

# WATERBERG DISTRICT MUNICIPALITY

## PRE-AUDITED ANNUAL FINANCIAL STATEMENTS 2013/2014



*Waterberg*  
District Municipality

*on the Go for Growth*

# **WATERBERG DISTRICT MUNICIPALITY**

## **PRE-AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

I am responsible for the preparation of these annual financial statements which are set out on pages 1 to 56, 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 Councilors as disclosed in note 24 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 Office Bearers Act, the Minister of Provincial and Local Government's determination in accordance with this Act and Government Notice 64 of Government Gazette no 37281 dated 29 January 2014.

I have complied with the disclosure requirements in terms of section 122 to 126 of the Municipal Finance Management Act, No 56 of 2003.



**MS MABOTJA**  
**MUNICIPAL MANAGER**

25/08/2014  
DATE

# INDEX

The reports and statements set out below comprise the annual financial statements:

<b>CONTENTS</b>	<b>PAGE(s)</b>
GENERAL INFORMATION	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF FINANCIAL PERFORMANCE	3
STATEMENT OF CHANGES IN NET ASSETS	4
CASH FLOW STATEMENT	5
TABLE A1 BUDGET SUMMARY	6
TABLE A2 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY STANDARD CLASSIFICATION)	7
TABLE A3 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)	8
TABLE A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)	9
TABLE A5 BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING	10
TABLE A6 BUDGETED FINANCIAL POSITION	11
TABLE A7 BUDGETED CASH FLOWS	12
ACCOUNTING POLICIES	13 - 27
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	28 – 51

# INDEX

The reports and statements set out below comprise the annual financial statements:

<b>CONTENTS</b>	<b>PAGE(s)</b>
APPENDIX A (1): ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)	52
APPENDIX A (2): ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)	53
UNAUDITED APPENDIX B: SCHEDULE OF EXTERNAL LOANS	54
UNAUDITED APPENDIX C: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT	55
UNAUDITED APPENDIX D: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE	56

# **WATERBERG DISTRICT MUNICIPALITY**

## **GENERAL INFORMATION**

### **Members of the Council**

N.R. Mogotlane  
M.A.D.Monama  
N.S. Murumudi  
K.S. Lamola  
Z. Mosam  
M.M.S. Mogotsi  
B.S. Mhlanga  
R.Z. Moeletsi  
M.L. Moremi  
S.M. Molekwa

Mayor  
Speaker  
Chief Whip  
Member of the Mayoral Committee  
Member of the Mayoral Committee  
Member of the Mayoral Committee  
Member of the Mayoral Committee  
Member of the Mayoral Committee  
Member of the Mayoral Committee

### **Municipal Manager**

M.S. Mabotja

### **Chief Financial Officer**

N. Laubscher

### **Grading of the District Municipality**

Grade 3

### **Auditors**

Auditor - General

### **Bankers**

First National Bank

### **Physical Address**

42 Harry Gwala Street  
Modimolle  
0510

### **Postal Address**

Private Bag X1018  
Modimolle  
0510

### **Telephone Number**

(014) 718 3300

### **Fax Number**

086 529 4621

### **E-mail address**

[nlaubscher@waterberg.gov.za](mailto:nlaubscher@waterberg.gov.za)

# WATERBERG DISTRICT MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 R	2013 R
<b>ASSETS</b>			
<b>Current assets</b>			
		<b>96 233 225</b>	<b>109 918 822</b>
Cash and cash equivalents	1	62 436 092	83 984 800
Trade and other receivables from exchange transactions	2	7 371	4 733
Other receivables from non-exchange transactions	3	2 459 983	3 898 167
Inventory	4	57 466	113 505
Held-to-maturity investments	5	28 080 662	20 148 748
VAT receivable	6	3 073 242	1 650 460
Non-current assets held for sale	7	118 409	118 409
<b>Non-current assets</b>			
		<b>63 956 900</b>	<b>61 413 584</b>
Non-current receivables	8	54 775	34 775
Property, plant and equipment	9	61 676 298	58 965 090
Intangible assets	10	2 225 827	2 413 719
<b>Total assets</b>		<b>160 190 125</b>	<b>171 332 406</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
		<b>11 956 238</b>	<b>11 532 155</b>
Trade- and other payables	11	8 625 944	8 183 514
Consumer deposits	12	600	600
Provisions	13	582 871	325 595
Unspent conditional grants and receipts	14	436 868	1 398 080
Current portion of retirement health care liability	15	2 140 178	1 402 166
Current portion of long service awards liability	16	169 777	222 200
<b>Non-current liabilities</b>			
		<b>17 341 468</b>	<b>13 838 419</b>
Retirement health care liability	15	15 383 152	12 391 504
Long service awards liability	16	1 958 316	1 446 915
<b>Total liabilities</b>		<b>29 297 706</b>	<b>25 370 574</b>
<b>Net assets</b>		<b>130 892 419</b>	<b>145 961 832</b>
<b>NET ASSETS</b>			
<b>Retained surplus and other reserves</b>			
		<b>130 892 419</b>	<b>145 961 832</b>
Accumulated surplus and other reserves	28	130 892 419	145 961 832
<b>Total net assets</b>		<b>130 892 419</b>	<b>145 961 832</b>

# WATERBERG DISTRICT MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 R	2013 R
<b>REVENUE</b>			
<b>Revenue from exchange transactions:</b>			
Service charges	17	1 670 715	718 952
Interest earned - external investments	18	6 116 928	6 176 945
Interest earned - outstanding receivables	19	26	112 122
Other income		170 854	1 116 026
Bad debts recovered		-	73 027
<b>Revenue from non-exchange transactions:</b>			
Government and other grants	20	101 326 205	93 442 364
<b>Other gains:</b>			
Gain on disposal of assets	21	-	22 540
Reversal of impairment loss on assets	22	1 895 763	(1 757 273)
<b>Total Revenue</b>		<b>111 180 491</b>	<b>99 904 703</b>
<b>EXPENDITURE</b>			
Employee related costs	23	(53 834 358)	(49 139 594)
Remuneration of councillors	24	(5 991 826)	(5 472 702)
Post-retirement health care expenditure	15	(4 219 016)	(1 419 505)
Long-service award expenditure	16	( 550 810)	( 311 595)
Depreciation and amortisation	25	(6 004 978)	(5 889 720)
Repairs and maintenance		(1 468 498)	( 859 979)
Contracted services	26	(13 714 443)	(12 759 915)
General expenses	27	(17 061 101)	(16 040 441)
Project expenditure		(23 345 463)	(24 213 319)
Loss on disposal of Assets	21	( 59 411)	( 527 892)
<b>Total Expenditure</b>		<b>(126 249 904)</b>	<b>(116 634 662)</b>
<b>(LOSS) / PROFIT FOR THE YEAR</b>		<b>(15 069 413)</b>	<b>(16 729 959)</b>

Refer to Appendix E(1) for the comparison with the approved budget

# WATERBERG DISTRICT MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Note	<u>Revaluation Reserve</u>	<u>Accumulated Surplus and Other Reserves</u>	<u>Total</u>
		R	R	R
<b>2013</b>				
Balance at 1 July 2012		-	162 691 791	162 691 791
Net surplus for the year			(16 729 959)	(16 729 959)
<b>Balance at 30 June 2013</b>		<u>-</u>	<u>145 961 832</u>	<u>145 961 832</u>
<b>2014</b>				
Balance as at 1 July 2013		-	145 961 832	145 961 832
Net shortfall for the year			(15 069 413)	(15 069 413)
<b>Balance at 30 June 2014</b>		<u>-</u>	<u>130 892 419</u>	<u>130 892 419</u>

Note 28



# WATERBERG DISTRICT MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 R	2013 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Cash receipts:</b>			
Sales of goods and services		1 783 886	820 084
Grants		100 364 993	94 170 188
Interest received		6 116 955	6 289 067
Other receipts		34 718	1 093 209
<b>Payments:</b>			
Employee costs		(59 339 859)	(54 332 297)
Suppliers		(12 237 892)	(14 010 757)
Project expenditure		(23 397 104)	(24 853 067)
Fire fighting expenditure		(13 499 065)	(13 724 375)
Vat		(1 422 782)	3 072 584
Other payments		(5 006 874)	(4 360 455)
<b>Net cash flows from operating activities</b>	29	<b>(6 603 024)</b>	<b>(5 835 819)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(6 971 680)	(8 338 550)
Purchase of intangible assets		( 32 996)	( 11 550)
Proceeds on sale of property, plant and equipment		10 906	279 788
Proceeds from recovery of investments		-	13 367
Decrease/(Increase) in held-to-maturity investments		(7 931 914)	138 082
(Increase) / Decrease in long term receivables		( 20 000)	-
<b>Net cash flows from investing activities</b>		<b>(14 945 684)</b>	<b>(7 918 863)</b>
<b>Net increase in net cash and cash equivalents</b>		<b>(21 548 708)</b>	<b>(13 754 682)</b>
<b>Net cash and cash equivalents at beginning of year</b>		<b>(83 984 800)</b>	<b>(97 739 482)</b>
<b>Net cash and cash equivalents at end of year</b>	30	<b>62 436 092</b>	<b>83 984 800</b>

# WATERBERG DISTRICT MUNICIPALITY

## Statements of Comparison of Budget and Actual Amounts

### Reconciliation of Table A1 Budget Summary

Description	2013/2014							2012/2013							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Original Budget	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
<b>Financial Performance</b>															
Property rates	729	-	-	-	-	1 368	1 671	-	303	122%	-	-	-	-	719
Service charges	6 020	639	1 368	-	-	6 020	6 117	-	97	102%	-	-	-	-	6 289
Investment revenue	99 420	2 891	102 311	-	-	102 311	101 326	-	(985)	99%	-	-	-	-	93 442
Transfers recognised - operational	141	-	141	-	-	141	2 067	-	1 926	1471%	-	-	-	-	(546)
Other own revenue															
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>106 310</b>	<b>3 530</b>	<b>109 840</b>	<b>-</b>	<b>-</b>	<b>109 840</b>	<b>111 880</b>	<b>-</b>	<b>1 341</b>	<b>101%</b>	<b>105%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99 905</b>
Employee costs	62 539	(1 820)	60 719	-	-	60 719	58 604	-	(2 115)	94%	-	-	-	-	50 871
Remuneration of councillors	5 879	(0)	5 879	-	-	5 879	5 992	-	113	102%	-	-	-	-	5 473
Depreciation & asset impairment	9 144	(1 300)	7 844	-	-	7 844	6 005	-	(1 839)	77%	-	-	-	-	5 890
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants	15 821	17 457	33 278	-	-	33 278	23 345	-	(9 932)	70%	-	-	-	-	24 213
Other expenditure	34 957	2 105	37 063	-	-	37 063	32 303	-	(4 759)	87%	-	-	-	-	30 188
<b>Total Expenditure</b>	<b>128 341</b>	<b>16 442</b>	<b>144 783</b>	<b>-</b>	<b>-</b>	<b>144 783</b>	<b>126 250</b>	<b>-</b>	<b>(18 533)</b>	<b>87%</b>	<b>98%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116 635</b>
<b>Surplus/(Deficit)</b>	<b>(22 031)</b>	<b>(12 911)</b>	<b>(34 943)</b>	<b>-</b>	<b>-</b>	<b>(34 943)</b>	<b>(15 069)</b>	<b>-</b>	<b>19 873</b>	<b>43%</b>	<b>68%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 730)</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(22 031)</b>	<b>(12 911)</b>	<b>(34 943)</b>	<b>-</b>	<b>-</b>	<b>(34 943)</b>	<b>(15 069)</b>	<b>-</b>	<b>19 873</b>	<b>43%</b>	<b>68%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 730)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(22 031)</b>	<b>(12 911)</b>	<b>(34 943)</b>	<b>-</b>	<b>-</b>	<b>(34 943)</b>	<b>(15 069)</b>	<b>-</b>	<b>19 873</b>	<b>43%</b>	<b>68%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 730)</b>
<b>Capital expenditure &amp; funds sources</b>															
<b>Capital expenditure</b>	<b>6 729</b>	<b>6 309</b>	<b>13 038</b>	<b>-</b>	<b>-</b>	<b>13 038</b>	<b>7 023</b>	<b>-</b>	<b>(6 015)</b>	<b>54%</b>	<b>104%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 350</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	6 729	6 309	13 038	-	-	13 038	7 023	-	(6 015)	54%	-	-	-	-	12 039
<b>Total sources of capital funds</b>	<b>6 729</b>	<b>6 309</b>	<b>13 038</b>	<b>-</b>	<b>-</b>	<b>13 038</b>	<b>7 023</b>	<b>-</b>	<b>(6 015)</b>	<b>54%</b>	<b>104%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 039</b>
<b>Cash flows</b>															
Net cash from (used) operating	(12 708)	18 046	5 337	-	-	5 337	(6 603)	-	(11 940)	-124%	-	-	-	-	2 777
Net cash from (used) investing	(6 579)	(6 341)	(12 920)	-	-	(12 920)	(14 946)	-	(2 025)	116%	-	-	-	-	(13 949)
Net cash from (used) financing	(6)	-	(6)	-	-	(6)	6	-	6	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>52 465</b>	<b>11 704</b>	<b>64 170</b>	<b>-</b>	<b>-</b>	<b>64 170</b>	<b>62 436</b>	<b>-</b>	<b>(1 733)</b>	<b>97%</b>	<b>119%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83 985</b>

**Notes**

- 3 = sum of column 1 and 2
- 2 represents movements in original budget to get to final adjustment budget (including shifting of funds)
- Virements must offset each other so that virements in Total Expenditure equals zero
- 6 = sum of column 3, 4 and 5
- 8 does not necessarily equal the difference between 9 and 8 because overspending is not the only reason for unauthorised expenditure
- 9 = 7 - 6
- 10 = (7/6)\*100
- 11 = (9/1)\*100
- 14 = 13 - 12
- 15 in revenue equals Audited Outcome plus funds actually recovered
- 15 in expenditure equals Audited Outcome less funds actually recovered
- 15 in Cash Flow equals Audited Outcome plus funds recovered

Explanations of the differences above 10% between the actual amounts and budgeted amounts are disclosed in annexures A(1) and A(2) to the annual financial statements.

# WATERBERG DISTRICT MUNICIPALITY

Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2013/2014										2012/2013				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget adjustments	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
<b>Revenue - Standard</b>															
<i>Governance and administration</i>	102 912	320	103 232	-	-	103 232	-	-	(1)	100%	-	-	-	-	99 150
Executive and council	1 190	237	1 427	-	-	1 427	-	-	(908)	36%	-	-	-	-	1 082
Budget and treasury office	101 622	83	101 705	-	-	101 705	-	-	478	100%	-	-	-	-	97 830
Corporate services	100	-	100	-	-	100	-	-	429	529%	-	-	-	-	238
<i>Community and public safety</i>	95	-	95	-	-	95	-	-	1 636	0%	-	-	-	-	23
Community and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	95	-	95	-	-	95	-	-	1 636	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	2 571	2 571	5 142	-	-	5 142	-	-	(594)	88%	-	-	-	-	1 697
Planning and development	-	-	-	-	-	-	-	-	272	#DIV/0!	-	-	-	-	368
Road transport	2 571	2 571	5 142	-	-	5 142	-	-	(866)	83%	-	-	-	-	1 330
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>	732	639	1 371	-	-	1 371	-	-	300	122%	-	-	-	-	792
<b>Total Revenue - Standard</b>	106 310	3 530	109 840	-	-	109 840	-	-	1 341	101%	-	-	-	-	101 662
<b>Expenditure - Standard</b>															
<i>Governance and administration</i>	59 144	28	59 172	-	-	59 172	-	-	(6 828)	88%	-	-	-	-	54 153
Executive and council	28 245	428	28 673	-	-	28 673	-	-	(2 367)	92%	-	-	-	-	30 138
Budget and treasury office	11 807	119	11 926	-	-	11 926	-	-	(348)	97%	-	-	-	-	9 765
Corporate services	19 091	(519)	18 572	-	-	18 572	-	-	(4 113)	78%	-	-	-	-	14 251
<i>Community and public safety</i>	50 333	1 654	51 987	-	-	51 987	-	-	(7 835)	85%	-	-	-	-	42 449
Community and social services	3 858	(300)	3 558	-	-	3 558	-	-	(1 106)	69%	-	-	-	-	1 832
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	28 119	716	28 835	-	-	28 835	-	-	(3 514)	88%	-	-	-	-	24 880
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	18 356	1 238	19 594	-	-	19 594	-	-	(3 215)	84%	-	-	-	-	15 737
<i>Economic and environmental services</i>	13 539	14 521	28 060	-	-	28 060	-	-	(4 032)	86%	-	-	-	-	18 135
Planning and development	6 913	1 724	8 637	-	-	8 637	-	-	(1 937)	78%	-	-	-	-	6 218
Road transport	6 627	12 796	19 423	-	-	19 423	-	-	(2 095)	89%	-	-	-	-	11 917
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>	5 325	239	5 564	-	-	5 564	-	-	162	103%	-	-	-	-	3 655
<b>Total Expenditure - Standard</b>	128 341	16 442	144 783	-	-	144 783	-	-	(18 533)	87%	-	-	-	-	118 392
<b>Surplus/(Deficit) for the year</b>	(22 031)	(12 911)	(34 943)	-	-	(34 943)	-	-	19 873	43%	-	-	-	-	(16 730)

# WATERBERG DISTRICT MUNICIPALITY

**Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	2013/2014										2012/2013				
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Revenue by Vote</b>															
Vote 1 - BUDGET & TREASURY	101 622	83	101 705	-	-	101 705	102 183	-	478	100%	101%	-	-	-	97 830
Vote 2 - MUNICIPAL MANAGER	1 190	237	1 427	-	-	1 427	519	-	(908)	36%	44%	-	-	-	1 064
Vote 3 - CORPORATE SERVICES	100	-	100	-	-	100	529	-	429	529%	529%	-	-	-	238
Vote 4 - PLANNING	-	-	-	-	-	-	272	-	272	#DIV/0!	-	-	-	-	368
Vote 5 - INFRASTRUCTURE	2 571	2 571	5 142	-	-	5 142	4 276	-	(866)	83%	166%	-	-	-	1 330
Vote 6 - EXECUTIVE SUPPORT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18
Vote 7 - SOCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - DISASTER	95	-	95	-	-	95	1 730	-	1 636	0%	#DIV/0!	-	-	-	23
Vote 9 - ENVIRONMENTAL HEALTH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - ABBATOIR	732	639	1 371	-	-	1 371	1 671	-	300	122%	228%	-	-	-	792
<b>Total Revenue by Vote</b>	<b>106 310</b>	<b>3 530</b>	<b>109 840</b>	<b>-</b>	<b>-</b>	<b>109 840</b>	<b>111 180</b>	<b>-</b>	<b>1 341</b>	<b>101%</b>	<b>105%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101 662</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - BUDGET & TREASURY	11 807	119	11 926	-	-	11 926	11 578	-	(348)	97%	98%	-	-	-	9 765
Vote 2 - MUNICIPAL MANAGER	8 711	(262)	8 449	-	-	8 449	6 826	-	(1 623)	81%	78%	-	-	-	8 302
Vote 3 - CORPORATE SERVICES	19 091	(519)	18 572	-	-	18 572	14 459	-	(4 113)	78%	76%	-	-	-	14 251
Vote 4 - PLANNING	6 913	1 724	8 637	-	-	8 637	6 700	-	(1 937)	78%	97%	-	-	-	6 218
Vote 5 - INFRASTRUCTURE	6 627	12 796	19 423	-	-	19 423	17 328	-	(2 095)	89%	261%	-	-	-	11 917
Vote 6 - EXECUTIVE SUPPORT	19 534	689	20 224	-	-	20 224	19 480	-	(744)	96%	100%	-	-	-	21 836
Vote 7 - SOCIAL SERVICES	3 858	(300)	3 558	-	-	3 558	2 453	-	(1 106)	69%	64%	-	-	-	1 832
Vote 8 - DISASTER	28 119	716	28 835	-	-	28 835	25 321	-	(3 514)	88%	90%	-	-	-	24 880
Vote 9 - ENVIRONMENTAL HEALTH	18 356	1 238	19 594	-	-	19 594	16 379	-	(3 215)	84%	89%	-	-	-	15 737
Vote 10 - ABBATOIR	5 325	239	5 564	-	-	5 564	5 725	-	162	103%	108%	-	-	-	3 655
<b>Total Expenditure by Vote</b>	<b>128 341</b>	<b>16 442</b>	<b>144 783</b>	<b>-</b>	<b>-</b>	<b>144 783</b>	<b>126 250</b>	<b>-</b>	<b>(18 533)</b>	<b>87%</b>	<b>98%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118 392</b>
<b>Surplus/(Deficit) for the year</b>	<b>(22 031)</b>	<b>(12 911)</b>	<b>(34 943)</b>	<b>-</b>	<b>-</b>	<b>(34 943)</b>	<b>(15 069)</b>	<b>-</b>	<b>19 873</b>	<b>43%</b>	<b>68%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 730)</b>

# WATERBERG DISTRICT MUNICIPALITY

**Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	2013/2014						2012/2013				Restated Audited Outcome				
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget		Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of MFMA	Balance to be recovered
R thousand	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Revenue By Source</b>															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	729	639	1 368	-	-	1 368	1 671	-	303	122%	229%	-	-	-	719
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	6 020	-	6 020	-	-	6 020	6 117	-	97	102%	102%	-	-	-	6 177
Interest earned - outstanding debtors	3	-	3	-	-	3	0	-	(3)	1%	1%	-	-	-	112
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	95	-	95	-	-	95	23	-	(72)	-	-	-	-	-	76
Transfers recognised - operational	99 420	2 891	102 311	-	-	102 311	101 326	-	(985)	99%	102%	-	-	-	93 442
Other revenue	43	-	43	-	-	43	2 044	-	2 001	4753%	4753%	-	-	-	(717)
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>106 310</b>	<b>3 530</b>	<b>109 840</b>	<b>-</b>	<b>-</b>	<b>109 840</b>	<b>111 180</b>	<b>-</b>	<b>1 341</b>	<b>101%</b>	<b>105%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99 832</b>
<b>Expenditure By Type</b>															
Employee related costs	62 539	(1 820)	60 719	-	-	60 719	58 604	-	(2 115)	97%	94%	-	-	-	50 871
Remuneration of councillors	5 879	(0)	5 879	-	-	5 879	5 992	-	113	102%	102%	-	-	-	5 473
Debt impairment	-	-	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Depreciation & asset impairment	9 144	(1 300)	7 844	-	-	7 844	6 005	-	(1 839)	77%	66%	-	-	-	5 890
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	14 587	250	14 837	-	-	14 837	13 714	-	(1 123)	92%	94%	-	-	-	12 760
Transfers and grants	15 821	17 457	33 278	-	-	33 278	23 345	-	(9 932)	70%	148%	-	-	-	24 213
Other expenditure	20 295	1 855	22 150	-	-	22 150	18 530	-	(3 621)	84%	91%	-	-	-	16 900
Loss on disposal of PPE	75	-	75	-	-	75	59	-	(16)	-	-	-	-	-	528
<b>Total Expenditure</b>	<b>128 341</b>	<b>16 442</b>	<b>144 783</b>	<b>-</b>	<b>-</b>	<b>144 783</b>	<b>126 250</b>	<b>-</b>	<b>(18 533)</b>	<b>87%</b>	<b>98%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116 635</b>
<b>Surplus/(Deficit)</b>	<b>(22 031)</b>	<b>(12 911)</b>	<b>(34 943)</b>	<b>-</b>	<b>-</b>	<b>(34 943)</b>	<b>(15 069)</b>	<b>-</b>	<b>19 873</b>	<b>43%</b>	<b>68%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 803)</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(22 031)</b>	<b>(12 911)</b>	<b>(34 943)</b>	<b>-</b>	<b>-</b>	<b>(34 943)</b>	<b>(15 069)</b>	<b>-</b>	<b>19 873</b>	<b>43%</b>	<b>68%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 803)</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>(22 031)</b>	<b>(12 911)</b>	<b>(34 943)</b>	<b>-</b>	<b>-</b>	<b>(34 943)</b>	<b>(15 069)</b>	<b>-</b>	<b>19 873</b>	<b>43%</b>	<b>68%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 803)</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(22 031)</b>	<b>(12 911)</b>	<b>(34 943)</b>	<b>-</b>	<b>-</b>	<b>(34 943)</b>	<b>(15 069)</b>	<b>-</b>	<b>19 873</b>	<b>43%</b>	<b>68%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 803)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(22 031)</b>	<b>(12 911)</b>	<b>(34 943)</b>	<b>-</b>	<b>-</b>	<b>(34 943)</b>	<b>(15 069)</b>	<b>-</b>	<b>19 873</b>	<b>43%</b>	<b>68%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 803)</b>

# WATERBERG DISTRICT MUNICIPALITY

**Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description	2013/2014					2012/2013									
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Capital expenditure - Vote</b>															
<b>Multi-year expenditure</b>															
Vote 1 - BUDGET & TREASURY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES	245	500	745	-	-	745	16	-	(745)	0%	0%	-	-	-	-
Vote 4 - PLANNING	-	-	-	-	-	-	13	-	16	-	-	-	-	-	-
Vote 5 - INFRASTRUCTURE	290	223	513	-	-	513	13	-	(499)	-	-	-	-	-	6
Vote 6 - EXECUTIVE SUPPORT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - SOCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - DISASTER	3 491	132	3 623	-	-	3 623	110	-	(3 623)	-	-	-	-	-	-
Vote 9 - ENVIRONMENTAL HEALTH	-	-	-	-	-	-	-	-	110	-	-	-	-	-	-
Vote 10 - ABBATOIR	-	-	-	-	-	-	-	-	70	-	-	-	-	-	18
<b>Capital multi-year expenditure sub-total</b>	<b>4 026</b>	<b>854</b>	<b>4 880</b>	-	-	<b>4 880</b>	<b>139</b>	-	<b>(4 671)</b>	<b>0%</b>	<b>0%</b>	-	-	-	<b>25</b>
<b>Single-year expenditure</b>															
Vote 1 - BUDGET & TREASURY	-	-	-	-	-	-	6	-	6	-	-	-	-	-	15
Vote 2 - MUNICIPAL MANAGER	-	350	350	-	-	350	20	-	(330)	6%	-	-	-	-	30
Vote 3 - CORPORATE SERVICES	880	1 051	1 931	-	-	1 931	658	-	(1 273)	34%	75%	-	-	-	605
Vote 4 - PLANNING	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - INFRASTRUCTURE	-	-	-	-	-	-	43	-	-	#DIV/0!	-	-	-	-	-
Vote 6 - EXECUTIVE SUPPORT	-	-	-	-	-	-	43	-	43	-	-	-	-	-	63
Vote 7 - SOCIAL SERVICES	-	858	858	-	-	858	633	-	(225)	74%	#DIV/0!	-	-	-	18
Vote 8 - DISASTER	1 823	3 195	5 018	-	-	5 018	5 453	-	435	109%	299%	-	-	-	6 699
Vote 9 - ENVIRONMENTAL HEALTH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - ABBATOIR	-	-	-	-	-	-	70	-	70	-	-	-	-	-	896
<b>Capital single-year expenditure sub-total</b>	<b>2 703</b>	<b>5 454</b>	<b>8 157</b>	-	-	<b>8 157</b>	<b>6 883</b>	-	<b>(1 274)</b>	<b>84%</b>	<b>0%</b>	-	-	-	<b>8 326</b>
<b>Total Capital Expenditure - Vote</b>	<b>6 729</b>	<b>6 309</b>	<b>13 038</b>	-	-	<b>13 038</b>	<b>7 023</b>	-	<b>(5 944)</b>	<b>54%</b>	<b>0%</b>	-	-	-	<b>8 350</b>
<b>Capital Expenditure - Standard</b>															
<b>Governance and administration</b>															
Executive and council	1 125	1 901	3 026	-	-	3 026	727	-	(2 299)	24%	65%	-	-	-	713
Budget and treasury office	-	350	350	-	-	350	63	-	(287)	18%	-	-	-	-	93
Corporate services	1 125	1 551	2 676	-	-	2 676	6	-	6	-	-	-	-	-	15
<b>Community and public safety</b>	<b>5 314</b>	<b>4 185</b>	<b>9 499</b>	-	-	<b>9 499</b>	<b>6 196</b>	-	<b>(3 303)</b>	<b>25%</b>	<b>58%</b>	-	-	-	<b>605</b>
Community and social services	-	858	858	-	-	858	633	-	(225)	65%	117%	-	-	-	6 735
Sport and recreation	-	-	-	-	-	-	-	-	-	74%	#DIV/0!	-	-	-	18
Public safety	5 314	3 327	8 641	-	-	8 641	5 453	-	(3 188)	63%	103%	-	-	-	6 699
Health	-	-	-	-	-	-	110	-	110	-	-	-	-	-	18
<b>Economic and environmental services</b>	<b>290</b>	<b>223</b>	<b>513</b>	-	-	<b>513</b>	<b>29</b>	-	<b>(483)</b>	<b>6%</b>	<b>-</b>	-	-	-	<b>6</b>
Planning and development	-	-	-	-	-	-	16	-	16	-	-	-	-	-	6
Road transport	290	223	513	-	-	513	13	-	(499)	3%	-	-	-	-	6
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	70	-	70	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>6 729</b>	<b>6 309</b>	<b>13 038</b>	-	-	<b>13 038</b>	<b>7 023</b>	-	<b>(6 015)</b>	<b>54%</b>	<b>104%</b>	-	-	-	<b>896</b>
<b>Funded by:</b>															
National Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Public contributions &amp; donations</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	<b>6 729</b>	<b>6 309</b>	<b>13 038</b>	-	-	<b>13 038</b>	<b>7 023</b>	-	<b>(6 015)</b>	<b>54%</b>	<b>104%</b>	-	-	-	<b>8 350</b>
<b>Total Capital Funding</b>	<b>6 729</b>	<b>6 309</b>	<b>13 038</b>	-	-	<b>13 038</b>	<b>7 023</b>	-	<b>(6 015)</b>	<b>54%</b>	<b>104%</b>	-	-	-	<b>8 350</b>

# WATERBERG DISTRICT MUNICIPALITY

Reconciliation of Table A6 Budgeted Financial Position

Description	2013/2014						2012/2013								
	Original Budget	Budget Adjustments (i.i.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.i.o. s31 of the MFMA)	Virement (i.i.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>ASSETS</b>															
<b>Current Assets</b>															
Cash	52 465	11 704	64 170	-	-	64 170	62 436	-	62 436	#DIV/0!	#DIV/0!	-	-	-	83 985
Call investment deposits	50	-	50	-	-	50	28 081	-	(36 089)	44%	54%	-	-	-	20 149
Consumer debtors	550	-	550	-	-	550	7	-	(43)	15%	15%	-	-	-	5
Other debtors	-	-	-	-	-	-	5 533	-	4 983	1006%	1006%	-	-	-	5 549
Short-term portion of receivables	100	-	100	-	-	100	57	-	(43)	57%	57%	-	-	-	114
<b>Total current assets</b>	<b>53 165</b>	<b>11 704</b>	<b>64 870</b>	<b>-</b>	<b>-</b>	<b>64 870</b>	<b>96 115</b>	<b>-</b>	<b>31 245</b>	<b>148%</b>	<b>181%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109 800</b>
<b>Non Current Assets</b>															
Long-term receivables	2	33	35	-	-	35	55	-	20	156%	2705%	-	-	-	35
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	68 480	1 021	69 501	-	-	69 501	61 676	-	(7 825)	89%	90%	-	-	-	58 965
Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	214	2 000	2 214	-	-	2 214	2 226	-	12	101%	1039%	-	-	-	2 414
Non-current assets held for sale	-	-	-	-	-	-	118	-	118	#DIV/0!	#DIV/0!	-	-	-	118
<b>Total non current assets</b>	<b>68 697</b>	<b>3 053</b>	<b>71 750</b>	<b>-</b>	<b>-</b>	<b>71 750</b>	<b>64 075</b>	<b>-</b>	<b>(7 675)</b>	<b>89%</b>	<b>93%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61 552</b>
<b>TOTAL ASSETS</b>	<b>121 862</b>	<b>14 758</b>	<b>136 619</b>	<b>-</b>	<b>-</b>	<b>136 619</b>	<b>160 190</b>	<b>-</b>	<b>23 571</b>	<b>117%</b>	<b>131%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171 352</b>
<b>LIABILITIES</b>															
<b>Current liabilities</b>															
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumer deposits	2	-	2	-	-	2	1	-	(1)	39%	39%	-	-	-	1
Trade and other payables	7 547	200	7 747	-	-	7 747	9 063	-	1 316	117%	120%	-	-	-	9 582
Provisions	2 293	-	2 293	-	-	2 293	2 893	-	599	126%	126%	-	-	-	1 950
<b>Total current liabilities</b>	<b>9 841</b>	<b>200</b>	<b>10 041</b>	<b>-</b>	<b>-</b>	<b>10 041</b>	<b>11 956</b>	<b>-</b>	<b>1 915</b>	<b>119%</b>	<b>121%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 532</b>
<b>Non Current Liabilities</b>															
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	15 522	-	15 522	-	-	15 522	17 341	-	1 820	112%	112%	-	-	-	13 838
<b>Total non current liabilities</b>	<b>15 522</b>	<b>-</b>	<b>15 522</b>	<b>-</b>	<b>-</b>	<b>15 522</b>	<b>17 341</b>	<b>-</b>	<b>1 820</b>	<b>112%</b>	<b>112%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 838</b>
<b>TOTAL LIABILITIES</b>	<b>25 363</b>	<b>200</b>	<b>25 563</b>	<b>-</b>	<b>-</b>	<b>25 563</b>	<b>29 298</b>	<b>-</b>	<b>3 734</b>	<b>115%</b>	<b>116%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25 371</b>
<b>NET ASSETS</b>	<b>96 498</b>	<b>14 558</b>	<b>111 056</b>	<b>-</b>	<b>-</b>	<b>111 056</b>	<b>130 892</b>	<b>-</b>	<b>19 836</b>	<b>118%</b>	<b>136%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145 962</b>
<b>COMMUNITY WEALTH / EQUITY</b>															
Accumulated Surplus / (Deficit)	96 498	14 558	111 056	-	-	111 056	130 892	-	19 836	118%	136%	-	-	-	145 962
Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH / EQUITY</b>	<b>96 498</b>	<b>14 558</b>	<b>111 056</b>	<b>-</b>	<b>-</b>	<b>111 056</b>	<b>130 892</b>	<b>-</b>	<b>19 836</b>	<b>118%</b>	<b>136%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145 962</b>

# WATERBERG DISTRICT MUNICIPALITY

Reconciliation of Table A7 Budgeted Cash Flows

Description	2013/2014						2012/2013
	Original Budget	Budget Adjustments (i.o. s28)	Final adjustments budget	Final Budget	Actual Outcome	Variance	
	1	2	3	6	7	9	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Ratepayers and other	106 249	3 530	109 780	109 780	108 301	(1 479)	102%
Government - operating	806	639	1 445	1 445	1 819	373	226%
Government - capital	99 420	2 891	102 311	102 311	100 365	(1 946)	98%
Interest	-	-	-	-	-	-	-
Dividends	6 023	-	6 023	6 023	6 117	94	102%
<b>Payments</b>							
Suppliers and employees	(118 957)	14 515	(104 442)	(104 442)	(114 904)	(10 461)	110%
Finance charges	(103 136)	31 972	(71 165)	(71 165)	(91 506)	(20 342)	129%
Transfers and Grants	-	-	-	-	-	-	-
	(15 821)	(17 457)	(33 278)	(33 278)	(23 397)	9 881	70%
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(12 708)</b>	<b>18 046</b>	<b>5 337</b>	<b>5 337</b>	<b>(6 603)</b>	<b>(11 940)</b>	<b>-124%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE	150	(33)	117	117	(7 941)	(8 058)	-
Decrease (Increase) in non-current debtors	75	-	75	75	11	(64)	-
Decrease (Increase) other non-current receivables	-	(33)	(33)	(33)	-	33	-
Decrease (Increase) in non-current investments	75	-	75	75	(20)	(95)	-
<b>Payments</b>							
Capital assets	(6 729)	(6 309)	(13 038)	(13 038)	(7 932)	(7 932)	-
	(6 729)	(6 309)	(13 038)	(13 038)	(7 005)	6 033	54%
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(6 579)</b>	<b>(6 341)</b>	<b>(12 920)</b>	<b>(12 920)</b>	<b>(14 946)</b>	<b>(2 025)</b>	<b>116%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Short term loans	(6)	-	(6)	(6)	-	6	-
Borrowing long term/refinancing	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(6)	-	(6)	(6)	-	6	-
<b>Payments</b>							
Repayment of borrowing	-	-	-	-	-	-	-
	(6)	-	(6)	(6)	-	6	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(6)</b>	<b>-</b>	<b>(6)</b>	<b>(6)</b>	<b>-</b>	<b>6</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(19 293)</b>	<b>11 704</b>	<b>(7 588)</b>	<b>(7 588)</b>	<b>(21 549)</b>	<b>(13 960)</b>	<b>112%</b>
Cash/cash equivalents at the year begin:	71 758	-	71 758	71 758	83 985	12 227	117%
Cash/cash equivalents at the year end:	52 465	11 704	64 170	64 170	62 436	(1 733)	97%
							119%
							83 985



**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**1. BASIS OF ACCOUNTING**

**1.1 BASIS OF PRESENTATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, but some components are measured at fair value as indicated in subsequent accounting policy notes.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of:

- *Government Notice 991 of 2005, issued in Government Gazette no. 28095 of 15 December 2005;*
- *Government Notice 992 of 2005, issued in Government Gazette no. 28095 of 15 December 2005; and*
- *Government Notice 516 of 2008, issued in Government Gazette no. 31021 of 9 May 2008;*
- *Government Notice 80 of 2011, issued in Government Gazette no. 33991 of 2 February 2011;*
- *Government Notice 314 of 2012, issued in Government Gazette no. 35258 of 20 April 2012;*
- *Government Notice 551 of 2014, issued in Government Gazette no. 37820 of 10 July 2014.*

The effective standards comprise of the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of non-cash-generating assets
GRAP 23	Revenue from non-exchange transactions
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of cash-generating assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets (replaced GRAP 102)
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**1. BASIS OF ACCOUNTING (continued)**

**1.1 BASIS OF PRESENTATION (continued)**

Effective accrual based IPSASs considering the provisions in paragraphs 16 to 19 of Directive 5 applicable to Waterberg District Municipality comprise the following:

IPSAS 20	Related Party Disclosures
----------	---------------------------

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with section 29 of ASB Directive 5 and paragraph 12 of GRAP 3.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

The accounting policies applied are consistent with those used in the previous financial year, unless explicitly stated.

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

**1.2 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

The following GRAP standards have been issued but are not yet effective, but may be considered for early adoption or formulating an accounting policy:

These standards are effective for financial years commencing on or after 1 April 2014 or later periods:

GRAP 20	Related party disclosures
GRAP 105	Transfer of functions between entities under common control
GRAP 106	Transfer of functions between entities not under common control
GRAP 107	Mergers
GRAP 18	Segment Reporting

The impact of GRAP standards issued but not yet effective on the financial statements of Waterberg District Municipality in the future are as follows:

GRAP 18 - This does not deal with the accounting treatment of any particular transaction of events but merely with the re-arrangement of information already presented and disclosed. The impact on the municipality's financial statements would be minimal.

GRAP 20 – Related parties are currently disclosed in terms of IPSAS20, but records of all potential new related parties are also kept for implementation of GRAP20. The impact on the municipality's financial statements would be minimal.

GRAP 25 - The Standard on Employee Benefits will have no material impact on the financial statements of the municipality as the municipality is adhering to IAS19 and there is no material change from IAS19 to GRAP25 that is affecting this municipality.

GRAP 105–The Standard will have no material impact on the financial statements of the municipality as the municipality does not have functions transferred between entities under common control.

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**1. BASIS OF ACCOUNTING** *(continued)*

**1.2 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE** *(continued)*

GRAP 106 –The Standard will have no material impact on the financial statements of the municipality as the municipality does not have functions transferred between entities under common control.

GRAP 107 –The Standard will have no material impact on the financial statements of the municipality as the municipality has no mergers.

The municipality shall apply these Standards of GRAP for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1) (b) of the Public Finance Management Act, Act No. 1 of 1999, as amended.

**1.3 PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

**1.4 GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

**1.5 COMPARATIVE INFORMATION**

Current year comparatives (budget): Budget information in accordance with GRAP24 has been provided as separate statements after the cash flow statement and form part of the annual financial statements.

Prior year comparatives: When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

**1.6 SIGNIFICANT JUDGEMENTS AND ESTIMATES**

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant assets or liability in future periods.

Estimates are informed by historical experience, information currently available to managements, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are review on a regular basis. Changes in estimates are processed in the period of the review and applied prospectively. The significant estimates used in the process of applying the municipality's accounting policies are listed in note 39 to the annual financial statements.

# **WATERBERG DISTRICT MUNICIPALITY ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

## **2 RESERVES**

As GRAP23 does not require that the below reserves be disclosed separately on the Statement of Financial Position, they are disclosed as part of Accumulated Surplus And Other Reserves, but are disclosed separately on the Statements of Changes in Net Assets and note 28.

### **2.1 Government Grant Reserve**

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus / (deficit).

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset from this reserve to the accumulated surplus/ (deficit).

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus / (deficit).

### **2.2 Donation and Public Contributions Reserve**

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donation and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus / (deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment, financed from Donations and Public Contributions is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus / (deficit).

## **3 PROPERTY, PLANT AND EQUIPMENT**

### **3.1 Initial recognition**

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used for more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**3 PROPERTY, PLANT AND EQUIPMENT *(continued)***

**3.1 Initial recognition *(continued)***

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, the deemed cost is the carrying amount of the asset(s) given up. The municipality has no assets of cultural, environmental or historical significance and therefore no heritage assets.

**3.2 Subsequent measurement – cost model**

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

Subsequent expenditure is capitalised when it increases the capacity of future economic benefits associated with the asset.

Where the municipality replaces parts of an asset, it derecognizes the part of the asset being replaced and capitalizes the new component. Subsequent expenditure incurred on an asset is capitalized when it increases the capacity or future economic benefits associated with the asset.

**3.3 Depreciation and impairment**

Depreciation is calculated on cost minus the residual value, using the straight-line method, over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:

	<u>Useful life range in years</u>
Buildings and Facilities	15 to 60
Computer Equipment	5 to 10
Emergency Equipment	5 to 10
Furniture and Fittings	5 to 20
Office Equipment	5 to 15
Plant and Equipment	4 to 10
Motor Vehicles	3 to 15
Specialized vehicles	6 to 16

Assets have been tested for impairment and the municipality has also accounted for the impairment of assets in terms of GRAP21 and GRAP26 for cash-generating and non-cash-generating assets. Residual values and useful lives are reviewed annually and implemented prospectively as a change in estimate.

**3.4 Derecognition**

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value/residual value and is recognised in the Statement of Financial Performance.

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**4 INTANGIBLE ASSETS**

**4.1 Initial recognition**

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licenses, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalized. Research expenditure is never capitalized, while development expenditure is only capitalized to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

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

**4.2 Subsequent measurement – cost model**

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

**4.3 Amortization**

Amortisation is charged so as to write off the cost or valuation minus residual value of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

**Useful life range in years**

Computer software

5 to 40 years depending on the individual review of each asset's useful life

The residual values, amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date and any changes are recognized as a change in accounting estimate in the Statement of Financial Performance.

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**4 INTANGIBLE ASSETS** *(continued)*

**4.3 Amortization** *(continued)*

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done annually. Where the carrying amount of an item of intangible assets is greater than the estimated recoverable amount (or recoverable service amount), it is written down to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

**4.4 Derecognition**

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value/residual value and is recognised in the Statement of Financial Performance.

**5 IMPAIRMENT OF ASSETS**

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests assets with an indefinite useful life or assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

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

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**5 IMPAIRMENT OF ASSETS** *(continued)*

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

**6 NON-CURRENT ASSETS HELD FOR SALE**

**6.1 Initial recognition**

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

**6.2 Subsequent measurement**

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

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

**7 INVENTORY**

**7.1 Initial recognition**

Inventories comprise current assets held for consumption during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

**7.2 Subsequent measurement**

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

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



# WATERBERG DISTRICT MUNICIPALITY

## ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 8 FINANCIAL INSTRUMENTS

#### 8.1 Initial recognition

Financial instruments are initially recognized at fair value.

#### 8.2 Subsequent measurement

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and is in accordance with GRAP104.

*Held-to-maturity investments* are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the municipality has the positive intention and ability to hold to maturity. The investments are disclosed as Held-to-maturity investments which are subsequently measured at amortised cost.

*Loans and receivables* are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Amortised cost is calculated using the effective interest method.

#### 8.3 Investments

Investments, which include fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

#### 8.4 Trade and other receivables

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current. The carrying amount of trade and other receivables is a reasonable approximation of fair value.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**8 FINANCIAL INSTRUMENTS** *(continued)*

**8.5 Trade and payables**

Financial liabilities consist of trade and other payables. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest. Amounts that are payable within 12 months from the reporting date are classified as current. The carrying amount of trade and other payables is a reasonable approximation of fair value.

**8.6 Cash and cash equivalents**

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

The credit risk disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk.

**9 PROVISIONS**

Provisions are recognised when the municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

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

**10 LEASES**

**10.1 Municipality as lessee**

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

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**10 LEASES** *(continued)*

**10.1 Municipality as lessee** *(continued)*

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease. The average payments over the period of the lease are expensed and any difference between the average and actual payment is disclosed as a debtor or creditor in the Statement of Financial Position.

Contingent rentals are not straight-lined or included in the projected future minimum operating lease expenses / receipts in the note to the financial statements.

**10.2 Municipality as lessor**

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**11 REVENUE**

**11.1 Revenue from exchange transactions**

Revenue from exchange transactions is recognized at fair value and refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Interest is recognised on a time proportion basis, using the effective interest method.

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

Revenue arising from the application of the approved tariff charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff.

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

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

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**11 REVENUE** *(continued)*

**11.2 Revenue from non-exchange transactions**

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality.

Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality. Contributed property, plant and equipment are recognized at fair value.

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

**11.3 Grants, transfers and donations**

GRAP 9 Revenue from Exchange Transactions only applies to exchange revenue. GRAP 23 applies to revenue from grants and donations received.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met, to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Unutilised conditional grants are reflected in the Statement of Financial Position as a current liability and are always cash backed.

**12 UNAUTHORISED EXPENDITURE**

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

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**13 IRREGULAR EXPENDITURE**

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

**14 FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**15 RECOVERY OF UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

The recovery of unauthorized, irregular, fruitless and wasteful expenditure is based on legislated procedures, and is recognized when the recovery thereof from the responsible officials is probable. The recovery of unauthorized, irregular, fruitless and wasteful expenditure is treated as other income.

**16 EMPLOYEE BENEFITS**

**16.1 Provision for employee benefits**

Provision is made in the financial statements for all employee benefits.

Liabilities for wages and salaries, including non-monetary benefits, bonuses and annual leave obliged to be settled within 12 months of the reporting date, are recognized in other payables or provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognized when the leave is taken and measured at the rates paid or payable.

The liability for long service leave for which settlement can be deferred beyond 12 months from the reporting date is recognized in the non-current liability for employee benefits and measured as the present value of expected future payment to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms of maturity and currency that match, as closely as possible, the estimated future cash outflows.

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**16 EMPLOYEE BENEFITS** *(continued)*

**16.2 Pensions and other post-retirement benefits**

The municipality provides retirement benefits for its employees and councilors. The municipality has accounted for the defined contribution plan in compliance with GRAP25 Employee Benefits. A defined contribution plan is a pension plan under which the municipality pays fixed contributions into a separate entity.

For defined contribution plans, the municipality pays contributions on a mandatory, contractual or voluntary basis. The municipality has no further payment obligations once the contributions have been paid. Accordingly, the Municipality recognises the contributions to the scheme as an expense when the employees and councilors have rendered the employment service or served office entitling them to the contributions.

The municipality also provides post-retirement medical benefits to qualifying retirees. They are recognized in accordance with GRAP25 on defined benefit plans.

The cost of providing health care is charged to the income statement so as to recognize current and past service costs, interest cost on defined benefit obligations, and the effect of any curtailments of settlements, net of expected returns on plan assets. Actuarial gains and losses are recognized in full directly in the statement of financial performance. Additional benefits are expensed as past service cost in the period in which the benefit is granted to the extent that it is not covered by a surplus to contributions funded by the municipality. The municipality has no plan assets. A liability is consequently recognized in the statement of financial position based on the present value of defined benefit obligations, less any unrecognized past service costs.

**17 VAT**

The municipality accounts for Value Added Tax on the payments basis.

**18 POST-REPORTING DATE EVENTS**

Events after the reporting date are those events, both favorable and unfavorable, that occur between the reporting date and the date when the financial statements are authorized for issue.

Two types of events can be identified:

- Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- Those that is indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amounts recognized in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

**WATERBERG DISTRICT MUNICIPALITY  
ACCOUNTING POLICIES OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2014**

**19 RELATED PARTIES**

The municipality has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party or exercise significant influence over the party, or vice versa, or an entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Where transactions occurred between the municipality and any one of more of its related parties, and those transactions are not within:

- Normal supplier and / or client / recipient relationships on terms and conditions no more or less favorable than those which it is reasonable to expect the municipality to have adopted if deadline with the individual entity / person in the same circumstances; and
- The terms and conditions are within the normal operating parameters established by the municipality's legal mandate;

Further details about those transactions are disclosed in the notes to the financial statements.

**20 BUDGETS**

The budget is prepared and presented on an accrual basis using a classification based on the nature of expenses in the statements of financial performance. The budget and accounting basis is therefore comparable. The approved budget in these financial statements covers the fiscal period from 1 July 2013 to 30 June 2014.

Budget information in accordance with GRAP24 has been provided as separate statements after the cash flow statement and form part of the annual financial statements. Variances of more than 10% between budgeted and actual amounts have been explained in Annexures A (1) and A (2) which form part of the annual financial statements.

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>1 CASH AND CASH EQUIVALENTS</b>		
The municipality has the following bank accounts:		
<b><u>Current Account (Primary Bank Account)</u></b>		
First National Bank - Modimolle branch Account number 53170034748		
Cash book balance at beginning of year	5 713 605	6 402 922
Cash book balance at end of year	<u>5 208 774</u>	<u>5 713 605</u>
Bank statement balance at beginning of year	7 253 820	8 200 133
Bank statement balance at end of year	<u>7 040 558</u>	<u>7 253 820</u>
<b><u>Other accounts</u></b>		
Investments:		
Call deposits	5 058 226	20 097 992
14 Days fixed deposits	-	-
32 Days fixed deposits	-	-
60 Days fixed deposits	10 030 453	10 029 975
90 Days fixed deposits	42 133 439	48 138 028
	<u>57 222 118</u>	<u>78 265 995</u>
Cash on hand:		
Petty cash	5 200	5 200
<b>Total cash and cash equivalents</b>	<u>62 436 092</u>	<u>83 984 800</u>
A portion of cash represents restricted cash as it serves as security for unspent conditional grants.		
<b>2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
<b><u>Trade receivables</u></b>		
Abattoir	7 371	4 733
<b>Gross Balance</b>	<u>7 371</u>	<u>4 733</u>
Less: Provision for doubtful debts	-	-
<b>Net Balance</b>	<u>7 371</u>	<u>4 733</u>
<b><u>Other receivables</u></b>		
Councillor salaries	8 719	8 719
<b>Gross Balance</b>	<u>8 719</u>	<u>8 719</u>
Less: Provision for doubtful debts	( 8 719)	( 8 719)
<b>Net Balance</b>	<u>-</u>	<u>-</u>
<b>Total Net Balance</b>	<u>7 371</u>	<u>4 733</u>
<b><u>Abattoir: Ageing</u></b>		
Current (0 - 30 days)	7 371	4 032
31 - 60 days	-	701
61 - 90 days	-	-
91 - 365 days	-	-
+ 365 days	-	-
<b>Total</b>	<u>7 371</u>	<u>4 733</u>



# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)</b>		
<b><u>Councillor salaries: Ageing</u></b>		
Current (0 - 30 days)	-	-
31 - 60 days	-	-
61 - 90 days	-	-
91 - 365 days	-	-
+ 365 days	8 719	8 719
<b>Total</b>	<b>8 719</b>	<b>8 719</b>

### **Summary of debtors by Customer Classification**

#### **Consumers as at 30 June:**

Current (0 - 30 days)	7 371	4 032
31 - 60 days	-	701
61 - 90 days	-	-
91 - 365 days	-	-
+ 365 days	8 719	8 719
<b>Sub-total</b>	<b>16 090</b>	<b>13 452</b>
Less: Provision for doubtful debts	( 8 719)	( 8 719)
<b>Total debtors by customer classification</b>	<b>7 371</b>	<b>4 733</b>

### **Reconciliation of the doubtful debt provision**

Balance at beginning of the year	8 719	458 631
Contributions to provision	-	-
Bad debts recovered	-	( 73 027)
Bad debts written off	-	( 376 885)
Balance at end of year	<b>8 719</b>	<b>8 719</b>

The fair value of trade and other receivables approximates their carrying amounts.

### **3 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

Investments under liquidation	301 828	-
Prepayments	2 151 716	3 871 694
Sundry debtors	6 439	26 473
<b>Total Other Debtors</b>	<b>2 459 983</b>	<b>3 898 167</b>

An investment amounting to R 572 713 capital held with New Republic Bank was written off during the previous year. In the current year impairment equal to the 9th dividend due was reversed. The investment was reinstated to fair value:

New Republic Bank Limited	301 828	-
---------------------------	---------	---

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>4 INVENTORY</b>		
<b>Consumables:</b>		
Opening balance	113 505	99 994
Additions	581 897	363 453
Issued (expensed)	( 637 936)	( 349 942)
Write-down / (reversal of write-down) to Net Replacement Value (NRV) or Net Replacement Cost (NRC)	-	-
<b>Closing balance</b>	<u><u>57 466</u></u>	<u><u>113 505</u></u>

Inventory consists of stationery. No inventory is pledged as security. No circumstances or events existed that would have led to the write-down or the reversal of a write-down of inventories.

### 5 HELD-TO-MATURITY INVESTMENTS

6 Month fixed deposits	<u><u>28 080 662</u></u>	<u><u>20 148 748</u></u>
------------------------	--------------------------	--------------------------

### 6 VAT

VAT receivable	<u><u>3 073 242</u></u>	<u><u>1 650 460</u></u>
----------------	-------------------------	-------------------------

VAT is accounted for on the payment basis.

### 7 NON-CURRENT ASSETS HELD FOR SALE

Computer equipment	23 912	23 912
Emergency equipment	2 484	2 484
Furniture and fittings	7 842	7 842
Office equipment	4 301	4 301
Plant and equipment	1	1
Specialised vehicles	23 609	23 609
Motor vehicles	56 260	56 260
Property, plant and equipment	<u><u>118 409</u></u>	<u><u>118 409</u></u>

The movement is reconciled as follows:

Balance at beginning of year	118 409	74 096
Assets transferred to Non-current assets held for sale	-	85 166
Assets disposed	-	(40 853)
<b>Balance at year end</b>	<u><u>118 409</u></u>	<u><u>118 409</u></u>

These assets are no longer being utilised by the municipality and has been approved by council for disposal. During the current year assets was donated and scrapped. Remaining computer equipment will be donated in the short term. An auction is to be arranged to dispose of the vehicles and remaining equipment.

### 8 NON-CURRENT RECEIVABLES

Water & electricity	2 025	2 025
Office rentals	32 750	32 750
Telephone	20 000	-
<b>Deposits</b>	<u><u>54 775</u></u>	<u><u>34 775</u></u>

#### Deposit water and electricity

These are deposits paid for water and electricity services, rental of office space in Mokopane and Thabazimbi for environmental health officials and VOIP telephone.

**WATERBERG DISTRICT MUNICIPALITY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**9. ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2014**

Description	Cost / Revaluation			Accumulated Depreciation / Impairment			Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Disposals	
	R	R	R	R	R	R	R
<b>Land and Buildings</b>							
<i>Land:</i>							
Land: Developed	928 000	-	-	-	928 000	-	928 000
Land: Undeveloped	437 500	-	-	-	437 500	-	437 500
<i>Buildings:</i>							
Abattoir	6 344 904	-	-	-	6 344 904	-	5 997 897
Carpentry & Finishes	7 662 386	-	-	-	7 662 386	-	5 082 995
Carpents	223 932	-	-	-	223 932	-	180 810
Disaster Centres	9 116 741	-	-	-	9 116 741	-	8 455 417
Electrical	1 638 875	-	-	-	1 638 875	-	1 143 997
Fire Protection	740 567	47 410	-	-	787 977	-	572 276
Footpath & Paving	2 000 246	-	-	-	2 000 246	-	1 616 646
Office Buildings	4 000 266	-	-	-	4 000 266	-	2 733 825
Painting	1 365 730	-	-	-	1 365 730	-	953 331
Perimeter Protection	485 381	-	-	-	485 381	-	379 035
Plumbing	1 912 022	-	-	-	1 912 022	-	1 334 663
Security Systems & Electronics	1 258 462	339 015	-	-	1 597 477	-	1 324 125
Workshops & Depots	137 421	-	-	-	137 421	-	125 636
	<b>38 252 433</b>	<b>386 425</b>	-	-	<b>38 638 858</b>	-	<b>31 266 153</b>
<b>Other Assets</b>							
<i>Computer Equipment:</i>							
Computer Hardware	4 101 331	292 638	-	(197 071)	4 196 898	(146 846)	1 940 042
Computer Networks	185 621	-	-	-	185 621	-	88 565
Computer Accessories	-	3 948	-	-	3 948	-	3 536
<i>Emergency Equipment:</i>							
Emergency / Rescue Equipment	117 884	-	-	-	117 884	-	76 854
Emergency Lights	7 600	-	-	-	7 600	-	5 944
Fire Fighting Equipment	3 078 179	837 399	-	(11 500)	3 904 078	(11 500)	2 257 597
Pumps/Plumbing/Purification/ Sanitation equipment	57 084	-	-	-	57 084	-	19 905
Radio Equipment	36 529	-	-	-	36 529	-	13 891
<i>Furniture and Fittings:</i>							
Advertising Boards	15 351	-	-	-	15 351	-	1 941
Cabinets and Cupboards	669 936	74 600	-	(5 484)	739 052	(4 252)	315 438
Chairs and Couches	1 043 988	87 600	-	(13 104)	1 118 484	(7 226)	515 738
Desks and Tables	837 901	51 916	-	(11 600)	878 217	(9 385)	413 028

**WATERBERG DISTRICT MUNICIPALITY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**  
**9. ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2014**

Description	Cost / Revaluation			Accumulated Depreciation / Impairment			Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Disposals	
	R	R	R	R	R	R	R
Domestic / Hostel Furniture	54 196	-	-	(150)	54 046	4 014	17 578
Other Furniture and Fittings	61 253	-	-	(181)	61 072	7 937	34 718
<i>Office Equipment:</i>							
Air Conditioners (Individual)	511 564	83 570	-	-	595 134	89 270	322 184
Audiovisual Equipment	676 282	5 378	-	-	681 660	95 860	329 876
Chains, Decorations and Robes	25 000	-	-	-	25 000	1 136	14 774
Kitchen Appliances	88 736	-	-	-	88 736	12 145	62 329
Learning / Training Materials	5 456	-	-	-	5 456	3 107	4 010
Office Equipment / Machines	159 888	-	-	-	159 888	20 966	88 630
Paintings, Sculptures and Ornaments	56 947	-	-	-	56 947	2 096	23 695
Photographic Equipment	24 084	-	-	-	24 084	2 701	17 154
Other Office Equipment	68 770	-	-	(930)	67 840	8 923	32 170
<i>Plant and Equipment:</i>							
Abattoir Equipment / Tools	167 189	-	-	-	167 189	16 066	100 176
Compressors, Generators & Allied Equipment	1 358 824	486 994	-	-	1 845 818	186 690	525 695
Gardening Equipment	22 391	-	-	-	22 391	3 045	10 316
Health Equipment / Tools	11 393	542 650	-	(550)	553 493	19 074	26 053
Laundry Equipment	85 000	19 768	-	-	104 768	12 194	24 453
Telecommunication Equipment	121 463	66 160	-	(11 695)	175 928	22 230	93 098
Tents, Flags and Accessories	26 200	-	-	-	26 200	2 933	12 614
Workshop Equipment	19 788	-	-	-	19 788	1 452	12 837
Workshop Tools	867	-	-	-	867	87	496
Other Plant and Equipment	36 318	-	-	-	36 318	4 245	23 106
<i>Motor Vehicles:</i>							
Bakkies (LDV's)	3 528 278	-	-	-	3 528 278	313 445	1 175 782
Motor Cars	904 118	-	-	-	904 118	133 253	476 381
Trailers and Accessories	1 209 714	-	-	-	1 209 714	108 517	296 487
<i>Specialised Vehicles:</i>							
Fire Engines	20 520 031	2 444 638	-	-	22 964 669	250 255	7 309 976
Rescue Vehicles	2 496 783	1 605 995	-	-	4 102 778	337 748	1 689 926
<b>Total</b>	<b>42 391 937</b>	<b>6 603 254</b>	<b>-</b>	<b>(252 265)</b>	<b>48 742 926</b>	<b>3 148 061</b>	<b>18 332 781</b>
	<b>80 644 370</b>	<b>6 989 679</b>	<b>-</b>	<b>(252 265)</b>	<b>87 381 784</b>	<b>4 201 048</b>	<b>25 705 486</b>
							<b>30 410 145</b>
							<b>61 676 298</b>

The asset register does not include roads as District Roads are the property of Roads Agency Limpopo SOC Limited as stipulated in Provincial Gazette 2372 Notice 217 of 13 June 2014.

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 10 INTANGIBLE ASSETS

#### 10.1 Reconciliation of carrying value

	Computer Software	Total
<b>as at 1 July 2013</b>	<b>2 413 719</b>	<b>2 413 719</b>
Cost	3 517 531	3 517 531
Work in Progress	-	-
Accumulated amortisation and impairment losses	(1 103 812)	(1 103 812)
Acquisitions	32 996	32 996
Additions to Work in Progress	-	-
Work in Progress Completed	-	-
Work in Progress transferred to Cost	-	-
Amortisation	(210 206)	(210 206)
Carrying value of disposal	(10 682)	(10 682)
Cost	(114 707)	(114 707)
Accumulated amortisation	104 025	104 025
<b>as at 30 June 2014</b>	<b>2 225 827</b>	<b>2 225 827</b>
Cost	3 435 820	3 435 820
Work in Progress	-	-
Accumulated amortisation and impairment losses	(1 209 993)	(1 209 993)

#### 10.2 Reconciliation of carrying value

	Computer Software	Total
<b>Restated</b>		
<b>as at 1 July 2012</b>	<b>2 615 681</b>	<b>2 615 681</b>
Cost	3 752 534	3 752 534
Work in Progress	-	-
Accumulated amortisation and impairment losses	(1 136 853)	(1 136 853)
Acquisitions	11 550	11 550
Additions to Work in Progress	-	-
Work in Progress Completed	-	-
Work in Progress transferred to Cost	-	-
Amortisation	(213 512)	(213 512)
Carrying value of disposal	-	-
Cost	(246 553)	(246 553)
Accumulated amortisation	246 553	246 553
<b>as at 30 June 2013</b>	<b>2 413 719</b>	<b>2 413 719</b>
Cost	3 517 531	3 517 531
Work in Progress	-	-
Accumulated amortisation and impairment losses	(1 103 812)	(1 103 812)

### 11 TRADE AND OTHER PAYABLES

	2014 R	2013 R
Trade creditors (trade payables from exchange transactions)	1 670 883	2 033 717
Creditors (other payables from non-exchange transactions)	47 150	89 744
Accruals (other payables from non-exchange transactions)	6 726 939	5 862 075
Retentions (trade payables from exchange transactions)	180 972	197 978
	<b>8 625 944</b>	<b>8 183 514</b>

The fair value of trade and other payables approximates their carrying amounts.

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>12 CONSUMER DEPOSITS</b>		
Abattoir	<u>600</u>	<u>600</u>
Guarantees held in lieu of abattoir deposits	<u>12 000</u>	<u>12 000</u>
<b>13 PROVISIONS</b>		
Performance bonus	<u>582 871</u>	<u>325 595</u>
	<u><b>582 871</b></u>	<u><b>325 595</b></u>

Performance bonuses are paid one year in arrears when the municipality has a present obligation as a result of a past event which is the services rendered and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate of the amount can be made. The bonus has been calculated based on the assessment of eligible employees at the reporting date.

The movement is reconciled as follows:

Balance at beginning of year	325 595	280 672
Contributions/(reversals) to provision	257 276	282 006
Expenditure incurred	-	(237 083)
<b>Balance at year end</b>	<u><b>582 871</b></u>	<u><b>325 595</b></u>

The assumptions and basis of calculation was done in terms of the requirements of the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager, 2006. Provision for Performance bonuses are calculated as per the performance agreements & brackets indicated in Section 32(2) of the above Performance Regulations. The maximum exposure was calculated based on the final score of each individual manager at year end and in which bracket those scores fall.

## 14 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

### Conditional Grants from other spheres of Government

Municipal Systems Improvement Grant	20.2	401 868	237 037
Finance Management Grant	20.3	-	83 335
LG SETA Grant	20.4	-	-
Wildlife Centre Grant	20.5	-	131 708
LEDET	20.6	-	140 000
Expanded Public Works Incentive Grant	20.7	-	771 000
Rural Road Asset Management Grant	20.8	-	-
Mookgophong Local Municipality	20.9	-	-
<b>Total Unspent Conditional Grants and Receipts from other spheres of Government</b>		<u><b>401 868</b></u>	<u><b>1 363 080</b></u>
<b>Other conditional grants</b>		-	-
Mayor's Golf Day Grant		<u>35 000</u>	<u>35 000</u>
<b>Total Unspent Other Conditional Grants and Receipts</b>		<u><b>35 000</b></u>	<u><b>35 000</b></u>
<b>Total Unspent Conditional Grants and Receipts</b>		<u><b>436 868</b></u>	<u><b>1 398 080</b></u>

See note 20 for reconciliation of grants.

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 15 RETIREMENT HEALTH CARE LIABILITY

The municipality contributes to a number of defined contribution schemes for pension of all permanent employees and councillors. The funds are governed by the Pension Funds Act of 1956.

The following are defined contributions plans:

- Samwu Provident Fund
- National Fund for Municipal Workers
- Municipal Gratuity Fund
- Municipal Employee Fund
- Joint Municipal Pension Fund
- Municipal Councillors Pension Fund

The municipality also provides certain post-retirement medical benefits to qualifying pensioners. All post-retirement medical benefits are unfunded.

The following are defined benefit plans:

- LA Health
- SAMWU Med
- Bonitas Medical Fund
- Key Health Medical Scheme
- Hosmed

In accordance with prevailing legislation, the defined benefit funds are actuarially valued at intervals of not more than two years. The Projected Unit Credit valuation method is used. The latest actuarial valuation was performed as at 30 June 2014.

The municipality has no legal obligation to settle this liability with any immediate contributions or additional once-off contributions. The municipality intends to continue to contribute to each defined benefit post-retirement medical scheme in accordance with the latest recommendations of the actuary to each scheme.

The accumulated defined benefit obligation in respect of the post-retirement medical contributions are provided, based on calculations of independent actuaries, using methods and assumptions consistent with IAS 19 as follows:

	2014 R	2013 R
<b>Movement in the employee health-care benefit liability:</b>		
Liability as at 1 July	13 793 670	12 832 210
Benefits paid	( 761 380)	( 750 928)
Plan participants contributions	272 024	292 883
Current service cost	637 395	635 445
Interest	1 200 407	1 002 936
Actuarial losses / (gains) recognised in Statement of Financial Performance	2 381 214	( 218 876)
<b>Unfunded accrued liability as at 30 June</b>	<b>17 523 330</b>	<b>13 793 670</b>
Current portion of liability as at 30 June	<b>(2 140 178)</b>	<b>(1 402 166)</b>
Non-current portion of liability as at 30 June	<b>15 383 152</b>	<b>12 391 504</b>
<b>The liability as at 30 June consists of:</b>		
In-service members	10 241 215	6 414 517
Continuation members	7 282 115	6 417 693
	<b>17 523 330</b>	<b>12 832 210</b>

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>15 RETIREMENT BENEFITS (continued)</b>		
<b>Expense recognised in (profit) or loss:</b>		
Current service cost	637 395	635 445
Interest cost	1 200 407	1 002 936
Past service cost	-	-
Actuarial losses or (gains)	2 381 214	( 218 876)
	<u>4 219 016</u>	<u>1 419 505</u>

*Principal actuarial assumptions of valuation model used:*

Discount rate	9.17%	8.84%
Health care cost inflation rate	8.30%	7.62%
Average remaining future working lifetime	17.5 years	18.6 years

*The effect of a 1% movement in the assumed medical cost trend rate is as follows:*

	1% Increase	1% Increase
Effect on the aggregate of the current service cost and interest cost	14%	19%
Effect on the defined benefit obligation	13%	13%
	1% Decrease	1% Decrease
Effect on the aggregate of the current service cost and interest cost	-13%	-15%
Effect on the defined benefit obligation	-12%	-11%

The Municipality's best estimate of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date is R 1 009 279.

## 16 LONG SERVICE AWARDS LIABILITY

The municipality provides long-service awards to its permanent employees.

The benefit of long-service award is provided in the form of annual leave and a gift to a certain monetary value.

In accordance with prevailing legislation, the provision is actuarially valued at intervals of not more than two years. The Projected Unit Credit valuation method is used. The latest actuarial valuation was performed as at 30 June 2014.

The municipality has no legal obligation to settle this liability with any immediate contributions or additional once-off contributions.

The accumulated defined benefit obligation in respect of the long-service awards are provided, based on calculations of independent actuaries, using methods and assumptions consistent with IAS 19 as follows:

	2014 R	2013 R
<b>Movement in the long-service award liability:</b>		
Liability as at 1 July	1 669 115	1 453 933
Benefits paid	( 91 832)	( 96 413)
Current service cost	204 681	223 323
Interest	118 801	88 946
Actuarial losses / (gains)	227 328	( 674)
<b>Unfunded accrued liability as at 30 June</b>	<u>2 128 093</u>	<u>1 669 115</u>
Current portion of liability as at 30 June	<u>( 169 777)</u>	<u>( 222 200)</u>
Non-current portion of liability as at 30 June	<u>1 958 316</u>	<u>1 446 915</u>



# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>16 LONG SERVICE AWARDS LIABILITY (continued)</b>		
<b>Expense recognised in (profit) or loss:</b>		
Current service cost	204 681	223 323
Interest cost	118 801	88 946
Past service cost	-	-
Actuarial losses / (gains)	227 328	( 674)
	<u>550 810</u>	<u>311 595</u>
<i>Principal actuarial assumptions of valuation model used:</i>		
Discount rate	8.00%	7.34%
General salary inflation rate	7.15%	6.82%
Average remaining future working lifetime	17.5 years	18.2 years
<i>The effect of a 1% movement in the assumed general salary inflation rate is as follows:</i>		
	<b>1% Increase</b>	<b>1% Increase</b>
Effect on the aggregate of the current service cost and interest cost	7%	7%
Effect on the defined benefit obligation	7%	6%
	<b>1% Decrease</b>	<b>1% Decrease</b>
Effect on the aggregate of the current service cost and interest cost	-7%	-6%
Effect on the defined benefit obligation	-6%	-6%
The Municipality's best estimate of benefits expected to be paid to the plan during the annual period beginning after the balance sheet date is R 251 723.		
<b><u>Revenue from exchange transactions:</u></b>		
<b>17 SERVICE CHARGES</b>		
Abattoir services	<u>1 670 715</u>	<u>718 952</u>
<b>18 INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Bank	6 116 928	6 176 945
<b>Total interest</b>	<u>6 116 928</u>	<u>6 176 945</u>
<b>19 INTEREST EARNED - OUTSTANDING RECEIVABLES</b>		
SARS	-	111 861
Abattoir	26	261
Deposits	-	-
<b>Total interest</b>	<u>26</u>	<u>112 122</u>

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b><u>Revenue from non-exchange transactions:</u></b>		
<b>20 GOVERNMENT AND OTHER GRANTS</b>		
Equitable share	94 609 000	90 530 000
Municipal Systems Improvement Grant	725 169	762 963
Finance Management Grant	1 333 335	1 166 665
LG SETA Grant	110 675	215 188
Wildlife Centre Grant	131 708	267 548
LEDET Biosphere Grant	140 000	100 000
Expanded Public Works Incentive Grant	1 771 000	400 000
Rural Road Asset Management Grant	1 571 000	-
Mookgophong Local Municipality	934 318	-
	<b><u>101 326 205</u></b>	<b><u>93 442 364</u></b>

### 20.1 Equitable share

The equitable share is an unconditional grant and is utilised to fund disaster management services, environmental health services, projects and operating expenditure.

### 20.2 Municipal Systems Improvement Grant

Balance unspent at beginning of year	237 037	-
Current year receipts	890 000	1 000 000
Conditions met - transferred to income	( 725 169)	( 762 963)
Conditions still to be met - transferred to liabilities	<b><u>401 868</u></b>	<b><u>237 037</u></b>

The grant is utilised for the implementation of new legislation, skills development and the GRAP compliance of the fixed asset register.

### 20.3 Finance Management Grant

Balance unspent at beginning of year	83 335	-
Current year receipts	1 250 000	1 250 000
Conditions met - transferred to income	(1 333 335)	(1 166 665)
Conditions still to be met - transferred to liabilities	<b><u>-</u></b>	<b><u>83 335</u></b>

The grant is utilised for the appointment of financial and audit interns, financial training and assist with the implementation of the MFMA and compliance with GRAP.

### 20.4 LG SETA Grant

Balance unspent at beginning of year	-	-
Current year receipts	110 675	215 188
Conditions met - transferred to income	( 110 675)	( 215 188)
Conditions still to be met - transferred to liabilities	<b><u>-</u></b>	<b><u>-</u></b>

The grant is utilised for training of officials in the District Municipality.

### 20.5 Wildlife Centre Grant

Balance unspent at beginning of year	131 708	399 256
Current year receipts	-	-
Conditions met - transferred to income	( 131 708)	( 267 548)
Conditions still to be met - transferred to liabilities	<b><u>-</u></b>	<b><u>131 708</u></b>

The grant is utilised to fund the feasibility study of a district wildlife centre.

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

20	<b>GOVERNMENT GRANTS (continued)</b>	2014 R	2013 R
	<b>20.6 LEDET Biosphere Grant</b>		
	Balance unspent at beginning of year	140 000	100 000
	Current year receipts	-	140 000
	Conditions met - transferred to income	<u>(140 000)</u>	<u>(100 000)</u>
	Conditions still to be met - transferred to liabilities	<u>-</u>	<u>140 000</u>

The grant is to be utilised to fund the operations of the Waterberg Biosphere Meander.

	<b>20.7 Expanded Public Works Incentive Grant</b>		
	Balance unspent at beginning of year	771 000	171 000
	Current year receipts	1 000 000	1 000 000
	Conditions met - transferred to income	<u>(1 771 000)</u>	<u>(400 000)</u>
	Conditions still to be met - transferred to liabilities	<u>-</u>	<u>771 000</u>

The grant is to incentivise municipalities to increase labour intensive employment through infrastructure programmes that maximise job creation and skills development in line with the the EPWP guidelines.

	<b>20.8 Rural Road Asset Management Grant</b>		
	Balance unspent at beginning of year	-	-
	Current year receipts	1 571 000	-
	Conditions met - transferred to income	<u>(1 571 000)</u>	<u>-</u>
	Conditions still to be met - transferred to liabilities	<u>-</u>	<u>-</u>

The grant is utilised to set up a district Road Asset Management System and to collect rural date in line with the Road Infrastructure Strategic Framework for South Africa.

	<b>20.9 Mookgophong Local Municipality</b>		
	Balance unspent at beginning of year	-	-
	Current year receipts	934 318	-
	Conditions met - transferred to income	<u>(934 318)</u>	<u>-</u>
	Conditions still to be met - transferred to liabilities	<u>-</u>	<u>-</u>

The funding is as per a MOU signed with Mookgophong Local Municipality to supplement funding on the Mookgophong Sewer Upgrade project. The grant was originally R 1.8 million but subsequently reduced to R 934 318.

### 20.10 Changes in levels of government grants

Based on the allocations as set out in the Division of Revenue Act, (Act No 12 of 2009), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b><u>Other gains / losses:</u></b>		
<b>21 GAIN / (LOSS) ON DISPOSAL OF ASSETS</b>		
Gain on disposal of Property, plant and equipment	-	22 540
Loss on disposal of Property, plant and equipment / written off	( 48 729)	( 527 892)
Loss on disposal of Intangible assets / written off	( 10 682)	-
<b>Total Gain / (Loss) on Disposal of Assets</b>	<b>( 59 411)</b>	<b>( 505 352)</b>
<b>22 (IMPAIRMENT) / REVERSAL OF IMPAIRMENT LOSS ON ASSETS</b>		
Property, plant and equipment	1 593 935	(1 757 273)
This impairment is mainly on fire fighting vehicles that has been damaged and are in for repairs over year end. Impairment is reversed as soon as they are repaired to their original lifespan and quality.		
Other financial assets		
An investment amounting to R 572 713 capital is held with New Republic Bank, which is presently under receivership. The investment was written back to fair value following the issuing of a 9th dividend.		
	301 828	-
<b>Total Impairment loss</b>	<b>1 895 763</b>	<b>(1 757 273)</b>
<b>23 EMPLOYEE RELATED COSTS</b>		
Employee related costs - Salaries and wages	34 565 416	31 769 114
Employee related costs - Contributions for UIF, pension and medical aid & other statutory contributions	10 080 753	9 272 986
Travel and other allowances	8 246 997	7 313 963
Housing benefits and allowances	184 607	182 436
Overtime allowances	499 309	319 089
Performance and other bonuses (increase / (reversal) of provision)	257 276	282 006
<b>Total Employee Related Costs</b>	<b>53 834 358</b>	<b>49 139 594</b>
(Refer to Appendix E1)		
There were no advances to employees.		
<b>Remuneration of Individual Managers:</b>		
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	389 922	677 847
Performance- and other bonuses	-	-
Travel and cellphone allowance	160 662	301 818
Contributions to UIF, Medical and Pension Funds	91 275	172 505
<b>Total</b>	<b>641 859</b>	<b>1 152 170</b>

The Municipal Manager was appointed on 1 January 2010 and his contract ended on 31 December 2013. The new municipal manager was appointed from 1 July 2014.

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>23 EMPLOYEE RELATED COSTS (continued)</b>		
<b>Remuneration of Individual Managers (continued):</b>		
<b>Remuneration of the Chief Financial Officer</b>		
Annual Remuneration	925 035	854 175
Performance- and other bonuses	-	116 400
Travel and cellphone allowance	192 000	192 072
Contributions to UIF, Medical and Pension Funds	1 785	1 713
<b>Total</b>	<b><u>1 118 820</u></b>	<b><u>1 164 360</u></b>

The Chief Financial Officer was appointed on 11 June 2007 and re-appointed from 1 June 2012.

### Infrastructure Development

Annual Remuneration	567 472	170 728
Performance- and other bonuses	-	-
Travel and cellphone allowance	190 616	62 000
Contributions to UIF, Medical and Pension Funds	143 044	47 045
<b>Total</b>	<b><u>901 132</u></b>	<b><u>279 773</u></b>

The previous Infrastructure Development Manager was appointed on 9 July 2007 and his contract ended on 30 June 2012. The new manager was appointed from 1 March 2013.

### Planning & Economic Development

Annual Remuneration	611 900	386 314
Performance- and other bonuses	-	56 645
Travel and cellphone allowance	186 918	124 125
Contributions to UIF, Medical and Pension Funds	165 182	88 401
<b>Total</b>	<b><u>964 000</u></b>	<b><u>655 485</u></b>

The previous Planning & Economic Development Manager was appointed on 1 March 2008 and his contract ended on 28 February 2013. The new manager appointed from 1 July 2013.

### Corporate Support & Shared Services

Annual Remuneration	686 003	206 600
Performance- and other bonuses	-	-
Travel and cellphone allowance	96 237	32 018
Contributions to UIF, Medical and Pension Funds	194 899	63 165
<b>Total</b>	<b><u>977 139</u></b>	<b><u>301 783</u></b>

The Corporate Support & Shared Services Manager was appointed on 1 January 2008 and resigned on 14 February 2012. The new manager was appointed from 1 March 2013.

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>23 EMPLOYEE RELATED COSTS (continued)</b>		
<b>Remuneration of Individual Managers (continued):</b>		
<b>Social Development &amp; Community Services</b>		
Annual Remuneration	318 808	553 993
Performance- and other bonuses	-	64 038
Travel and cellphone allowance	142 891	268 546
Contributions to UIF, Medical and Pension Funds	22 238	42 993
<b>Total</b>	<b>483 937</b>	<b>929 570</b>

The Social Development and Community Services Manager was appointed on 1 January 2010 and her contract ended on 31 December 2013. The new manager was appointed from 1 July 2014.

### Executive Mayor's Office

Annual Remuneration	599 234	561 143
Performance- and other bonuses	-	-
Travel and cellphone allowance	197 123	185 272
Contributions to UIF, Medical and Pension Funds	144 868	135 301
<b>Total</b>	<b>941 225</b>	<b>881 716</b>

The Executive Support Manager was appointed on 1 April 2012.

There are no post-employment benefits, other long-term benefits or termination benefits provided to Section 56 managers.

## 24 REMUNERATION OF COUNCILLORS

Executive Mayor	655 819	602 269
Speaker	528 828	485 790
Full time Mayoral Committee members	1 761 491	1 655 507
Mayoral Committee members	1 113 135	993 182
Councillors	1 317 146	1 154 618
Councillors' pension, medical aid contributions and other statutory	615 407	581 336
<b>Total Councillors' Remuneration</b>	<b>5 991 826</b>	<b>5 472 702</b>

### In kind benefits

The Executive Mayor, Speaker, Chief Whip and 3 other Mayoral Committee members are full time councillors. Each is provided with an office, tools of trade and secretarial support at the cost of the Council. The Executive Mayor has use of a Council owned vehicle for official duties and has a driver.

## 25 DEPRECIATION AND AMMORTISATION

Property, plant and equipment - depreciation	5 794 772	5 676 209
Intangible assets - ammortisation	210 206	213 511
<b>Total Depreciation and Impairment</b>	<b>6 004 978</b>	<b>5 889 720</b>

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>26 CONTRACTED SERVICES</b>		
Contracted service for:		
Fire Fighting	13 714 443	12 759 915
	<u>13 714 443</u>	<u>12 759 915</u>
<p>This is a funded mandate of Waterberg District Municipality which is performed by local municipalities.</p>		
<b>27 GENERAL EXPENSES</b>		
Included in general expenses are the following:		
Advertising	185 624	134 303
Annual report	101 309	70 702
Audit Committee	75 535	79 602
Audit fees	1 381 737	944 034
Bank charges	60 105	60 246
Bursaries	63 116	101 370
Cleaning	113 164	100 870
Consumables	80 334	30 202
Damaged meat claims	2 000	1 167
Delegations	63 713	55 394
Disaster management	98 420	57 300
Discretionary Bursary Fund	100 000	100 000
Donations	-	12 108
Employee Assistance Program	290 306	268 074
Entertainment	447 287	352 362
Environmental Health - awareness & sampling	393 359	393 017
Financial management grant	834 680	626 320
Insurance	602 941	771 153
Legal expenses	108 812	431 063
Mayoral Golf Challenge	-	-
Meat inspection	198 000	189 300
Membership fees	674 865	521 189
Miscellaneous expenditure	12 842	7 408
Municipal account - water, rates & electricity	1 234 378	914 733
Municipal systems improvement grant	275 213	706 892
Pauper Burials	40 500	223 390
Postage	3 117	7 416
Printing and stationery	511 054	386 067
Programming	820 316	787 899
Protective Clothing	196 095	19 980
Relief of Social Distress	-	58 000
Rental of buildings / offices	476 270	447 923
Rental of office equipment	392 975	702 338
Security costs	1 761 932	1 651 811
State of the District Address	167 511	189 554
Subscription and publication	37 885	4 420
Telephone & cell phone expenses	498 659	490 313
Training	382 355	309 910
Travel and subsistence	4 022 543	3 426 387
Vehicle costs	352 149	406 224
	<u>17 061 101</u>	<u>16 040 441</u>

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>28 ACCUMULATED SURPLUS AND RESERVES</b>		
As the individual classification of the following reserves are not required in terms of GRAP 9, the following split is not disclosed on the face of the Statement of Financial Position and is merely utilised for internal reporting:		
Government Grant Reserve	327 122	473 841
Donations and Public Contributions Reserve	1 381 886	1 164 103
Accumulated Surplus	<u>129 183 411</u>	<u>144 323 888</u>
	<b><u>130 892 419</u></b>	<b><u>145 961 832</u></b>
<b>29 CASH GENERATED FROM OPERATIONS</b>		
Net surplus for the year	(15 069 413)	(16 729 959)
Adjustment for non-cash movements:		
Depreciation and amortisation	6 004 978	5 889 720
(Gain) / Loss on sale of assets	59 411	505 352
Impairment / (Reversal of impairment) on assets	(1 895 763)	1 757 273
Increase in retirement health care liability	3 729 660	961 460
Increase in long service awards liability	458 978	215 182
Contributions to provisions - current	257 276	44 923
<b>Operating surplus before working capital changes</b>	<b><u>(6 454 873)</u></b>	<b><u>(7 356 049)</u></b>
Decrease in trade receivables	( 2 638)	6 237
Decrease/(Increase) in other receivables	1 740 012	(1 968 092)
Decrease/(Increase) in inventory	56 039	( 13 511)
Decrease/(Increase) in VAT receivable	(1 422 782)	3 072 583
(Decrease)/Increase in trade payables	442 430	( 303 861)
Decrease in consumer deposits	-	( 950)
(Decrease)/Increase in Unspent Conditional Grants and Receipts	( 961 212)	727 824
<b>Cash generated from operations</b>	<b><u>(6 603 024)</u></b>	<b><u>(5 835 819)</u></b>
<b>30 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents in the cash flow statement comprise the following statements of amounts indicating financial position:		
Bank balance	5 208 774	5 713 605
Short-term investment deposits	57 222 118	78 265 995
Petty cash	5 200	5 200
	<b><u>62 436 092</u></b>	<b><u>83 984 800</u></b>



# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 31 CHANGE IN ESTIMATE

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances:

Change in amortisation of Intangible Assets resulting from the reassessment of residual values and useful lives prospectively at 30 June 2013. There is no impact on the future periods other than the same reduced amortisation charge as this year. The following categories are affected in the current period:

	Useful life (in years)		R-value of impact of change in estimate
	Original	Amended	
Computer software	3 to 25	3 to 25	
	Value derived using the original estimate	Value derived using the amended estimate	
Computer software	( 10 637)	( 3 990)	6 647
(Decrease) / Increase on Surplus for the 13/14 year	-	-	<b>6 647</b>
	2014	2013	
	R	R	

### 32 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

#### 32.1 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening Balance	1 167	24 045
Fruitless and wasteful expenditure awaiting condonement To be recovered - Contingent Asset	1 167	23 445
	-	600
Fruitless and wasteful expenditure current year	2 000	6 017
Fruitless and wasteful expenditure recovered during the current year	-	( 5 450)
Condoned or written off by Council	( 1 167)	( 23 445)
Closing balance	<b>2 000</b>	<b>1 167</b>
Fruitless and wasteful expenditure awaiting condonement To be recovered - Current Asset	2 000	1 167
	-	-

#### Current year

Flies infestation at the abattoir led to damaged meat claims to a total of R 2 000 during the current financial year. The matter was investigated and no deliberate or negligent intent was found. The incident will be reported to Council to condone and write off.

#### Prior year

R 22 535 penalty was incurred from DEDET for not conducting an EIA process before the construction of the Lephalale Disaster Centre which constitutes an unlawful development. The matter was investigated, condoned and written off.

R 600 was incurred for breaking & replacing door lock of register and post room during the strike in August 2011 as all keys was with records officer who was on strike. The full amount was deducted from the salary of the acting manager in Corporate Support & Shared Services.

Traffic fines and penalties on late licensing of municipal vehicles to an amount of R 4 850 was deducted from the responsible employees' salaries during the current financial year.

Flies infestation at the abattoir led to damaged meat claims to a total of R 1 167. The matter was investigated and no deliberate or negligent intent was found. The incident was reported to Council and condoned and written off.

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>32 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (continued)</b>		
<b>32.2 Irregular expenditure</b>		
Reconciliation of irregular expenditure:		
Opening Balance	-	7 134
Irregular expenditure awaiting condonement	-	-
To be recovered - Contingent Asset	-	7 134
Irregular expenditure incurred current year	-	-
Irregular expenditure recovered during the current year	-	( 7 134)
Condoned or written off by Council	-	-
Closing balance	-	-
Irregular expenditure awaiting condonement	-	-
To be recovered - Current Asset	-	-

### Current year

There were no material incidents of irregular expenditure in the current financial year.

### Prior year

R 7 134 owed by an official for abuse of 3G card above the monthly capping constitutes irregular expenditure as official was granted deduction in installments instead of once off deduction which then classifies as a loan to an officials which is a forbidden activity in terms of section 164 of the MFMA and thus a contravention from the MFMA. The full amount was recovered from the responsible employee.

### 32.3 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening Balance	-	-
Unauthorised expenditure current year	-	-
Condoned or approved by Council	-	-
To be recovered - Contingent Asset	-	-
Unauthorised expenditure awaiting authorisation	-	-

### Current year

There were no material incidents of unauthorised expenditure in the current financial year.

### Prior year

There were no material incidents of unauthorised expenditure in the previous financial year.

## 33 ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT

### 33.1 Contributions to organised local government

Opening Balance	-	-
Council subscriptions	532 130	427 064
Amount Paid - current year	( 532 130)	( 427 064)
Amount paid - previous years	-	-
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>-</b>

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>33 ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT (continued)</b>		
<b>33.2 Audit fees</b>		
Opening balance	-	-
Current year audit fees - statutory	1 381 737	944 034
Prior year audit fee - forensic	-	-
Amount paid - current year	(1 381 737)	( 944 034)
Amount paid - previous years	-	-
<b>Balance unpaid (included in payables)</b>	<u>-</u>	<u>-</u>
<b>33.3 VAT</b>		
VAT input receivables and VAT output payables are shown in note 6. All VAT returns have been submitted by the due date throughout the year.		
<b>33.4 PAYE</b>		
Opening Balance	-	-
Current year payroll deductions	9 537 729	8 508 015
Amount Paid - Current year	(9 537 729)	(8 508 015)
Amount paid - previous years	-	-
	<u>-</u>	<u>-</u>
<b>33.5 PENSION AND MEDICAL AID DEDUCTIONS</b>		
Opening balance	-	-
Current year payroll deductions and council contributions	14 643 214	13 091 426
Amount Paid - Current year	(14 643 214)	(13 091 426)
Amount Paid - Previous years	-	-
	<u>-</u>	<u>-</u>
<b>33.6 SUPPLY CHAIN MANAGEMENT REGULATIONS</b>		
In terms of section 36 of the Municipal Supply Chain Management Regulations, the Municipal Manager may dispense with the official procurement process in certain instances and ratify minor breaches.		
These expenses incurred, approved by the Municipal Manager and reported to Council, are listed below:		
Deviations on goods and services less than R 30 000	461 601	553 922
Deviations on goods and services between R 30 000 and R 200 000	3 528 931	2 961 253
Deviations on goods and services more than R 200 000	765 032	2 150 304
	<u>4 755 564</u>	<u>5 665 479</u>
The expenditure was incurred as listed below:		
Urgent and emergency procurement	181 505	131 621
Limited bidding procurement	4 501 121	5 119 827
Minor breaches	72 939	414 031
	<u>4 755 565</u>	<u>5 665 479</u>

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>34 REMUNERATION OF AUDIT COMMITTEE MEMBERS</b>		
Remuneration	<u>75 535</u>	<u>79 602</u>
<p>3 Members serve on the Audit Committee. The members are paid an allowance per day and are reimbursed for travel expenses. The 3 year term of the new audit committee commenced on 1 August 2011 and ends on 31 July 2014. Four meetings were held during the current year, but the chairperson also attended council meetings.</p>		
<b>35 CAPITAL COMMITMENTS</b>		
<b>35.1 Commitments in respect of capital expenditure:</b>		
<b>Approved and contracted for</b>		
- Computer software	101 455	293 527
- Disaster Management	4 834 505	3 812 576
- Movable assets	29 800	-
	<u>4 965 760</u>	<u>4 106 103</u>
The expenditure will be financed from:		
- Own resources	<u>4 965 760</u>	<u>4 106 103</u>
<b>35.2 Commitments in respect of operating expenditure:</b>		
<b>Approved and contracted for</b>		
- Infrastructure	1 716 433	1 119 329
- Solid waste and environment	-	220 600
- Local Economic Development	-	673 477
- Abattoir	99 000	-
- Institutional development	3 632 415	4 861 201
	<u>5 447 848</u>	<u>6 874 607</u>
The expenditure will be financed from:		
- Own resources	<u>5 447 848</u>	<u>6 874 607</u>
<b>35.3 Commitments in respect of operating leases:</b>		
<p>The municipality has no finance leases. At the reporting date the municipality has outstanding commitments under operating leases which fall due as follows:</p>		
<b>Operating leases - lessee</b>		
Within one year	1 024 888	522 717
In the second to fifth year inclusive	999 791	-
<b>Total</b>	<u>2 024 679</u>	<u>522 717</u>
<p>Operating lease payments represent rentals payable by the municipality for copiers and office space in Mokopane and Thabazimbi for environmental health practitioners.</p>		
<p>All rentals are either fixed term fixed amount contracts or contingent rentals and therefore no smoothing of leases is necessary.</p>		

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>36</b>		
<b>CONTINGENT LIABILITIES</b>		
The following are legal cases pending at year end and the potential liability thereof:		
Verveen Attorneys - defend action against motor vehicle accidents	4 169 240	4 169 240
Unlikely that we will pay as these roads belong to Roads Agency Limpopo SOC Limited as stipulated in Provincial Gazette 2372 Notice 217 of 13 June 2014.		
Verveen Attorneys - defend action against Directory Publishers for contract breach	83 214	83 214
Provider alleges printer and advertising work for municipality, but municipality denies this contract ever existed.		
 SALGBC Wage Curve Collective Agreement:		
Since the municipality's job evaluations have not yet been audited or published, a contingent liability exists for the SALGBC Wage Curve Collective Agreement. But it is not practicable to measure the financial effect of the contingent liability, with sufficient reliability, in the absence of the published task results by the SALGBC. The basis on which the liability should be calculated is the difference between the 2009 basic salaries of current post levels and that of the new wage rates as per the TASK Job Evaluation System, but in the absence of task levels, it cannot be determined to which wage rates the difference must be calculated. The municipality has made every reasonable effort to resolve this issue: The job descriptions of WDM was submitted for auditing in 2008 and the municipality had a budgeted project on the 13/14 IDP to procure the TASK Job Evaluation System, but the agreement between Deloitte and SALGA have not yet been signed and municipalities are prohibited from purchasing individual licenses from Deloitte until the national agreement between Deloitte and SALGA is concluded.	-	-
 <b>37</b>		
<b>RELATED PARTIES</b>		
Municipal Entity	Waterberg Economic Development Agency	
Key Management	Refer to note 23	
There are no other related party transactions or balances for the current year. Waterberg Economic Development Agency is currently dormant.		
 <b>38</b>		
<b>EVENTS AFTER THE REPORTING DATE</b>		
There are no material events that occurred after the reporting date.		
 <b>39</b>		
<b>KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS</b>		
The following areas involve a significant degree of estimation uncertainty:		
Useful lives and residual values of property, plant and equipment		
Useful lives and residual values of intangible assets		
Recoverable amounts of property, plant and equipment		
Recoverable amounts of intangible assets		
Impairment of assets		
Present value of defined benefit obligations		
Provision of long-term long-service awards		
Contingent liability for the implementation of the Wage Curve Agreement		

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 40 RISK MANAGEMENT

The main risks of the Municipality are interest rate risk, liquidity risk, credit risk and the fair value of financial instruments.

#### 40.1 Cash flow interest rate risk

The municipality's interest rate risk arises from investments. Investments at variable rates expose the municipality to cash flow interest rate risk. Investments at fixed rates expose the municipality to fair value interest rate risk. The municipal policy is to not invest more than 35% of funds with one institution and to invest at different maturity dates over the short term to alleviate major fluctuations in the interest rates. The majority of investments are fixed rate investments.

	2014 R	2013 R
At year-end, financial instruments exposed to interest rate risk were as follows:		
- Current bank account	5 208 774	5 713 605
- Call deposits	5 058 226	20 097 992
- 60 days fixed deposits	10 030 453	10 029 975
- 90 days fixed deposits	42 133 439	48 138 028
- 6 month fixed deposits	28 080 662	20 148 748
	<u>90 511 554</u>	<u>104 128 348</u>

#### 40.2 Currency risk

The Municipality does not have currency risk as in terms of section 163 of the Municipal Finance Management Act, No.56 of 2003, no municipality may incur a liability or risk payable in a foreign currency.

#### 40.3 Liquidity risk

The Municipality's risk to liquidity is a result of the funds available to cover future commitments. The Municipality's strong credit profile and diversified funding sources ensure that sufficient liquid funds are maintained to meet its daily cash requirements. The Municipality's policy on counterpart credit exposures ensures that only counterparties of a high credit standing are used for the investments of any excess cash.

The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 June 2014	Not later than one month	One to three months
Trade and other payables	1 718 033	-
Consumer deposits	-	-
Provisions	-	-
Unspent conditional grants & receipts	-	-
30 June 2014	Later than three months	One to five years
Trade and other payables	180 972	6 726 939
Consumer deposits	-	600
Provisions	582 871	-
Unspent conditional grants & receipts	436 868	-

# WATERBERG DISTRICT MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 40 RISK MANAGEMENT *(continued)*

#### 40.4 *Credit risk*

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors.

To manage the risk the Municipality has a credit control policy. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

#### *Counterparties:*

The Municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. The Municipality has no significant concentration of credit risk with any single counterparty or a group of counterparties.

#### 40.5 *Fair value of financial instruments*

At year end the carrying amounts of cash and short-term deposits, trade and other receivables and trade and other payables approximated their fair values due to the short-term maturities of these assets and liabilities.

### 41 RESTATEMENT OF COMPARATIVE INFORMATION

There has been no restatements on comparative figures.

### 42 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Tables A(1) to A(7). The difference between the Adjusted Budget and final budget relates to virements approved by the Municipal Manager and savings declared on completed projects. Variances of more than 10% between budgeted and actual amounts have been explained in Annexures A (1) and A (2) which form part of the annual financial statements.

# WATERBERG DISTRICT MUNICIPALITY

## AUDITED SCHEDULE APPENDIX A (1)

### ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2014

REVENUE	2014 Actual R	2014 Budget R	2014 Variance R	2014 Variance %	Explanation of Significant Variances greater than 10% versus Budget
Abattoir service charges	1 670 715	1 368 000	302 715	22%	Increased turnover at the abattoir due to improved management.
Interest earned - external investments	6 116 928	6 020 000	96 928	2%	
Interest earned - outstanding debtors	26	3 000	( 2 974)	-99%	Improved debt management on abattoir and old debts written off.
Government grants and subsidies	101 326 205	102 311 372	( 985 167)	-1%	
Other income	170 854	137 527	33 327	24%	Income from fire fighting higher than past trend.
Reversal of impairment loss on assets	1 895 763	-	1 895 763	100%	The investment was written off as irrecoverable, but subsequently received a 9th liquidation dividend. Another asset was repaired which led to the previous impairment being reversed.
<b>Total Revenue</b>	<b>111 180 491</b>	<b>109 839 899</b>	<b>1 340 592</b>		
<b>EXPENDITURE</b>					
Employee related costs	(53 834 358)	(58 001 523)	4 167 165	-7%	
Remuneration of Councillors	(5 991 826)	(5 879 223)	( 112 603)	2%	
Post-retirement health care expenditure	(4 219 016)	(2 101 227)	(2 117 789)	101%	The effect of implementation of IAS 19 Employee Benefits defined benefit valuations were budgeted based on the prior year forecast but actual discount rates were different.
Long-service award expenditure	( 550 810)	( 616 548)	65 738	-11%	The effect of implementation of IAS 19 Employee Benefits defined benefit valuations were budgeted based on the prior year forecast but actual discount rates were different.
General expenses	(17 061 101)	(20 602 468)	3 541 367	-17%	Mainly due to austerity measures implemented to reduce expenditure and reduced rental on equipment and insurance due to new tender awards.
Repairs & Maintenance	(1 468 498)	(1 547 763)	79 265	-5%	
Fire Fighting	(13 714 443)	(14 837 309)	1 122 866	-8%	
Project expenditure	(23 345 463)	(33 277 627)	9 932 164	-30%	Under spending on projects for the majority due to late appointments and re-advertisements on the tender process.
Depreciation and amortisation	(6 004 978)	(7 844 000)	1 839 022	-23%	Assets were procuring later during the year than what was anticipated which led to a reduced depreciation period.
Loss on disposal of Property, Plant and Equipment	( 59 411)	( 75 000)	15 589	-21%	Loss on disposal was slightly overbudgeted due to the fact that some of the write offs were offset against insurance claims which could not have been realistically anticipated at the time of the budget compilation.
<b>Total Expenditure</b>	<b>(126 249 904)</b>	<b>(144 782 688)</b>	<b>18 532 784</b>		
<b>NET SURPLUS FOR THE YEAR</b>	<b>(15 069 413)</b>	<b>(34 942 789)</b>	<b>19 873 376</b>		



# WATERBERG DISTRICT MUNICIPALITY

## AUDITED SCHEDULE

### APPENDIX A (2)

#### ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014 Actual</u>	<u>2014 Under Construction</u>	<u>2014 Total Additions</u>	<u>2014 Budget</u>	<u>2014 Variance</u>	<u>2014 Variance</u>	<u>Explanation of Significant Variances greater than 10% versus Budget</u>
	R	R	R	R	R	%	
<b>Land and Buildings</b>							
Land	-	-	-	-	-	100%	
Buildings & Facilities	386 425	-	386 425	454 459	( 68 034)	-15%	Some components of CCTV camera roll-out was expensed rather than capitalised.
<b>Other Assets</b>							
Computer Equipment	292 638	-	292 638	891 336	( 598 698)	-67%	IT equipment to assist local municipalities was expensed in our records as it relates to capital expenditure on behalf of other municipalities.
Emergency Equipment	837 399	-	837 399	1 256 342	( 418 943)	-33%	Some projects were postponed to 14/15 due to budget shortfalls on existing project budgets.
Furniture and Fittings	214 116	-	214 116	560 000	( 345 884)	-62%	Some funding has been rolled over to assist with planned movable asset procurements.
Office Equipment	88 948	-	88 948	90 000	( 1 052)	-1%	Installation of new lift at WDM Head Office was postponed to 13/14 year due to budget constraints.
Plant and Equipment	1 115 572	-	1 115 572	1 257 625	( 142 053)	-11%	Procurement at lower cost than projected.
Specialised vehicles	4 050 633	-	4 050 633	6 819 569	(2 768 936)	-41%	Delays in completion of projects due to project breach by service providers.
<b>TOTAL</b>	<b>6 985 731</b>	<b>-</b>	<b>6 985 731</b>	<b>11 329 331</b>	<b>(4 343 600)</b>		

**WATERBERG DISTRICT MUNICIPALITY**

**UNAUDITED SCHEDULE  
APPENDIX B  
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014**

<b>EXTERNAL LOANS</b>	<b>Loan Number</b>	<b>Redeemable</b>	<b>Balance at 2013-06-30</b>	<b>Received during the period</b>	<b>Redeemed written off during the period</b>	<b>Balance at 2014-06-30</b>	<b>Carrying Value of Property, Plant &amp; Equip</b>	<b>Other Costs in accordance with the MFMA</b>
None			-	-	-	-		
<b>TOTAL EXTERNAL LOANS</b>			-	-	-	-		-

## WATERBERG DISTRICT MUNICIPALITY

### UNAUDITED SCHEDULE

### APPENDIX C

### SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2014

Department	Cost / Revaluation				Accumulated Depreciation / Impairment					Carrying Value		
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Additions	Transfers		Disposals	Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	
Budget & Treasury Office	564 398	6 297	-	1 750	(34 754)	537 691	303 086	72 823	1 181	(33 454)	343 636	194 055
Municipal Manager's Office	256 869	19 968	-	-	-	276 837	106 514	30 400	-	-	136 914	139 923
Corporate Support & Shared Services	13 916 015	624 848	-	-	(84 404)	14 456 459	5 366 614	787 151	(2 600)	(61 567)	6 089 598	8 366 861
Planning & Economic Development	210 519	16 092	-	(4 378)	(1 208)	221 025	95 131	27 135	(2 220)	(903)	119 143	101 882
Infrastructure Development	221 158	13 175	-	-	(1 706)	232 627	126 086	26 942	-	(1 000)	152 028	80 599
Executive Mayor's Office	2 768 403	42 589	-	(1 750)	(21 199)	2 788 043	1 022 810	361 959	(1 182)	(14 615)	1 368 972	1 419 071
Social Development & Community Services	216 382	633 372	-	-	(1 508)	848 246	110 507	50 926	-	(1 019)	160 414	687 832
Fire Fighting	53 762 784	5 452 826	-	-	(40 578)	59 175 032	13 627 176	2 502 676	-	(33 369)	16 096 483	43 078 549
Environmental Health	454 558	110 112	-	4 378	(57 366)	511 682	247 419	57 852	4 821	(39 771)	270 321	241 361
Abattoir	8 273 285	70 400	-	-	(9 542)	8 334 143	691 726	283 184	-	(6 932)	967 978	7 366 165
<b>Total</b>	<b>80 644 371</b>	<b>6 989 679</b>	<b>-</b>	<b>-</b>	<b>(252 265)</b>	<b>87 381 785</b>	<b>21 697 069</b>	<b>4 201 048</b>	<b>-</b>	<b>(192 630)</b>	<b>25 705 487</b>	<b>61 676 298</b>

# WATERBERG DISTRICT MUNICIPALITY

## UNAUDITED SCHEDULE APPENDIX D

### SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R	2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
Budget & Treasury	97 829 784	9 764 999	88 064 785	102 183 069	11 578 433	90 604 636
Municipal Manager	1 064 436	8 301 710	(7 237 274)	5 19 276	6 826 333	(6 307 057)
Corporate Support & Shared Services	237 728	14 250 503	(14 012 775)	529 307	14 458 931	(13 929 624)
Planning and Economic Development	367 548	6 218 135	(5 850 587)	271 708	6 700 278	(6 428 570)
Infrastructure Development	1 329 839	11 917 119	(10 587 280)	4 276 318	17 328 097	(13 051 779)
Executive Support Office	17 583	21 835 953	(21 818 370)	-	19 479 973	(19 479 973)
Social Development & Community Services	-	1 831 552	(1 831 552)	-	2 452 510	(2 452 510)
Disaster Management	22 817	24 880 425	(24 857 608)	1 730 072	25 321 083	(23 591 011)
Environmental Health	-	15 736 973	(15 736 973)	-	16 378 801	(16 378 801)
Abattoir	792 241	3 654 566	(2 862 325)	1 670 741	5 725 465	(4 054 724)
<b>TOTAL</b>	<b>101 661 976</b>	<b>118 391 935</b>	<b>(16 729 959)</b>	<b>111 180 491</b>	<b>126 249 904</b>	<b>(15 069 413)</b>