



ALFRED NZO

DISTRICT MUNICIPALITY

2013/2014

ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2014

ALFRED NZO DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2014

INDEX

NO	CONTENTS	PAGE
1	General Information and Approval of Annual Financial Statements	1(a)
2	Members of the Council	1(b)
3	Foreword	2(a)
4	Members of the Council	3(a)
5	Certification of Remuneration of Councillors	3(b)
6	Statement of Financial Position	4
7	Statement of Financial Performance	5
8	Statement of Changes in Net Assets	6
9	Cash Flow Statement	7
10	Statement of Comparison of Budget and Actual Amounts	8 - 9
11	Accounting Policies	10 - 24
11	Notes to the Annual Financial Statements	25 - 58
Appendixes:		
12	A Schedule of External Loans	59
13	B Analysis of Property, Plant and Equipment	60 - 61
14	C Segmental Analysis of Property, Plant and Equipment	62
15	D Actual versus Budget (Revenue and Expenditure)	63 - 64
16	E Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	65
17	F TRIAL BALANCE FOR THE YEAR	66 - 76

ALFRED NZO DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2014

GENERAL INFORMATION

EXECUTIVE MAYOR

E.N. Diko

DEPUTY EXECUTIVE MAYOR

S. Mehlomakhulu

SPEAKER

S Sello

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor

Speaker

Chief Whip

P. Nyangana

Councillors: P.B. Mabengu
B.B. Maningi
Z. Lwana
V.N.S Mdingazwe

B.N. Tobo
M.M. Gqola
Z. Busuku

GRADING OF THE LOCAL AUTHORITY

Grade 4

AUDITORS

External – Auditor General

PRIMARY BANKER

First National Bank Limited

REGISTERED OFFICE

Erf 1400 Ntsizwa Street
Mount Ayliff
4735

Private Bag X511
Mount Ayliff
4735

Telephone: (039) 254-5000

Facsimile: (039) 254-0343
E-Mail: silingab@andm.gov.za
Website: <http://www.andm.gov.za>

MUNICIPAL MANAGER

MZ Silinga

CHIEF FINANCIAL OFFICER

L Fokazi

ALFRED NZO DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2014

GENERAL INFORMATION (continued)

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these Annual Financial Statements, which are drafted in terms of Section 126(1) of the Municipal Finance Management Act (Act No 56 of 2003) and which I have signed on behalf of the municipality.

These Annual Financial Statements will be presented to the Council for information during September 2014.



M.Z. SILINGA
MUNICIPAL MANAGER
29 August 2014



L FOKAZI
CHIEF FINANCIAL OFFICER
29 August 2014

ALFRED NZO DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2014

FOREWORD

The 2013/2014 financial year has been a challenging year for the country and the municipality, but a concerted effort was put in place by the municipality to avert some of the challenges.

We have continued to put strong and sustainable systems in place to ensure compliance to various legislations and we have also continued with the implementation of Generally Recognised Accounting Practice (GRAP) standards.

In the financial year under review we have gone a step further to strengthen our mechanism to speed up approaches to improve service delivery provision to our communities; we have further implemented a robust proper communication systems working with various community structures.

Although capital projects were limited to those financed from external grant funding the municipality has successfully implemented the projects identified in the Integrated Development Plan/Budget 201~~3~~/201~~4~~ for the financial year.

The municipality will continue to fast-track the provision of services in the 2014/2015 financial year to implement as part of the multi-year projects as identified in the IDP/Budget for the current year.

Service delivery and the eradication of infrastructure backlogs remain a serious concern to all in local government. All role players must ensure that they work together to overcome the legacy of the past and ensure that we uplift the living conditions of our people.

I hereby wish to thank the members of the Mayoral Committee and Council together with staff of the municipality and other sectors of government for their commitment during the year, ensuring that we meet the set targets for the year.

I thank you



E.N. DIKO
EXECUTIVE MAYOR

ALFRED NZO DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2014

MEMBERS OF THE COUNCIL

COUNCILLORS

E.N. Diko	ANC
S. Mehlomakhulu	ANC
P.B. Mabengu	ANC
B.B. Maningi	ANC
Z. Lwana	ANC
B.N. Tobo	ANC
M.M. Gqola	ANC
A.Z. Gwebani	ANC
D. Lugayeni	ANC
U.G. Makanda	ANC
V.N.S Mdingazwe	ANC
S.K. Mnukwa	ANC
F.N. Ngonyolo	ANC
M.M. Mpepanduku	ANC
N. Voyi	ANC
A. Mbizafa	AIC
A. Ngconjana	COPE
B.S. Mbewu	DA
P. Sirhamza	ANC
Z. Busuku	ANC
N. Booi	ANC

PROPORTIONAL COUNCILLORS

N.E. Cengimbo	ANC
T. Maphasa	ANC
B. Matshoba	ANC
N.N. Mhlelebana	ANC
Z. Mhlwazi	ANC
N. Mpompoza-Ruleni	ANC
J.Z. Munyu	ANC
N.B. Nkomo	ANC
N.A. Nkunyu	ANC
P. Nyangana	ANC
V.C. Sigalelana	ANC
S. Sello	ANC
N.E. Kotelana	ANC
T.H. Kango	ANC
T. Mambi	AIC

TRADITIONAL LEADERS

N.C Nonjojo
B.M Ncanywa
M. Diko
V. Makhawula
M. Tsita
N.R Jojo

TRADITIONAL LEADERS

P. N Mbalwa

ALFRED NZO DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2014

MEMBERS OF THE COUNCIL (continued)

CERTIFICATION OF REMUNERATION OF COUNCILLORS

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



MZ SILINGA
MUNICIPAL MANAGER
29 August 2014

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Financial Position as at 30 June 2014

	Note(s)	2014	2013
Assets			
Current Assets			
Cash and cash equivalents	13	235,941,330	202,924,137
VAT receivable	11	4,948,939	5,747,279
Operating lease asset	7	1,029	7,347
Receivables from exchange transactions	12	15,629,210	18,316,852
Receivables from non-exchange transactions	10	1,437,989	3,388,270
Inventories	9	5,808,927	4,294,299
		263,767,424	234,678,184
Non-Current Assets			
Property, plant and equipment	2	1,893,138,499	1,640,947,233
Intangible assets	3	2,594,195	850,192
Heritage assets	4	131,100	131,100
Investments	5	22,579,298	20,425,834
Long Term Receivables	6	162,387	162,387
		1,918,605,479	1,662,516,746
Non-Current Assets		1,918,605,479	1,662,516,746
Current Assets		263,767,424	234,678,184
Total Assets		2,182,372,903	1,897,194,930
Liabilities			
Current Liabilities			
Operating lease liability	7	38,211	43,656
Payables from exchange transactions	17	112,693,433	94,568,209
Unspent conditional grants and receipts	14	12,684,189	15,737,809
Long service awards	15	553,063	14,804
Unallocated deposits		1,848,080	520,332
Current portion of Long-term Liabilities	16	1,646,910	1,441,675
		129,463,886	112,326,485
Non-Current Liabilities			
Long service awards	15	7,123,472	3,316,956
Long-term Liability	16	26,746,763	28,491,581
		33,870,235	31,808,537
Non-Current Liabilities		33,870,235	31,808,537
Current Liabilities		129,463,886	112,326,485
Total Liabilities		163,334,121	144,135,022
Assets		2,182,372,903	1,897,194,930
Liabilities		(163,334,121)	(144,135,022)
Net Assets		2,019,038,782	1,753,059,908
Accumulated surplus		2,019,038,782	1,753,059,908

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Financial Performance

	Note(s)	2014	2013
Revenue			
Service charges	20	16,722,504	14,101,775
Rental of facilities and equipment		255,199	317,552
Income from agency services		3,798	45,730
Public Contributions and Donations		81,500	200,000
Other income	22	1,217,877	1,029,999
Interest received - investment	26	16,487,429	11,897,111
Gains on disposal of assets		626,645	103,687
Government grants & subsidies	21	737,010,793	744,424,784
Total revenue		772,405,745	772,120,638
Expenditure			
Employee Costs	24	(139,512,192)	(117,949,571)
Remuneration of councillors	25	(7,593,441)	(6,974,512)
Depreciation and amortisation	27	(51,744,530)	(49,336,051)
Finance costs		(2,174,501)	(2,582,345)
Debt impairment		(13,288,308)	(3,998,790)
Repairs and maintenance		(50,091,982)	(15,241,829)
Bulk purchases	33	(2,338,164)	(1,519,815)
Contracted services	31	(27,347,565)	(25,623,873)
Grants and subsidies paid	32	(148,471,097)	(284,282,255)
General Expenses	23	(63,434,776)	(86,198,901)
Total expenditure		(505,996,556)	(593,707,942)
Total revenue		-	-
Total expenditure		772,405,745	772,120,638
Operating surplus		(505,996,556)	(593,707,942)
Surplus before taxation		266,409,189	178,412,696
Taxation		266,409,189	178,412,696
Surplus for the year		266,409,189	178,412,696

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Opening balance as previously reported	1,549,418,397	1,549,418,397
Off set Depreciation	-	-
Prior year adjustments	25,228,815	25,228,815
Balance at 01 July 2012 as restated*	1,574,647,212	1,574,647,212
Changes in net assets		
Surplus for the year	178,412,696	178,412,696
Total changes	178,412,696	178,412,696
Balance at 1 July 2013 as restated	1,752,627,326	1,752,627,326
Adjustments		
Correction of errors	2,267	2,267
Total	1,752,629,593	1,752,629,593
Changes in net assets		
Surplus for the year	266,409,189	266,409,189
Total changes	266,409,189	266,409,189
Balance at 30 June 2014	2,019,038,782	2,019,038,782

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Cash Flow Statement

	Note(s)	2014	2013
Cash flows from operating activities			
Receipts			
Public Contribution and Donations		81,500	200,000
Service Charges		16,722,504	14,101,775
Grants		736,638,725	744,424,785
Interest income		16,859,498	11,897,111
Other receipts		2,103,519	1,496,968
Other cash items		58,529,577	53,330,831
		<u>830,935,323</u>	<u>825,451,470</u>
Payments			
Employee costs		(139,512,192)	(117,949,571)
Remuneration of Councillors		(7,593,441)	(6,974,512)
Finance costs		(2,174,501)	(2,582,345)
Suppliers Paid		(359,113,460)	(466,201,514)
		<u>(508,393,594)</u>	<u>(593,707,942)</u>
Total receipts		830,935,323	825,451,470
Total payments		(508,393,594)	(593,707,942)
Net cash flows from operating activities	34	<u>322,541,729</u>	<u>231,743,528</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(304,502,078)	(174,087,744)
Proceeds on Disposals of property, plant and equipment	2	2,632,591	7,299,127
Purchase of other intangible assets	3	(2,128,211)	(481,988)
Interest income		16,859,498	11,897,111
Movement in investments		(2,174,501)	(1,948,082)
Net cash flows from investing activities		<u>(289,312,701)</u>	<u>(157,321,576)</u>
Cash flows from financing activities			
Movement in long-term liability		(1,539,583)	(1,440,764)
Unallocated deposits		1,327,748	520,332
Net cash flows from financing activities		<u>(211,835)</u>	<u>(920,432)</u>
Net increase/(decrease) in cash and cash equivalents		33,017,193	73,501,520
Cash and cash equivalents at the beginning of the year		202,924,137	129,422,617
Cash and cash equivalents at the end of the year	13	<u>235,941,330</u>	<u>202,924,137</u>

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Comparison of Budget and Actual Amounts

Statement of Financial Performance	Approved Budget	Adjustments	Final Budget	Actual Amounts on Comparable basis	Differences between final budget and actual	Reference
Revenue from exchange transactions						
Service charges	-20 936 200	-	-20 936 200	-16 722 504	-4 213 696	Meter audits not yet finalised for proper planning and billing non billed consumers
Rental of facilities and equipment	-265 000	-	-265 000	-255 199	-9 801	Over budget
Interest received - Investments	-15 200 000	-	-15 200 000	-16 859 498	1 659 498	This is due to effective implementation of Cash and Investments policy where funds that are readily going to be required are invested in call accounts Municipality to cleanse data before charging interest. The credit control policy states that interest should not be charged
Interest received - Outstanding Debtors	-200 000	-	-200 000	-	-200 000	Included in the budget amount was a Loan of R273 from DBSA. This will only be utilised in the next financial year
Other income	-276 215 586	273 319 486	-2 896 100	-1 303 175	-1 592 925	
Total Revenue - Exchange Transactions	-312 816 786	273 319 486	-39 497 300	-35 140 376	-4 356 924	
Revenue from - Exchange Transactions						
Government Grants and Subsidies	-815 371 000	-42 460 240	-857 831 240	-736 638 724	-121 192 516	
Other income	-80 334 156	-33 852 402	-114 186 558			No actual transfer of revenue was effected
Total Revenue - Exchange Transactions	-895 705 156	-76 312 642	-972 017 798	-736 638 724	-121 192 516	
TOTAL REVENUE	-1 208 521 942	197 006 844	-1 011 515 098	-771 779 100	-125 549 440	

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Comparison of Budget and Actual Amounts

	Approved Budget	Adjustments	Final Budget	Actual Amounts	Differences	Reference
Expenditure						
Employee Related Costs	145 033 831	-483 147	144 550 684	139 512 192	5 038 492	Other vacant posts were not filled
Remuneration of Councillors	7 928 072	383 149	8 311 221	7 593 441	717 780	Vacant posts which are filled time and again
						A significant portion of debt impairment was already provided for in the prior year. The municipality has to implement Credit Control and Debt Management Policy in full
Provisions	6 535 000	5 083 140	11 618 140	13 288 308	-1 670 168	This in lieu of the DBSA Loan repayment
Interest expense	2 913 000	-533 000	2 380 000	2 174 501	205 499	This is due to repairs and maintenance plans being implemented on time
Repairs and maintenance	50 990 000	-2 442 837	48 547 163	50 514 377	-1 967 214	This is due to additions to the Asset register
Depreciation and Amortisation	30 000 000	18 000 000	48 000 000	51 744 530	-3 744 530	This is within the budget
Bulk Purchases	3 500 000	200 000	3 700 000	2 338 164	1 361 836	Allocation of VIP toilets expenditure from Capex to Opex. Community projects budgeted for under Capex
General expenses	140 825 800	99 275 638	240 101 438	239 253 438	848 000	
Donations paid	20 000 000	-	20 000 000	19 800 001	199 999	
Total Expenditure	407 725 703	119 482 943	527 208 646	526 218 952	989 694	
Surplus before taxation	-800 796 239	316 489 787	-484 306 452	-245 560 148	-124 559 746	
Deficit before taxation	-800 796 239	316 489 787	-484 306 452	-245 560 148	-124 559 746	
Taxation	-	-	-	-	-	
Actual, Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-800 796 239	316 489 787	-484 306 452	-245 560 148	-124 559 746	

NOTE: VIP SANITATION IS BUDGETED FOR AS CAPEX, HOWEVER AT YEAR END EXPENDITURE INCURRED IS TRANSFERRED TO THE INCOME STATEMENT

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

Land is not depreciated as it deemed to have an indefinite useful life

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

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

Item	Average useful life
Buildings	
• Improvements	5 - 30
Plant and equipment	2 - 15

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.1 Property, plant and equipment (continued)

Furniture and fixtures	5 - 10
Motor vehicles	5 - 10
Office equipment	3 - 10
Infrastructure	
• Sewerage	15 - 60
• Water	10 - 100
• Roads	15 - 50
• Gas	10 - 50
• Security Measures	3 - 5
Community	
• Community Facilities	20 - 30
• Recreational Facilities	20 - 30
Other property, plant and equipment	
• Bins and Containers	5 - 15
• Computer Equipment	3 - 10
• Emergency Equipment	3 - 10
• Other Assets	25 - 30
Specialised Vehicles	5 - 15

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

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

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

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

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

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

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.2 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.2 Intangible assets (continued)

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

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

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

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

Intangible assets are derecognised on disposal; or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised

Item	Useful life
Computer software	2 - 5 years

1.3 Heritage assets

Assets are resources controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

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

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.3 Heritage assets (continued)

Impairment

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

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.4 Investments

Investments are carried at cost less any accumulated impairment.

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

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

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.5 Financial instruments

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

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

A concessionary loan is a loan granted to or received by the municipality on terms that are not market related.

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from a municipality's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.5 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, a municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

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

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

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

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

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

Liquidity risk is the risk encountered by a municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of a municipality after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of a municipality's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of a municipality.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.5 Financial instruments (continued)

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

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

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

Classification

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

Class	Category
Unlisted Investments (Stock)	Financial asset measured at amortised cost
Investments in Fixed Deposits	Financial asset measured at amortised cost
Long term Receivables	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from Non-Exchange Transactions	Financial asset measured at amortised cost
Cash and cash equivalents - Notice Deposits	Financial asset measured at amortised cost
Cash and cash equivalents - Call deposits	Financial asset measured at fair value
Cash and cash equivalents	Financial asset measured at fair value

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

Class	Category
Long term Liabilities	Financial liability measured at amortised cost
Payables	Financial liability measured at amortised cost
Bank overdraft	Financial liability measured at Fair Value

Initial recognition

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

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.5 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.5 Financial instruments (continued)

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.6 Leases

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

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

Finance leases - lessor

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

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

Finance leases - lessee

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

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

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

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

Operating leases - lessor

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

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

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

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

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

Operating leases - lessee

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

1.7 Inventories

Inventories comprise current assets held-for-sale, current assets for consumption or distribution 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. Where Inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where Inventory is acquired by the municipality for no or nominal consideration (ie a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as Inventories are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs

Consumables Stores, Raw Materials, Work-in-Progress and Finished Goods:

Consumables stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value (net amount that the municipality expects to realise from the sale of Inventory in the ordinary course of business). In general, the basis of determining cost is the Weighted Average Cost of commodities. If Inventories are to be distributed at no charge or for a nominal charge, they are valued at the lower of cost and current replacement cost.

Water Inventory

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.7 Inventories (continued)

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc). However, water in dams that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at the Statement of Financial Position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates.

Unsold Properties

Unsold properties are valued at the lower of cost and net realisable value on a Weighted Average Cost Basis. Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs, if this relates to development.

Other Arrangements

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. 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.

1.8 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally 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.

Non-current assets held for sale (or disposal group) are measured at the lower of its 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.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.9 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.10 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

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

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

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

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

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

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

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.11 Provisions and contingencies

Provisions are recognised when:

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

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

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.11 Provisions and contingencies (continued)

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

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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

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

Provisions are not recognised for future operating surplus.

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

A constructive obligation to restructure arises only when an entity:

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 36.

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

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

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

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

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

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.11 Provisions and contingencies (continued)

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

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.12 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

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

Rendering of services

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

1.13 Revenue from non-exchange transactions

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

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

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

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.13 Revenue from non-exchange transactions (continued)

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

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

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

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

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

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

Measurement

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

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

Taxes

Value Added Tax

The Municipality is registered for Value Added Tax on the Payments basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991). However to conform to GRAP 1.35 the Municipality accounts for Value Added Tax on the accrual basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Gifts and donations, including goods in-kind

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

1.14 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.15 Comparative figures

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

1.16 Unauthorised expenditure

Unauthorised expenditure means:

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

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.16 Unauthorised expenditure (continued)

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

1.17 Fruitless and wasteful expenditure

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

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

1.18 Irregular expenditure

Irregular expenditure as defined in chapter 1 of the MFMA in relation to a municipality or municipal entity -

- (a) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, the requirement of this Act, and which has not been condoned in terms of section 170
- (b) Expenditure incurred in contravention of, or that is not in accordance with, a requirement of the municipal systems Act
- (c) Expenditure incurred in contravention of, or that is not in accordance with, a requirement of the public office Bearers Act
- (d) Expenditure incurred in contravention of, or that is not in accordance, a requirement of the Supply Chain Management Policy or any Municipal By-Laws giving effect to such policy, and which has not been condoned in terms of such policy or By-law, but excludes expenditure which falls within the definition of unauthorised expenditure

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

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

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

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

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

1.19 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.20 Standards and interpretations effective and adopted in the current year

Adoption of new and revised standards

In the current year the Municipality has adopted all new and revised standards and interpretations issued by the ASB that are relevant to its operations and are effective. The adoption of these new and revised standards and interpretations has resulted in changes to the accounting policies. The Entity has not adopted any GRAP standard that is not yet effective, but has based its accounting policies on such standards, except for GRAP 18. Effective dates have been given for some of the standards, while for others no effective dates have yet been determined. At the date of submission of these financial statements for the year ended 30 June 2014 the following standards had been issued

Annual periods commencing on or after 1 April 2014:

- GRAP 25 – Employee benefits

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.20 Standards and interpretations effective and adopted in the current year (continued)

- GRAP 1 – Presentation of Financial Statements (Consequential Amendments)
- GRAP 5 – Borrowing Costs
- GRAP 100 – Discontinued Operations

No effective dates provided yet:

GRAP 18 – segment reporting

GRAP 20 – Related-party disclosures (revised)

GRAP 105 – Transfers of functions between entities under common control

GRAP 106 – Transfers of functions between entities not under common control

GRAP 107 – mergers

All the above standards, where applicable, will be complied with in the financial statements once the standards take effect. Preliminary investigations indicated that the impact of the standards on the financial statements will be minimal.

Alfred Nzo District Municipality
Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

2. Property, plant and equipment

	2014		2013	
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation
		depreciation and impairment	Accumulated depreciation and impairment	
			Carrying value	
Land & Buildings	54,478,308	(14,848,973)	39,629,335	54,478,308
Infrastructure	2,013,494,971	(183,543,795)	1,829,951,176	1,716,964,590
Other property, plant and equipment	37,804,826	(14,246,838)	23,557,988	33,783,332
Total	2,105,778,105	(212,639,606)	1,893,138,499	1,805,216,230
			(164,268,997)	1,640,947,233

Alfred Nzo District Municipality
Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Other movements	Depreciation	Total
Land & Buildings	41,460,752	-	-	-	(1,831,417)	39,629,335
Infrastructure	1,576,975,247	298,476,591	-	(1,936,210)	(43,564,452)	1,829,951,176
Other property, plant and equipment	22,511,234	6,025,487	(2,005,946)	1,953	(2,974,740)	23,557,988
	1,640,947,233	304,502,078	(2,005,946)	(1,934,257)	(48,370,609)	1,893,138,499

Alfred Nzo District Municipality
Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Land & Buildings	43,064,434	353,268	-	(200,000)	-	(1,756,950)	41,460,752
Infrastructure	1,458,921,181	161,618,518	-	-	-	(43,564,452)	1,576,975,247
Other property, plant and equipment	17,505,326	12,115,958	(7,195,440)	200,000	3,585,224	(3,699,834)	22,511,234
	1,519,490,941	174,087,744	(7,195,440)	-	3,585,224	(49,021,236)	1,640,947,233

Alfred Nzo District Municipality
Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

3. Intangible assets

	2014		2013			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	3,932,755	(1,338,560)	2,594,195	1,804,543	(954,351)	850,192

Reconciliation of intangible assets - 2014

Computer software	Opening balance	850,192	Additions	2,128,211	Amortisation	(384,208)	Total	2,594,195
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Alfred Nzo District Municipality
Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

3. Intangible assets (continued)

Reconciliation of intangible assets - 2013

Computer software	Opening balance 748,305	Additions 481,988	Amortisation (380,101)	Total 850,192
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The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance

4. Heritage assets

	2014		2013	
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation
Heritage Assets	131,100	-	131,100	131,100
			Accumulated impairment losses	Carrying value
			-	131,100

Reconciliation of heritage assets 2014

Heritage Assets	Opening balance 131,100	Total 131,100
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Reconciliation of heritage assets 2013

Heritage Assets	Opening balance 131,100	Total 131,100
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Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

				2014	2013
5. Investments					
Name of company	Held by Municipality	% holding 2014	% holding 2013	Carrying amount 2014	Carrying amount 2013
Alfred Nzo Development Agency (Section 21 Company)		100.00 %	100.00 %	100	100
Investec Bank Limited		-	-	22,579,198	20,425,734
				22,579,298	20,425,834

All seven members serving on the board of directors of the Municipal Entity are nominated by the municipality's Council (100.00%). The municipality's maximum liability towards the Municipal Entity is R100.

The Investec Investment is ceded against the DBSA loan as security for the loans acquired.

6. Long term Receivables

Long Term Receivables	771,504	771,504
Provision for Impairment	771,504 (609,117)	771,504 (609,117)
	162,387	162,387

The Long term receivables relate to car loans issued to former employees. These loans were issued at 8% per annum for 4 years. These loans have been owing since 2004. The loans have been handed over to the Lawyers for collection. The recoverability of these amounts is not certain hence the provision for impairment.

Long Term Receivables past due but not impaired

Long Term Receivables which are making payments even though they are past due are not considered to be impaired. At 30 June 2014, 196,036 (2013: 196,036) were past due but not impaired.

Long Term Receivables due and Impaired

As of 30 June 2014, Long Term Receivables of 609,117 (2013: 609,117) were impaired and provided for.

The amount of the provision was 609,117 as of 30 June 2014 (2013: 609,117).

7. Operating lease

Current assets	1,029	7,347
Current liabilities	(38,211)	(43,656)
	(37,182)	(36,309)

The Municipality as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years with an option to extend for a further period. All operating contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

2014

2013

8. Employee benefit obligations

Defined benefit plan

The defined benefit plans, to which 68% (2013: -%) belong to MEPF, 22% to GEPF, 5% to NJMPF, 4% to CJPF and 1% to SALA PF consists of the are governed by the Pension Fund Act of 1956.

The actuarial valuation determined that the retirement plan was in a sound financial position.

The plan is a final salary pension .

Defined benefit multi-employer plan

MEPF (Municipal Employees Pension Fund)

The current employer contribution rate is fixed according to the Rules of the MEPF and is not sufficient to cover the required future service cost. The Valuator recommends that the Board of Trustees review the Rules in this respect. The Board proposes that the surplus be used to fund the shortfall in future service contributions. The Valuator further recommends that explicit provision be made in the Rules allowing such action.

The next valuation report (as at January 2014) is expected to be available in February 2015.

GEPF (Government Employees Pension Fund)

The funding level of the GEPF remained at 100% as at the 31 March 2012 valuation date compared with the 100% funding level as at the 31 March 2010. The plan is holding reserves at 5.9% of what would be in line with the long term funding level per the Board of Trustees adopted GEPF Funding Policy.

This employer contribution rate remains at 16% in respect of the 'Services' employee category and 13% in respect of the 'Others' employee category:

NJMPF (Retirement) (Natal Joint Municipal Pension Fund – Retirement Section)

The deficit at the most recent actuarial valuation disclosed in the table above was calculated on a Discounted Cash Flow (DCF) basis.

The financial position of the NJMPF (Retirement) has remained largely stable, increasing from 90.6% as at 31 March 2012 to 93.1% as at 31 March 2013.

The required employer contribution rate (net of the 8.65% employee contribution rate and) implemented with effect from 1 August 2012 is comprised as follows:

Basic contribution rate payable as at the valuation date: 18.37%

Surcharge payable by employers as at the valuation date: 15.85%

Total required employer contribution rate from 1 August 2012: 34.22%

The valuation actuary has recommended that this rate be maintained for 8 years from the date of implementation, after which the deficit is expected to be fully funded and the surcharge item above can be dropped. Ceteris paribus, this would leave the total required employer contribution rate at 18.37% as at 1 August 2020.

Further, the regulations of the Plan were amended with effect from 1 July 2004, such that the Committee of Management perform investigations to enable them to levy a separate surcharge on local authorities which grant "excessive" salary increases. The valuation actuary expected that these investigations would be conducted annually in future and that the participating employers would be advised accordingly if they are required to pay a surcharge in respect of individual employees.

CJPF (Cape Joint Pension Fund)

The funding level of the CJPF Defined Benefit (DB) section was 99.7% as at the 30 June 2013 valuation date compared with a 99.4% funding level as at 30 June 2012. The valuation actuary recommended a total employer contribution rate of 26.77% which was in excess of the then current employer contribution of 23.06% of salaries in the DB Section.

The valuator further stated that although the DB Section funding level was slightly below 100% at 30 June 2013, he is confident that the Fund has since returned to a sound financial condition. He also put forward that once the Financial Services Board approves the imminent conversion of the DB section to a Defined Contribution basis, the Fund will have achieved an important milestone in ensuring its sound financial management.

SALA PF (South African Local Authorities Pension Fund)

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
8. Employee benefit obligations (continued)		
There is a defined contribution section in this Plan (19% of the active membership).		
The valuation actuary recommended that the prevailing employer contribution rate at 1 July 2012 be maintained at 19.18%. This includes a margin of 2.16% over and above the contribution rate required to fund the Projected Unit Method future service benefits and associated costs. The valuation actuary stated that the margin in the contribution rate remains necessary to build up a solvency reserve. Additional text		
9. Inventories		
Consumable stores	1,797,897	1,962,908
Water	3,802,520	2,207,281
Other	208,510	124,110
Total Inventories	5,808,927	4,294,299
9.1 Water Losses		
Water stock opening Balance	204,273	133,604
Produced	3,864,159	3,358,657
Less: Water sales	(936,927)	(1,794,200)
Less: Water stock closing balance (per cubic meter)	(204,862)	(204,273)
	2,926,643	1,493,788
Cost of producing one cubic meter	19	11
Water Loss in Rands	54,322,646	16,141,243
Water loss as a percentage of produced	72%	43%
No inventories have been pledged as collateral for Liabilities of the municipality.		
10. Receivables from non-exchange transactions		
Staff debtors	840,619	25,486
Sundry Debtors	597,370	3,362,784
	1,437,989	3,388,270
11. VAT receivable		
VAT Receivable	4,948,939	5,747,279
VAT is payable on a cash basis, once payment has been received from Debtors, then VAT is paid over to SARS.		
VAT Reconciliation		
VAT Receivable	4,948,939	5,747,279
VAT Accrual	6,069,585	(1,637,073)
VAT for consumer debtors	8,860,807	7,349,188
	19,879,331	11,459,394
12. Receivables from exchange transactions		
Gross balances		
Water	55,168,616	46,790,304
Sewerage	7,193,230	5,706,590
Other	8,897,342	7,346,495
	71,259,188	59,843,389

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
12. Receivables from exchange transactions (continued)		
Less: Allowance for impairment		
Water	(49,209,541)	(37,708,718)
Sewerage	(6,420,437)	(3,817,819)
	(55,629,978)	(41,526,537)
Net balance		
Water	5,959,075	9,081,586
Sewerage	772,793	1,888,771
Other	8,897,342	7,346,495
	15,629,210	18,316,852
Water		
Current (0 -30 days)	1,204,163	183,552
31 - 60 days	1,389,553	1,475,295
61 - 90 days	1,034,972	1,292,902
91 - 120 days	2,330,387	6,129,837
	5,959,075	9,081,586
Sewerage		
Current (0 -30 days)	200,050	8,395
31 - 60 days	193,432	167,707
61 - 90 days	188,441	161,473
91 - 120 days	185,860	177,163
121 - 365 days	5,010	1,374,033
	772,793	1,888,771
Other (specify)		
Current (0 -30 days)	8,897,342	7,346,495

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
12. Receivables from exchange transactions (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	695,728	(252,621)
31 - 60 days	714,312	657,258
61 - 90 days	562,679	661,305
91 - 120 days	34,279,973	26,819,296
	<u>36,252,692</u>	<u>27,885,238</u>
Less: Allowance for impairment	(35,258,922)	(24,556,208)
	<u>993,770</u>	<u>3,329,030</u>
Industrial/ commercial		
Current (0 -30 days)	409,218	(194,692)
31 - 60 days	515,935	801,151
61 - 90 days	397,207	660,552
91 - 120 days	19,941,032	18,002,615
	<u>21,263,392</u>	<u>19,269,626</u>
Less: Allowance for impairment	(20,371,056)	(16,970,329)
	<u>892,336</u>	<u>2,299,297</u>
National and provincial government		
Current (0 -30 days)	380,046	(88,133)
31 - 60 days	354,825	414,613
61 - 90 days	287,179	336,130
91 - 120 days	12,721,054	10,178,907
Less: Allowance for impairment	-	-
	<u>13,743,104</u>	<u>10,841,517</u>
Total		
Current (0 -30 days)	1,484,992	(535,446)
31 - 60 days	1,585,072	1,873,022
61 - 90 days	1,247,065	1,657,987
91 - 120 days	66,942,059	56,847,826
	<u>71,259,188</u>	<u>59,843,389</u>
Less: Allowance for impairment	(55,629,978)	(41,526,537)
	<u>15,629,210</u>	<u>18,316,852</u>
Reconciliation of allowance for impairment		
Balance at beginning of the year	(41,526,537)	(38,136,864)
Contributions to allowance	(14,103,441)	(3,389,673)
	<u>(55,629,978)</u>	<u>(41,526,537)</u>
13. Cash and cash equivalents		
For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.:		
Call Deposits	231,534,008	186,858,265
Bank balances	4,407,322	16,065,872
	<u>235,941,330</u>	<u>202,924,137</u>

Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 0% to 4.5% (2012/13: 0% to 4%) per annum.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
13. Cash and cash equivalents (continued)		
Short-term Investment Deposits are attributable to Funds as follows:		
Unspent Conditional Grants	42,261,673	15,737,808
Trade creditors	72,546,036	97,538,961
Long service awards	99,766	14,804
	114,907,475	113,291,573

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2014	30 June 2013	30 June 2012	30 June 2014	30 June 2013	30 June 2012
Main Bank Account - Current Account # 620 2493 2974:	4,073,123	4,066,273	529,478	4,429,132	17,638,489	(6,799,474)
Water and Sanitation Account - Current Account # 621 5258 1586	-	11,981,165	6,788,950	(21,810)	12,026,331	6,377,310
Total	4,073,123	16,047,438	7,318,428	4,407,322	29,664,820	(422,164)

All the above accounts are held by First National Bank.

14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

National Government: Municipal Infrastructure Grant	-	-
Department of Water Affairs & Forestry DIDEA	9,469	9,469
Local Economic Development Strategy Dept of Transport	3	3
THETHA	151	151
Water Services Operation Grants	-	596,795
Sports and Culture	32,481	32,481
Disaster Management	-	4,131,730
Infrastructure Skills Development Grant	1,348,837	3,200,697
Rain Water Harvest	339	339
Regional Bulk Scheme	1,263,663	1,500,000
Fire and Emergency	-	372,069
Aids Training and Counselling Centre	3,165,566	3,165,566
Rural Housing	868,661	868,661
Local Economic Development Capacity	653,985	653,985
Intergrated Sustainable Rural Development Programme	5,219,814	1,219,814
Municipal Water Infrastructure Grant	(14,362)	(14,362)
	411	411
	135,171	-
	12,684,189	15,737,809

The unspent Grants portion are cashbacked by term deposits. The municipality complied with the conditions attached to all the grants received to the extent of revenue recognised. No grants were withheld.

See note 22 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised. Refer to note 12 for the call Deposits investments.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
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15. Long service awards

Reconciliation of long service awards - 2014

	Opening Balance	Additions	Utilised during the year	Total
Long Service Awards	3,331,760	4,667,482	(322,707)	7,676,535

Reconciliation of long service awards - 2013

	Opening Balance	Additions	Utilised during the year	Total
Long service awards	1,432,612	2,593,894	(694,746)	3,331,760
Non-current liabilities			7,123,472	3,316,956
Current liabilities			553,063	14,804
			7,676,535	3,331,760

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after five years of continuous service and every five years thereafter to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees. These provisions are made in order to enable the municipality to be in a position to fulfill its known legal obligations when they become due and payable.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2013 by Mr C Weiss Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year-end, 448 (2013: 338) employees were eligible for Long-service Awards.

The principal assumptions used for the purposes of the actuarial valuations were as follows

Discount Rate	7.95%	7.44%
Cost Inflation Rate	7.13%	6.86%
Net Effective Discount Rate	0.77%	0.54%
Expected Retirement Age - Females	60	60
Expected Retirement Age - Males	65	65

Movements in the present value of the Defined Benefit Obligation were as follows

Balance at the beginning of the year	2,761,150	1,432,612
Current service costs	1,048,480	717,834
Interest cost	332,488	211,439
Benefits paid	(322,707)	(386,843)
Actuarial losses / (gains)	3,286,514	786,108
Present Value of Fund Obligation at the end of the Year	7,105,925	2,761,150

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

Current service cost	1,048,480	717,834
Interest cost	332,488	211,439
Actuarial losses / (gains)	3,286,514	786,108
Total Post-retirement Benefit included in Employee Related Costs	4,667,482	1,715,381

The history of experienced adjustments is as follows:

	2014	2013	2012	2011
Present Value of Defined Benefit Obligation	7,105,925	2,761,150	1,432,612	1,281,192

16. Long Term Loans

Annuity Loans are repaid over periods varying from 12 to 13 (2013: 12 to 13) years and at interest rates varying from 5,00% to 11,47% (2013: 5,00% to 11,47%) per annum. Annuity Loans are not secured.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

2014 2013

16. Long Term Loans (continued)

The municipality did not default on any payment of its Long-term Liabilities. No terms for payment have been re-negotiated by the municipality.

Refer to Appendix "A" for more detail on Long-term Liabilities.

Long term loan reconciliation

Non current liabilities	26,746,763	28,491,581
Current liabilities	1,646,910	1,441,675
	28,393,673	29,933,256

17. Payables from exchange transactions

Trade payables	60,088,817	60,336,836
Loan instalment due	510,229	564,230
Retention	53,337,588	22,415,466
Third Party Payments	57,190	1,523,984
Staff Leave	4,766,479	3,393,336
Other Creditors	2,715	4,697,284
VAT Accrual	(6,069,585)	1,637,073
	112,693,433	94,568,209

Staff Leave accrue to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

18. Financial instruments disclosure

Categories of financial instruments

2014

Financial assets

	At fair value	At amortised cost	Total
Unlisted Investments	-	100	100
Fixed Deposits	-	22,579,198	22,579,198
Car Loans	-	162,387	162,387
Trade and other receivables from exchange transactions	-	15,629,210	15,629,210
Other receivables from non-exchange transactions	-	1,437,989	1,437,989
Call Deposits	231,534,008	-	231,534,008
Bank Balances	4,407,322	-	4,407,322
	235,941,330	39,808,884	275,750,214

Financial liabilities

	At amortised cost	Total
Annuity loans	28,393,672	28,393,672
Payables	60,088,817	60,088,817
Retentions	53,337,588	53,337,588
Third party payments	57,190	57,190
Other Creditors	2,715	2,715
	141,879,982	141,879,982

2013

Financial assets

	At fair value	At amortised cost	Total
Unlisted Investments	-	100	100
Fixed Deposits	-	20,425,734	20,425,734
Car Loans	-	162,387	162,387
Receivables from Exchange Transactions	-	18,316,852	18,316,852
Call Deposits	186,858,265	-	186,858,265

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
Financial instruments disclosure (continued)		
Bank Balances	16,065,872	-
	202,924,137	38,905,073
		241,829,210

Financial liabilities

	At amortised cost	Total
Annuity loans	29,933,256	29,933,256
Retentions	-	-
Payables	60,336,836	60,336,836
Retentions	22,415,466	22,415,466
Third party payments	1,523,984	1,523,984
Other Creditors	4,697,284	4,697,284
	118,906,826	118,906,826

19. Revenue

Service charges	16,722,504	14,101,775
Rental of facilities and equipment	255,199	317,552
Income from agency services	3,798	45,730
Public Contributions and Donations	81,500	200,000
Other income	1,217,877	1,029,999
Interest received - investment	16,487,429	11,897,111
Government grants and subsidies	737,010,793	744,424,784
Gain on disposal	626,645	103,687
	772,405,745	772,120,638

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

Service charges	16,722,504	14,101,775
Rental of facilities and equipment	255,199	317,552
Income from agency services	3,798	45,730
Other income	1,217,877	1,029,999
Interest received - investment	16,487,429	11,897,111
	34,686,807	27,392,167

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

Transfer revenue		
Government grants and subsidies	737,010,793	744,424,784
Public contributions and donations	83,028	200,000

20. Service charges

Sale of water	14,357,643	12,093,580
Sewerage and sanitation charges	2,364,861	2,008,195
	16,722,504	14,101,775

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
21. Government grants and subsidies		
Equitable share	319,703,000	297,328,526
Transport	2,391,795	-
Rain water harvest	372,069	-
Municipal Infrastructure Grant (MIG)	354,884,999	373,803,000
Dept of Transport	-	2,215,209
IDP Support	-	405
Expanded Public Works Programme (EPWP)	5,780,000	21,577,995
Finance Management Grant (FMG)	1,500,000	1,250,000
Municipal Systems Implementation Grant (MSIG)	890,000	1,000,000
Municipal Health	4,201,898	3,908,958
LGSETA	264,569	840,692
Transitional Facilitation Committee	-	1,004,673
Fire and Emergency	9,772	5,673
Attic	-	798,780
Regional Bulk Scheme	13,600,544	19,069,520
Sports and Culture	1,851,861	1,101,798
Water Services Operation Grant	14,131,730	19,286,270
Performance Management Systems	-	2,484
Water Conservation and Demand Management	109,390	844,681
Local Economic Development Capacity	-	386,120
Municipal Water Infrastructure Grant	15,082,829	-
Infrastructure Skills Development Grant	2,236,337	-
	737,010,793	744,424,784

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members and also to assist poor Municipalities with financing their operational expenditure.

All registered indigents receive a monthly subsidy of R1,30 per kl (2013: R1,30), which is funded from the grant based on the monthly billing, towards the consumer account, which subsidy is determined annually by council. Indigent residential households receive 6kl water free every month. No funds have been withheld.

Transitional Facilitation Committee

Balance unspent at beginning of year	-	1,004,672
Conditions met - transferred to revenue	-	(1,004,672)
	-	-

Conditions still to be met - remain liabilities (see note 14).

This grant was used to facilitate the process of re-establishing Alfred Nzo District Municipality in the implementation of section 12 Notice.

Expanded Public Works Programme

Balance unspent at beginning of year	-	3,474,994
Current-year's receipts	5,780,000	18,103,000
Conditions met - transferred to revenue	(5,780,000)	(21,577,994)
	-	-

The EPWP Grant is used to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads; basic services infrastructure, including water and sewer reticulation, sanitation, pipelines (excluding bulk infrastructure); other economic and social infrastructure; tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; health service programmes; and community safety programmes.

Conditions still to be met - remain liabilities (see note 14).

Finance Management Grant (FMG)

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
21. Government grants and subsidies (continued)		
Current-year's receipts	1,500,000	1,250,000
Conditions met - transferred to revenue	(1,500,000)	(1,250,000)
	<u>-</u>	<u>-</u>

The Municipal Finance Management Grant is allocated to municipalities to assist in building in-house capacity to perform their functions and to improve and stabilise municipal systems. No funds have been withheld.

Conditions still to be met - remain liabilities (see note 14).

Municipal Infrastructure Grant (MIG)

Current-year's receipts	354,885,000	373,803,000
Conditions met - transferred to revenue	(354,885,000)	(373,803,000)
	<u>-</u>	<u>-</u>

The Municipal Infrastructure Grant (MIG) was allocated for the construction of basic sewerage and water infrastructure as part of the upgrading of poor households, microenterprises and social institutions; to provide for new, rehabilitation and upgrading of municipal infrastructure. The grant is allocated from Cooperative Government & Traditional Affairs. No funds have been withheld.

Conditions still to be met - remain liabilities (see note 14).

Municipal Systems Implementation Grant (MSIG)

Current-year's receipts	890,000	1,000,000
Conditions met - transferred to revenue	(890,000)	(1,000,000)
	<u>-</u>	<u>-</u>

The grant was used to establish and review Policies, By-laws, Internal Control Systems and the preparation of a GRAP-compliant Assets Register. No funds have been withheld.

Conditions still to be met - remain liabilities (see note 14).

Dept of Water Affairs

Balance unspent at beginning of year	<u>9,469</u>	<u>9,469</u>
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This grant was used for the construction of dams, which will provide sustainable water supply to the communities of Umzimvubu and Matatiele local municipality areas. No funds have been withheld.

Conditions still to be met - remain liabilities (see note 14).

Local Economic Development Strategy

Balance unspent at beginning of year	<u>151</u>	<u>151</u>
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This grant was received to assist in local economic development and the promotion of tourism. No funds have been withheld.

Conditions still to be met - remain liabilities (see note 14).

Dept of Transport

Balance unspent at beginning of year	596,795	1,036,004
Current-year's receipts	1,795,000	1,776,000
Conditions met - transferred to revenue	(2,391,795)	(2,215,209)
	<u>-</u>	<u>596,795</u>

The district municipalities are responsible for developing Integrated Transport Plans that will contribute towards a structured and sustainable transport model. No funds have been withheld.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
21. Government grants and subsidies (continued)		
Conditions still to be met - remain liabilities (see note 14).		
THETHA		
Balance unspent at beginning of year	32,481	1,831,481
Other	-	(1,799,000)
	<u>32,481</u>	<u>32,481</u>
The local municipalities contributed towards a project to develop job descriptions and evaluate post levels within the municipalities. No funds have been withheld.		
Conditions still to be met - remain liabilities (see note 14).		
Municipal Health Grant		
Current-year's receipts	4,201,898	3,908,958
Conditions met - transferred to revenue	(4,201,898)	(3,908,958)
	<u>-</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 14).		
Water Services Operations Grant		
Balance unspent at beginning of year	4,131,730	-
Current-year's receipts	10,000,000	23,418,000
Conditions met - transferred to revenue	(14,131,730)	(19,286,270)
	<u>-</u>	<u>4,131,730</u>
Conditions still to be met - remain liabilities (see note 14).		
This grant was allocated to compensate all the employees that were transferred from the Department of Water Affairs. No funds have been withheld.		
Performance Management Systems		
Balance unspent at beginning of year	-	2,484
Current-year receipts	-	-
Conditions met - transferred to revenue	-	(2,484)
	<u>-</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 14).		
Water Conservation and Demand Management		
Balance unspent at beginning of year	-	444,681
Current-year receipts	16,280	400,000
Conditions met - transferred to revenue	(16,280)	(844,681)
	<u>-</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 14).		
This Grant has been allocated to assist the municipality to establish water conservation and demand management systems.		
Sports and Culture		
Balance unspent at beginning of year	3,200,697	4,302,496
Conditions met - transferred to revenue	(1,851,860)	(1,101,799)
	<u>1,348,837</u>	<u>3,200,697</u>

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
21. Government grants and subsidies (continued)		
Conditions still to be met - remain liabilities (see note 14).		
Disaster Management		
Balance unspent at beginning of year	339	339
Conditions still to be met - remain liabilities (see note 14).		
This Grant was used to provide immediate relief to communities affected by disasters.		
Infrastructure Skills Development Grant		
Balance unspent at beginning of year	1,500,000	-
Current-year receipts	2,000,000	1,500,000
Conditions met - transferred to revenue	(2,236,337)	-
	1,263,663	1,500,000
Conditions still to be met - remain liabilities (see note 14).		
Rain Water Harvest		
Balance unspent at beginning of year	372,069	372,069
Conditions met - transferred to revenue	(372,069)	-
	-	372,069
Conditions still to be met - remain liabilities (see note 14).		
The Grant was used to harvest water from the rain in the villages where the RDP piped water has not been provided.		
Regional Bulk Scheme		
Balance unspent at beginning of year	3,165,566	3,700,757
Current-year receipts	13,709,934	18,534,329
Conditions met - transferred to revenue	(13,709,934)	(19,069,520)
	3,165,566	3,165,566
Conditions still to be met - remain liabilities (see note 14).		
This grant was used for the construction of dams, which will provide sustainable water supply to the communities of Umzimvubu and Matatiele local municipality areas. The grant is transferred from DWA.		
Fire and Emergency		
Balance unspent at beginning of year	868,661	868,661
Conditions met - transferred to revenue	-	(5,673)
Other	-	5,673
	868,661	868,661
Conditions still to be met - remain liabilities (see note 14).		
The Grant has been used to buy fire and rescue equipment.		
Attic		
Balance unspent at beginning of year	653,985	1,452,765
Conditions met - transferred to revenue	-	(798,780)
	653,985	653,985

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
21. Government grants and subsidies (continued)		
Conditions still to be met - remain liabilities (see note 14).		
This grant is a contribution towards addressing HIV/AIDS issues in the areas of the local municipalities in the district and was used for the purchase of drugs, home-based care kits, etc. No funds have been withheld.		
Rural Housing		
Balance unspent at beginning of year	1,219,814	1,219,814
Current-year receipts	4,000,000	-
	<u>5,219,814</u>	<u>1,219,814</u>
Conditions still to be met - remain liabilities (see note 14).		
Local Economic Development Capacity		
Balance unspent at beginning of year	(14,362)	513
Current-year receipts	-	371,245
Conditions met - transferred to revenue	-	(386,120)
	<u>(14,362)</u>	<u>(14,362)</u>
Conditions still to be met - remain liabilities (see note 14).		
This grant was received to assist in local economic development and the promotion of tourism. No funds have been withheld.		
Integrated Sustainable Rural Development Programme		
Balance unspent at beginning of year	411	411
Conditions still to be met - remain liabilities (see note 14).		
Municipal Water Infrastructure Grant		
Current-year receipts	15,218,000	-
Conditions met - transferred to revenue	(15,082,829)	-
	<u>135,171</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 14).		
Provide explanations of conditions still to be met and other relevant information.		
22. Other income		
Penalty	-	(400)
Fire Levy	-	442
Sundry Income	298,965	89,300
Tender Deposits	910,631	917,534
Refund Received	2,500	23,123
Public toilet taking	5,781	-
	<u>1,217,877</u>	<u>1,029,999</u>

The amounts disclosed above for Other Income are in respect of services, other than described in Note 12, rendered which are billed to or paid for by the users as the services are required according to approved tariffs. Internal Recoveries are journalised from other trading and economic service

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
23. General expenses		
Advertising	738,047	541,345
Auditors remuneration	5,403,481	4,588,277
Bank charges	263,640	315,418
Cleaning	297,522	424,490
Consulting and professional fees	368,044	415,705
Hire	2,013,797	1,747,133
Insurance	1,121,031	2,366,560
Marketing	1,003,497	1,060,471
Newspapers and periodicals	72,678	34,815
Tools	40,600	46,237
Fuel and oil	3,355,301	2,737,033
Recruitment fees	407,890	496,229
Printing and stationery	875,654	733,059
Protective clothing	527,289	1,196,473
Telephone and fax	4,453,256	4,424,023
Training	2,573,216	3,004,376
Travel - local	9,160,127	13,864,155
Electricity	755,705	9,970,231
Accommodation	5,927,705	3,547,739
Audit Committee Allowance	298,320	453,727
Catering and Venue Hire	2,865,120	2,681,109
Environmental Management	85,935	1,020,532
Fire and Rescue Services	1,019,465	1,945,581
License Fees	1,181,331	1,221,303
Occupational Health & Safety	51,953	131,353
Materials & Stores	226,548	3,262,462
Chemicals	-	2,053,878
Other Grant expenses	484,381	1,472,220
Other expenses	17,863,243	20,442,967
	63,434,776	86,198,901

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
24. Employee related costs		
Basic	84,430,038	76,219,348
Bonus	5,915,304	4,500,545
Medical aid - company contributions	4,460,767	3,763,526
UIF	658,611	601,458
SDL	1,192,190	1,061,851
Leave pay provision charge	2,744,407	(975,872)
Defined contribution plans	9,082,961	7,761,183
Overtime payments	2,655,894	1,633,996
Acting allowances	319,282	853,749
Transport allowance	8,322,353	8,436,908
Housing benefits and allowances	5,792,722	3,614,209
Standby Allowance	966,619	1,077,379
Shift Allowance	8,268,350	7,570,290
Bargaining council	35,212	115,620
Defined Benefits : Long Service Awards	4,667,482	1,715,381
	139,512,192	117,949,571

The following detailed costs have been included in the employee cost above

Remuneration of Municipal Manager

Annual Remuneration	780,300	491,450
Car Allowance	196,860	147,560
Bonuses	65,025	-
Contributions to UIF, Medical and Pension Funds	260,100	19,461
Other	-	-
	1,302,285	658,471

There was no Municipal Manager for 3 months from January 2013 to March 2013. The Senior Manager - Technical Services was Acting in the place of the Municipal Manager for that period

Remuneration of Chief Finance Officer

Annual Remuneration	757,368	252,228
Car Allowance	254,241	84,076
Bonuses	63,114	-
Contributions to UIF, Medical and Pension Funds	187,848	11,706
	1,262,571	348,010

Remuneration of Senior Manager - Community Services

Annual Remuneration	189,342	585,825
Car Allowance	31,557	146,456
Bonuses	15,779	-
Contributions to UIF, Medical and Pension Funds	78,000	13,413
	314,678	779,547

The senior manager Community services was appointed in April 2014

Corporate and Human Resources (Corporate Services)

Annual Remuneration	757,368	410,059
Car Allowance	258,585	127,771
Bonuses	63,114	-
Contributions to UIF, Medical and Pension Funds	183,501	7,116
	1,262,567	544,946

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
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24. Employee related costs (continued)

The Human Resources Manager was appointed in November 2012. The senior Manager - Technical Services was acting from June 2012 to November 2012.

Remuneration of Senior Manager: Planning and Developmental Services

Annual Remuneration	757,368	410,059
Car Allowance	258,585	127,771
Bonuses	63,114	-
Contributions to UIF, Medical and Pension Funds	183,501	7,484
	1,262,568	545,314

The Senior Manager Planning and Developmental Services was appointed in November. The PMU Manager was acting from January 2013 to March 2013

Remuneration of Senior Manager: Technical Services

Annual Remuneration	315,570	585,342
Car Allowance	33,518	130,120
Bonuses	57,855	-
Contributions to UIF, Medical and Pension Funds	150,684	11,912
	727,374	901,497

The Technical manager resigned in January 2014 and there was no replacement.

25. Remuneration of councillors

Executive Major	451,746	410,723
Deputy Executive Mayor	78,777	84,811
Mayoral Committee Members	2,545,801	1,950,424
Speaker	28,133	272,791
Councillors	4,074,059	3,384,426
Councillors' pension contribution	-	459,854
Chief Whip	414,925	411,483
	7,593,441	6,974,512

26. Investment revenue

Interest revenue		
Call Deposits	16,422,361	11,851,332
Other financial asset	-	45,779
SARS Interest Received	65,068	-
	16,487,429	11,897,111

27. Depreciation and amortisation

Property, plant and equipment	51,744,530	49,336,051
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Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013	
28. Additional Disclosures in terms of Municipal Finance Management Act			
Contributions to organised local government - SALGA			
Opening Balance	-	-	
Council Subscriptions	5,000	-	
Amount Paid - current year	(5,000)	-	
	<u>-</u>	<u>-</u>	
PAYE, Skills Development Levy and UIF			
Current year Payroll Deductions	23,903,879	18,868,253	
Amount Paid - current year	(23,903,879)	(18,868,253)	
	<u>-</u>	<u>-</u>	
Pension and Medical Aid Deductions			
Opening Balance	-	-	
Current year Payroll Deductions and Council Contributions	23,520,433	20,590,493	
Amount Paid - current year	(23,520,433)	(20,565,365)	
	<u>-</u>	<u>25,128</u>	
Audit Fees			
Opening Balance	-	(99,902)	
Current year Audit Fee	5,403,481	4,588,277	
Amount Paid - current year	(6,066,514)	(4,488,375)	
	<u>(663,033)</u>	<u>-</u>	
29. Councillor's arrear Consumer Accounts			
30 June 2014	Outstanding up to 90 days	Outstanding for more than 90 days	Total
Kotelana NE	207	11,203	11,410
Macuphe SB	365	6,058	6,423
	<u>572</u>	<u>17,261</u>	<u>17,833</u>
30 June 2013	Outstanding up to 90 days	Outstanding for more than 90 days	Total
Kotelana NE	2,310	7,834	10,144
Macuphe SB	271	4,761	5,032
	<u>2,581</u>	<u>12,595</u>	<u>15,176</u>
30. Auditors' remuneration			
Fees	5,403,481	4,588,277	
	<u>-</u>	<u>-</u>	
31. Contracted services			
Information Technology Services	5,561,471	5,950,470	
Fleet Services	5,983,599	4,427,544	
Other Contractors	15,802,495	15,245,859	
	<u>27,347,565</u>	<u>25,623,873</u>	

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
32. Grants and subsidies paid		
Other subsidies		
Other Grants	126,909,597	263,287,004
Free Basic Services	1,548,415	761,574
Grants in aid	20,013,085	20,233,677
	148,471,097	284,282,255
Grants paid to ME's	-	-
Other subsidies	148,471,097	284,282,255
33. Bulk purchases		
Water	2,338,164	1,519,815
34. Cash generated from operations		
Surplus	266,409,189	178,412,696
Adjustments for:		
Depreciation and amortisation	51,744,530	49,336,051
Loss on sale of assets and liabilities	(626,645)	(103,687)
Interest income	(16,859,498)	(11,897,111)
Debt impairment	13,288,308	3,998,790
Movements in operating lease assets and accruals	873	7,682
Movements in provisions	4,344,775	1,899,148
Provisions	723,541	(390,691)
Changes in working capital:		
Inventories	(1,514,628)	108,036
Consumer debtors	(11,415,799)	(10,902,660)
Other receivables from non-exchange transactions	1,950,281	(3,216,241)
Payables from exchange transactions	16,752,082	15,421,074
VAT	798,340	13,637,757
Unspent conditional grants and receipts	(3,053,620)	(4,567,316)
	322,541,729	231,743,528

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
35. Commitments		
36.1 Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	2,150,528,096	1,426,466,029
• Operational commitments	4,975,970	-
	2,155,504,066	1,426,466,029
This committed expenditure relates to Infrastructure and will be financed by Government Grants.		
36.2 Operating leases - Buildings (expense)		
Minimum lease payments due		
- within one year	106,766	273,426
- in second to fifth year inclusive	147,485	394,306
- later than five years	-	-
	254,251	667,732
Operating Leases - Vehicles (expense)		
- within one year	2,875,236	2,875,236
- in second to fifth year inclusive	518,627	2,711,785
- later than five years	-	326,211
	3,393,863	5,913,232
Other Equipment		
- within one year	159,294	494,789
	-	159,294
	-	-
	159,294	654,083
Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.		
36.3 Operating leases - Buildings (income)		
Minimum lease payments due		
- within one year	247,318	238,040
- in second to fifth year inclusive	-	12,898
- later than five years	-	-
	247,318	250,938

Operating Leases relate to Property owned by the municipality with lease terms of between 2 to 3 years, with an option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
36. Contingencies		
Contingent Liabilities		
Failure to pay for Contracted Services		
During 2007 Jack Zulu issued summons against the municipality for specific performance; it being alleged that he was appointed by the municipality to render certain services at Umzimkhulu Area (previous dispensation) and the municipality failed to pay him in terms of the contract. The municipality denies that services were rendered. Pleadings closed and a trial date is awaited.	17,250	17,250
Failure to pay Pension Contributions		
During 2006 a former employee of the municipality instituted a legal action against the municipality claiming pension benefits it being alleged that the municipality failed to pay his pension contributions to the fund at the time he was employed by the municipality. The municipality denies this allegation on the basis that he was employed on an all inclusive package and as such it was his responsibility to structure his package to include pension. Pleadings closed and a trial date is awaited.	100,000	100,000
Failure to pay for Goods Supplied and Services Rendered		
During 2008 P Mabandla issued summons against the municipality for goods supplied and services rendered to the municipality at the latter's special instance and request. The municipality denies this. Pleadings closed and a trial date is awaited.	6,572	6,572
Failure to pay for Services Rendered		
In 2008 MJ Phirimane issued summons against the municipality for services rendered. The municipality is defending the matter. The matter is in pleading stage and the outcome is still uncertain.	28,200	28,200
Failure to pay for Services Rendered		
In 2006 Malukazi Project Managers issued summons for services rendered in the sanitation program in Umzimkhulu. The municipality is defending the matter. A trial date is awaited	1,914,259	1,914,259
Failure to pay for Services Rendered:		
In 2008 summons were issued by Affinity Solutions (Pty) Ltd for services rendered. The municipality is defending the matter. A trial date is awaited.	313,505	313,505
Failure to claim from Provident Fund		
In 2009 Z Mgwebi issued summons for damages emanating from failure to act by the municipality it being alleged the municipality failed to assist her together with her minor children to claim from the Provident Fund. The matter is defended by the municipality. The matter is now in pleading stage	1,200,000	1,200,000
Intervention in execution of Duties		
During 2010 J and G Enterprise issued summons for financial damages it being alleged that the municipality stopped them from performing in terms of their contract. The matter being defended by the municipality. The matter is in pleading stage.	1,541,600	1,541,600
Failure to pay for Services Rendered		
In this matter summons was sued against the municipality for payment of the sum of R115 000.00 for services rendered it being alleged that the Service Provider was appointed to render certain services. The matter is being defended.	115,000	115,000
Failure to pay for Services Rendered		
In 2010 summons were issued by David Sepeika Credit Consultants for services rendered (fog harvesting project). The matter is defended by the municipality. The matter is in pleading stage	159,174	159,174
Failure to pay for Material Supplied		
Rob Pottow Irrigation issued summons against the municipality for failure to pay for materials supplied in terms of a verbal agreement. The municipality is defending the matter. The outcome is not certain at this stage.	24,522	24,522
Breach of Contract		

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
36. Contingencies (continued)		
Sinezipho Urban & Rural Development claims against the municipality for alleged termination of contract. The municipality is defending the matter. Pleadings have been filed and the outcome is not certain at this stage.	1,544,713	1,544,713
Failure to pay for Services Rendered:		
Sometime in 2010 Sihlangene Financial Advisory Services CC and Umnotho issued summons against the municipality for services rendered. The municipality is defending the matter	-	235,585
Breach of Contract of Employment		
In 2010 Zolani Gulwa issued summons against the municipality for breach of the contract of employment in that the municipality failed to pay him in terms of the contract. The municipality is defending the matter and it is pending in the high court. The matter is in pleading stage.	566,189	566,189
Failure to pay for Services Rendered		
In 2010 3P Consulting sued the municipality for services rendered and the matter is being defended by the municipality. The matter is in pleading stage	442,100	442,100
Failure to pay for Services Rendered		
ANDA was mandated by council to mobilise funding for ANDM water infrastructure projects. ANDA then entered into an agreement with Gestalt. Gestalt has instituted legal proceedings against the ANDM and or ANDA. The ANDM legal team is disputing any and all of Gestalt claim. The above is disclosed in the financial statements without prejudice.	10,898,400	10,898,400
	18,871,484	19,107,069
Failure to pay Pension Contributions		
During 2006 a former employee of the municipality instituted a legal action against the municipality claiming pension benefits it being alleged that the municipality failed to pay his pension contributions to the fund at the time he was employed by the municipality. The municipality denies this allegation on the basis that he was employed on an all inclusive package and as such it was his responsibility to structure his package to include pension. Pleadings closed and a trial date is awaited.		100,000
Failure to pay for Goods Supplied and Services Rendered		
During 2008 P Mabandla issued summons against the municipality for goods supplied and services rendered to the municipality at the latter's special instance and request. The municipality denies this. Pleadings closed and a trial date is awaited.		6,572
Failure to pay for Services Rendered		
In 2008 MJ Phirimane issued summons against the municipality for services rendered. The municipality is defending the matter. The matter is in pleading stage and the outcome is still uncertain.		28,200
Failure to pay for Services Rendered		
In 2006 Malukazi Project Managers issued summons for services rendered in the sanitation program in Umzimkhulu. The municipality is defending the matter. A trial date is awaited		1,914,259
Failure to pay for Services Rendered:		
In 2008 summons were issued by Affinity Solutions (Pty) Ltd for services rendered. The municipality is defending the matter. A trial date is awaited.		313,505
Failure to claim from Provident Fund		
In 2009 Z Mgwebi issued summons for damages emanating from failure to act by the municipality it being alleged the municipality failed to assist her together with her minor children to claim from the Provident Fund. The matter is defended by the municipality. The matter is now in pleading stage		1,200,000
Intervention in execution of Duties		
During 2010 J and G Enterprise issued summons for financial damages it being alleged that the municipality stopped them from performing in terms of their contract. The matter being defended by the municipality. The matter is in pleading stage.		1,541,600
Failure to pay for Services Rendered		
In this matter summons was sued against the municipality for payment of the sum of R115 000.00 for services rendered it being alleged that the Service Provider was appointed to render certain services. The matter is being defended.		115,000
Failure to pay for Services Rendered		
In 2010 summons were issued by David Sepeika Credit Consultants for services rendered (fog harvesting project). The matter is defended by the municipality. The matter is in pleading stage		159,174
Failure to pay for Material Supplied		
Rob Pottow Irrigation issued summons against the municipality for failure to pay for materials supplied in terms of a verbal agreement. The municipality is defending the matter. The outcome is not certain at this stage.		24,522
Breach of Contract		

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
36. Contingencies (continued)		
Sinezipho Urban & Rural Development claims against the municipality for alleged termination of contract. The municipality is defending the matter. Pleadings have been filed and the outcome is not certain at this stage.		1,544,713
Breach of Contract of Employment		
In 2010 Zolani Gulwa issued summons against the municipality for breach of the contract of employment in that the municipality failed to pay him in terms of the contract. The municipality is defending the matter and it is pending in the high court. The matter is in pleading stage.		566,189
Failure to pay for Services Rendered		
In 2010 3P Consulting sued the municipality for services rendered and the matter is being defended by the municipality. The matter is in pleading stage		442,100
Failure to pay for Services Rendered		
ANDA was mandated by council to mobilise funding for ANDM water infrastructure projects. ANDA then entered into an agreement with Gestalt. Gestalt has instituted legal proceedings against the ANDM and or ANDA. The ANDM legal team is disputing any and all of Gestalt claim. The above is disclosed in the financial statements without prejudice.		10,898,400
		19,107,069

Contingent assets

Court Proceedings

Claim for Advance Payment

The municipality has instituted a claim against T A Rautenbach based on acknowledgement of debt of advance payment granted for the construction of the one Centres. The outcome of the matter is still pending

1,748,053

Failure to deliver Services

The municipality has instituted a claim against MP Civils for alleged failure to deliver a crawler sprinkler purchased in terms of a verbal contract. Settlement proposals are in the pipeline and the outcome of the case is still not certain

30,700

1,786,739

37. Related parties

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

No declarations were made by councillors and/or management of the municipality of any relationships with businesses.

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in Note 5 to the Annual Financial Statements.

Compensation of Key Management Personnel and Councillors is set out in Notes 21, of the Annual Financial Statements

The municipality provided a grant to Alfred Nzo Development Agency (ANDA) which is a wholly owned agency. The following are the details of the Grants provided.

GRANTS TO ANDA

	Grants issued 2014	Grants issued 2013	Closing balance
Grants Issued	15,106,960	15,813,949	30,920,909
Grants Payable	4,694,569	4,697,284	9,391,853
	19,801,529	20,511,233	40,312,762

Compensation to directors and other key management

Short-term employee benefits

Defined contribution plans

6,311,568

5,426,835

31,342,977

26,676,761

37,654,545

32,103,596

38. Prior period errors

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

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
38. Prior period errors (continued)		
Accumulated Surplus		
Interest not accrued		-
Prior year interest not accrued		548,125
Assets incorrectly recorded		564,230
Recording of revenue omitted		(24,901,197)
Restatement of accruals overstated		381,451
Adjustment of debtors understated		30,313,833
Restatement of VAT Receivable		1,326,267
Reversal of duplicated amounts		(1,375,456)
Other expenses misclassified		(2,783,011)
		<u>14,591,231</u>
		18,665,473
Statement of financial position		
Property, plant and equipment	1,640,947,233	1,665,848,430
Receivables from non Exchange Transactions	3,388,270	4,729,968
Receivables from Exchange Transactions	18,316,852	16,990,585
VAT Receivable	8,718,032	10,093,448
Cash and Cash equivalents	202,924,137	226,115,180
Payables	97,538,961	127,852,794
Unspent Conditional Grants	15,737,808	16,320,764
Long service awards	14,804	99,766
Unallocated credits	520,332	1,011,767
Statement of Financial Performance		
Service charges	14,101,775	13,720,324
Rental of facilities and equipment	317,552	330,331
Income from agency services	45,730	52,639
Other income	1,029,999	1,029,310
Interest Received	11,897,111	11,879,055
Gains on disposal of assets	103,687	112,802
Employee Costs	117,949,571	120,732,582
Remuneration of councillors	6,974,512	6,983,375
Depreciation	49,336,051	49,178,089
Repairs and maintenance	15,241,829	15,235,425
Contracted services	25,623,873	25,621,036
Grants and subsidies paid	284,282,255	283,920,558
General Expenses	86,198,901	85,694,335

39. Risk management

Financial risk management

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IASs mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Treasury monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports quarterly to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

2014

2013

39. Risk management (continued)

Liquidity risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

2014 2013

39. Risk management (continued)

Credit risk

Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities. Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

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

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and sanitation services rendered to them. Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

Trade receivables consist of a large number of customers, spread across diverse industries in the geographical area of the municipality. Periodic credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee is increased accordingly.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The municipality limits this risk exposure in the following ways, in addition to its normal credit control and debt management procedures:

- The application of section 118(3) of the Municipal Systems Act (MSA), which permits the municipality to refuse connection of services whilst any amount remains outstanding from a previous debtor on the same property;
- A new owner is advised, prior to the issue of a rates clearance certificate, that any debt remaining from the previous owner will be transferred to the new owner, if the previous owner does not settle the outstanding amount;
- Encouraging residents to install water management devices that control water flow to households, and/or prepaid meters.
- The requirement of a deposit for new service connections, serving as guarantee
- The consolidation of rates and service accounts, enabling the disconnecting services for the non-payment of any of the individual debts, in terms of section 102 of the MSA;

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follow

Financial Instrument	2014	2013
Fixed Deposits Investments	22,579,298	20,425,834
Long term Receivables	768,906	768,906
Receivables from exchange transactions	15,629,210	18,316,852
Receivables from non exchange transactions	1,437,989	3,388,270
Cash and Cash equivalents	235,941,330	202,924,137

Market risk

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

2014 2013

39. Risk management (continued)

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cashflows associated with a financial instrument will fluctuate in amount as a result of market interest changes

Financial Assets and Liabilities that are sensitive to interest rate risk are cash and cash equivalents, investments, and loan payables. The municipality is not exposed to interest rate risk on these financial instruments as the rates applicable are fixed interest rates.

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

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting percentage exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed periodically by the Chief Financial Officer and authorised by the Council.

Consumer Debtors comprise of a large number of rate payers, dispersed across different industries and geographical areas. Periodic credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable

40. Going concern

We draw attention to the fact that at 30 June 2014, the Municipality had accumulated surplus of 163,334,121 and that the municipality's total liabilities exceed its assets by 2,019,038,782.

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

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the municipality continue to procure funding for the ongoing operations for the government.

41. Unauthorised expenditure

Opening Balance	140,892,570	24,026,980
Unauthorised Expenditure current year	-	116,865,590
	<u>140,892,570</u>	<u>140,892,570</u>

42. Fruitless and wasteful expenditure

Opening balance	504,384	264,059
Fruitless and Wasteful Expenditure current year	43,082	240,325
	<u>547,466</u>	<u>504,384</u>

Fruitless and wasteful expenditure includes the following:

Incident

Penalty charged by SARS for late payment of PAYE	-	187,067
Interest paid to Eskom for late payment	43,082	-
	<u>43,082</u>	<u>187,067</u>

Alfred Nzo District Municipality

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014	2013
43. Irregular expenditure		
Opening balance	(1,585,621)	194,973,911
Add: Irregular Expenditure - current year	13,726,055	11,707,153
Less: Amounts condoned	-	(208,266,685)
	12,140,434	(1,585,621)

Details of irregular expenditure – current year

Irregular expenditure relates to expenditure incurred contrary to Supply Chain Management Regulations	Disciplinary steps taken/criminal proceedings The expenditure has been forwarded to National Treasury for condonement.	13,726,055
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44. Suppliers in service of the state

Section 45

Amabongwe Build And Civils	2,483,786	-
Ana Odz Multi Traders	8,000	-
Bunono Besizwe Rural Developme	177,000	-
Cashbuild	3,319	-
Chola-Chola Construction And O	7,500	-
Coega Corporate Travel	4,557,869	-
Coega Development Cooperation	1,110,896	-
Day By Day Cleaning And Multi-	10,125	-
Dlambulo'spride Trading	10,400	-
Dohlanga Caterers And Construc	117,449	-
Dolly Selle Pty Ltd	9,000	-
Dr L D Nkanyuza	50,876	-
Dream Team Trading 605	28,375	-
Eurocar	176,708	-
Franto Installations Cc	15,289	-
Gayamba Trading Enterprise	17,482	-
Hlola Le Rona Guest House	76,125	-
Informer Newspaper	18,500	-
Intendezezo General Supplies A	38,345	-
Izwile Africa	33,000	-
Kayalithe Trading	72,608	-
Kwabhaca 001 Cc	63,773	-
Lipota Business Trading Cc	21,125	-
Lithalezwe Agric Prim	850	-
Mayenzeke Catering And Trading	1,625	-
Mhlanganisi Catering. Cleaning	3,900	-
Mhlozayo Trading Enterprise (P	19,800	-
Moffat Funerals	2,270	-
Mount Ayliff Cleaning	884,130	-
Ndimeni Training And Developme	20,250	-
Ntabankulu Cleaning	342,540	-
Nzalamzitradng(Pty)Ltd	94,285	-
Reverle Events And Travels Pty	14,020	-
Rose Trading	4,550	-
Rvs Development Agency	354,000	-
Sazholdings	9,000	-
Securserve (Pty) Ltd	32,560	-
Siligwiba Construction And Tra	76,000	-
Siyahluma Distributor Cc	17,430	-
Slangwe's Trading Enterprise	2,750	-
Soul Juice Trading Enterprise	2,475	-
Thina Civil Trading Cc	6,500	-
Vukuzithathe Trading	844,808	-
Water Institute Of South Afric	26,220	-
Zinexolisa Trading	105,513	-
Zivele Catering& Cleaning Ser	13,454	-
Zoltainment Management Project	1,500	-
Friends Of Joy (Pty) Ltd	151,375	-
	12,139,355	-

APPENDIX A

**ALFRED NZO DISTRICT MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014**

Details	Original Loan Amount	Interest Rate	Loan Number	Redeemable	Balance at 30 June 2013	Received during the Period	Redeemed/ Written Off during Period	Balance at 30 June 2014
ANNUITY LOANS								
DBSA	12,026,793	11.47%	100971/1	31/03/2025	10,086,151	-	423,320	9,662,831
DBSA	25,000,000	5.00%	102129/1	31/03/2026	19,847,105	-	1,116,263	18,730,842
Total Annuity Loans	37,026,793				29,933,256	-	1,539,583	28,393,673
TOTAL EXTERNAL LOANS	37,026,793				29,933,256	-	1,539,583	28,393,673

APPENDIX B
ALFRED NZO DISTRICT MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2014

Description	Cost / Revaluation			Accumulated Depreciation / Impairment			Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	
Land and Buildings							
Land: Developed	465,000	-	-	-	-	-	465,000
Buildings:							
Office Buildings	54,013,308	-	-	-	-	14,848,972	39,164,336
	54,478,308	-	-	-	-	14,848,972	39,629,336
Infrastructure							
Roads and Transport:							
Roads	6,007,769	-	-	-	-	2,826,392	3,181,377
Sewers / Retention	121,833,553	-	5,247,878	-	-	10,399,725	116,681,706
Water:							
Water Supply and Retention	1,589,113,268	-	293,228,713	-	-	170,317,678	1,712,024,302
	1,716,954,590	-	298,476,591	-	-	183,543,795	1,831,887,386
Other Assets							
Computer Equipment:							
Computer Hardware	4,704,144	-	-	1,953	-	2,186,328	2,517,818
Computer Networks							
Emergency Equipment:							
Fire Fighting Equipment	1,780,745	3,360,898	-	-	-	43,175	5,098,468
Furniture and Fittings:							
Other Furniture and Fittings	4,710,179	-	-	-	-	2,993,955	1,716,224
Motor Vehicles:							
Bakkies (LDVs)	5,781,404	2,107,724	-	-	(2,005,946)	1,070,783	4,812,399
Office Equipment:							
Other Office Equipment	1,128,128	114,996	-	-	-	881,881	361,243
Plant and Equipment:							
Other Plant and Equipment	4,253,136	420,565	-	-	-	2,365,024	2,308,677
Specialised Vehicles:							
Trucks	10,741,716	-	-	-	-	3,182,267	7,549,449
Other Assets:							
Park Homes	683,880	-	-	-	-	203,622	480,258
	33,783,332	6,004,183	-	(1,953)	(2,005,946)	12,937,032	24,844,537
Total PPE	1,805,216,230	6,004,183	298,476,591	(1,953)	(2,005,946)	211,329,799	1,995,361,249

ALFRED NZO DISTRICT MUNICIPALITY
ANALYSIS OF INTANGIBLE ASSETS AS AT 30 JUNE 2013

Description	Cost / Revaluation			Accumulated Depreciation / Impairment			Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	
Intangible Assets							
Capitalised Development Costs							
Computer Software	1,804,543	2,128,211	-	-	-	3,932,754	-
Copyrights, Patents and Trademarks	-	-	-	-	-	-	1,722,768
Documents and Charts	-	-	-	-	-	-	-
Rights and Servitudes	-	-	-	-	-	-	-
Total Intangible Assets	1,804,543	2,128,211	-	-	-	3,932,754	1,722,768
							2,209,986

ALFRED NZO DISTRICT MUNICIPALITY
ANALYSIS OF HERITAGE ASSETS AS AT 30 JUNE 2013

Description	Cost / Revaluation			Accumulated Depreciation / Impairment			Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	
Heritage Assets							
Other							
Statues	131,100	-	-	-	-	131,100	-
Total Heritage Assets	131,100	-	-	-	-	131,100	-
							131,100
Total Asset Register	1,639,777,583	8,310,413	186,907,715	3,640,732	(6,595,280)	1,832,041,164	165,211,442
							(3,434,247)
							1,866,825,722

APPENDIX C
ALFRED NZO DISTRICT MUNICIPALITY
SEGMENTAL ANALYSIS OF CAPITAL ASSETS AS AT 30 JUNE 2014

Description	Opening Balance		Additions		Cost / Revaluation		Transfers		Disposals		Closing Balance		Accumulated Depreciation / Impairment				Carrying Value					
	R		R		R		R		R		R		R		R		R					
Executive and Council	1,237,338		211,034		-		-1,326		-1,375		1,445,671		113,240		34,410		-2,354		113,240		1,332,431	
Finance and Administration	2,984,150		505,549		-		-3,176		-3,294		3,463,229		271,276		82,431		-6,639		271,276		3,181,963	
Planning and Development	740,006		126,211		-		-793		-822		864,602		67,725		20,579		-1,408		67,725		796,878	
Health	-		-		-		-		-		-		-		-		-		-		-	
Community and Social Services	12,947,811		2,208,307		-		-13,873		-14,386		15,127,857		1,184,970		360,071		-24,632		1,184,970		13,942,887	
Housing	-		-		-		-		-		-		-		-		-		-		-	
Public Safety	-		-		-		-		-		-		-		-		-		-		-	
Sport and Recreation	-		-		-		-		-		-		-		-		-		-		-	
Environmental Protection	-		-		-		-		-		-		-		-		-		-		-	
Waste Management	-		-		-		-		-		-		-		-		-		-		-	
Roads and Transport	-		-		-		-		-		-		-		-		-		-		-	
Water	1,570,224,709		267,808,664		-		-1,682,468		-1,744,825		1,834,606,281		143,705,271		43,667,046		-2,987,199		143,705,271		1,690,901,010	
Electricity	-		-		-		-		-		-		-		-		-		-		-	
Other	-		-		-		-		-		-		-		-		-		-		-	
Total	1,805,216,230		307,887,722		-		(1,934,257)		(2,006,946)		1,832,041,163		185,211,442		80,202,027		(3,434,247)		185,211,442		1,894,692,725	

APPENDIX E
ALFRED NZO DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON (BUDGET VERSUS ACTUAL) JUNE 2014

	Approved Budget	Final Budget	Actual Amounts	Variance	%	Explanations (differences greater than 10%)
Statement of Financial Performance						
Revenue from Exchange and Non Transactions						
Service charges	-20,936,200	-20,936,200	-16,722,504	-4,213,696	20%	Meter audits not yet finalised for proper planning and billing non billed consumers
Rental of facilities and equipment	-265,000	-265,000	-255,199	-9,801	4%	Over budget
Interest received - Investments	-15,200,000	-15,200,000	-16,859,498	1,659,498	-11%	This is due to effective implementation of Cash and Investments policy where funds that are readily going to be required are invested in call accounts
Interest received - Outstanding Debtors	-200,000	-200,000	-	-200,000	100%	Municipality to cleanse data before charging interest. The credit control policy states that interest should not be charged
Other income	-356,528,542	-117,082,658	-1,303,175	-115,779,483	99%	Included in the budget amount was R1.14m from reserves of which no actual transfer of revenue was effected
Total Revenue - Non and Exchange Transact	-393,129,742	-153,683,858	-35,140,376	-118,543,482	77%	
Government Grants and Subsidies	-815,371,000	-857,831,240	-736,638,724	-121,192,516	14%	
TOTAL REVENUE	-1,208,500,742	-1,011,515,098	-771,779,100	-239,735,998	24%	

APPENDIX E
ALFRED NZO DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON (BUDGET VERSUS ACTUAL) JUNE 2014

Expenditure	Approved Budget	Final Budget	Actual Amounts	Variance	%	Explanations (differences greater than 10%)
Employee Related Costs	145,033,831	144,550,684	139,512,192	5,038,492	3%	Other vacant posts were not filled
Remuneration of Councillors	7,928,072	8,311,221	7,593,441	717,780	9%	Vacant posts which are filled time and again
Provisions	6,535,000	11,618,140	13,288,308	-1,670,168	-14%	A significant portion of debt impairment was already provided for in the prior year. The municipality has to implement Credit Control and Debt Management Policy in full
Interest expense	2,913,000	2,380,000	2,174,501	205,499	9%	This in lieu of the DBSA Loan repayment
Repairs and maintenance	50,990,000	48,547,163	50,514,377	-1,967,214	-4%	This is due to repairs and maintenance plans being implemented on time
Depreciation and Amortisation	30,000,000	48,000,000	51,744,530	-3,744,530	-8%	This is due to additions to the Asset register
Bulk Purchases	3,500,000	3,700,000	2,338,164	1,361,836	37%	This is within the budget
General expenses	140,825,800	240,101,438	239,253,438	848,000	0%	Allocation of VIP toilets expenditure from Capex to Opex. Community projects budgeted for under Capex
Donations paid	20,000,000	20,000,000	19,800,001	199,999	1%	
	407,725,703	527,208,646	526,218,952	989,694	0%	

NOTE: VIP SANITATION IS BUDGETED FOR AS CAPEX, HOWEVER AT YEAR END EXPENDITURE INCURRED IS TRANSFERRED TO THE INCOME STATEMENT AS THESE TOILETS ARE TRANSFERRED TO THEIR BENEFICIARIES UPON COMPLETION.

APPENDIX F
ALFRED NZO DISTRICT MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grants and Subsidies Received - June 2014

Name of Grant	Name of Organ of State or Municipal Entity	Quarterly Receipts						Quarterly Expenditure						Grants and Subsidies Delayed / Withheld	Reason for Delay / Withholding of Funds	Compliance to Revenue Act (*) See below	Reason for Non-compliance
		June	Sept	Dec	March	June	Sept	Dec	March	June	Annual	Annual	Annual				
Equitable Share	National Treasury	-	133,210,000	106,568,000	79,925,000	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A
Financial Management Grant	National Treasury	-	1,500,000	-	-	-	-	-	212,701	599,549	248,100	438,649	-	N/A	Yes	N/A	
Municipal Systems Improvement Grant	CoGTA	-	890,000	-	-	-	-	-	121,479	427,010	11,830	329,681	-	N/A	Yes	N/A	
Municipal Infrastructure Grant	CoGTA	-	146,755,000	125,158,000	62,972,000	-	-	-	79,156,811	87,283,270	61,886,886	126,558,033	-	N/A	Yes	N/A	
WSOG	DWA	-	-	3,750,000	6,250,000	-	-	-	5,924,419	7,841,919	(475,284)	840,678	-	N/A	Yes	N/A	
EPWP	Public Works	-	2,312,000	1,734,000	1,734,000	-	-	-	2,334,464	2,334,464	2,298,670	(1,209,024)	-	N/A	Yes	N/A	
Rural Asset Management	Transport	-	1,795,000	-	-	-	-	-	982,824	552,768	427,412	43,278	-	N/A	Yes	N/A	
Regional Bulk Infrastructure Grant	DWA	-	2,371,611	6,248,981	3,700,013	1,281,939	-	-	11,074,934	5,527,152	3,724,125	(6,725,667)	-	N/A	Yes	N/A	
Municipal Health	Department of Health	-	1,789,833	632,133	1,779,931.95	-	-	-	2,313,409	218,451	1,892,481	(222,443)	-	N/A	Yes	N/A	
ISDG	National Treasury	-	-	-	2,000,000	-	-	-	248,401	362,799	363,949	1,241,188	-	N/A	Yes	N/A	
MWIG	DWA	-	900,000	8,591,000	5,727,000	-	-	-	-	6,677,374	6,866,025	1,539,430	-	N/A	Yes	N/A	
Rural Household	Human	-	4,000,000	-	-	-	-	-	-	474,418	1,013,092	51,276	-	N/A	Yes	N/A	
Sport	Sport	-	-	-	-	-	-	-	313,075	-	169,102	202,967	-	N/A	Yes	N/A	
RWH	National Treasury	-	-	-	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A	
Total Grants and Subsidies Received		-	296,523,443	252,680,114	184,087,945	1,281,939	-	-	102,703,943	112,319,175	78,427,387	123,088,043	0				

(*) Did your municipality comply with the grant conditions in terms of "Grant Framework" in the latest Division of Revenue Act?

ALFERD NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
110030004	HOUSING SUBSIDY	E	-	69,821.55	-69,821.55	-
110030005	NORMAL TIME	E	-	305,175.88	-305,175.88	-
110030008	TRAVEL ALLOWANCE	E	-	1,093,275.16	-1,093,275.16	-
110030015	ALLOWANCE:SITTING	E	-	333,138.00	-3,954.00	329,184.00
110030017	ALLOWANCE:MAYOR	E	-	451,745.95	-	451,745.95
110030018	ALLOWANCE:DEPUTY	E	-	78,777.07	-	78,777.07
110030019	ALLOWANCE:SPEAKER	E	-	28,133.40	-	28,133.40
110030020	ALLOWANCE:CHIEF WHIP	E	-	121,034.55	-	121,034.55
110030021	ALLOWANCE:MAYORAL CO	E	-	2,545,801.43	-	2,545,801.43
110030022	ALLOWANCE:COUNCILLOR	E	-	1,379,941.79	-17,114.04	1,362,827.75
110030023	HOUSING SUBSIDIES:CO	E	-	128,471.63	-	128,471.63
110030025	ALLOWANCE:TRAVELLING	E	-	1,701,119.31	-	1,701,119.31
110030026	CONTRIBUTION:MEDICAL	E	-	371,520.00	-77,629.74	293,890.26
110030027	ALLOWANCE:PENSION FU	E	-	721,020.22	-41,406.16	679,614.06
110031002	MEDICAL AID	E	-	254,177.92	-254,177.92	-
110031003	PENSION FUND	E	-	352,851.95	-352,852.29	-0.34
110031005	SKILLS DEVELOPMENT L	E	-	714.83	-	714.83
110031006	UIF	E	-	598.96	-	598.96
110044001	ACCOMODATION	E	-	626,943.87	-72,794.44	554,149.43
110044019	CATERING & VENUE HIR	E	-	94,296.47	-3,371.00	90,925.47
110044041	FUEL & OIL	E	-	300,412.03	-1,312.28	299,099.75
110044046	HIRE OF TRANSPORT :	E	-	378,074.33	-64,258.98	313,815.35
110044077	POST & TELECOMMUNICA	E	-	1,087.72	-152.28	935.44
110044100	SUBSISTENCE & TRAVEL	E	-	1,665,895.20	-175,287.18	1,490,608.02
110044201	GRANTS IN AID	E	-	211,618.96	-63.42	211,555.54
110044212	POVERTY ALLIVATION	E	-	-	-2,100.00	-2,100.00
110544001	ACCOMODATION	E	-	467,414.41	-9,606.49	457,807.92
110544019	CATERING & VENUE HIR	E	-	363,182.43	-	363,182.43
110544041	FUEL & OIL	E	-	109,417.89	-105,677.71	3,740.18
110544046	HIRE OF TRANSPORT :	E	-	157,390.43	-	157,390.43
110544073	OPEN COUNCIL DAY	E	-	747,040.00	-	747,040.00
110544082	PUBLIC PARTICIPATION	E	-	82,055.00	-304.56	81,750.44
110544100	SUBSISTENCE & TRAVEL	E	-	190,740.87	-78,296.87	112,444.00
110544126	MUNICIPAL PUBLIC ACC	E	-	31,603.72	-	31,603.72
110644001	ACCOMODATION	E	-	87,676.51	-421.45	87,255.06
110644019	CATERING & VENUE HIR	E	-	94,383.33	-	94,383.33
110644046	HIRE OF TRANSPORT :	E	-	45,043.55	-60.27	44,983.28
110644080	PROMOTION OF HUMAN R	E	-	244,818.08	-	244,818.08
110644100	SUBSISTENCE & TRAVEL	E	-	45,801.10	-	45,801.10
110644213	WHIPPY PROGRAMMES	E	-	73,525.00	-	73,525.00
110644214	CONSTITUENCY WORK	E	-	187,820.07	-	187,820.07
111030001	ACTING ALLOWANCES	E	-	909.00	-	909.00
111030002	BONUS	E	-	665,057.87	-16,179.35	648,878.52
111030004	HOUSING SUBSIDY	E	-	1,133,753.28	-159,730.23	974,023.05
111030005	NORMAL TIME	E	-	12,128,614.62	-1,922,733.89	10,205,880.73
111030006	OVERTIME	E	-	129,867.13	-	129,867.13
111030008	TRAVEL ALLOWANCE	E	-	1,767,091.34	-420,152.56	1,346,878.78
111030009	RENTAL ALLOWANCE	E	-	104,800.00	-16,800.00	88,000.00
111030010	SHIFT ALLOWANCE	E	-	7,083.71	-	7,083.71
111031001	BARGAINING COUNCIL	E	-	10,886.60	-8,352.95	2,533.65
111031002	MEDICAL AID	E	-	375,695.00	-47,162.05	328,532.95
111031003	PENSION FUND	E	-	655,486.45	-66,396.68	589,089.77
111031005	SKILLS DEVELOPMENT L	E	-	157,453.85	-23,463.66	133,990.19
111031006	UIF	E	-	50,661.92	-5,844.34	44,817.58
111044001	ACCOMODATION	E	-	1,207,010.95	-60,889.18	1,146,121.77
111044004	ALLOWANCE : AUDIT CO	E	-	298,320.00	-	298,320.00
111044007	AUDIO & VISUALS	E	-	219,744.00	-	219,744.00
111044008	AUDIT FEES	E	-	5,794,328.74	-390,848.03	5,403,480.71
111044012	BRAILLE & TRANSLATIO	E	-	14,800.00	-	14,800.00
111044013	BRANDING & MARKETING	E	-	1,096,358.19	-92,860.74	1,003,497.45
111044019	CATERING & VENUE HIR	E	-	224,950.12	-41,407.63	183,542.49
111044021	COMMUNITY OUTREACH	E	-	125,114.00	-2,685.75	122,428.25
111044025	CONFERENCES & EXHIBI	E	-	129,897.05	-3,343.17	126,553.88
111044061	MEMORIAL LECTURE	E	-	147,082.46	-146,000.00	1,082.46
111044070	NEWS LETTER PRODUCTI	E	-	286,980.00	-24,160.00	262,820.00
111044071	NEWSPAPER & PERIODIC	E	-	72,677.64	-	72,677.64
111044084	PUBLICITY COSTS	E	-	946,561.05	-19,804.40	926,756.65
111044092	ROAD SIGNAGE	E	-	32,560.00	-	32,560.00
111044100	SUBSISTENCE & TRAVEL	E	-	825,806.23	-147,479.71	678,326.52
111044101	SUNDRY	E	-	-	-432.53	-432.53
111044121	INTERNAL AUDIT	E	-	606,328.67	-16,626.00	589,702.67
111044128	SDBIP MONITORING & E	E	-	-	-316,820.18	-316,820.18
111044166	SDBIP MONITORING AND	E	-	1,434,191.45	-51,014.53	1,383,176.92
111044167	YEAR END FUNCTION	E	-	146,000.00	-	146,000.00
111044206	IGR & STAKEHOLDER MA	E	-	32,399.40	-	32,399.40
111044215	MIR & PROTOCOL	E	-	477,592.17	-10.00	477,582.17
111044216	RISK MANAGEMENT	E	-	576,088.84	-8,811.98	567,276.86
111045503	LEAVE GRATUITY	E	-	716,294.47	-462,681.18	253,613.29
111045504	LONG SERVICE BONUS	E	-	13,770.63	-	13,770.63

ALFERD NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
111514002	DONATIONS RECEIVED	E	-	-	-81,500.00	-81,500.00
111544001	ACCOMODATION	E	-	92,118.01	-3,698.45	88,419.56
111544003	AIDS AWARENESS	E	-	71,625.00	-	71,625.00
111544018	CARE & SUPPORT	E	-	290,880.52	-5,100.00	285,780.52
111544019	CATERING & VENUE HIR	E	-	356,610.00	-1,300.00	355,310.00
111544032	DISTRICT DISABILITY	E	-	149,350.00	-	149,350.00
111544042	GENDER DEVELOPMENT P	E	-	251,774.92	-17,000.00	234,774.92
111544046	HIRE OF TRANSPORT ;	E	-	176,330.00	-18,300.00	158,030.00
111544113	YOUTH ECONOMIC SUMMI	E	-	814,152.60	-52,273.77	761,878.83
111544207	DISTRICT ELDERLY PRO	E	-	414,114.00	-25,000.00	389,114.00
111544230	CHILDREN'S GROWTH &	E	-	414,341.78	-	414,341.78
111544232	MAINSTREAMING OF SPU	E	-	53,640.00	-	53,640.00
130030002	BONUS	E	-	152,833.12	-	152,833.12
130030004	HOUSING SUBSIDY	E	-	258,891.39	-	258,891.39
130030005	NORMAL TIME	E	-	2,963,472.53	-18,562.79	2,944,909.74
130030006	OVERTIME	E	-	2,053.22	-	2,053.22
130030008	TRAVEL ALLOWANCE	E	-	648,237.36	-	648,237.36
130030009	RENTAL ALLOWANCE	E	-	32,000.00	-	32,000.00
130031001	BARGAINING COUNCIL	E	-	552.45	-	552.45
130031002	MEDICAL AID	E	-	72,779.10	-370.92	72,408.18
130031003	PENSION FUND	E	-	129,729.64	-	129,729.64
130031005	SKILLS DEVELOPMENT L	E	-	39,381.57	-	39,381.57
130031006	UIF	E	-	9,100.88	-	9,100.88
130038020	GIS DATA MAINTANACE	E	-	805,313.62	-	805,313.62
130044001	ACCOMODATION	E	-	425,692.04	-21,151.50	404,540.54
130044019	CATERING & VENUE HIR	E	-	164,029.00	-6,885.00	157,144.00
130044026	CONSULTANCY & PROFES	E	-	2,515.80	-2,515.80	-
130044047	IDP	E	-	899,372.83	-36,618.06	862,754.77
130044077	POST & TELECOMMUNICA	E	-	3,470.38	-	3,470.38
130044079	PRINTING & STATIONER	E	-	90,746.71	-635.27	90,111.44
130044081	PROTECTIVE CLOTHING	E	-	9,517.54	-	9,517.54
130044097	SPATIAL PLANNING	E	-	799,400.00	-	799,400.00
130044100	SUBSISTENCE & TRAVEL	E	-	323,852.15	-9,888.12	313,964.03
130044119	Rural Development Fu	E	-	957,754.10	-420.00	957,334.10
130044149	DISTRICT GRAIN PRODU	E	-	19,945.40	-869.40	19,076.00
130044150	LED CAPACITY BUILDIN	E	-	686,225.00	-	686,225.00
130044156	DISTRICT ENERGY REGE	E	-	637,881.18	-124,443.38	513,437.80
130044158	BEACH TO BERG	E	-	83,494.40	-869.40	82,625.00
130044159	NODAL DEV FRAMEWORK	E	-	421,545.08	-	421,545.08
130044160	LAND AUDIT	E	-	16,670.00	-	16,670.00
130044162	GIS SHARED SERVICE I	E	-	201,723.99	-109,148.07	92,575.92
130044163	GIS STRATERGY DEVELO	E	-	343,417.06	-3,063.06	340,354.00
130044185	INVESTMENT STRATERGY	E	-	348,981.81	-133,022.50	215,959.31
130044186	GRAIN PRODUCTION	E	-	1,478,401.93	-	1,478,401.93
130044187	GRAIN STORAGE CONSTR	E	-	600,000.00	-	600,000.00
130044189	SMALL TOWN RESTRUCTU	E	-	403,125.00	-	403,125.00
130044212	POVERTY ALLIVATION	E	-	973,738.40	-	973,738.40
130044236	LED-AGRICULTURE MAST	E	-	700,000.00	-	700,000.00
130045503	LEAVE GRATUITY	E	-	215,175.98	-52,862.59	162,313.39
140000801	INTEREST ON INVESTIME	E	-	-	-16,422,360.92	-16,422,360.92
140000803	INTEREST RECIEVED ON	E	-	5.88	-5.88	-
140014001	EQUITABLE SHARES	E	-	-	-319,703,000.00	-319,703,000.00
140016100	FMG GRANT	E	-	8,101,559.45	-9,601,559.45	-1,500,000.00
140016102	FIRE & EMERGENCY	E	-	-	-9,771.54	-9,771.54
140016107	MSIG	E	-	22,884.00	-912,884.00	-890,000.00
140016108	EPWP	E	-	1,599,563.30	-7,379,563.30	-5,780,000.00
140016109	WATER SERVICE OPER S	E	-	4,921,554.56	-19,053,284.52	-14,131,729.96
140016111	MIG	E	-	36,866,906.77	-391,751,906.77	-354,885,000.00
140016113	REGIONAL BULK INFRAN	E	-	6,463,448.54	-20,063,992.33	-13,600,543.79
140016115	TRANSPORT	E	-	-	-2,391,795.20	-2,391,795.20
140016118	SPORTS AND RECREATIO	E	-	132,265.00	-1,984,125.71	-1,851,860.71
140016122	WSOG	E	-	2,241,583.62	-2,241,583.62	-
140016124	RAIN WATER HARVEST	E	-	31,382.00	-403,450.80	-372,068.80
140016125	WCDM	E	-	2,578,579.72	-2,687,969.72	-109,390.00
140016126	RESERVES	E	-	200,000,000.00	-200,000,000.00	-
140016127	MUNICIPAL HEALTH	E	-	2,543,226.47	-6,745,124.00	-4,201,897.53
140016128	ISDG	E	-	723,025.37	-2,959,362.02	-2,236,336.65
140016132	M.W.I.G	E	-	1,055,295.35	-16,138,124.66	-15,082,829.31
140017002	BUILDING RENTAL	E	-	-	-1,247.62	-1,247.62
140017003	CONFERENCE CENTRE &	E	-	14,545.31	-17,719.68	-3,174.37
140017006	LG SETA	E	-	-	-264,568.50	-264,568.50
140017009	SANITATION	E	-	1,438.54	-2,157,289.78	-2,155,851.24
140017010	WATER CONSUMERS	E	-	610,648.89	-14,419,352.54	-13,808,703.65
140017011	WATER CONNECTION FEE	E	-	-	-90,036.77	-90,036.77
140017012	PREPAID WATER	E	-	4,009.54	-462,912.61	-458,903.07
140017013	SEPTIC TANK	E	-	2,530.00	-209,422.02	-206,892.02
140017014	SUNDRY INCOME	E	-	-	-253,407.07	-253,407.07
140017015	INTEREST RECEIVED	E	-	-	-65,067.69	-65,067.69
140017016	SANITATION CONNECTIO	E	-	-	-2,118.15	-2,118.15
140017017	RENTAL - FNB	E	-	218,338.23	-469,114.86	-250,776.63

ALFERO NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
140017018	TENDER DEPOSITS	E	-	3,750.00	-914,381.48	-910,631.48
140017020	PROFIT ON SALES	E	-	-	-626,645.48	-626,645.48
140017021	COMMISSION RECEIVED	E	-	68,507.74	-72,306.08	-3,798.34
140017023	REFUND RECIEVED	E	-	-	-2,500.00	-2,500.00
140017029	MTSHENGU	E	-	-	-2,057.85	-2,057.85
140017032	ALVIN CHIRWA	E	-	-	-33,500.00	-33,500.00
140017033	THOMPSON	E	-	-	-10,000.00	-10,000.00
140017052	OTHER REVENUE: PROCE	E	-	1,577,341.48	-1,579,425.53	-2,084.05
140017053	PUBLIC TOILET TAKING	E	-	-	-3,697.39	-3,697.39
140030001	ACTING ALLOWANCES	E	-	657.00	-	657.00
140030002	BONUS	E	-	821,045.98	-	821,045.98
140030004	HOUSING SUBSIDY	E	-	345,072.87	-	345,072.87
140030005	NORMAL TIME	E	-	12,771,849.87	-115,948.79	12,655,901.08
140030006	OVERTIME	E	-	610,024.66	-	610,024.66
140030008	TRAVEL ALLOWANCE	E	-	1,316,924.09	-	1,316,924.09
140030009	RENTAL ALLOWANCE	E	-	320,800.00	-	320,800.00
140030014	STANDBY ALLOWANCE	E	-	38,052.92	-	38,052.92
140030032	CURRENT SERVICES COS	E	-	1,048,480.00	-	1,048,480.00
140030033	INTEREST COST	E	-	332,488.00	-	332,488.00
140030034	ACTUARIAL(GAIN)/LOSS	E	-	3,286,514.00	-	3,286,514.00
140031001	BARGAINING COUNCIL	E	-	5,054.60	-	5,054.60
140031002	MEDICAL AID	E	-	599,333.40	-	599,333.40
140031003	PENSION FUND	E	-	1,399,432.20	-5,140.46	1,394,291.74
140031005	SKILLS DEVELOPMENT L	E	-	162,543.97	-	162,543.97
140031006	UIF	E	-	92,145.95	-	92,145.95
140036001	INTEREST IN DEPT	E	-	75,474.64	-	75,474.64
140036002	EXTERNAL LOAN INTERE	E	-	2,647,152.04	-548,125.34	2,099,026.70
140038004	FURNITURE & FITTINGS	E	-	-	-700.00	-700.00
140038007	MOTOR VEHICLE	E	-	1,579,664.90	-216,090.89	1,363,574.01
140040001	DONATIONS PAID	E	-	31,272,800.52	-11,471,271.39	19,801,529.13
140044001	ACCOMODATION	E	-	153,913.39	-13,611.25	140,302.14
140044002	ADVERTISING	E	-	579,038.00	-15,540.00	563,498.00
140044010	BANK CHARGES	E	-	331,521.99	-67,881.94	263,640.05
140044019	CATERING & VENUE HIR	E	-	21,097.54	-4,800.00	16,297.54
140044025	CONFERENCES & EKHIBI	E	-	600.00	-	600.00
140044026	CONSULTANCY & PROFES	E	-	21,500.00	-	21,500.00
140044027	CONSULTANCY AND PROF	E	-	8,391,613.05	-2,841,578.12	5,550,034.93
140044033	ELECTRITY	E	-	720,203.83	-48,429.82	671,774.01
140044041	FUEL & OIL	E	-	2,444,136.54	-220,835.87	2,223,300.67
140044049	INSURANCE	E	-	1,073,757.38	-6,010.90	1,067,746.48
140044055	LICENCE : VEHICLE	E	-	455,343.63	-398,703.72	56,639.91
140044064	MSIG	E	-	459,802.73	-65,343.78	394,458.95
140044077	POST & TELECOMMUNICA	E	-	21,874.52	-	21,874.52
140044079	PRINTING & STATIONER	E	-	732,811.20	-	732,811.20
140044081	PROTECTIVE CLOTHING	E	-	55,154.95	-	55,154.95
140044090	TOOLS	E	-	5,118.73	-	5,118.73
140044091	REVENUE COLL / MNGT	E	-	168,348.16	-68,675.56	99,672.60
140044096	SERVICING OF THE DBS	E	-	1,539,584.31	-1,539,584.31	-
140044100	SUBSISTENCE & TRAVEL	E	-	319,164.47	-9,965.65	309,198.82
140044115	FINANCE MANAGEMENT G	E	-	109,106.98	-19,184.69	89,922.29
140044125	VAT RECOVERY	E	-	10,536,344.39	-1,279,017.56	9,257,326.83
140044168	RENT AND LEASES	E	-	354,215.26	-96,261.15	257,954.11
140044242	LICENCE: SAMRAS	E	-	1,126,528.37	-1,836.87	1,124,691.50
140044245	Rent and Leases	E	-	12,639.50	-10,797.46	1,842.04
140045501	BAD DEBTS	E	-	55,629,978.27	-42,341,670.43	13,288,307.84
140045502	DEPRECIATION	E	-	53,960,155.71	-2,215,626.08	51,744,529.63
140045503	LEAVE GRATUITY	E	-	938,461.46	-438,706.29	499,755.17
140045504	LONG SERVICE BONUS	E	-	46,786.45	-5,048.54	41,737.91
150030001	ACTING ALLOWANCES	E	-	75,753.48	-	75,753.48
150030002	BONUS	E	-	2,155,364.38	-	2,155,364.38
150030004	HOUSING SUBSIDY	E	-	1,298,799.59	-9,316.33	1,289,483.26
150030005	NORMAL TIME	E	-	29,232,172.46	-1,268,546.73	27,963,625.73
150030006	OVERTIME	E	-	1,505,274.77	-	1,505,274.77
150030008	TRAVEL ALLOWANCE	E	-	2,035,328.70	-	2,035,328.70
150030009	RENTAL ALLOWANCE	E	-	554,400.00	-	554,400.00
150030010	SHIFT ALLOWANCE	E	-	3,763,820.78	-	3,763,820.78
150030014	STANDBY ALLOWANCE	E	-	561,681.89	-	561,681.89
150030040	LEAVE PAID OUT	E	-	84,473.81	-	84,473.81
150031001	BARGAINING COUNCIL	E	-	14,185.90	-	14,185.90
150031002	MEDICAL AID	E	-	1,419,519.39	-32,842.60	1,386,676.79
150031003	PENSION FUND	E	-	3,356,491.36	-	3,356,491.36
150031005	SKILLS DEVELOPMENT L	E	-	414,741.10	-120.00	414,621.10
150031006	UIF	E	-	270,160.70	-	270,160.70
150038001	BUILDING MAINTENANCE	E	-	404,383.53	-3,967.36	400,416.17
150038004	FURNITURE & FITTINGS	E	-	28,000.00	-	28,000.00
150038007	MOTOR VEHICLE	E	-	43,362.71	-56,527.84	-13,165.13
150038011	PLANT MAINTENANCE	E	-	7,807.25	-	7,807.25
150038012	MAINTENANCE:WS MBIZA	E	-	471,930.44	-185,786.79	286,143.65
150038013	MAINTENANCE WS: UMZI	E	-	952,894.97	-614,504.19	338,390.78
150038014	MANTEN SCHEM WATER:	E	-	563,963.33	-305,990.66	257,972.67

ALFERD NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
150038015	MAINTEN WATER SCH: N	E	-	315,667.23	-122,335.32	193,331.91
150038021	Dams & Reservoirs	E	-	8,894,827.98	-20,024.00	8,874,803.98
150038022	Water purification	E	-	11,815,419.42	-2,035,858.83	9,779,560.59
150038023	Reticulation	E	-	19,537,987.43	-77,696.07	19,460,291.36
150038024	SANITATION - DAMS AN	E	-	381,895.00	-	381,895.00
150038025	SANITATION PURIFICA	E	-	517,783.42	-7,791.00	509,992.42
150041001	BULK WATER PURCHASES	E	-	4,066,332.57	-132,929.57	3,933,403.00
150044001	ACCOMODATION	E	-	811,831.21	-14,837.38	796,993.83
150044002	ADVERTISING	E	-	59,153.20	-	59,153.20
150044019	CATERING & VENUE HIR	E	-	241,804.47	-25,995.60	215,808.87
150044025	CONFERENCES & EXHIBI	E	-	42,610.00	-	42,610.00
150044026	CONSULTANCY & PROFES	E	-	-	-11,056.26	-11,056.26
150044033	ELECTRITY	E	-	167,749.06	-83,817.84	83,931.22
150044036	ENVIRONMENTAL MANAGE	E	-	85,935.00	-	85,935.00
150044041	FUEL & OIL	E	-	505,964.45	-320,624.15	185,340.30
150044049	INSURANCE	E	-	10,400.00	-	10,400.00
150044057	MATERAILS & STORES	E	-	6,226,226.40	-5,757,501.54	468,724.86
150044079	PRINTING & STATIONER	E	-	34,852.24	-957.50	33,894.74
150044081	PROTECTIVE CLOTHING	E	-	36,086.40	-	36,086.40
150044090	TOOLS	E	-	2,183.00	-3,833.00	-1,650.00
150044094	SECTION 78(1) WATER	E	-	263,490.18	-	263,490.18
150044100	SUBSISTENCE & TRAVEL	E	-	2,343,374.68	-45,816.05	2,297,558.63
150044108	WATER CONSERVATION &	E	-	4,131,494.19	-164,008.01	3,967,486.18
150044109	WATER QUALITY - COLL	E	-	47,060.30	-27,979.78	19,080.52
150044110	WATER SERVICES DEVEL	E	-	143,750.00	-	143,750.00
150044114	WATER INVENTORY MOVE	E	-	-	-1,595,239.16	-1,595,239.16
150044122	ELECTRICITY SECTOR P	E	-	45,371.77	-	45,371.77
150044123	WATER SAFETY PLAN	E	-	581,559.07	-	581,559.07
150044124	HEALTH SAFETY PLAN	E	-	22,844.00	-	22,844.00
150044131	EFFLUENT MANAGEMENT	E	-	380,607.50	-	380,607.50
150044132	GROUND WATER MANAGEM	E	-	15,865.00	-	15,865.00
150044134	WATER QUALITY MONITO	E	-	233,443.76	-12,071.50	221,372.26
150044136	COASTAL MANAGEMENT P	E	-	240,859.55	-	240,859.55
150044137	BACKLOG ERADICATION	E	-	113,180.89	-	113,180.89
150044140	WATER BORNE DEASES E	E	-	103,635.79	-	103,635.79
150044147	STOCK SHORTAGES /WO	E	-	200,914.13	-475,591.39	-274,677.26
150044182	VIP SANITATION	E	-	107,964,546.73	-	107,964,546.73
150044251	FREE BASIC SERVICES	E	-	1,553,280.35	-4,865.00	1,548,415.35
150044263	LEASING MOTOR VEHICL	E	-	7,488,436.92	-975,103.52	6,513,333.40
150044295	EPWP	E	-	9,607,385.62	-208,131.42	9,399,254.20
150044298	DITP	E	-	794,000.00	-397,000.00	397,000.00
150044306	CLIMATE CHANGE STRAT	E	-	121,400.00	-	121,400.00
150045503	LEAVE GRATUITY	E	-	2,252,794.62	-1,575,836.54	676,958.08
150045504	LONG SERVICE BONUS	E	-	119,322.58	-332,193.00	-212,870.42
160030001	ACTING ALLOWANCES	E	-	141,763.04	-	141,763.04
160030002	BONUS	E	-	1,711,576.97	-	1,711,576.97
160030004	HOUSING SUBSIDY	E	-	662,031.72	-85,231.16	576,800.56
160030005	NORMAL TIME	E	-	19,864,449.08	-324,528.91	19,539,920.17
160030006	OVERTIME	E	-	96,027.53	-	96,027.53
160030008	TRAVEL ALLOWANCE	E	-	2,214,634.80	-	2,214,634.80
160030009	RENTAL ALLOWANCE	E	-	627,200.00	-	627,200.00
160030010	SHIFT ALLOWANCE	E	-	4,497,445.54	-	4,497,445.54
160030014	STANDBY ALLOWANCE	E	-	366,884.34	-	366,884.34
160031001	BARGAINING COUNCIL	E	-	8,839.45	-	8,839.45
160031002	MEDICAL AID	E	-	1,674,982.80	-4,488.12	1,670,494.68
160031003	PENSION FUND	E	-	2,750,402.30	-	2,750,402.30
160031005	SKILLS DEVELOPMENT L	E	-	305,822.56	-	305,822.56
160031006	UIF	E	-	178,991.44	-	178,991.44
160038001	BUILDING MAINTENANCE	E	-	172,616.00	-	172,616.00
160038007	MOTOR VEHICLE	E	-	478,702.18	-15,393.53	463,308.65
160040001	DONATIONS PAID	E	-	1,528.24	-1,528.24	-
160044001	ACCOMODATION	E	-	2,036,437.75	-109,135.45	1,927,302.30
160044011	BOOKS	E	-	17,860.77	-	17,860.77
160044019	CATERING & VENUE HIR	E	-	734,343.50	-96,262.85	638,080.65
160044022	COMMUNITY DEVELOPMEN	E	-	83,352.50	-	83,352.50
160044025	CONFERENCES & EXHIBI	E	-	147,887.32	-23,654.00	124,233.32
160044030	DISASTER 1	E	-	291,046.42	-14,886.20	276,160.22
160044037	FIRE & RESCUE SERVIC	E	-	1,023,628.00	-4,162.56	1,019,465.44
160044041	FUEL & OIL	E	-	713,850.36	-70,030.54	643,819.82
160044045	HIRE OF EQUIPMENT	E	-	31,150.00	-	31,150.00
160044046	HIRE OF TRANSPORT :	E	-	384,015.02	-36,174.00	347,841.02
160044052	LABORATORY ANALYSIS	E	-	362,738.53	-	362,738.53
160044054	LIBRARY SERVICES	E	-	546,418.44	-	546,418.44
160044057	MATERAILS & STORES	E	-	32,500.00	-	32,500.00
160044065	MUNICIPAL HEALTH SER	E	-	369,468.00	-96,000.00	273,468.00
160044079	PRINTING & STATIONER	E	-	1,008.93	-	1,008.93
160044081	PROTECTIVE CLOTHING	E	-	376,880.48	-	376,880.48
160044090	TOOLS	E	-	10,908.30	-	10,908.30
160044100	SUBSISTENCE & TRAVEL	E	-	3,482,528.34	-9,075.84	3,473,452.50
160044103	THUSONG CENTRE	E	-	3,150.00	-	3,150.00

ALFERD NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
160044211	ARTS AND CULTURE	E	-	12,700.00	-12,700.00	-
160044270	CUSTOMER CARE	E	-	334,945.01	-78,936.62	256,008.39
160044273	DISASTER MAN-RESPONS	E	-	1,763,412.70	-208,000.00	1,555,412.70
160044287	MUSEUM	E	-	503,304.20	-287,704.20	215,600.00
160044289	SPORTS AND RECREATIO	E	-	1,271,083.44	-28,700.00	1,242,383.44
160044402	ARTS AND CULTURE	E	-	585,139.50	-	585,139.50
160045503	LEAVE GRATUITY	E	-	1,409,743.56	-703,331.69	706,411.87
160045504	LONG SERVICE BONUS	E	-	15,541.96	-	15,541.96
170030001	ACTING ALLOWANCES	E	-	100,199.86	-	100,199.86
170030002	BONUS	E	-	567,424.89	-	567,424.89
170030004	HOUSING SUBSIDY	E	-	255,979.06	-	255,979.06
170030005	NORMAL TIME	E	-	11,260,567.17	-140,766.37	11,119,800.80
170030006	OVERTIME	E	-	312,646.89	-	312,646.89
170030008	TRAVEL ALLOWANCE	E	-	760,349.71	-	760,349.71
170030009	RENTAL ALLOWANCE	E	-	341,600.00	-	341,600.00
170031001	BARGAINING COUNCIL	E	-	4,045.60	-	4,045.60
170031002	MEDICAL AID	E	-	403,320.96	-	403,320.96
170031003	PENSION FUND	E	-	863,836.34	-879.95	862,956.39
170031005	SKILLS DEVELOPMENT L	E	-	135,830.52	-	135,830.52
170031006	UIF	E	-	63,394.68	-	63,394.68
170038003	COMPUTER EQUIPMENT	E	-	269,061.60	-974.40	268,087.20
170038005	LEASING - PHOTOCOPIE	E	-	730,262.68	-32,968.20	697,294.48
170044001	ACCOMODATION	E	-	362,401.25	-37,588.87	324,812.38
170044002	ADVERTISING	E	-	122,401.47	-7,005.60	115,395.87
170044011	BOOKS	E	-	-	-126.22	-126.22
170044019	CATERING & VENUE HIR	E	-	255,203.32	-24,083.32	231,120.00
170044020	CLEANING MATERIALS	E	-	327,097.75	-29,576.00	297,521.75
170044025	CONFERENCES & EXHIBI	E	-	232,660.94	-7,333.33	225,327.61
170044026	CONSULTANCY & PROFES	E	-	992.25	-	992.25
170044035	EMPLOYEES WELLNESS P	E	-	537,274.20	-7,846.11	529,428.09
170044039	FIRST AID MATERIAL	E	-	29,998.00	-	29,998.00
170044041	FUEL & OIL	E	-	4,314.08	-4,314.08	-
170044046	HIRE OF TRANSPORT :	E	-	3,496.49	-	3,496.49
170044053	LEGAL FEES	E	-	504,366.01	-136,321.99	368,044.02
170044060	MEMBERSHIP FEES	E	-	43,039.00	-154.00	42,885.00
170044066	MUNICIPAL PERFORMANC	E	-	782,513.20	-3,360.00	779,153.20
170044072	OCCUPATIONAL HEALTHA	E	-	51,953.00	-	51,953.00
170044077	POST & TELECOMMUNICA	E	-	5,078,369.55	-770,435.06	4,307,934.49
170044079	PRINTING & STATIONER	E	-	1,102.50	-	1,102.50
170044081	PROTECTIVE CLOTHING	E	-	49,650.00	-	49,650.00
170044085	RECRUITMENT : ADVERT	E	-	116,342.18	-	116,342.18
170044086	RECRUITMENT:ADVERT,A	E	-	317,173.38	-25,625.07	291,548.31
170044090	TOOLS	E	-	26,223.00	-	26,223.00
170044095	SECURITY SERVICES	E	-	6,293,717.31	-310,118.46	5,983,598.85
170044100	SUBSISTENCE & TRAVEL	E	-	307,729.75	-6,233.41	301,496.34
170044104	TRAINING:S&T	E	-	1,336,817.48	-15,893.35	1,320,924.13
170044107	TRAVEL & ACCOMODATIO	E	-	137,276.88	-	137,276.88
170044141	INTERNSHIP PROGRAMME	E	-	53,166.80	-	53,166.80
170044143	STUDY ASSISTANCE PRO	E	-	163,222.00	-428.23	162,793.77
170044144	EXTERNAL BURSARY SCH	E	-	187,600.00	-	187,600.00
170044145	SKILLS PROGRAMME	E	-	2,665,920.86	-96,454.64	2,569,466.22
170044167	YEAR END FUNCTION	E	-	316,308.60	-	316,308.60
170044170	INDUCTION PROGRAMME	E	-	3,750.00	-	3,750.00
170044171	VIP SYSTEM	E	-	60,620.72	-6,082.72	54,538.00
170044172	GROUP SCHEME	E	-	288,268.99	-	288,268.99
170044184	POLICY DEVELOPMENT	E	-	150,000.00	-	150,000.00
170044280	ORGANISATIONAL DEVEL	E	-	72,084.00	-	72,084.00
170044281	ORGANOGRAM REVIEW	E	-	168,000.00	-	168,000.00
170044284	CELLPHONE & 3G CARD	E	-	119,041.57	-	119,041.57
170044302	RECORD MANAGEMENT SY	E	-	131,730.00	-	131,730.00
170044303	DATA CLEANSING	E	-	225,945.00	-	225,945.00
170045503	LEAVE GRATUITY	E	-	635,913.65	-275,031.98	360,881.67
320090020	GOVERNMENT GRANT RES	M BROUGHT FORWARD	-1,517,942,028.57	-	-	-1,517,942,028.57
320150010	UNAPPROPRIATED SURPL	M BALANCE BROUGHT FWD	-235,117,881.56	-	-	-235,117,881.56
320150018	UNAPPROPRIATED SURPL	M PRIOR YEAR ADJUSTMEN	-	2,636,011.96	-2,205,695.26	430,316.70
320311110	DEVELOPMENT BANK OF	M BROUGHT FORWARD	-10,086,151.03	-	-	-10,086,151.03
320311112	DEVELOPMENT BANK OF	M REDEEMED	-	423,320.57	-	423,320.57
320311120	DBSA R15 775 928	M BROUGHT FORWARD	-19,847,105.42	-	-	-19,847,105.42
320311122	DBSA R15 775 928	M REDEEMED	-	1,116,263.74	-	1,116,263.74
320319990	TRANSFER OF ST PORTI	M BALANCE BROUGHT FORW	1,441,675.00	-	-	1,441,675.00
320319991	TRANSFER OF ST PORTI	M MOVEMENT FOR THE YEA	-	205,234.60	-	205,234.60
320380030	LED STRATERGY	M BROUGHT FORWARD	-151.42	-	-	-151.42
320380050	THETHA	M BROUGHT FORWARD	-32,480.59	-	-	-32,480.59
320380060	TFC	M BROUGHT FORWARD	0.46	-	-	0.46
320380090	DWAF CAPITAL	M BROUGHT FORWARD	-9,468.79	-	-	-9,468.79
320380100	WSOG	M BROUGHT FORWARD	-4,131,729.95	-	-	-4,131,729.95
320380101	WSOG	M GRANTS RECEIVED	-	-	-10,000,000.00	-10,000,000.00
320380102	WSOG	M CASH UTILISED: OPERA	-	19,053,284.52	-4,921,554.56	14,131,729.96
320380120	RURAL HOUSING	M BROUGHT FORWARD	-1,219,813.63	-	-	-1,219,813.63
320380121	RURAL HOUSING	M GRANTS RECEIVED	-	29,021.51	-4,029,021.51	-4,000,000.00

ALFERD NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
320380150	MIG	M BROUGHT FORWARD	1.11	-	-	1.11
320380151	MIG	M GRANTS RECEIVED	-	-	-354,885,000.00	-354,885,000.00
320380152	MIG	M CASH UTILISED: OPERA	-	390,257,472.07	-35,372,472.07	354,885,000.00
320380161	MSIG	M GRANTS RECEIVED	-	-	-890,000.00	-890,000.00
320380162	MSIG	M CASH UTILISED: OPERA	-	912,884.00	-22,884.00	890,000.00
320380170	LED CAPACITY	M BROUGHT FORWARD	14,362.32	-	-	14,362.32
320380200	SPORTS AND RECREATIO	M BROUGHT FORWARD	-3,200,697.35	-	-	-3,200,697.35
320380202	SPORTS AND RECREATIO	M CASH UTILISED: OPERA	-	1,984,125.71	-132,265.00	1,851,860.71
320380210	IDP REVIEW	M BROUGHT FORWARD	0.37	-	-	0.37
320380212	IDP REVIEW	M CASH UTILISED: OPERA	-	268,950.00	-268,950.00	-
320380280	PMS	M BROUGHT FORWARD	-0.03	-	-	-0.03
320380290	DISASTER	M BROUGHT FORWARD	-338.92	-	-	-338.92
320380320	DIDEA	M BROUGHT FORWARD	-3.19	-	-	-3.19
320380401	FMG	M GRANTS RECEIVED	-	-	-1,500,000.00	-1,500,000.00
320380402	FMG	M CASH UTILISED: OPERA	-	9,601,559.45	-8,101,559.45	1,500,000.00
320380410	FIRE & EMERGENCY	M BROUGHT FORWARD	-868,661.11	-	-	-868,661.11
320380430	ISROP NODAL	M BROUGHT FORWARD	-410.53	-	-	-410.53
320380470	ATTIC	M BROUGHT FORWARD	-653,984.88	-	-	-653,984.88
320380510	RAIN WATER HARVEST	M BROUGHT FORWARD	-372,068.80	-	-	-372,068.80
320380512	RAIN WATER HARVEST	M CASH UTILISED: OPERA	-	403,450.80	-31,382.00	372,068.80
320380711	PUBLIC WORK	M GRANTS RECEIVED	-	-	-5,780,000.00	-5,780,000.00
320380712	PUBLIC WORK	M CASH UTILISED: OPERA	-	7,379,563.30	-1,599,563.30	5,780,000.00
320380730	REGIONAL BULK SCHEME	M BROUGHT FORWARD	-3,165,566.43	-	-	-3,165,566.43
320380731	REGIONAL BULK SCHEME	M GRANTS RECEIVED	-	1,009,390.00	-14,609,933.78	-13,600,543.78
320380732	REGIONAL BULK SCHEME	M CASH UTILISED: OPERA	-	20,063,992.33	-6,463,448.54	13,600,543.79
320380740	RAMS	M BROUGHT FORWARD	-596,795.21	-	-	-596,795.21
320380741	RAMS	M GRANTS RECEIVED	-	-	-1,795,000.00	-1,795,000.00
320380742	RAMS	M CASH UTILISED: OPERA	-	2,391,795.20	-	2,391,795.20
320380761	WCDM	M GRANTS RECEIVED	-	16,280.00	-109,390.00	-93,110.00
320380762	WCDM	M CASH UTILISED: OPERA	-	2,671,689.72	-2,578,579.72	93,110.00
320380771	MUNICIPAL HEALTH	M GRANTS RECEIVED	-	-	-4,201,897.53	-4,201,897.53
320380772	MUNICIPAL HEALTH	M CASH UTILISED: OPERA	-	6,745,124.00	-2,543,226.47	4,201,897.53
320380780	ISDG	M BROUGHT FORWARD	-1,500,000.00	-	-	-1,500,000.00
320380781	ISDG	M GRANTS RECEIVED	-	-	-2,000,000.00	-2,000,000.00
320380782	ISDG	M CASH UTILISED: OPERA	-	2,959,362.02	-723,025.37	2,236,336.65
320380801	MWIG-CONDITIONALL GR	M GRANTS RECEIVED	-	-	-15,218,000.00	-15,218,000.00
320380802	MWIG-CONDITIONALL GR	M CASH UTILISED: OPERA	-	16,138,124.66	-1,055,295.35	15,082,829.31
320400030	LEAVE PAY	M BROUGHT FORWARD	-3,393,335.51	-	-	-3,393,335.51
320400031	LEAVE PAY	M CONTRIBUTIONS REC.	-	3,393,335.32	-4,763,258.32	-1,369,923.00
320410020	PROVISION FOR BAD DE	M BALANCE BROUGHT FORW	-3,817,819.02	-	-	-3,817,819.02
320410021	PROVISION FOR BAD DE	M IMPAIRMENT PROVIDED	-	-	-6,420,437.37	-6,420,437.37
320410023	PROVISION FOR BAD DE	M IMPAIRMENT REVERSED	-	3,817,819.02	-	3,817,819.02
320410030	PROVISION FOR BAD DE	M BALANCE BROUGHT FORW	-37,708,718.33	-	-	-37,708,718.33
320410031	PROVISION FOR BAD DE	M IMPAIRMENT PROVIDED	-	-	-49,209,540.90	-49,209,540.90
320410033	PROVISION FOR BAD DE	M IMPAIRMENT REVERSED	-	37,708,718.33	-	37,708,718.33
320410220	Councillors:BadDebts	M BALANCE BROUGHT FORW	-76,697.52	-	-	-76,697.52
320410223	Councillors:BadDebts	M IMPAIRMENT REVERSED	-	76,697.52	-	76,697.52
320410230	Officials-BadDebts W	M BALANCE BROUGHT FORW	76,697.02	-	-	76,697.02
320410233	Officials-BadDebts W	M IMPAIRMENT REVERSED	-	-	-76,697.02	-76,697.02
320410240	PROVISION FOR BAD DE	M BALANCE BROUGHT FORW	-609,116.74	-	-	-609,116.74
320410250	BAD DEBTS-NO EXCHANG	M BALANCE BROUGHT FORW	-815,132.58	-	-	-815,132.58
320410253	BAD DEBTS-NO EXCHANG	M IMPAIRMENT REVERSED	-	815,132.58	-	815,132.58
320430060	LONG SERVICE ALLOWAN	M BROUGHT FORWARD	-14,804.00	-	-	-14,804.00
320430062	LONG SERVICE ALLOWAN	M EXPENDITURE INCURRED	-	322,707.00	-	322,707.00
320430064	LONG SERVICE ALLOWAN	M TRANSFERS TO/FROM PR	-	-	-860,966.00	-860,966.00
330050051	PROVISION:REMOVAL-AL	M CONTRIBUTIONS TO PRO	-	37,814.70	-37,814.70	-
330050060	LONG SERVICE ALLOWAN	M BROUGHT FORWARD	-3,316,956.00	-	-	-3,316,956.00
330050061	LONG SERVICE ALLOWAN	M CONTRIBUTIONS TO PRO	-	-	-4,667,482.00	-4,667,482.00
330050064	LONG SERVICE ALLOWAN	M TRANSFERS TO/FROM PR	-	860,966.00	-	860,966.00
330060010	CREDIT CONTROL ORDER	M BROUGHT FORWARD	-56,770.17	-	-	-56,770.17
330060011	CREDIT CONTROL ORDER	M PURCHASES	-	737,150,006.65	-737,083,188.36	66,818.29
330060030	YEAR-END-CREDITORS	M BROUGHT FORWARD	-60,280,066.16	-	-	-60,280,066.16
330060031	YEAR-END-CREDITORS	M PURCHASES	-	66,089,749.62	-65,908,552.30	181,197.32
330060040	ZZZZZ - DEBTORS CONT	M	144,087.32	-	-	144,087.32
330060041	ZZZZZ - DEBTORS CONT	M	-	431,386.02	-714,971.52	-283,585.50
330060050	SARS-VAT PAYABLE / R	M BROUGHT FORWARD	-76,388,184.72	-	-	-76,388,184.72
330060051	SARS-VAT PAYABLE / R	M PURCHASES	-	10,264,288.66	-71,805,081.36	-61,540,792.70
330060060	SALARY SUSPENSE	M BROUGHT FORWARD	-1,725,118.10	-	-	-1,725,118.10
330060061	SALARY SUSPENSE	M PURCHASES	-	108,095,508.10	-108,063,656.19	31,851.91
330060062	SALARY SUSPENSE	M USE OF FUNDS	-	1,464,029.23	-	1,464,029.23
330060070	UNALLOCATED RECEIPTS	M BALANCE BROUGHT FORW	-503,190.38	-	-	-503,190.38
330060071	UNALLOCATED RECEIPTS	M MOVEMENTS FOR THE YE	-	2,391,328.20	-3,222,340.64	-831,012.44
330060080	RETENTION VAT	M BALANCE BROUGHT FORW	2,741,362.15	-	-	2,741,362.15
330060081	RETENTION VAT	M MOVEMENTS FOR THE YE	-	3,797,086.05	-	3,797,086.05
330060090	RETENTION	M BALANCE BROUGHT FORW	-22,415,465.55	-	-	-22,415,465.55
330060091	RETENTION	M MOVEMENTS FOR THE YE	-	-	-30,922,122.27	-30,922,122.27
330060100	PAYMENT SUSPENSE	M BALANCE BROUGHT FORW	-0.08	-	-	-0.08
330060101	PAYMENT SUSPENSE	M MOVEMENTS FOR THE YE	-	897,070,234.86	-897,070,234.86	-
330060200	RECEIVED AT RMC (EFF	M BROUGHT FORWARD	-2,211.47	-	-	-2,211.47
330060201	RECEIVED AT RMC (EFF	M PURCHASES	-	610.30	-610.30	-

ALFERD NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
330060241	SALARYS BARGAINING C	M PURCHASES	-	166,032.62	-166,032.62	-
330060251	SALARIES UDM LEVY	M PURCHASES	-	6,324.00	-6,324.00	-
330060260	SALARIES PAYE	M BROUGHT FORWARD	0.03	-	-	0.03
330060261	SALARIES PAYE	M PURCHASES	-	21,416,302.72	-21,416,302.72	-
330060271	SALARIES UIF	M PURCHASES	-	1,503,584.50	-1,503,584.50	-
330060281	SALARIES MEDICAL AID	M PURCHASES	-	9,332,332.93	-9,332,332.93	-0.28
330060290	SALARIES INSURANCE	M BROUGHT FORWARD	591.20	-	-	591.20
330060291	SALARIES INSURANCE	M PURCHASES	-	2,784,779.09	-2,784,779.09	-
330060300	SALARIES PENSION	M BROUGHT FORWARD	114,503.94	-	-	114,503.94
330060301	SALARIES PENSION	M PURCHASES	-	15,059,110.96	-15,032,453.11	26,657.85
330060311	SALARIES GARNISHEE	M PURCHASES	-	828,960.85	-891,780.87	-62,820.02
330060320	SALARIES ANC LEVY	M BROUGHT FORWARD	-7,075.68	-	-	-7,075.68
330060321	SALARIES ANC LEVY	M PURCHASES	-	91,775.02	-84,699.34	7,075.68
330060330	SALARIES UNIONS	M BROUGHT FORWARD	-170.00	-	-	-170.00
330060331	SALARIES UNIONS	M PURCHASES	-	577,525.05	-577,525.05	-
330060341	SALARIES SALGA	M PURCHASES	-	9,582.32	-9,582.32	-
330060351	SALARIES ADVANCE	M PURCHASES	-	344,426.86	-344,426.86	-
330060352	SALARIES ADVANCE	M USE OF FUNDS	-	20,697.22	-20,697.22	-
330060371	SALARIES SKILLS DEVE	M PURCHASES	-	1,313,375.26	-1,313,375.26	-
330060380	SALARIES TELEPHONE C	M BROUGHT FORWARD	0.44	-	-	0.44
330060381	SALARIES TELEPHONE C	M PURCHASES	-	14,200.65	-14,200.65	-
330060390	SALARIES EXTERNAL LO	M BROUGHT FORWARD	1,766.45	-	-	1,766.45
330060391	SALARIES EXTERNAL LO	M PURCHASES	-	856,301.30	-856,301.30	-
330060401	STUDY LOANS	M PURCHASES	-	9,214.00	-9,214.00	-
330060410	GENERAL SUSPENSE	M BALANCE BROUGHT FORW	-400.00	-	-	-400.00
330060430	MAYORS CREDIT CARD	M BALANCE BROUGHT FORW	-22,370.20	-	-	-22,370.20
330060440	PETROL CARD	M BROUGHT FORWARD	116,499.24	-	-	116,499.24
330060451	UNPAID LEAVE	M PURCHASES	-	-	-3,220.80	-3,220.80
330060990	ALFRED NZO DEVELOPME	M BROUGHT FORWARD	-4,697,284.05	-	-	-4,697,284.05
330060991	ALFRED NZO DEVELOPME	M PURCHASES	-	4,694,569.20	-	4,694,569.20
330069000	EXPENDITURE RECORDED	M BROUGHT FORWARD	-43,655.89	-	-	-43,655.89
330069001	EXPENDITURE RECORDED	M PURCHASES	-	-	-234,402.27	-234,402.27
330069003	EXPENDITURE RECORDED	M REPAYMENT/REFUNDS	-	239,847.33	-	239,847.33
330070010	DBSA R12026793	M BROUGHT FORWARD	-301,482.94	-	-	-301,482.94
330070011	DBSA R12026793	M PURCHASES	-	301,482.94	-276,323.53	25,159.41
330070020	DBSA R15991507	M BROUGHT FORWARD	-262,747.19	-	-	-262,747.19
330070021	DBSA R15991507	M PURCHASES	-	262,747.19	-233,905.25	28,841.94
330080010	VAT INCOME	M BALANCE BROUGHT FORW	-11,918,313.63	-	-	-11,918,313.63
330080011	VAT INCOME	M MOVEMENTS FOR THE YE	-	9,871,581.20	-12,317,719.93	-2,446,138.73
330080020	VAT DTRS CONTRL	M	7,349,188.13	-	-	7,349,188.13
330080021	VAT DTRS CONTRL	M	-	2,313,470.57	-801,851.82	1,511,618.75
330080030	VAT BANK	M BALANCE BROUGHT FORW	4,569,125.50	-	-	4,569,125.50
330080031	VAT BANK	M MOVEMENTS FOR THE YE	-	10,782,680.18	-9,838,828.60	943,851.58
330080040	VAT CLAIM DUE	M BALANCE BROUGHT FORW	86,704,589.39	-	-	86,704,589.39
330080041	VAT CLAIM DUE	M MOVEMENTS FOR THE YE	-	62,672,841.73	-986,538.02	61,686,303.71
330080060	VAT CLAIM SHADOWS	M BALANCE BROUGHT FORW	12,599.57	-	-	12,599.57
330080061	VAT CLAIM SHADOWS	M MOVEMENTS FOR THE YE	-	66,952,966.11	-66,963,945.78	-10,979.67
330080070	VAT CHARGE OUT	M BALANCE BROUGHT FORW	-4,569,125.50	-	-	-4,569,125.50
330080071	VAT CHARGE OUT	M MOVEMENTS FOR THE YE	-	9,838,828.60	-10,782,680.18	-943,851.58
330080090	INPUT TAX SUSPENSE	M BALANCE BROUGHT FORW	2,958,153.52	-	-	2,958,153.52
330080091	INPUT TAX SUSPENSE	M MOVEMENT FOR THE YEA	-	6,004,456.24	-581,617.28	5,422,838.96
330091300	CURRENT PTN-LT LIAB	M BROUGHT FORWARD	-1,441,675.00	-	-	-1,441,675.00
330091301	CURRENT PTN-LT LIAB	M RECEIVED	-	-	-205,234.60	-205,234.60
440011000	INFRASTRUCTURE ASSET	M BALANCE BROUGHT FORW	1,323,599,846.90	-	-	1,323,599,846.90
440012000	HERITAGE ASSETS	M BALANCE BROUGHT FORW	131,100.01	-	-	131,100.01
440012500	OTHER ASSETS	M BALANCE BROUGHT FORW	33,785,284.86	-	-	33,785,284.86
440012501	OTHER ASSETS	M ADDITIONS	-	7,938,644.49	-1,934,461.70	6,004,182.79
440013004	INVESTMENT PROPERTIE	M SALES & DISPOSALS	-	-	-2,005,946.00	-2,005,946.00
440013010	LAND AND BUILDINGS	M BALANCE BROUGHT FORW	53,407,980.53	-	-	53,407,980.53
440013100	INTANGIBLE ASSETS	M BALANCE BROUGHT FORW	582,082.99	-	-	582,082.99
440021000	INFRASTRUCTURE ASSET	M BALANCE BROUGHT FORW	391,418,533.27	-	-	391,418,533.27
440021001	INFRASTRUCTURE ASSET	M ADDITIONS	-	268,304,248.95	-2,681,766.18	265,622,482.77
440023010	LAND AND BUILDINGS	M BALANCE BROUGHT FORW	1,070,327.12	-	-	1,070,327.12
440023100	INTANGIBLE ASSETS	M BALANCE BROUGHT FORW	1,222,460.63	-	-	1,222,460.63
440023101	INTANGIBLE ASSETS	M ADDITIONS	-	2,128,210.67	-	2,128,210.67
440031000	INFRASTRUCTURE ASSET	M BALANCE BROUGHT FORW	-139,979,343.29	-	-	-139,979,343.29
440031001	INFRASTRUCTURE ASSET	M ADDITIONS	-	-	-43,564,452.09	-43,564,452.09
440032500	OTHER ASSETS	M BALANCE BROUGHT FORW	-11,158,841.11	-	-	-11,158,841.11
440032501	OTHER ASSETS	M ADDITIONS	-	2,131,413.03	-5,106,152.79	-2,974,739.76
440033004	INVESTMENT PROPERTIE	M SALES & DISPOSALS	-	1,055,250.00	-1,055,250.00	-
440033010	LAND AND BUILDINGS	M BALANCE BROUGHT FORW	-7,142,090.57	-	-	-7,142,090.57
440033011	LAND AND BUILDINGS	M ADDITIONS	-	1,831,417.36	-3,662,834.72	-1,831,417.36
440033100	INTANGIBLE ASSETS	M BALANCE BROUGHT FORW	-954,351.38	-	-	-954,351.38
440033101	INTANGIBLE ASSETS	M ADDITIONS	-	384,208.72	-768,417.44	-384,208.72
440042500	OTHER ASSETS	M BALANCE BROUGHT FORW	-113,257.04	-	-	-113,257.04
440043010	LAND AND BUILDINGS	M BALANCE BROUGHT FORW	-5,875,465.43	-	-	-5,875,465.43
456010010	LONG TERM INVESTMENT	M BROUGHT FORWARD	20,425,733.58	-	-	20,425,733.58
456010011	LONG TERM INVESTMENT	M INVESTMENTS MADE	-	2,153,464.69	-	2,153,464.69
456010990	INV. IN ALFRED NZO D	M BROUGHT FORWARD	100.00	-	-	100.00
460010010	STAFF LOANS	M BALANCE BROUGHT FORW	771,503.88	-	-	771,503.88

ALFERD NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
465010210	MT AYLIFF STORES	M BROUGHT FORWARD	985,156.98	-	-	985,156.98
465010211	MT AYLIFF STORES	M ISSUES	-	1,479,329.15	-1,479,329.15	-
465010215	MT AYLIFF STORES	M PURCHASES	-	3,704,423.66	-1,874,775.56	1,829,648.10
465010219	MT AYLIFF STORES	M TAKE ON BALANCES	-	1,676,636.57	-3,353,273.14	-1,676,636.57
465010220	MATATIELE STORES	M BROUGHT FORWARD	56,669.10	-	-	56,669.10
465010221	MATATIELE STORES	M ISSUES	-	8,708.51	-8,708.51	-
465010225	MATATIELE STORES	M PURCHASES	-	299,972.52	-149,986.26	149,986.26
465010230	BIZENA STORES	M BROUGHT FORWARD	770,314.58	-	-	770,314.58
465010231	BIZENA STORES	M ISSUES	-	52,695.60	-52,695.60	-
465010235	BIZENA STORES	M PURCHASES	-	509,204.85	-1,018,409.70	-509,204.85
465010240	MT FRERE STOOR	M BROUGHT FORWARD	71,926.20	-	-	71,926.20
465010241	MT FRERE STOOR	M ISSUES	-	41,247.00	-41,247.25	-0.25
465010245	MT FRERE STOOR	M PURCHASES	-	44,756.00	-89,512.00	-44,756.00
465010250	NTABAVKULU STORE	M BROUGHT FORWARD	78,841.47	-	-	78,841.47
465010251	NTABAVKULU STORE	M ISSUES	-	17,514.31	-17,514.31	-
465010255	NTABAVKULU STORE	M PURCHASES	-	171,903.60	-85,951.80	85,951.80
465010260	STATIONARY STORE	M BROUGHT FORWARD	124,109.62	-	-	124,109.62
465010261	STATIONARY STORE	M ISSUES	-	4,682.09	-4,057.34	624.75
465010265	STATIONARY STORE	M PURCHASES	-	581,994.08	-498,218.94	83,775.14
465010310	WATER IN RETICULATIO	M BROUGHT FORWARD	2,207,281.27	-	-	2,207,281.27
465010315	WATER IN RETICULATIO	M PURCHASES	-	1,595,239.16	-	1,595,239.16
470010030	WATER DEBTORS	M	46,790,304.22	-	-	46,790,304.22
470010031	WATER DEBTORS	M	-	14,673,782.52	-6,295,470.53	8,378,311.99
470010040	UNALLOCATED CREDITS	M BALANCE BROUGHT FORW	-161,229.37	-	-	-161,229.37
470010041	UNALLOCATED CREDITS	M NEW LOANS GRANTED	-	246,001.19	-459,151.30	-213,150.11
470010050	SUNDRY CONSUMER SERV	M	-2,693.63	-	-	-2,693.63
470010051	SUNDRY CONSUMER SERV	M	-	405,567.26	-366,338.36	39,228.90
470010060	SEWERAGE DEBTORS	M	5,706,590.37	-	-	5,706,590.37
470010061	SEWERAGE DEBTORS	M	-	2,176,849.84	-690,210.38	1,486,639.46
470010081	DEBTORS:SUNDRY	M NEW LOANS GRANTED	-	3,400.96	-	3,400.96
470010090	DEBTORS:GRANT EXPEND	M BALANCE BROUGHT FORW	0.93	-	-	0.93
470030020	TRANSFER BANK DEBTOR	M BALANCE BROUGHT FORW	-2,251.72	-	-	-2,251.72
470030021	TRANSFER BANK DEBTOR	M NEW LOANS GRANTED	-	2,251.72	-62,945.46	-60,693.74
470030030	SUNDRIES DEBTORS	M BALANCE BROUGHT FORW	3,250.96	-	-	3,250.96
470030031	SUNDRIES DEBTORS	M NEW LOANS GRANTED	-	35,543.62	-	35,543.62
470030060	OPERATING LEASE RECE	M BALANCE BROUGHT FORW	7,346.93	-	-	7,346.93
470030061	OPERATING LEASE RECE	M NEW LOANS GRANTED	-	202,135.05	-	202,135.05
470030063	OPERATING LEASE RECE	M INTEREST CAPITALISED	-	-	-208,452.78	-208,452.78
470030070	DEPOSITS RECEIVABLE	M BALANCE BROUGHT FORW	127,856.29	-	-	127,856.29
470030080	DEBTORS:SUNDRY	M BROUGHT FORWARD	2,977,992.38	-	-	2,977,992.38
470030081	DEBTORS:SUNDRY	M CONTRIBUTIONS REC.	-	1,745,908.50	-4,494,183.32	-2,748,274.82
470030090	IKHWEZI PUBLISHERS	M	10,175.20	-	-	10,175.20
470030100	KHOZA TRADING	M	245,760.00	-	-	245,760.00
470050020	S SIGEDLE:ADVANCES	M BALANCE BROUGHT FORW	1,740.00	-	-	1,740.00
470050030	GCAIYA:ADVANCES	M BALANCE BROUGHT FORW	3,438.92	-	-	3,438.92
470050040	GEGANA (ADVANCES)	M BALANCE BROUGHT FORW	-3,792.50	-	-	-3,792.50
470050050	ADVANCES:SALUKAZANA	M BALANCE BROUGHT FORW	809.56	-	-	809.56
470050060	CLLR:NKOPANE	M BALANCE BROUGHT FORW	54,757.96	-	-	54,757.96
470050070	CLLR:NYAMAKAZI	M BALANCE BROUGHT FORW	411,942.44	-	-	411,942.44
470050080	CLLR:MPUMZA	M BALANCE BROUGHT FORW	271,734.60	-	-	271,734.60
470050110	NHAMA T	M BALANCE BROUGHT FORW	-2,256.96	-	-	-2,256.96
470050230	BKEBEU	M BALANCE BROUGHT FORW	115.39	-	-	115.39
470050250	MAKUMENI	M BALANCE BROUGHT FORW	206.65	-	-	206.65
470050260	SODWELE	M BALANCE BROUGHT FORW	2,559.56	-	-	2,559.56
470050280	NHAMA	M BALANCE BROUGHT FORW	11,199.98	-	-	11,199.98
470050290	MHLELEMBANA	M BALANCE BROUGHT FORW	13,965.85	-	-	13,965.85
470050300	DUMISA	M BALANCE BROUGHT FORW	-2,500.00	-	-	-2,500.00
470050350	COUNCILOR PENSION C	M BALANCE BROUGHT FORW	76,697.52	-	-	76,697.52
470050371	GOVERNMENT COMMS & I	M MOVEMENTS FOR THE YE	-	4,609.46	-	4,609.46
470100011	SHORT TERM INVESTMEN	M INVESTMENTS MADE	-	2,588.59	-2,588.59	-
470100020	LED STRATERGY	M BROUGHT FORWARD	1,570.48	-	-	1,570.48
470100021	LED STRATERGY	M INVESTMENTS MADE	-	3.22	-1,573.70	-1,570.48
470100030	THETHA	M BROUGHT FORWARD	888,709.40	-	-	888,709.40
470100031	THETHA	M INVESTMENTS MADE	-	32,687.62	-	32,687.62
470100040	LG SETA	M BROUGHT FORWARD	918,538.93	-	-	918,538.93
470100041	LG SETA	M INVESTMENTS MADE	-	1,882.38	-920,421.31	-918,538.93
470100050	DISASTER MANAGEM CEN	M BROUGHT FORWARD	5,304.14	-	-	5,304.14
470100051	DISASTER MANAGEM CEN	M INVESTMENTS MADE	-	-	-5,304.14	-5,304.14
470100060	ANDM CALL ACCOUNT	M BROUGHT FORWARD	9,977,586.64	-	-	9,977,586.64
470100061	ANDM CALL ACCOUNT	M INVESTMENTS MADE	-	574,818,157.97	-539,664,812.76	35,153,345.21
470100070	DWAFF CAPITAL	M BROUGHT FORWARD	6,004,997.08	-	-	6,004,997.08
470100071	DWAFF CAPITAL	M INVESTMENTS MADE	-	566.85	-6,005,563.93	-6,004,997.08
470100080	DWAFF SALARIES	M BROUGHT FORWARD	7,295,321.62	-	-	7,295,321.62
470100081	DWAFF SALARIES	M INVESTMENTS MADE	-	11,371,241.54	-10,623,516.48	747,725.06
470100090	SALARIES CALL ACCOUN	M BROUGHT FORWARD	34,090,316.79	-	-	34,090,316.79
470100091	SALARIES CALL ACCOUN	M INVESTMENTS MADE	-	492,607.22	-34,582,924.01	-34,090,316.79
470100100	RURAL HOUSING DEVELO	M BROUGHT FORWARD	1,327,013.19	-	-	1,327,013.19
470100101	RURAL HOUSING DEVELO	M INVESTMENTS MADE	-	4,092,115.61	-551.65	4,091,563.96
470100110	LED	M BROUGHT FORWARD	2,602.77	-	-	2,602.77
470100111	LED	M INVESTMENTS MADE	-	2.04	-2,604.81	-2,602.77

ALFERD NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
470100120	IDP REVIEW	M BROUGHT FORWARD	1,189.99	-	-	1,189.99
470100121	IDP REVIEW	M INVESTMENTS MADE	-	-	-1,189.99	-1,189.99
470100130	MIG	M BROUGHT FORWARD	22,789,957.33	-	-	22,789,957.33
470100131	MIG	M INVESTMENTS MADE	-	449,982,226.92	-453,664,927.32	-3,882,700.40
470100140	MSIG	M BROUGHT FORWARD	30,562.87	-	-	30,562.87
470100141	MSIG	M INVESTMENTS MADE	-	908,147.29	-743,877.45	164,269.84
470100150	MWIG	M BROUGHT FORWARD	1,576,715.45	-	-	1,576,715.45
470100151	MWIG	M INVESTMENTS MADE	-	33,593,568.10	-29,686,722.16	3,906,845.94
470100170	SPORTS & RECREATION	M BROUGHT FORWARD	1,007,756.46	-	-	1,007,756.46
470100171	SPORTS & RECREATION	M INVESTMENTS MADE	-	32,967.89	-163,401.01	-130,433.12
470100180	ANDM PLANT ACC	M BROUGHT FORWARD	178,803.79	-	-	178,803.79
470100181	ANDM PLANT ACC	M INVESTMENTS MADE	-	366.43	-179,170.22	-178,803.79
470100190	FINANCE MANAGEMNET G	M BROUGHT FORWARD	38,616.81	-	-	38,616.81
470100191	FINANCE MANAGEMNET G	M INVESTMENTS MADE	-	3,799,944.73	-1,256,687.45	2,543,257.28
470100200	RESERVE FUND	M BROUGHT FORWARD	46,235,438.49	-	-	46,235,438.49
470100201	RESERVE FUND	M INVESTMENTS MADE	-	213,167,753.38	-217,674,501.84	-4,506,748.46
470100210	VOTE 2	M BROUGHT FORWARD	24,661,301.98	-	-	24,661,301.98
470100211	VOTE 2	M INVESTMENTS MADE	-	3,888,025.05	-28,549,327.03	-24,661,301.98
470100220	EPWP ACCOUNT	M BROUGHT FORWARD	6,205,408.07	-	-	6,205,408.07
470100221	EPWP ACCOUNT	M INVESTMENTS MADE	-	10,057,322.64	-16,258,158.35	-6,200,835.71
470100230	VOTE 4	M BROUGHT FORWARD	22,697,015.63	-	-	22,697,015.63
470100231	VOTE 4	M INVESTMENTS MADE	-	46,513.33	-22,743,528.96	-22,697,015.63
470100240	DROUGHT RELIEF	M BROUGHT FORWARD	1,036.31	-	-	1,036.31
470100241	DROUGHT RELIEF	M INVESTMENTS MADE	-	0.62	-1,036.93	-1,036.31
470100250	P.M.S. ACCOUNT	M BROUGHT FORWARD	1,774.16	-	-	1,774.16
470100251	P.M.S. ACCOUNT	M INVESTMENTS MADE	-	1.07	-1,775.23	-1,774.16
470100260	ATTIC/VOTE 7	M BROUGHT FORWARD	920,726.96	-	-	920,726.96
470100261	ATTIC/VOTE 7	M INVESTMENTS MADE	-	25,227.35	-262,680.00	-237,452.65
470100271	NEDBANK INVESTMENTS	M INVESTMENTS MADE	-	102,056,369.87	-51,446,027.40	50,610,342.47
470100281	MIG FRONT LOADING/DB	M INVESTMENTS MADE	-	5,199.59	-9.06	5,190.53
470100291	INVESTEC INVESTMENT2	M INVESTMENTS MADE	-	102,199,824.39	-51,461,767.15	50,738,057.24
470100301	DISASTER RELIEF ACC	M INVESTMENTS MADE	-	5,083.34	-3.89	5,079.45
472002210	BANK ACCOUNTS	M BALANCE BROUGHT FORW	4,039,540.56	-	-	4,039,540.56
472002211	BANK ACCOUNTS	M INCOME BANK	-	1,918,368,355.91	-18,917,304.43	1,899,451,051.48
472002215	BANK ACCOUNTS	M EXPENDITURE BANK	-	141,508,894.72	-2,040,570,354.62	-1,899,061,459.90
472002280	WATER AND SANITATION	M BALANCE BROUGHT FORW	12,026,331.34	-	-	12,026,331.34
472002281	WATER AND SANITATION	M INCOME BANK	-	2,101,721.14	-14,143,770.23	-12,042,049.09
472002285	WATER AND SANITATION	M EXPENDITURE BANK	-	2,066,775.15	-2,072,867.34	-6,092.19
472002300	WCDC BANK ACCOUNT	M BALANCE BROUGHT FORW	-0.27	-	-	-0.27
501000051	MOTOR VEHICLES	M PROVISIONAL CAPITAL	-	660,314.70	-660,314.70	-
501050051	MOTOR VEHICLES	M PROVISIONAL CAPITAL	-	658,120.37	-658,120.37	-
501100021	COMPUTER HARDWARE	M PROVISIONAL CAPITAL	-	61,000.00	-61,000.00	-
501100031	FURNITURE AND EQUIPM	M PROVISIONAL CAPITAL	-	32,798.21	-32,798.21	-
501100041	AUDIO AND VISUALS EQ	M PROVISIONAL CAPITAL	-	125,000.00	-125,000.00	-
503000021	COMPUTER HARDWARE	M PROVISIONAL CAPITAL	-	64,770.00	-64,770.00	-
503090901	GIS UPGRADE	M PROVISIONAL CAPITAL	-	499,889.12	-499,889.12	-
504000111	REVAMPING OF CASHIER	M PROVISIONAL CAPITAL	-	23,256.14	-	23,256.14
504000121	FURNITURE AND EQUIPM	M PROVISIONAL CAPITAL	-	89,261.66	-89,261.66	-
504000151	FINANCE MANAGEMENT S	M PROVISIONAL CAPITAL	-	2,412,506.34	-2,412,506.34	-
504000371	COMPUTERS	M PROVISIONAL CAPITAL	-	11,490.35	-11,490.35	-
505000011	MEMORIAL LECTURE	M PROVISIONAL CAPITAL	-	-	-168.00	-168.00
505000021	LOWE MKEMANE WATER S	M PROVISIONAL CAPITAL	-	53,298.25	-	53,298.25
505000071	SIQHINGENI WATER SUP	M PROVISIONAL CAPITAL	-	11,348,438.25	-	11,348,438.25
505000072	SIQHINGENI WATER SUP	M CAPITALISED EXPENDIT	-	-	-11,348,438.25	-11,348,438.25
505000091	CABA-MDENI WATER SUP	M PROVISIONAL CAPITAL	-	1,428,163.69	-322,745.00	1,105,418.69
505000092	CABA-MDENI WATER SUP	M CAPITALISED EXPENDIT	-	-	-1,105,418.69	-1,105,418.69
505000111	THOLAMELA WATER SUPP	M PROVISIONAL CAPITAL	-	10,388,490.94	-1,333,739.09	9,054,751.85
505000112	THOLAMELA WATER SUPP	M CAPITALISED EXPENDIT	-	-	-9,054,751.85	-9,054,751.85
505000121	FOBANE WATER SUPPLY	M PROVISIONAL CAPITAL	-	889,293.36	-	889,293.36
505000122	FOBANE WATER SUPPLY	M CAPITALISED EXPENDIT	-	-	-889,293.36	-889,293.36
505000131	HLANE WATER SUPPLY P	M PROVISIONAL CAPITAL	-	8,669,335.88	-24,527.43	8,644,808.45
505000132	HLANE WATER SUPPLY P	M CAPITALISED EXPENDIT	-	-	-8,644,808.45	-8,644,808.45
505000141	MVENYANE WATER SUPPL	M PROVISIONAL CAPITAL	-	1,254,576.72	-154,271.35	1,100,305.37
505000142	MVENYANE WATER SUPPL	M CAPITALISED EXPENDIT	-	-	-1,100,305.37	-1,100,305.37
505000181	KWABACA RWS - SECTIO	M PROVISIONAL CAPITAL	-	8,183,698.68	-	8,183,698.68
505000221	RAMS-PROFESSIONAL F	M PROVISIONAL CAPITAL	-	5,788,676.13	-3,375,259.68	2,413,416.45
505000251	REHABILITATION OF MB	M PROVISIONAL CAPITAL	-	147,894.41	-	147,894.41
505000252	REHABILITATION OF MB	M CAPITALISED EXPENDIT	-	-	-147,894.41	-147,894.41
505000271	Siphambukweni/Thuson	M PROVISIONAL CAPITAL	-	8,273,975.65	-347,440.79	7,926,534.86
505000281	Matatiele:Surfacing	M PROVISIONAL CAPITAL	-	6,210.00	-	6,210.00
505000291	NTABANKULU SEWER UPG	M PROVISIONAL CAPITAL	-	10,991,259.62	-962,708.03	10,028,551.59
505000292	NTABANKULU SEWER UPG	M CAPITALISED EXPENDIT	-	-	-10,028,551.66	-10,028,551.66
505000301	MATATIELE:MWIG	M PROVISIONAL CAPITAL	-	983,551.66	-	983,551.66
505000302	MATATIELE:MWIG	M CAPITALISED EXPENDIT	-	-	-983,551.66	-983,551.66
505000311	UMZIMVUBU:SURFACING	M PROVISIONAL CAPITAL	-	5,245,812.04	-779,921.35	4,465,890.69
505000312	UMZIMVUBU:SURFACING	M CAPITALISED EXPENDIT	-	-	-4,465,890.69	-4,465,890.69
505000321	MT AYLIF RBIG	M PROVISIONAL CAPITAL	-	14,537,579.32	-1,530,885.15	13,006,694.17
505000351	SANITATION ALL MUNIC	M PROVISIONAL CAPITAL	-	85,586,993.36	-81,747,948.10	3,838,445.26
505000361	REHABILITATION OF NT	M PROVISIONAL CAPITAL	-	426,856.15	-	426,856.15
505000362	REHABILITATION OF NT	M CAPITALISED EXPENDIT	-	-	-426,856.16	-426,856.16

ALFERD NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
505000372	FOBANE WATER - MIG	M CAPITALISED EXPENDIT	-	-	-13,006,694.17	-13,006,694.17
505000391	UP-GRADING NTABANKUL	M PROVISIONAL CAPITAL	-	-	-328,073.13	-328,073.13
505000401	CABAZANA/SIPOLWENI B	M PROVISIONAL CAPITAL	-	15,534,819.50	-3,779,216.63	11,756,602.87
505000402	CABAZANA/SIPOLWENI B	M CAPITALISED EXPENDIT	-	-	-11,756,602.87	-11,756,602.87
505000431	KWABHACA REGINAL WAT	M PROVISIONAL CAPITAL	-	1,478,106.18	-	1,478,106.18
505000432	KWABHACA REGINAL WAT	M CAPITALISED EXPENDIT	-	-	-1,478,106.18	-1,478,106.18
505000441	QWIDLANA WATER SUPPL	M PROVISIONAL CAPITAL	-	6,201,185.16	-482,871.64	5,718,313.52
505000442	QWIDLANA WATER SUPPL	M CAPITALISED EXPENDIT	-	-	-11,436,627.04	-11,436,627.04
505000461	CABAZI WATER - MIG	M PROVISIONAL CAPITAL	-	595,759.74	-297,879.87	297,879.87
505000462	CABAZI WATER - MIG	M CAPITALISED EXPENDIT	-	-	-297,879.87	-297,879.87
505000471	CABAZANA WATER - MIG	M PROVISIONAL CAPITAL	-	22,607,497.80	-1,494,797.57	21,112,700.23
505000472	CABAZANA WATER - MIG	M CAPITALISED EXPENDIT	-	137,531.10	-21,250,231.10	-21,112,700.00
505000511	MALUTI/MATATIELE/RAM	M PROVISIONAL CAPITAL	-	6,021,198.43	-1,068,315.27	4,952,883.16
505000512	MALUTI/MATATIELE/RAM	M CAPITALISED EXPENDIT	-	-	-4,952,883.16	-4,952,883.16
505000610	ANDM DISTRICT SANITA	M BALANCE BROUGHT FORW	1,458,772.00	-	-	1,458,772.00
505000711	RAMOHLAKOANA/MALUTI	M PROVISIONAL CAPITAL	-	16,665,644.14	-7,839,006.85	8,826,637.29
505000712	RAMOHLAKOANA/MALUTI	M CAPITALISED EXPENDIT	-	-	-8,826,637.29	-8,826,637.29
505000921	MOUNT AYLIF PERI-UR	M PROVISIONAL CAPITAL	-	1,436,545.88	-718,272.94	718,272.94
505000922	MOUNT AYLIF PERI-UR	M CAPITALISED EXPENDIT	-	-	-718,272.94	-718,272.94
505001020	COMPUTER HARDWARE	M BALANCE BROUGHT FORW	-1,951.58	-	-	-1,951.58
505001021	COMPUTER HARDWARE	M PROVISIONAL CAPITAL	-	38,909.50	-38,909.50	-
505001081	TOOLS & EQUIPMENT	M PROVISIONAL CAPITAL	-	502,262.70	-502,262.70	-
505001101	WATER & SANITATION B	M PROVISIONAL CAPITAL	-	3,219,563.56	-1,754,130.37	1,465,433.19
505001600	KWABACA RWS -SECTION	M FUNITURE AND EQUIPME	-45,000.00	-	-	-45,000.00
505001601	KWABACA RWS -SECTION	M PROVISIONAL CAPITAL	-	17,263,481.18	-2,297,001.73	14,966,479.45
505002101	QWIDLANA WATER SUPPL	M PROVISIONAL CAPITAL	-	12,782,787.83	-1,487,981.66	11,294,806.17
505002102	QWIDLANA WATER SUPPL	M CAPITALISED EXPENDIT	-	-	-11,294,806.17	-11,294,806.17
505002201	FEASIBILITY	M PROVISIONAL CAPITAL	-	51,035,320.57	-26,346,369.07	24,688,951.50
505002202	FEASIBILITY	M CAPITALISED EXPENDIT	-	-	-24,688,951.50	-24,688,951.50
505003081	NTIBANI WATER PROJEC	M PROVISIONAL CAPITAL	-	32,093,719.75	-10,556,318.34	21,527,401.41
505003082	NTIBANI WATER PROJEC	M CAPITALISED EXPENDIT	-	-	-21,527,401.41	-21,527,401.41
505030111	DROUGHT RELIEF PROJE	M PROVISIONAL CAPITAL	-	1,366,231.83	-1,366,231.83	-
505030731	TOOLS TECHNICAL	M PROVISIONAL CAPITAL	-	359,620.75	-359,620.75	-
505030791	CABAZI WATER	M PROVISIONAL CAPITAL	-	12,036,312.95	-1,161,155.11	10,875,157.84
505030792	CABAZI WATER	M CAPITALISED EXPENDIT	-	-	-11,962,275.68	-11,962,275.68
505031181	D.RELIEF-SHULWANE	M PROVISIONAL CAPITAL	-	-	-15,726.20	-15,726.20
505040811	MBIZANA WARD 04	M PROVISIONAL CAPITAL	-	-	-142,528.68	-142,528.68
505040881	GREATER MBIZANA	M PROVISIONAL CAPITAL	-	3,980,439.08	-	3,980,439.08
505040882	GREATER MBIZANA	M CAPITALISED EXPENDIT	-	-	-3,980,439.08	-3,980,439.08
505040901	NOKWENI BOMVINI WATE	M PROVISIONAL CAPITAL	-	4,174,027.13	-1,263,522.04	2,910,505.09
505040902	NOKWENI BOMVINI WATE	M CAPITALISED EXPENDIT	-	-	-2,910,505.09	-2,910,505.09
505040931	UMZIMVUBU WARD 13	M PROVISIONAL CAPITAL	-	6,928,217.02	-1,369,752.63	5,558,464.39
505040932	UMZIMVUBU WARD 13	M CAPITALISED EXPENDIT	-	-	-5,558,464.39	-5,558,464.39
505040951	UMZIMVUBU WARD 24	M PROVISIONAL CAPITAL	-	1,464,527.70	-328,244.80	1,136,282.90
505040952	UMZIMVUBU WARD 24	M CAPITALISED EXPENDIT	-	-	-1,136,282.90	-1,136,282.90
505040961	UMZIMVUBU WARD 22	M PROVISIONAL CAPITAL	-	13,320.00	-	13,320.00
505040962	UMZIMVUBU WARD 22	M CAPITALISED EXPENDIT	-	-	-13,320.00	-13,320.00
505040971	UMZIMVUBU WARD 6	M PROVISIONAL CAPITAL	-	756,986.03	-36,343.71	720,642.32
505040972	UMZIMVUBU WARD 6	M CAPITALISED EXPENDIT	-	-	-720,642.32	-720,642.32
505050861	NTABANKULU WARD 3	M PROVISIONAL CAPITAL	-	5,661.81	-	5,661.81
505050911	NTABANKULU WARD 12	M PROVISIONAL CAPITAL	-	248,200.00	-248,200.00	-
505050951	RBIG (MATAT AND UMZI	M PROVISIONAL CAPITAL	-	-	-145,755.32	-145,755.32
505050952	RBIG (MATAT AND UMZI	M CAPITALISED EXPENDIT	-	145,755.32	-	145,755.32
505050981	BELFORD BULK PIPELIN	M PROVISIONAL CAPITAL	-	6,697,565.37	-419,336.83	6,278,228.54
505050982	BELFORD BULK PIPELIN	M CAPITALISED EXPENDIT	-	-	-6,278,228.54	-6,278,228.54
505090021	MATATIELE WARD 16	M PROVISIONAL CAPITAL	-	496,710.42	-496,710.42	-
505090041	MATATIELE WARD 15	M PROVISIONAL CAPITAL	-	2,594,985.35	-123,046.77	2,471,938.58
505090042	MATATIELE WARD 15	M CAPITALISED EXPENDIT	-	-	-2,471,938.58	-2,471,938.58
505090061	MATATIELE WARD 5	M PROVISIONAL CAPITAL	-	1,839,990.85	-327,905.72	1,512,085.13
505090062	MATATIELE WARD 5	M CAPITALISED EXPENDIT	-	-	-1,512,085.13	-1,512,085.13
505090071	MATATIELE WARD 7	M PROVISIONAL CAPITAL	-	2,864,279.85	-829,103.22	2,035,176.63
505090072	MATATIELE WARD 7	M CAPITALISED EXPENDIT	-	-	-2,035,176.63	-2,035,176.63
505090811	MATAT WTW REFURB WAT	M PROVISIONAL CAPITAL	-	4,459,802.21	-226,525.96	4,233,276.25
505090812	MATAT WTW REFURB WAT	M CAPITALISED EXPENDIT	-	-	-4,233,276.25	-4,233,276.25
505090821	NTABANKULU WTW REFUR	M PROVISIONAL CAPITAL	-	-	-21,654.08	-21,654.08
505090822	NTABANKULU WTW REFUR	M CAPITALISED EXPENDIT	-	21,654.08	-	21,654.08
505090831	REFURBISHMENT WATER	M PROVISIONAL CAPITAL	-	766,485.24	-3,870.09	762,615.15
505090832	REFURBISHMENT WATER	M CAPITALISED EXPENDIT	-	-	-762,615.15	-762,615.15
505090841	REFURBISHMENT WATER	M PROVISIONAL CAPITAL	-	1,656,233.47	-214,601.48	1,441,631.99
505090842	REFURBISHMENT WATER	M CAPITALISED EXPENDIT	-	-	-1,441,631.99	-1,441,631.99
505090851	REFURBISH WATER SCHE	M PROVISIONAL CAPITAL	-	2,613,780.94	-214,972.87	2,398,808.07
505090852	REFURBISH WATER SCHE	M CAPITALISED EXPENDIT	-	-	-2,398,808.07	-2,398,808.07
505090860	REFURBISHMENT WATER	M BALANCE BROUGHT FORW	522,437.57	-	-	522,437.57
505090862	REFURBISHMENT WATER	M CAPITALISED EXPENDIT	-	-	-522,437.57	-522,437.57
505090871	REBURBISHM WATER SCH	M PROVISIONAL CAPITAL	-	551,725.00	-	551,725.00
505090872	REBURBISHM WATER SCH	M CAPITALISED EXPENDIT	-	-	-551,725.00	-551,725.00
505090881	REFURBISH MNCEBA WAT	M PROVISIONAL CAPITAL	-	1,739,622.33	-	1,739,622.33
505090882	REFURBISH MNCEBA WAT	M CAPITALISED EXPENDIT	-	-	-1,739,622.33	-1,739,622.33
505090921	BACKLOG ERADICATION	M PROVISIONAL CAPITAL	-	1,975,357.39	-359,723.66	1,615,633.73
505090922	BACKLOG ERADICATION	M CAPITALISED EXPENDIT	-	-	-1,615,633.73	-1,615,633.73

ALFERD NZO DISTRICT MUNICIPALITY - TRIAL BALANCE 2013 2014

Cost Code	Item Desc	Sub Desc	Opening Balances	Debits	Credits	Closing Balance
505090931	KWA- BACA SOUTH LEG	M PROVISIONAL CAPITAL	-	4,690,576.79	-604,381.94	4,086,194.85
505090932	KWA- BACA SOUTH LEG	M CAPITALISED EXPENDIT	-	-	-4,086,194.85	-4,086,194.85
505500021	ANDM SANITATION ALL	M PROVISIONAL CAPITAL	-	31,023,128.30	-31,079,128.30	-56,000.00
505500041	RBIG MATAT AND UMZUM	M PROVISIONAL CAPITAL	-	6,791,922.54	-1,405,059.09	5,386,863.45
505500042	RBIG MATAT AND UMZUM	M CAPITALISED EXPENDIT	-	-	-5,386,863.45	-5,386,863.45
505500051	SIQHINGINI WATER SUP	M PROVISIONAL CAPITAL	-	4,332,755.29	-	4,332,755.29
505500052	SIQHINGINI WATER SUP	M CAPITALISED EXPENDIT	-	-	-4,332,755.29	-4,332,755.29
505500071	UMZIMVUBU WARD 14	M PROVISIONAL CAPITAL	-	3,475,462.70	-3,410,916.49	64,546.21
505500072	UMZIMVUBU WARD 14	M CAPITALISED EXPENDIT	-	-	-64,546.21	-64,546.21
505500091	TOOLS AND EQUIPMENT	M PROVISIONAL CAPITAL	-	413,086.28	-413,086.28	-
506000021	COMPUTER HARDWARE	M PROVISIONAL CAPITAL	-	145,378.67	-145,378.67	-
506000031	FURNITURE & OFFICE E	M PROVISIONAL CAPITAL	-	16,190.00	-16,190.00	-
506000041	GENERAL EQUIPMENT	M PROVISIONAL CAPITAL	-	-	-70,914.84	-70,914.84
506000061	FIRE ENGINES (VEHICL	M PROVISIONAL CAPITAL	-	3,360,898.48	-3,360,898.48	-
506000071	COMMUNICATION EQUIPM	M PROVISIONAL CAPITAL	-	192,603.00	-192,603.00	-
506000091	FURNITURE AND EQUIPM	M PROVISIONAL CAPITAL	-	51,510.00	-51,510.06	-0.06
506000101	MOTOR VEHICLES	M PROVISIONAL CAPITAL	-	2,107,723.98	-2,107,723.98	-
507000041	COMPUTER HARDWARE	M PROVISIONAL CAPITAL	-	329,278.41	-329,278.41	-
507000101	FURNITURE AND EQUIPM	M PROVISIONAL CAPITAL	-	55,630.86	-55,630.86	-
507000111	NETWORK AND CABLING	M PROVISIONAL CAPITAL	-	114,995.61	-114,995.61	-
507000141	COMPUTER SOFTWARE	M PROVISIONAL CAPITAL	-	204,405.93	-204,405.93	-
507000151	ICT CENTERE	M PROVISIONAL CAPITAL	-	1,064,379.48	-1,064,379.48	-
			-	7,831,882,694.38	-7,831,882,694.38	-0.00