 999 522	
Later than one year and not later than five years	-	
Later than five years	-	73 483
Present value of Lease Payments Due	-	-
Within one year	4 564 490	73 483
In second and fifth year inclusive	-	-

33 AWARDS TO CLOSE FAMILY MEMBERS IN TERMS OF SECTION 45 OF

No transactions in 2011/2012 and 2012/2013

34 RELATED PARTY TRANSACTIONS

No related party transactions were recorded

Related party transactions with staff

Bursary repayment

Bursaries are given to general public and Council staff. No liability if they pass. Staff that fail have to repay bursaries

2 013

2 012

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The municipality is at risk in the following areas:

- (i) Credit Risk, which is defined as the risk that one party to a financial instrument will fail to honour its obligation, thus causing the other party to incur a financial loss.
- (ii) Interest Rate Risk, which is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

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

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing.

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

The maximum credit and interest risk exposure in respect of the relevant financial instruments are as follows:

	2 013	2 012
Fixed Deposit Investments	-	-
Long-term Receivables	-	-
Current portion of long-term debtors	-	-
Other Debtors	1 239 563	10 492 481
Short-term Investment Deposits	-	-
Bank and Cash Balances	2 589 274	622 605
Maximum Credit and Interest Risk Exposure	3 828 837	11 115 086

36 Correction of prior period error

36.1. Nature of prior period error

Assets:

Correction of assets incorrectly written off as expenditure in prior periods and not capitalised in accordance with GRAP 17.

36.2 Amount of the correction for each financial statement line item affected:

Property, plant and equipment - Opening balance as at 01 July 2011	797 782
Accumulated surplus - Opening balance as at 01 July 2011	797 782
Depreciation for 2011/12 financial year	(141 293)

37 Going Concern

We draw attention to the fact that although the municipality reported a deficit of R 15,049,676 for the year, its current liabilities exceeded its current assets by R 22,981,993 at year end and that its unspent conditional grants were not sufficiently covered by the available cash and cash equivalents at year end resulting in a shortfall of R 293 013, the municipality had an accumulated surplus of R 12,677,604 and that the municipality's total assets exceeded its total liabilities by R 13,470,316.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business. The ability of the municipality is dependant on a number of factors, the most significant of these is the fact that the government continue to procure funding for the ongoing operations of the municipality.

38 DONATIONS

DONATION OF ASSET - LAND ROVER TO MADIBENG

	2 013	2 012
Donation of Land Rover to Madibeng Local Municipality	410 244	-
	-	-
	410 244	-

See Word document for
accounting policies

APPENDIX B
BOJANALA PLATINUM DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2013

	Cost/Revaluation							Accumulated Depreciation				
	Opening Balance	Additions	Revaluation	Assets under Construction	De-recognition	Disposals	Closing Balance	Opening Balance	Additions	De-recognition	Disposals	Closing Balance
Land and Buildings												
Land	1 300 000	9 860 400	-	-	-	-	11 160 400	-	-	-	-	-
Buildings	5 803 632	-	-	-	-	-	5 803 632	1 963 055	306 864	-	-	2 269 920
WIP	-	-	-	2 239 761	-	-	2 239 761	-	-	-	-	-
	7 103 632	9 860 400	-	2 239 761			19 203 793	1 963 055	306 864			2 269 920
Other Assets												
Furniture and Fittings	5 181 386	371 203			(528 987.79)		5 023 601	2 169 593	702 084	(501 697)		2 369 980
Office Equipment	17 029 868	1 417 297			(4 482 420.95)		13 964 744	10 904 501	2 934 952	(4 451 339)		9 388 114
Security Equipment	340	-			(340.00)		(0)	314	26	(340)		-
Emergency equipment	1 437 454	129 245			(413 238.00)		1 153 461	1 198 224	190 796	(413 238)		975 782
Plant and Equipment	1 136 949	329 126			(645.00)		1 465 430	79 705	223 003	(646)		302 062
Vehicles	24 148 574	815 000			(2 592 347.55)		22 371 226	11 053 444	2 664 994	(2 212 771)		11 505 667
	48 934 571	3 061 871			(8 017 979)	-	43 978 463	25 405 781	6 715 855	(7 580 032)	-	24 541 604
Leased Assets												
Office Equipment	355 804						355 804	158 243	118 601			276 845
	355 804	-	-			-	355 804	158 243	118 601			276 845
Intangible Assets												
Computer Software	26 383	-	-			-	26 383	21 114	2 651			23 765
	26 383	-	-			-	26 383	21 114	2 651			23 765
Total carried forward	56 420 390	12 922 271	-	2 239 761	(8 017 979.29)	-	63 564 443	27 548 193	7 143 971			27 112 134

No segmental analysis of Property, plant and equipment has been prepared

48 136 789	(251 268)	-2 651
797 782	(413 238.54)	-2 145 673
56 394 007	5 802 896.98	7 141 320

Carrying
Value
11 160 400
3 533 712
2 239 761
16 933 873
2 653 621
4 576 630
(0)
177 679
1 163 368
10 865 560
19 436 858
78 959
78 959
2 618
2 618
36 452 309

Trial balance

306864.23	(0)	MAYORS RESIDENCE	160931.07
652897.91	49 186		49 186
2845125.42	89 827		
-	26		
190796.01	(0)		
222779.68	223		
2688488.03	(23 494)		
6 600 087	115 768		184 451
118601.36	(0)		
1094.54	1 556		
13 626 734			
13 787 665			
36 452 309			

(36 449 691)

(2 618.22)

(2 618.22)

36 239 520

-210 171

**APPENDIX F
BOJANALA PLATINUM DISTRICT MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2013**

Grants and Subsidies received: 2012/2013

Name of Grants	Name of organ of state or municipal entity	Opening balance	Total Receipts for the Year	Total Expenditure for the Year	Delay \ withheld	Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
			Total	Total	Total	Total			
Equitable Share	DPLG		239 064 000	239 064 000	0	231 895 000	None	Not Applicable	None
Financial Management Grant	National Treasury		1 250 000	0	0	1 250 000	None	Yes	None
SETA Skills Development	SETA		242 090	641 092	0	0	None	Yes	None
Expanded Public Works	National Treasury		1 412 000	353 198	0	0	None	Yes	None
Fire Support Grant	Provincial		100 000	943 140	0	0	None	Yes	None
Disaster Management Grant	Provincial		0	85 284	0	0	None	Yes	None
IMMIS	Provincial		0	3 135	0	0	None	Yes	None
Municipal Systems Improvement	Provincial		1 000 000	0	0	0	None	Yes	None
16 days of activism	Provincial		1 100 000	1 100 000	0	0	None	Yes	None
Madibeng rescue boat	Provincial		0	0	0	0	None	Yes	None
National Lottery Grant	Lotto		0	982 000	0	0	None	Yes	None
Capacity building Disaster	Provincial		100 000	0	0	0	None	Yes	None
Coordination Grant	City of Lahti		0	0	0	0	none	Not Applicable	None
Standard Bank Donation	Public Donation		0	53 100	0	0	None	Yes	None
Water Provision Maubane	Public Donation		0	3 177 085	0	0	None	Yes	None
			244 268 090	246 402 034	0	233 145 000			

Equitable Share shown as expended in order that total grant expenditure recognised as revenue balance with Note 12

APPENDIX G
 BOJANALA PLATINUM DISTRICT MUNICIPALITY
 UNAUTHORISED / IRREGULAR/ FRUITLESS AND WASTEFUL EXPENDITURE 2012/2013
 IRREGULAR
 DEVIATIONS FROM SUPPLY CHAIN POLICY

UNAUTHORISED

OVERSPENDING OF BUDGET PER VOTE

VOTE	OVERSPENDING
Office Municipal Manager	R3 549 983
Corporate support services	R3 217 990
Budget & treasury	R61 282
Mayoral Executive	R563 270
SUB TOTAL	R7 392 525

FRUITLESS & WASTEFUL EXPENDITURE