

# **MUTALE LOCAL MUNICIPALITY**



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

# Annual Financial Statements

for

## Mutale Municipality

for the year ended 30 June:

2014

Province:

Limpopo

AFS rounding:

R (i.e. only cents)

### Contact Information:

<b>Name of Municipal Manager:</b>	Razwiedani Shumani Samuel
<b>Name of Chief Financial Officer:</b>	Ramadiga Melvin Marutha
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**Mutale Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

**General information**

**Members of the Council**

Councillor A.S Rambuda  
Councillor L.H Netshipise  
Councillor A.H Nekhunguni  
Councillor N.A Lieba  
Councillor A.G Netshisaulu  
Councillor T.J Ruluswina  
Councillor T.S Madume  
Councillor L.D Mpondo  
Councillor A.B Matshusa  
Councillor K.P Tshivhenga  
Councillor A.R Mavhungu  
Councillor N.G Mawela  
Councillor N.P Munzhelele  
Councillor M.J Mariba  
Councillor K.A Lukhalimana  
Councillor H.N Nephali  
Councillor N.E Mudzielwana  
Councillor T.S Pandelane  
Councillor V.R Maisha  
Councillor N.J Mukwevho  
Councillor A.S Thabatshira  
Councillor G.G Nekhubvi  
Councillor J.K Khunwana  
Councillor R.L Gababeni  
Councillor M.P Mbedzi  
Councillor L.M Netshisaulu

**Mayor**  
**Speaker**  
Chief Whip  
Member of the Executive Committee  
Member of the Executive Committee  
Member of the Executive Committee

**Municipal Manager**

Mr Razwiedani S.S

**Chief Financial Officer**

Mr Marutha R.M

**Grading of Local Authority**

Grade 2

**Auditors**

Auditor-General

**Bankers**

First National Bank

**Mutale Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

**General information (continued)**

<b>Registered Office:</b>	Old Manenu Building,Battalion Building,Mutale Town
<b>Physical address:</b>	New Municipal Offices Mutale 0956
<b>Postal address:</b>	<b>PRIVATE BAG X1254</b> MUTALE 0956
<b>Telephone number:</b>	015 967 9600
<b>Fax number:</b>	015 967 9677
<b>E-mail address:</b>	<a href="mailto:info@mutale.gov.za">info@mutale.gov.za</a>

**Mutale Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

**Approval of annual financial statements**

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

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 24 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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Municipal Manager:

DATE

**Mutale Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

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**Mutale Municipality**  
**Statement of Financial Position**  
**as at 30 June 2014**

	Note	2014 R	2013 R Restated
<b>ASSETS</b>			
<b>Current assets</b>		<b>26,014,261</b>	<b>46,522,716</b>
Inventories	2	7,389,765	7,579,000
Cash and cash equivalents	3	4,281,522	20,368,910
Trade and other receivables from exchange transactions	4	129,756	175,158
Trade and other receivables from non-exchange transactions	5	7,401,516	7,934,342
VAT receivable	11	6,811,701	10,465,306
<b>Non-current assets</b>		<b>77,471,696</b>	<b>65,876,439</b>
Property, plant and equipment	6	74,827,599	63,162,863
Intangible assets	7	294,097	363,575
Investment Property	8	2,350,000	2,350,000
<b>Total assets</b>		<b>103,485,956</b>	<b>112,399,155</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>26,939,328</b>	<b>52,688,667</b>
Trade and other payables from exchange transactions	9	15,201,284	19,549,138
Consumer deposits	10	213,434	213,434
Current portion of unspent conditional grants and receipts	13	11,113,808	32,568,724
Current portion of long-term borrowings	14	348,889	309,183
Current portion of finance lease liability	15	61,914	48,189
<b>Non-current liabilities</b>		<b>2,520,562</b>	<b>2,836,857</b>
Non-current borrowings	14	499,751	848,640
Non-current finance lease	15	187,811	265,217
Non-current provisions	12	1,833,000	1,723,000
<b>Total liabilities</b>		<b>29,459,890</b>	<b>55,525,525</b>
<b>Net assets</b>		<b>74,026,066</b>	<b>56,873,630</b>
<b>NET ASSETS</b>		<b>74,026,066</b>	<b>56,873,630</b>
Accumulated surplus			
<b>Total net assets</b>		<b>74,026,066</b>	<b>56,873,630</b>

**Mutale Municipality**  
**Statement of Financial Performance**  
**for the year ending 30 June 2014**

	Note	2014 R	2013 R Restated
<b>REVENUE</b>			
<b>Revenue from exchange transactions</b>		<b>7,885,435</b>	<b>4,774,982</b>
Service charges	17	390,712	246,068
Rental of facilities and equipment	18	72,525	55,114
Interest earned - external investments	19	980,576	400,833
Interest earned - outstanding receivables	20	529,190	770,060
Licences and permits		2,200,226	2,104,141
Other income from exchange transactions	22	3,712,206	1,198,765
<b>Revenue from non-exchange transactions</b>		<b>91,419,137</b>	<b>65,490,464</b>
Property rates	16	2,298,561	1,440,169
Fines		422,660	538,020
Government grants and subsidies	21	88,697,916	63,512,275
<b>Total revenue</b>		<b>99,304,572</b>	<b>70,265,446</b>
<b>EXPENSES</b>			
Employee related costs	23	28,046,887	28,533,653
Remuneration of councillors	24	7,121,670	6,617,059
Bad debts		11,916,736	3,332,695
Depreciation and amortisation expense	25	2,881,066	2,135,593
Repairs and maintenance		1,290,270	1,308,755
Finance costs	26	139,310	179,317
Contracted services	27	1,729,085	1,438,940
General expenses	28	10,245,223	9,750,526
<b>Total expenses</b>		<b>63,370,248</b>	<b>53,296,538</b>
Impairment loss	29	-408,625	-4,528,550
Gain on fair value adjustment	30	-	-
<b>Surplus for the period</b>		<b>35,525,699</b>	<b>12,440,358</b>
Attributable to owners of the controlling entity		<b>35,525,699</b>	<b>12,440,358</b>
<b>Surplus for the period</b>		<b>35,525,699</b>	<b>12,440,358</b>



**Mutale Municipality**  
**Statement of Changes in Net Assets**  
as at 30 June 2014

		Accumulated Surplus/(Deficit)	Total: Net Assets
		R	R
Balance at 30 June	2012	43	
Changes in accounting policy			
Correction of prior period error			
Restated balance			-
Correction of prior period error		26,060,009	26,060,009
Other items			
Other items			
Net gains and losses not recognised in the statement of financial performance			
Transfers to / from accumulated surplus/(deficit)			
Surplus / (deficit) for the period		12,440,358	12,440,358
Balance at 30 June	2013	38,500,367	38,500,367
Correction of prior period error			
Surplus / (deficit) for the period		35,525,699	35,525,699
Balance at 30 June	2014	74,026,066	74,026,066

**Mutale Municipality  
Cash Flow Statements  
as at 30 June 2014**

	Note	2014 R	2013 R
			<b>Restated</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>74,132,421</b>	<b>85,368,482</b>
Sales of goods and services		463,237	16,686
Grants		64,054,954	84,375,572
Interest received		980,576	976,225
Other receipts		8,633,653	
<b>Payments</b>		<b>51,591,802</b>	<b>47,060,514</b>
Employee costs		35,168,557	34,376,051
Suppliers		3,019,355	12,500,850
Interest paid		139,310	183,613
Other payments		<b>13,264,579</b>	
<b>Net cash flows from operating activities</b>	31	<b>22,540,619</b>	<b>38,307,968</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets (PPE)		-22,335,744	
Proceeds from sale of fixed assets		80,000	-17,614,886
Proceeds from sale of investments			
Purchase of intangibles			
Decrease/(Increase) in Loans and receivables			
Movement			
<b>Net cash flows from investing activities</b>		<b>-22,255,744</b>	<b>-17,614,886</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-357,372	-421,364
Repayment of borrowings		-309,183	-274,015
Proceeds from finance lease liability			
Repayment of finance lease liability		-48,189	-147,349
<b>Net cash flows from financing activities</b>		<b>-357,372</b>	<b>-421,364</b>
Net increase / (decrease) in cash and cash equivalents		4,281,522	20,271,718
Net cash and cash equivalents at beginning of period			97,192
<b>Net cash and cash equivalents at end of period</b>	32	<b>4,281,522</b>	<b>20,368,910</b>

**Mutale Municipality**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
for the year ending 30 June 2014

**1 ACCOUNTING POLICIES**

**1.1 BASIS OF ACCOUNTING**

**BASIS OF PRESENTATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

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

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

**PRESENTATION CURRENCY**

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

**GOING CONCERN ASSUMPTION**

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

**COMPARATIVE INFORMATION**

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

**STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

**Standards and interpretations effective and adopted in the current year**

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

**GRAP 23: Revenue from Non-exchange Transactions**

Revenue from non-exchange transactions arises when the municipality receives value from another party without This revenue will be measured at the amount of increase in net assets recognised by the municipality.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for 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 will reduce the carrying amount of the liability recognised as recognise an amount equal to that reduction.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality has adopted the standard for the first time in the 2013 annual financial statements.

The impact of the standard is not material.

#### **GRAP 24: Presentation of Budget Information in the Financial Statements**

Subject to the requirements of paragraph .19, the municipality shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- ☐ the approved and final budget amounts;
  - ☐ the actual amounts on a comparable basis; and
  - ☐ by way of note disclosure, an explanation of material differences between the budget for which the municipality is held publicly accountable and actual amounts.
- Where the municipality prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- ☐ are prepared using the same basis of accounting i.e. either cash or accrual;
- ☐ include the same activities and entities;
- ☐ use the same classification system; and
- ☐ are prepared for the same period.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality has adopted the standard for the first time in the 2013 annual financial statements.

The adoption of this standard has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

#### **GRAP 103: Heritage Assets**

GRAP 103 defines heritage assets as assets which have a cultural, environmental, historical, natural, or scientific value. Certain heritage assets are described as inalienable items thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

A heritage asset should be recognised as an asset only if:

- ☐ it is probable that future economic benefits or service potential associated with the asset will to the municipality;
- ☐ the cost or fair value of the asset can be measured reliably.

The standard required judgement in applying the initial recognition criteria to the specific circumstances surrounding the entity and the assets.

GRAP 103 states that a heritage asset should be measured at its cost unless it is acquired through a non-exchange transaction which should then be measured at its fair value as at the date of acquisition.

In terms of the standard, the municipality has a choice between the cost and revaluation model as accounting policy for subsequent recognition and should apply the chosen policy to an entire class of heritage assets.

The cost model requires a class of heritage assets to be carried at its cost less any accumulated impairment losses.

The revaluation model required a class of heritage assets to be carried at its fair value at the date of the revaluation less any subsequent impairment losses. The standard also states that a restriction on the disposal of a heritage asset does not preclude the entity from determining the fair value.

GRAP 103 prescribes that when determining the fair value of a heritage asset that has more than one purpose, the fair value should reflect both the asset's heritage value and the value obtained from its use in the production or supply of goods or services or for administrative purposes.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase should be credited directly to a revaluation surplus. However, the increase should be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease should be recognised in surplus or deficit. However, the decrease should be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

GRAP 103 states that a heritage asset should not be depreciated, but the municipality should assess at each reporting date whether there is an indication that it may be impaired.

In terms of the standard, compensation from third parties for heritage assets that have been impaired, lost or given up, should be included in surplus or deficit when the compensation becomes receivable.

For a transfer from heritage assets carried at a revalued amount to property, plant and equipment, investment property, inventories or intangible assets, the asset's deemed cost for subsequent accounting should be its revalued amount at the date of transfer. The municipality should treat any difference at that date between the carrying amount of the heritage asset and its fair value in the same way as a revaluation in accordance with this standard. If an item of property, plant and equipment or an intangible asset carried at a revalued amount, or investment property carried at fair value is reclassified as a heritage asset carried at a revalued amount, the entity applies the applicable Standard of GRAP to that asset up to the date of change. The municipality treats any difference at that date between the carrying amount of the asset and its fair value in accordance with the applicable Standard of GRAP relating to that asset. For a transfer from investment property carried at fair value, or inventories to heritage assets at a revalued amount, any difference between the fair value of the asset at that date and its previous carrying amount should be recognised in surplus or deficit.

The carrying amount of a heritage asset should be derecognised:

- ☐ 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 should be 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.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality has adopted the standard for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.

#### **GRAP 21: Impairment of Non-cash-generating assets**

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

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired

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

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches

- ☐ Depreciated replacement cost approach
- ☐ Restoration cost approach
- ☐ Service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality has adopted the standard for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.

#### **GRAP 26: 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.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset. When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- ☐ the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- ☐ the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless an impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality has adopted the standard for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.

#### **GRAP 104: Financial Instruments**

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that result in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, the municipality considers the substance of the contract and not just the legal form.

Financial assets and financial liabilities are initially recognised at fair value. Where the municipality subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. The municipality measures a financial instrument at fair value if it is:

- ☐ a derivative;
- ☐ a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract
- ☐ held-for-trading;
- ☐ a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be
- ☐ an investment in a residual interest for which fair value can be measured reliably; and
- ☐ other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Once the municipality has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

The municipality derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- ☐ the cash flows from the asset expire, are settled or waived;
- ☐ significant risks and rewards are transferred to another party; or
- ☐ despite having retained significant risks and rewards, the municipality has transferred control of the asset to another entity.

The municipality derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the municipality modifies the term of an existing financial liability, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

The municipality cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for the municipality's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that the municipality is exposed to as a result of its annual financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis. The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality has adopted the standard for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.

## **STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

### **Standards and Interpretations early adopted**

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

#### **GRAP 1 (as revised 2012): Presentation of Financial Statements**

Minor amendments were made to the statement of financial performance as well as the statement of changes in net assets.

All amendments to be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013

The municipality has early adopted the amendment for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.

#### **GRAP 3 (as revised 2012): Accounting Policies, Change in Accounting Estimates and Errors**

Amendments were made to changes in accounting policies. A change to the cost model when a reliable measure of fair value is no longer available (or vice versa) for an asset that a Standard of GRAP would otherwise require or permit to be measured at fair value are no longer considered to be a change in an accounting policy in terms of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (as revised in 2010).

The effective date of the amendment is for years beginning on or after 01 April 2013

The municipality has early adopted the amendment for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.

#### **GRAP 9 (as revised 2012): Revenue from Exchange Transactions**

Amendments were made to the scope and definitions.

All amendments to be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has early adopted the amendment for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.

#### **GRAP 12 (as revised 2012): Inventories**

Amendments were made to measurement after recognition.

All amendments to be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has early adopted the amendment for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.

#### **GRAP 13 (as revised 2012): Leases**

Amendments were made to disclosures.

All amendments to be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has early adopted the amendment for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.



**GRAP 16 (as revised 2012): Investment Property**

Amendments were made to definitions, measurement at recognition, disposals and disclosure. Changes were made to the Standard of GRAP on Investment Property (as revised in 2010) to ensure the consistent application of the principle where assets are acquired in exchange for non-monetary assets when the exchange transaction lacks commercial substance. Furthermore the assessment of significant use of an investment property has been clarified.

All amendments to be applied prospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has early adopted the amendment for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.

**GRAP 17 (as revised 2012): Property, Plant and Equipment**

Amendments were made to definitions, measurement at recognition, disposals and disclosure. Changes were made to the Standard of GRAP on Property, Plant and Equipment (as revised in 2010) to ensure the consistent application of the principle where assets are acquired in exchange for non-monetary assets when the exchange transaction lacks commercial substance. Furthermore the requirement to disclose property, plant and equipment that were temporarily idle, has been clarified.

All amendments to be applied prospectively.

The effective date of the amendment is for years beginning on or after 01 April 2013.

The municipality has early adopted the amendment for the first time in the 2013 annual financial statements.

The impact of the amendment is not material

**New Standards and interpretations****IGRAP16: Intangible Assets - Website Costs**

The interpretation deals with the treatment of the municipality's own website. It concludes that the municipality's own website that arises from development and is for internal or external access is an internally generated intangible asset that is subject to the requirements of the Standard of GRAP on Intangible Assets.

A website arising from development will be recognised as an intangible asset if, and only if, in addition to complying with the general requirements described in the Standard of GRAP on Intangible Assets for recognition and initial measurement, the municipality can satisfy the requirements in paragraph .54 in the Standard of GRAP on Intangible Assets, which in particular requires the municipality to be able to demonstrate how its website will generate probable future economic benefits or service potential.

If the municipality is not able to demonstrate how a website developed solely or primarily for providing information about its own products and services will generate probable future economic benefits or service potential, all expenditure on developing such a website will be recognised as an expense when incurred.

A website that is recognised as an intangible asset under this interpretation will be measured after initial recognition by applying the requirements in the Standard of GRAP on Intangible Assets.

The effective date of the interpretation is for years beginning on or after 01 April 2013.

The municipality has early adopted the interpretation for the first time in the 2013 annual financial statements.

The impact of the interpretation is not material

**Standards and interpretations issued, but not yet effective**

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2013 or later periods:

**GRAP 25: Employee Benefits**

The objective of GRAP 25 is to prescribe the accounting and disclosure for employee benefits. The standard requires the municipality to recognise:

- ☐ a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- ☐ an expense when the municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

The standard states the recognition, measurement and disclosure requirements of:

- ☐ short-term employee benefits;
- all short-term employee benefits;

- short-term compensated absences;
- bonus, incentive and performance related payments;
- ☐ post-employment benefits: Defined contribution plans;
- ☐ other long-term employee benefits; and
- ☐ termination benefits.

The major difference between this standard (GRAP 25) and IAS 19 is with regards to the treatment of actuarial gains and losses and past service costs. This standard requires the municipality to recognise all actuarial gains and losses and past service costs immediately in the statement of financial performance once occurred.

The effective date of the standard is for years beginning on or after 01 April 2013.

The municipality expects to adopt the standard for the first time in the 2014 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 18: Segment Reporting**

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of the municipality that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by the municipality within a particular region.

This standard has been approved by the Accounting Standards Board but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the standard for the first time once it becomes effective.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 105: Transfers of Functions Between Entities Under Common Control**

The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. It requires an acquirer and a transferor that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer. It furthermore covers Definitions, Identifying the acquirer and transferor, Determining the transfer date, Assets acquired or transferred and liabilities assumed or relinquished, Accounting by the acquirer and transferor, Disclosure, Transitional provisions as well as the Effective date of the standard.

This standard has been approved by the Accounting Standards Board but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the standard for the first time once it becomes effective.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 106: Transfers of Functions Between Entities not Under Common Control**

The objective of this standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.

A transfer of functions between entities not under common control is a reorganisation and / or reallocation of functions between entities that are not ultimately controlled by the same entity before and after a transfer of functions.

In the event of a transfer of functions between entities not under common control, the assets and liabilities should be recognised (by the acquirer) at their acquisition date fair values.

The difference between amount of consideration paid or received, if any, and the fair value of assets acquired and liabilities assumed should be recognised in accumulated surplus / (deficit).

For transfer of functions between entities not under common control there are some specific recognition and measurement principles and exceptions to the recognition and measurement principles.

Specific disclosures are required when there is a transfer of functions between entities not under common control.

This standard has been approved by the Accounting Standards Board but its effective date has not yet been determined by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

The municipality is unable to reliably estimate the impact of the amendment on the annual financial statements.

#### **GRAP 107: Mergers**

The objective of this standard is to establish accounting principles for the combined entity and the combining entity in a merger

A merger is where a new combined entity is started, no acquirer can be identified and the combining entities do not have any control over the combined entity.

In the event of a merger, the assets and liabilities should be recognised (by the combined entity) at their carrying amounts and should be derecognised (by the combining entities) at their carrying amounts.

The difference between the carrying amounts of assets and liabilities should be recognised in accumulated surplus / (deficit).

Specific disclosures are required when there is a merger.

This standard has been approved by the Accounting Standards Board but its effective date has not yet been determined by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **IGRAP 1 (as revised 2012): Applying the Probability Test on Initial Recognition of Revenue**

This interpretation of the Standards of GRAP now addresses the manner in which the municipality applies the probability test on initial recognition of both:

(a) exchange revenue in accordance with the Standard of GRAP on Revenue from Exchange Transactions; and

(b) non-exchange revenue in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

This interpretation supersedes the interpretation of the Standards of GRAP: Applying the Probability Test on Initial Recognition of Exchange Revenue issued in 2009.

The effective date of the interpretation is for years beginning on or after 01 April 2013.

The municipality expects to adopt the interpretation for the first time in the 2014 annual financial statements.

The impact of this interpretation is currently being assessed.

## **1.2 PROPERTY, PLANT AND EQUIPMENT**

### **INITIAL RECOGNITION**

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 year. Items of property, plant and equipment are initially recognised as assets 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.

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.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

### **INITIAL MEASUREMENT**

Items of property, plant and equipment are initially measured at cost at the acquisition date.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

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.

#### **SUBSEQUENT EXPENDITURE**

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria are met.

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

## DEPRECIATION

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciable amount is determined after taking into account an assets' residual value, where applicable. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

### Infrastructure

Electricity	20
Roads	20

Fencing	14
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### Other Assets

Plant and equipment	20
Office Equipment	17
Furniture and fittings	17
Motor Vehicles	10
Other Vehicles	17
Computer Equipment	5

### Community

Buildings	30
Recreational Facilities	30
Bins	8

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

## DERECOGNITION

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

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### 1.3 INTANGIBLE ASSETS

#### INITIAL RECOGNITION

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

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

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

Intangible assets are initially recognised at cost.

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

Where an intangible asset is acquired in exchange for a non-monetary asset 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, its deemed cost is the carrying amount of the asset(s) given up.

#### SUBSEQUENT MEASUREMENT

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

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in Statement of Financial Performance in the expense category consistent with the function of the intangible asset. During the period of development, the asset is tested for impairment annually.

#### AMORTISATION

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

Computer software

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

#### DERECOGNITION

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

## **1.4 INVESTMENT PROPERTY**

### **INITIAL RECOGNITION**

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Investment Property is initially recognised when future economic benefits or service potential are probable and the cost or fair value can be determined reliably.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

### **SUBSEQUENT MEASUREMENT**

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. The assumptions for determining the fair value of the Investment property is set out in note 8 of the Financial Statements.

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

### **DERECOGNITION**

Investment property is derecognised when there is a disposal or no future economic benefits or service potential are to be derived from the property.

All gains or losses, which result from the derecognition, are recognised in the Statement of Financial Performance.

## **1.5 INVENTORIES**

### **INITIAL RECOGNITION AND MEASUREMENT**

Inventories comprise current assets held for sale, 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 (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

### **SUBSEQUENT MEASUREMENT**

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of determining cost is the weighted-average method.

### **DERECOGNITION**

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

## **1.6 FINANCIAL INSTRUMENTS**

### **INITIAL RECOGNITION**

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as a financial liabilities,

### **INITIAL MEASUREMENT**

When a financial instrument is recognised, the entity measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

### **SUBSEQUENT MEASUREMENT**

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

#### **INVESTMENTS AT AMORTISED COSTS**

Investments, which include [listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks] are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

#### **INVESTMENT AT FAIR VALUE**



Investments, which represent investments in residual interest for which fair value can be measured reliably, are subsequently measured at fair value.

Gains and losses in the fair value of such investments are recognised in the Statement of Financial Performance.

#### **INVESTMENT AT COST**

Investments at cost, which represent investments in residual interest for which there is no quoted market price and for which fair value cannot be measured reliably, are subsequently measured at cost.

#### **TRADE AND OTHER RECEIVABLES**

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

#### **TRADE PAYABLES AND**

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

#### **CASH AND CASH EQUIVALENTS**

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

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

#### **IMPAIRMENT OF FINANCIAL ASSETS**

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

#### **IMPAIRMENT FOR FINANCIAL ASSETS HELD AT AMORTISED COST**

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

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 (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced 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 (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

## **IMPAIRMENT OF FINANCIAL ASSETS HELD 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**

A financial asset is derecognised only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset;
- the entity, 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.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

### **1.7 UNAUTHORISED EXPENDITURE**

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

### **1.8 IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes 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.

### **1.9 FRUITLESS AND WASTEFUL EXPENDITURE**

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

### **1.10 PROVISIONS**

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

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

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

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

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The municipality has a detailed formal plan for the restructuring identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating ;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- (b) The municipality 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.

## **1.11 BUDGET INFORMATION**

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements has been prepared. The comparison of budget and actual amount will be presented on the same accounting basis, same classification basis and for the same entity and period as for the approved budget. The budget of the municipality is taken for a stakeholder consultative process and upon approval the approved budget is made publicly available

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial statements.

The most recent approved budget by Council is the final budget for the purpose of comparison with the actual amounts.

## **1.12 LEASES**

### **MUNICIPALITY AS LESSEE**

#### **RECOGNITION**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity through the lease agreement. Assets subject to finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

Assets subject to operating leases, i.e. those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the Statement of Financial Position. The operating lease expense is recognised over the course of the lease arrangement.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

#### **MEASUREMENT**

Assets subject to a finance lease, as recognised in the Statement of Financial Position, are measured (at initial recognition) at the lower of the fair value of the assets and the present value of the future minimum lease payments. Subsequent to initial recognition these capitalised assets are depreciated over the contract term.

The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments. Subsequent to initial recognition this liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

The lease expense recognised for operating leases is charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease. To the extent that the straight-lined lease payments differ from the actual lease payments the difference is recognised in the Statement of Financial Position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset and / or liability is measured as the undiscounted difference between the straight-line lease payments and the contractual lease payments.

#### **DERECOGNITION**

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset.

### **MUNICIPALITY AS LESSOR**

#### **RECOGNITION**

For those leases that meet the definition of a finance lease, where the entity is the lessor, the entity derecognises the asset subject to the lease at the inception of the lease. Along with the derecognition of the asset the entity recognises a finance lease receivable. Finance lease income is allocated to between the finance lease receivable and finance income using the effective interest rate method and the resulting finance income is recognised in the Statement of Financial Performance as it accrues.

For those leases classified as operating leases the asset subject to the lease is not derecognised and no lease receivable is recognised at the inception of the lease. Lease payments received under an operating lease are recognised as income, in the Statement of Financial Performance, in the period that the income accrues.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

#### **MEASUREMENT**

Finance lease receivables are recognised at an amount equal to the entity's net investment in the lease. This net investment in the lease is calculated as the sum of the minimum future lease payments and unguaranteed residual value discounted over the lease term at the rate implicit in the lease.

Rental Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined lease payments and the contractual lease payments are recognised as either an operating lease asset or operating lease liability. An operating lease liability is raised to the extent that lease payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease receipts.

#### **DERECOGNITION**

Finance lease receivables are derecognised when the entity's right to the underlying cash flows expire or when the entity no longer expects economic benefits to flow from the finance lease receivable.

Operating lease liabilities are derecognised when the entity's obligation to provide economic benefits or service potential under the lease agreement expires. Operating lease assets are derecognised when the entity's right to the underlying cash flows expire or the entity no longer expects economic benefits to flow from the operating lease asset.

### **1.13 REVENUE**

#### **REVENUE FROM EXCHANGE TRANSACTIONS**

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

## **RECOGNITION**

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

- a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- b) The amount of revenue can be measured reliably; and
- c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

## **MEASUREMENT**

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Interest revenue is recognised on a time proportion basis.

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

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

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

## **EXPENDITURE FROM EXCHANGE**

Expenditure arising from exchange-transactions is similar to the policy for exchange revenue.

## **REVENUE FROM NON-EXCHANGE TRANSACTIONS**

### **RECOGNITION**

Revenue from non-exchange transaction arises when the 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.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset and there is not a corresponding liability in respect of related conditions.

### **MEASUREMENT**

An asset that is recognised as a result of a non-exchange transaction is recognised at its fair value at the date of the transfer. Consequently, revenue arising from a non-exchange transaction is measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised as revenue in full when the asset is recognised, at an amount equalling the fair value of the asset received.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

## **EXPENDITURE RELATING TO NON-EXCHANGE TRANSACTIONS**

Expenditure arising from non-exchange transactions is similar to policy for non-exchange revenue.

### **1.14 BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

### **1.15 EMPLOYEE BENEFITS**

#### **SHORT TERM EMPLOYEE BENEFITS**

Short term employee benefits encompasses all those benefits that become payable in the short term, i.e. within a financial year or within 12 months after the financial year. Therefore, short term employee benefits include remuneration, compensated absences and bonuses.

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

#### **OTHER LONG-TERM EMPLOYEE**

The Entity provides long-term incentives to eligible employees, payable on completion of years of employment. The Entity's liability is based on an actuarial valuation. The projected unit credit method has been used to value the obligation. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance.



## 1.16 IMPAIRMENT OF NON-FINANCIAL ASSETS

### RECOGNITION

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset exceeds its recoverable amount (or recoverable service amount in the case of non-cash-generating assets), the asset is considered impaired and is written down to its recoverable amount (or recoverable service amount).

### MEASUREMENT

An asset's recoverable amount (or recoverable service amount) is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use. This recoverable amount (or recoverable service amount) is determined for individual assets, unless those individual assets are part of a larger cash generating unit, in which case the recoverable amount (or recoverable service amount) is determined for the whole cash generating unit.

An asset is part of a cash generating unit where that asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

In determining the recoverable amount (or recoverable service amount) of an asset the entity evaluates the assets to determine whether the assets are cash generating assets or non-cash generating assets.

For cash generating assets the value in use is determined as a function of the discounted future cash flows from the asset. In assessing value-in-use for cash-generating assets, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, other fair value indicators are used.

**Where the asset is a non-cash generating asset the value in use is determined through depreciated replacement cost, restoration cost approach or service units approach. The decision to the approach to use is dependent on the nature of the identified impairment.**

Impairment losses of continuing operations are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

### REVERSAL OF IMPAIRMENT

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

## IMPAIRMENT OF SPECIFIC NON-FINANCIAL ASSETS

### PROPERTY, PLANT AND EQUIPMENT

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.



## **INTANGIBLE ASSETS**

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

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

## **HERITAGE ASSETS**

Where the carrying amount of an item of heritage asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of heritage asset have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

### **1.17 CAPITAL COMMITMENTS**

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- where the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

### **1.18 EVENTS AFTER REPORTING PERIOD**

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The municipality must ensure that all adjusting and non-adjusting events after the reporting period are identified.

#### **Adjusting events after the reporting period**

Adjusting events after the reporting period are those events that provide evidence of conditions that existed at the reporting date. A municipality should adjust the amounts recognised in its annual financial statements to reflect adjusting events after the reporting period.

#### **Non-adjusting events after the reporting period**

Non-adjusting events after the reporting period are those that are indicative of conditions that arose after the reporting date. A municipality shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period but may need to disclose these events in the notes to the AFS depending on its materiality.

### **1.19 RELATED PARTY**

The Entity regards a related party as a person or an entity with the ability to control individually or jointly, or exercise significant influence over the Entity, or vice versa. Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members and section 57 Managers.

**Mutale Municipality**  
**Notes to The Annual Financial Statements**  
**for the year ended 30 June 2014**

	Note	2014 R	2013 R
<b>2 INVENTORIES</b>			<b>Restated</b>
Land inventory		7,179,000	7,579,000
Consumable		210,765	121,287
<b>Closing balance of inventories</b>		<b>7,389,765</b>	<b>7,700,287</b>
<b>3 CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents consist of the following:			
Cash on hand		6,515	9,927
Cash at bank		4,275,006	301,064
Call deposits		-	20,057,919
		<b>4,281,522</b>	<b>20,368,910</b>
The Municipality has the following bank accounts: -			
<b><u>Current Account (Primary Bank Account)</u></b>			
FNB Bank - Current Account 54660083097			
Cash book balance at beginning of year		297,047	85,927
Cash book balance at end of year		4,275,006	297,047
Bank statement balance at beginning of year		395,821	196,133
Bank statement balance at end of year		4,985,785	395,821
<b><u>Current Account (Other Account)</u></b>			
FNB Bank - Investment Account 62047182556			
Cash book balance at beginning of year		4,017	3,985
Cash book balance at end of year		-	4,017
Bank statement balance at beginning of year		4,017	3,985
Bank statement balance at end of year			4,017
<b><u>Fixed Deposits</u></b>			
FNB Bank Fixed Deposit account			
Cash book balance at beginning of year			
Cash book balance at end of year			20,057,919
Bank statement balance at beginning of year			
Bank statement balance at end of year			20,057,919
<b><u>Cash on hand</u></b>			
		6,515	9,927
<b>Total cash and cash equivalents</b>		<b>4,281,522</b>	<b>20,358,983</b>

**Mutale Municipality**  
**Notes to The Annual Financial Statements**  
**for the year ended 30 June 2014**

	Note	2014 R	2013 R
4 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS	Gross Balances	Provision for Doubtful Debts	Net Balance
<b>Trade receivables</b>	R		
<b>as at 30 June 2014</b>			
Service debtors			
Refuse	1,116,690	986,934	129,756
<b>Total</b>	<b>1,116,690</b>	<b>986,934</b>	<b>129,756</b>
 <b>Total Trade and other receivables</b>	 <b>1,116,690</b>	 <b>986,934</b>	 <b>129,756</b>
 <b>as at 30 June 2013</b>			
Service debtors			
Refuse	842,794	667,636	175,158
<b>Total</b>	<b>842,794</b>	<b>667,636</b>	<b>175,158</b>
 <b>Total Trade and other receivables</b>	 <b>842,794</b>	 <b>667,636</b>	 <b>175,158</b>
 <b><u>Aging Refuse and Sundry Debtors</u></b>			
Current		44,141	18,272
30 Days		25,782	19,373
60 Days		25,760	19,195
90 Days		27,443	15,897
120 Days		25,742	18,458
150 Days		24,498	18,479
180 Days		943,309	733,120
<b>Total</b>		<b>1,116,690</b>	<b>842,794</b>
 <b><u>Reconciliation of the doubtful debt provision</u></b>			
Balance at beginning of the year		667,636	537,720
Contributions to provision		319,298	129,916
Doubtful debts written off against provision			
Reversal of provision			
<b>Balance at end of year</b>		<b>986,934</b>	<b>667,636</b>

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

**Mutale Municipality**  
**Notes to The Annual Financial Statements**  
**for the year ended 30 June 2014**

	Note	2014 R	2013 R
<b>5 TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>			
Trade receivables - Property Rates		1,910,138	2,806,414
Traffic fine debtors		803,340	620,820
National Treasury			
Eskom Deposits		232,199	232,199
Other debtors		4,455,839	4,274,909
<b>Total</b>		<b>7,401,516</b>	<b>7,934,342</b>

<u>Trade receivables - Property Rates</u>	Gross Balances R	Provision for Doubtful Debts R	Net Balance R
<b>as at 30 June 2014</b>			
Property Rates	3,947,278	2,037,140	1,910,138
	<b>3,947,278</b>	<b>2,037,140</b>	<b>1,910,138</b>

	Gross Balances R	Provision for Doubtful Debts R	Net Balance R
<b>as at 30 June 2013</b>			
Property Rates	7,684,589	4,878,175	2,806,414
	<b>7,684,589</b>	<b>4,878,175</b>	<b>2,806,414</b>

**Property Rates: Ageing**

Current	1,759,548	177,130
30 Days	62,224	139,724
60 Days	72,274	153,190
90 Days	58,440	168,901
120 Days	88,670	148,701
150 Days	978,396	144,961
180 Days	927,726	6,751,982
<b>Total</b>	<b>3,947,278</b>	<b>7,684,589</b>

<b>Other debtors</b>	Gross Balances	Provision for Doubtful Debts	Net Balance
<b>as at 30 June 2014</b>			
Sundry debtors	1,525,654	657,821	867,834
Traffic fine debts	803,340	803,340	-
VAT receivable	7,718,162	7,718,162	-
	<b>10,047,156</b>	<b>9,179,323</b>	<b>867,834</b>

<b>Other debtors</b>	Gross Balances	Provision for Doubtful Debts	Net Balance
<b>as at 30 June 2013</b>			
Sundry debtors	1,448,464	789,482	658,982

**Reconciliation of the doubtful debt provision for property rates**

Balance at beginning of the year	4,878,175	2,500,247
Contributions to provision		2,413,298
Doubtful debts written off against provision		-35,370
Reversal of provision		
<b>Balance at end of year</b>	<b>2,037,140</b>	<b>4,878,175</b>

The fair value of property rates approximates their carrying amounts.

**MUTALE LOCAL MUNICIPALITY**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
**AS AT 30 JUNE 2014**

	Cost / Revaluation					Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals		Impairment loss/Reversal of impairment loss	Closing Balance			
<b>6 Land and Buildings</b>	<b>13,943,442</b>	-	-	-	<b>13,943,442</b>	<b>(1,244,869)</b>	<b>(246,983)</b>	-	-	-	<b>(1,491,852)</b>	-	-	<b>12,451,590</b>
Building	10,553,442	-			10,553,442	(1,244,869)	(246,983)				(1,491,852)			9,061,590
Land	3,390,000	-			<b>3,390,000</b>	-					-			3,390,000
<b>Infrastructure</b>	<b>36,821,793</b>	<b>15,279,943</b>	-	<b>9,069,930</b>	<b>52,101,736</b>	<b>(1,406,469)</b>	<b>(1,512,637)</b>	-	-	-	<b>(2,919,106)</b>	-	-	<b>49,182,630</b>
Electricity	2,552,721				2,552,721	(494,948)	(127,636)				(622,584)			1,930,137
Roads/Culverts	34,269,072	15,279,943		9,069,930	49,549,015	(911,521)	(1,385,001)				(2,296,522)			47,252,493
<b>Community Assets</b>	<b>2,300,652</b>	-	-	-	<b>2,300,652</b>	<b>(666,885)</b>	<b>(99,356)</b>	-	-	<b>(209,031)</b>	<b>(557,210)</b>	-	-	<b>1,743,442</b>
Sport Facilities	909,663				909,663	(209,031)	-			(209,031)	-			909,663
Fencing	1,390,989				1,390,989	(457,854)	(99,356)				(557,210)			833,779
<b>Other Assets</b>	<b>10,425,889</b>	<b>7,055,801</b>	-	-	<b>17,481,690</b>	<b>(5,659,001)</b>	<b>(1,275,242)</b>	-	-	<b>(404,953)</b>	<b>(7,339,196)</b>	-	-	<b>11,449,936</b>
Plant and Equipment	1,570,459	5,751,312			7,321,771	(367,592)	(656,974)				(1,024,565)			6,297,206
Furniture & fittings	969,607	131,278			1,100,886	(552,417)	(60,740)				(613,157)			487,728
Bins and Containers	24,501				24,501	(21,438)	(3,063)				(24,501)			-
Motor vehicle	3,309,361	597,890			3,907,251	(1,801,097)	(184,390)			(290,462)	(2,275,949)			1,631,302
Office equipments	1,615,975				1,615,975	(876,881)	(93,069)			(103,920)	(1,073,870)			749,946
Computer Equipment	1,190,389	19,221			1,209,609	(939,975)	(148,613)			(10,571)	(1,099,159)			110,450
Trucks	1,745,597	556,100			2,301,697	(1,099,602)	(128,393)				(1,227,995)			2,173,304

**MUTALE LOCAL MUNICIPALITY**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
**AS AT 30 JUNE 2013**

	Cost / Revaluation				Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Restated/Adjustment	Closing Balance	Opening Balance	Depreciation	Disposals		Impairment loss/Reversal of impairment loss	Closing Balance		
<b>Land and Buildings</b>	<b>13,943,442</b>	-	-	-	<b>13,943,442</b>	<b>-1,229,613</b>	<b>-303,554</b>	-	-	-	<b>-1,533,167</b>	-	<b>12,410,276</b>
Buildings	10,553,442	-	-		<b>10,553,442</b>	(1,229,613)	(303,554)	-			(1,533,167)		<b>9,020,276</b>
Land	3,390,000				<b>3,390,000</b>	-	-				-		<b>3,390,000</b>
<b>Infrastructure</b>	<b>44,506,408</b>	<b>15,959,133</b>	-	<b>(23,643,748)</b>	<b>36,821,793</b>	<b>(953,584)</b>	<b>(452,885)</b>	-	-	-	<b>(1,406,469)</b>	-	<b>35,415,324</b>
Electricity	2,552,721				2,552,721	(367,312)	(127,636)				(494,948)		2,057,773
Roads	41,953,687	15,959,133		(23,643,748)	34,269,072	(586,272)	(325,249)				(911,521)		<b>33,357,551</b>
Water													
<b>Community Assets</b>	<b>4,070,192</b>	-	-	-	<b>4,070,192</b>	<b>(721,580)</b>	<b>(158,341)</b>	-	-	-	<b>(879,921)</b>	-	<b>3,190,271</b>
Sport Facilities	2,679,203				2,679,203	(363,082)	(58,985)				(422,067)		2,257,136
Fencing	1,390,989				<b>1,390,989</b>	(358,498)	(99,356)				<b>(457,854)</b>		<b>933,135</b>
<b>Other Assets</b>	<b>9,579,106</b>	<b>851,844</b>	<b>(5,061)</b>	-	<b>10,425,889</b>	<b>(4,510,704)</b>	<b>(1,152,725)</b>	-	-	<b>(4,428)</b>	<b>(5,659,001)</b>	-	<b>12,146,993</b>
Plant and Equipment	1,398,406	171,053			1,570,459	(294,675)	(72,917)				(367,592)		1,202,867
Furniture and fittings	969,607				969,607	(488,603)	(63,814)				(552,417)		417,190
Bins and Containers	29,562		<b>(5,061.00)</b>		<b>24,501</b>	(22,172)	(3,695)				<b>(21,438)</b>		<b>(1,366)</b>
Motor vehicles	2,662,815	646,546			3,309,361	(1,136,122)	(664,975)				(1,801,097)		5,110,458
Office equipments	1,615,975				1,615,975	(778,615)	(98,265)				(876,881)		2,492,856
Computer Equipment	1,156,143	34,245			1,190,389	(793,598)	(146,377)				(939,975)		2,130,364
Trucks	1,745,597				<b>1,745,597</b>	(996,919)	(102,682)				<b>(1,099,602)</b>		<b>794,624</b>

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	Note	2013 R Restated
<b>7 INTANGIBLE ASSETS</b>		
<b>Reconciliation of carrying value</b>	<b>Computer Software R</b>	<b>Total R</b>
<b>as at 1 July 2013</b>	363,575	363,575
Cost	555,824	555,824
Correction of error		
Change in accounting policy		
Accumulated amortisation and impairment losses	192,249	192,249
Acquisitions	-	
Amortisation	69,478	
<b>as at 30 June 2014</b>	<b>294,097</b>	<b>294,097</b>
Cost	555,824	555,824
Accumulated amortisation and impairment losses	261,727	261,727

<b>Reconciliation of carrying value</b>	<b>Computer Software R</b>	<b>Total R</b>
<b>as at 1 July 2012</b>	<b>343,678</b>	<b>343,678</b>
Cost	469,288	469,288
Accumulated amortisation and impairment losses	125,610	125,610
Additions	86,536	86,536
Amortisation	66,639	66,639
<b>as at 30 June 2013</b>	<b>363,575</b>	<b>363,575</b>
Cost	555,824	555,824
Accumulated amortisation and impairment losses	192,249	192,249

**8 INVESTMENT PROPERTY CARRIED FAIR VALUE**

<b>Reconciliation of carrying value</b>	<b>Investment property R</b>	<b>Total R</b>
<b>as at 1 July 2012</b>		
Cost	2,350,000	2,350,000
Correction of error		
Fair value adjustments		
<b>as at 30 June 2013</b>		
Fair value	2,350,000	2,350,000

**INVESTMENT PROPERTY CARRIED AT FAIR VALUE**

<b>Reconciliation of fair value</b>	<b>Investment property R</b>	<b>Total R</b>
<b>as at 1 July 2013</b>	2,350,000	2,350,000
Fair value adjustment	-	-
<b>as at 30 June 2014</b>	<b>2,350,000</b>	<b>2,350,000</b>

An external, independent valuation entity, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the entity's investment property portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>9 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>		<b>Restated</b>
Trade creditors	1,867,454	5,794,714
Payments received in advance	108,457	127,412
Retentions	3,287,410	3,339,330
Staff leave accrual	2,891,285	2,093,631
Accrued bonus	757,359	562,977
Other creditors	6,289,318	7,631,074
<b>Total</b>	<b>15,201,284</b>	<b>19,549,138</b>

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

**10 CONSUMER DEPOSITS**

Rental deposits	213,434	213,434
<b>Total consumer deposits</b>	<b>213,434</b>	<b>213,434</b>

**11 VAT RECEIVABLE**

Vat receivables	7,718,162	7,712,521
Vat receivables	8,127,369	3,185,992
Impairment	-7,718,162.16	-
	<b>8,127,369</b>	<b>10,898,513</b>
VAT payables	-1,315,668	-433,207
VAT Receivables	<b>6,811,701</b>	<b>10,465,306</b>

The Mutale is registered for VAT on an invoice basis. The VAT receivables was impaired as a result of an impairment against debtors.

**12 NON-CURRENT PROVISIONS**

Provision for long-service awards	1,833,000	1,723,000
<b>Total Non-Current Provisions</b>	<b>1,833,000</b>	<b>1,723,000</b>

An external, independent actuary, having appropriate recognised professional qualifications and recent experience in this field was engaged to do valuation of long service award provision. The key assumptions used in the valuation, with the prior years' assumptions shown for comparison, are summarised below:

Discount rate	8.40%	7.25%
CPI	6.23%	6.25%
Salary increase at rate 6.90%	7.23%	7.15%
Net discount rate	1.09%	0.09%
Mortality SA85-90 SA85-90	SA85-90	SA85-90
Normal retirement age	63	63

**13 UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

National Lottery Grant	1,227,722	1,227,722
Municipal Infrastructure Grant	3,188,046	-
Disaster Grant	15	24,642,977
Operations and Maintenance Grant (Vhemde District Municipality)	6,698,025	6,698,025
<b>Total Unspent Conditional Grants and Receipts</b>	<b>11,113,808</b>	<b>32,568,724</b>

<b>Non-current unspent conditional grants and receipts</b>	-	
<b>Current portion of unspent conditional grants and receipts</b>	<b>11,113,808</b>	<b>32,568,724</b>

**Financial Management Grant (FMG)**

<b>Balance unspent at beginning of year</b>	-	
Current year receipts	1,650,000	1,500,000
Conditions met - transferred to revenue	-1,650,000	-1,500,000
<b>Conditions still to be met - remain liabilities</b>	-	-

**Municipal Infrastructure Grant (MIG)**

<b>Balance unspent at beginning of year</b>	0	4,908,888
Current year receipts	18,783,000	16,977,000
Conditions met - transferred to revenue	-15,594,954	-17,485,888
Funds withheld	-	-4,400,000
<b>Conditions still to be met - remain liabilities</b>	<b>3,188,046</b>	<b>0</b>



**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>Municipal Systems Improvement Grant (MSIG)</b>		
Balance unspent at beginning of year	-	-
Current year receipts	890,000	790,000
Conditions met - transferred to revenue	-890,000	-790,000
<b>Conditions still to be met - remain liabilities</b>	<b>-</b>	<b>-</b>
<b>National Lottery Grant</b>		
Balance unspent at beginning of year	1,227,722	1,227,722
Current year receipts		
Conditions met - transferred to revenue		
<b>Conditions still to be met - remain liabilities</b>	<b>1,227,722</b>	<b>1,227,722</b>
<b>Expanded Public Works Programme Grant</b>		
Balance unspent at beginning of year		-
Current year receipts	1,000,000	1,000,000
Conditions met - transferred to revenue	-1,000,000	-1,000,000
<b>Conditions still to be met - remain liabilities</b>	<b>-</b>	<b>-</b>
<b>Integrated National Electrification Programme</b>		
Balance unspent at beginning of year	-1,804,323	-1,123,958
Current year receipts		
Conditions met - transferred to revenue		-680,365
<b>Conditions still to be met - remain liabilities</b>	<b>-1,804,323</b>	<b>-1,804,323</b>

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>Disaster Grant</b>		
Balance unspent at beginning of year	24,642,977	-
Current year receipts	-	24,700,000
Conditions met - transferred to revenue	-24,642,962	-57,023
<b>Conditions still to be met - remain liabilities</b>	<b>15</b>	<b>24,642,977</b>
<b>Operations &amp; Maintenance Grant (Vhembe District Municipality)</b>		
Balance unspent at beginning of year	6,698,025	6,698,025
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
<b>Conditions still to be met - remain liabilities</b>	<b>6,698,025</b>	<b>6,698,025</b>

**Changes in levels of government grants**

Based on the allocations set out in the Division of Revenue Act, 2014), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

**14 BORROWINGS**

Long-term loan	499,751	848,640
<b>Non - current borrowings</b>	<b>499,751</b>	<b>848,640</b>
<b>Current portion transferred to current liabilities</b>		
Long-term Loan	348,889	309,183
<b>Total borrowings</b>	<b>848,640</b>	<b>1,157,823</b>

Refer to Appendix A for more detail on borrowings.

**15 FINANCE LEASE LIABILITY**

2014	Minimum lease payment R	Future finance charges R	Present value of minimum lease payments R
<b>Amounts payable under finance leases</b>			
Within one year	61,914	26,834	88,748
Within two to five years	138,190	22,787	160,977
	<b>200,104</b>	<b>49,621</b>	<b>249,725</b>
Less: Amount due for settlement within 12 months (current portion)			-61,914
			<b>187,811</b>
<b>2013</b>			
<b>Amounts payable under finance leases</b>			
Within one year	48,189	15,493	63,681
Within two to five years	200,104	49,620	249,725
	<b>248,293</b>	<b>65,113</b>	<b>313,406</b>
Less: Amount due for settlement within 12 months (current portion)			-48,189
			<b>265,217</b>

The lease term is for 3 years escalating at 0% per annum and no arrangement have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>16 PROPERTY RATES</b>		
<u>Actual</u>		
Property rates	2,298,561	1,440,169
<b>Total property rates</b>	<b>2,298,561</b>	<b>1,440,169</b>
Property rates - penalties imposed and collection charges	-	-
<b>Total</b>	<b>2,298,561</b>	<b>1,440,169</b>
	<b>PBO &amp; CRECHES</b>	<b>Household</b>
	<b>Business</b>	<b>Industrial/ Commercial</b>
	<b>State owned</b>	
<b>Total value of land plus improvement</b>	30,696,000	184,913,000
	60,783,000	33,061,000
Property rate	0.004	0.002
	0.004	0.004
	0.004	0.004
<b>17 SERVICE CHARGES</b>		
Refuse removal	390,712	246,068
<b>Total Service Charges</b>	<b>390,712</b>	<b>246,068</b>
<b>18 RENTAL OF FACILITIES AND EQUIPMENT</b>		
Rental of facilities	72,525	55,114
<b>Total rentals</b>	<b>72,525</b>	<b>55,114</b>
<b>19 INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Bank	95,489	28,169
Financial assets	885,087	372,664
<b>Total interest</b>	<b>980,576</b>	<b>400,833</b>
<b>20 INTEREST EARNED - OUTSTANDING RECEIVABLES</b>		
Consumer Debtors	529,190	770,060
<b>Total interest</b>	<b>529,190</b>	<b>770,060</b>

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>21 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable Share	44,920,000	41,989,000
Expanded Public Works Programme Grant (EPWP)	1,000,000	1,000,000
Financial Management Grant (FMG)	1,650,000	1,500,000
Municipal Infrastructure Grant (MIG)	15,594,954	17,485,888
Municipal Systems Improvement Grant (MSIG)	890,000	800,000
Integrated National Electrification Grant		680,365
Disaster Grant	24,642,962	57,023
<b>Total Government Grant and Subsidies</b>	<b>88,697,916</b>	<b>63,512,275</b>

**Equitable Share**

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of which is funded from the grant.

**Changes in levels of government grants**

Based on the allocations set out in the Division of Revenue Act, 2013 of, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

**22 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS**

**Other income**

Commission on Sale of sites	2,663,919	390,543
Sale of sites	545,958	310,823
Other Income	502,329	497,399
<b>Total Other Income</b>	<b>3,712,206</b>	<b>1,198,765</b>

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>23 EMPLOYEE RELATED COSTS</b>		
Employee related costs - Salaries and Wages	19,568,511	18,110,533
Bonus	1,578,092	1,329,683
Employee related costs - Contributions for UIF, pensions and medical aids	5,090,337	4,560,080
Housing benefits and allowances	27,256	29,160
Overtime payments	464,887	359,071
Transport Allowances	2,794,424	2,266,401
Long-service awards	161,099	273,223
Performance bonus	-	667,451
Leave Gratuity	1,040,684	137,947
Cellphone Allowance	181,952	160,400
Subsistence Allowances	-	43,752
Reimbursive Travelling Allowance	-	301,936
Shift and Acting Allowance	119,800	221,916
Other employee related costs	82,024	72,099
<b>Total</b>	<b>31,109,066</b>	<b>28,533,653</b>
<b>Expenditure recharged to Capital Projects(In -House)</b>	<b>-3,062,179</b>	<b>-</b>
<b>Total</b>	<b>28,046,887</b>	<b>28,533,653</b>
There were no advances to employees		
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	473,500	183,596
Travel and Related Allowances	198,937	
Backpay		193,876
Cellphone Allowances	18,000	43,508
Contributions to UIF, Medical and Pension	105,736	
<b>Total</b>	<b>796,173</b>	<b>420,980</b>
<b>Remuneration of the Chief Finance Officer</b>		
Annual Remuneration	458,379	210,213
Travel and Related Allowances	217,121	220,644
Performance and other bonuses		38,965
Contributions to UIF, Medical and Pension	94,051	6,539
Leave Gratuity		
Acting Allowances		
<b>Total</b>	<b>769,551</b>	<b>476,361</b>
<b>Remuneration of Individual Executive Directors</b>	<b>Technical Services R</b>	<b>Corporate Services R</b>
<b>2014</b>		
Annual Remuneration	451,277	366,518
Performance- and other bonuses		
Travel, motor car, accommodation, subsistence and other allowances	209,593	299,814
Contributions to UIF, Medical and Pension Funds	91,654	71,128
<b>Total</b>	<b>752,525</b>	<b>737,460</b>
<b>2013</b>	<b>Technical Services R</b>	<b>Corporate Services R</b>
Annual Remuneration	450,276	450,276
Performance- and other bonuses	12,000	12,000
Travel, motor car, accommodation, subsistence and other allowances	199,626	199,626
Contributions to UIF, Medical and Pension Funds	105,031	105,031
<b>Total</b>	<b>766,933</b>	<b>766,933</b>

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>24 REMUNERATION OF COUNCILLORS</b>		
Mayor	701,573	610,601
Speaker	543,841	456,550
Chief Whip	497,568	430,570
Executive Committee Members	1,086,123	882,973
Councillors	2,457,730	3,519,429
Councillors' pension and medical aid contributions	433,057	683,916
Councillors' allowances	1,401,778	33,020
<b>Total Councillors' Remuneration</b>	<b>7,121,670</b>	<b>6,617,059</b>
<b>In-kind Benefits</b>		
The Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
<b>25 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Property, plant and equipment	2,881,066	2,135,593
<b>Total Depreciation and Amortisation</b>	<b>2,881,066</b>	<b>2,135,593</b>
<b>26 FINANCE COSTS</b>		
Borrowings	139,310	176,317
Other interest	-	3,000
Bank overdrafts	-	-
<b>Total Finance Costs</b>	<b>139,310</b>	<b>179,317</b>
<b>27 CONTRACTED SERVICES</b>		
Security	431,600	415,765
Other	-	4,347
Professional	1,297,485	1,018,828
	<b>1,729,085</b>	<b>1,438,940</b>

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>28 GENERAL EXPENSES</b>		
Included in general expenses are the following:-		
Advertising	225,095	194,007
Audit fees	1,734,366	1,141,552
Bank charges	105,489	111,429
Bursaries	5,099	35,206
Cleaning	80,163	99,866
Conferences and delegations	27,809	40,242
Entertainment	7,610	15,855
Electricity	665,874	1,514,079
Electrical Projects	16,667	593,699
Insurance	299,513	178,616
Legal expenses	208,530	140,937
Licence fees - vehicles	36,456	34,107
Postage	3,148	3,607
Printing and stationery	516,929	457,545
Professional fees	12,649	263,475
Rental of computer equipment	117,232	188,368
Other rentals	56,111	36,430
Staff welfare	37,580	69,621
Telephone cost	369,176	366,983
Training	228,084	355,885
Travel and subsistence	305,812	955,033
Ward Committees	920,000	762,019
Cost of sale - Land	1,022,392	521,000
SALGA	526,000	459,750
Other	2,717,441	1,211,212
	<b>10,245,223</b>	<b>9,750,526</b>

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>29 IMPAIRMENT LOSS</b>		
Property, plant and equipment	408,625	4,528,550
<b>Total Impairment loss / (Reversal of Impairment Loss)</b>	<b>408,625</b>	<b>4,528,550</b>
<b>30 PROFIT ON FAIR VALUE ADJUSTMENT</b>		
Investment property carried at fair value	-	-
<b>Total Profit on Fair Value Adjustment</b>	<b>-</b>	<b>-</b>
<b>31 CASH GENERATED BY OPERATIONS</b>		
Surplus/(deficit) for the year	35,525,699	16,176,236
Adjustment for:-		
Depreciation and amortisation	2,881,066	2,127,156
Provision for doubtful debt	11,916,736	668,167
Finance costs	-	-
Fair value adjustments	-	-
Impairment loss / (reversal of impairment loss)	-	4,528,550
Provision for long terms service awards		
Other non-cash item		972,000
<b>Operating surplus before working capital changes:</b>	<b>50,323,501</b>	<b>24,472,108</b>
(Increase)/decrease in inventories	-189,235	-14,022
(Increase)/decrease in trade and other receivables from exchange transactions	-45,402	-136,102
(Increase)/decrease in trade and other receivables from non-exchange transactions	-532,825	-2,632,134
(Increase)/decrease in VAT receivable	-3,653,605	-2,803,152
Increase/(decrease) in conditional grants and receipts	-21,454,916	19,963,297
Increase/(decrease) in trade payables	-4,347,854	-362,874
Increase/(decrease) in consumer deposits	-	847
<b>Cash generated by/(utilised in) operations</b>	<b>20,099,664</b>	<b>38,487,968</b>



**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>32 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Bank balances and cash	4,281,522	20,358,983
<b>Net cash and cash equivalents (net of bank overdrafts)</b>	<u><u>4,281,522</u></u>	<u><u>20,358,983</u></u>

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

**2014**  
**R**

**2013**  
**R**

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R				
<b>UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>						
<b>34 DISALLOWED</b>						
<b>Fruitless and wasteful expenditure</b>						
Reconciliation of fruitless and wasteful expenditure						
Opening balance -	2,135,190	2,110,313				
Fruitless and wasteful expenditure current year	94,159	24,877				
Condoned or written off by Council	-	-				
To be recovered – contingent asset	-	-				
<b>Fruitless and wasteful expenditure awaiting council determination</b>	<b>2,229,349</b>	<b>2,135,190</b>				
<table border="1"><thead><tr><th>Incident</th><th>Disciplinary steps/criminal proceedings</th></tr></thead><tbody><tr><td>Late payments of accounts</td><td></td></tr></tbody></table>			Incident	Disciplinary steps/criminal proceedings	Late payments of accounts	
Incident	Disciplinary steps/criminal proceedings					
Late payments of accounts						
<b>Irregular expenditure</b>						
Reconciliation of irregular expenditure						
Opening balance	5,663,693	5,663,693				
Fruitless and wasteful expenditure current year	-	-				
Condoned or written off by Council	-	-				
Transfer to receivables for recovery – not condoned	-	-				
<b>Irregular expenditure awaiting council determination</b>	<b>5,663,693</b>	<b>5,663,693</b>				
<table border="1"><thead><tr><th>Incident</th><th>Disciplinary steps/criminal proceedings</th></tr></thead><tbody><tr><td>Non-adherence to Supply Chain</td><td>Disciplinary hearing</td></tr></tbody></table>			Incident	Disciplinary steps/criminal proceedings	Non-adherence to Supply Chain	Disciplinary hearing
Incident	Disciplinary steps/criminal proceedings					
Non-adherence to Supply Chain	Disciplinary hearing					

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT</b>		
<b>35 ACT</b>		
<b>Contributions to organised local government</b>		
Opening balance	450,000	400,000
Council subscriptions	500,000	450,000
Amount paid - current	-950,000	-400,000
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>450,000</b>
<b>Audit fees</b>		
Opening balance	899,471	523,395
Current year audit fee	1,853,838	1,451,268
Amount paid - current year	-2,787,594	-549,785
Amount paid - prior year	-	-525,407
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>899,471</b>
<b>VAT</b>		
VAT input receivables and VAT output payables are shown in the note. All VAT returns have been submitted.	6,811,701	10,465,306
<b>PAYE and UIF</b>		
Opening balance	1,249,928	528,158
Current year payroll deductions	3,860,488	3,157,957
Amount paid - current year	-5,110,416	-1,908,029
Amount paid - prior year	-	-528,158
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>1,249,928</b>
<b>Pension and Medical Aid Deductions</b>		
Opening balance	1,646,120	1,546,838
Current year payroll deductions and Council Contributions	7,813,814	6,968,170
Amount paid - current year	-9,459,934	-5,322,050
Amount paid - prior year	-	-1,546,838
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>1,646,120</b>
<b>Councillor's arrear consumer accounts</b>		
The following Councillors had arrear accounts outstanding for more than 90 days as at: -		
<b>as at 30 June 2014</b>	<b>Total R</b>	<b>Outstanding less than 90 days R</b>
Councillor KA Lukhalimana	552	441
Councillor A.S Thambatshira	33	33
<b>Total Councillor Arrear Consumer Accounts</b>	<b>585</b>	<b>474</b>
<b>as at 30 June 2013</b>	<b>Total R</b>	<b>Outstanding less than 90 days R</b>
Councillor KA Lukhalimana	813	669
Councillor TS Madume	3,159	3,067
Councillor TJ Raluswina	-	-
<b>Total Councillor Arrear Consumer Accounts</b>	<b>3,972</b>	<b>3,736</b>

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	2014 R	2013 R
<b>Non-Compliance with Chapter 11 of the Municipal Finance Management Act</b>		
In terms of section 36 of the Municipal SCM regulations, any deviation from SCM policy needs to be approved by the Accounting officer and noted by Council. The expenses incurred, as listed below, have been approved by the Accounting officer and noted by Council. Deviations have been approved in principle subject to controls such as unit cost and costs and budget availability.		
<b>Incidents</b>		
<b>Total amount approved by the Accounting officer and noted by Council</b>	<b>1,178,128</b>	
<b>36 CAPITAL COMMITMENTS</b>		
<b>Commitments in respect of capital expenditure</b>		
<b>- Approved and contracted for</b>	<b>3,529,085</b>	<b>13,866,250</b>
Infrastructure	3,529,085	13,866,250
<b>- Approved but not yet contracted for</b>	<b>34,267,000</b>	<b>7,193,214</b>
Infrastructure	24,355,000	5,748,214
Other	9,912,000	1,445,000
<b>Total</b>	<b>37,796,085</b>	<b>21,059,464</b>
This expenditure will be financed from:		
- External Loans		
- Government Grants	22,855,000	19,114,464
- Own resources	10,712,000	1,945,000
- District Council Grants		
	<b>33,567,000</b>	<b>21,059,464</b>

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

**37 EMPLOYEE BENEFITS**

**Opening accrued liability**

Expense (service and interest cost)  
Expected return on plan assets - -  
Actuarial (gain)/loss  
Past service cost -  
Effect of curtailment/settlement - -  
Expected benefit payments  
Prefunding contributions (towards plan assets) -

**Closing accrued liability**

Projected accrued liability

**2014**  
**R**

**2013**  
**R**

<b>1,723,000</b>	<b>14,025,157</b>
334,000	2,788,684
-161,000	-1,796,468
-63,000	-1,496,751
<b>1,833,000</b>	<b>13,520,622</b>

An actuarial valuation has been performed of the Municipality's liability for long-service leave benefits relating to vested leave benefits, to which employees may become entitled upon completion of 10 service and every five years thereafter. The provision is utilised when eligible employees receive the value of the vested benefits.

The key assumptions used in the valuation with the prior years assumptions show for comparison are summarised below

Discount rate	8.40%	7.25%
CPI	6.23%	6.25%
Salary increase at rate 6.90%	7.23%	7.15%
Net discount rate	1.09%	0.09%
Mortality SA85-90 SA85-90	SA85-90	SA85-90
Normal retirement age	63	63

**38 CONTINGENT LIABILITY**

**Contractual disputes**

The Municipality is being sued by a contractor for outstanding payments. Based on attorneys conclusions, it is highly probable that the municipality will win the case. Management estimated financial exposure is R600 000.

A wage curve has been made nationally by the courts, which could potentially have huge financial implications. Mmanagement estimated financial exposure of R 234516 (2014) and R128 024.21(2013)

**Non compliant**

The municipality developed Makwiliidza landfill site in the 2007/08 financial year, to which the DEA refused to grant licence or commission for use because it did not meet minimum requirements. Currently the Municipality is dumping waste on an illegal site donated by the tribal leader at Gudani. There is an effort by LEDET to commission Gudani land fill site. In an event that Gudani landfill site get commissioned, there will be a need to decosion Makwiliidza landfill site. Management estimate financial exposure of R247 470

**39 RELATED PARTIES**

Members of key management  
Close family member of key management  
Associate of close family member of key management  
Other related party relationships  
Compensation to councillors and other key management (refer to note 24 & 25)

Municipality is involved in an Agency relationship with Vhembe District Municipality. Related party transactions are:

Municipality incurs expenditure and collects cash for the provision of water related service on behalf of the District  
Municipality is deriving economic benefit from using office building that was contracted by District.

**40 EVENTS AFTER THE REPORTING DATE**

There is not event known to the management at the time of preparation that need to be reported after reporting date.

**41 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS**

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment  
Recoverable amounts of property, plant and equipment  
Provision for rehabilitation of landfill sites (discount rate used, number of years, amount of cash flows)  
Present value of defined benefit obligation  
Provision for doubtful debts  
Impairment of assets  
Provision for long-term service award

**Mutale Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

**42 RISK MANAGEMENT**

**Maximum credit risk exposure**

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Cash and cash equivalents  
Trade and other receivables

2014  
R

2013  
R

4,275,006	301,064
7,531,272	8,109,500
<b>11,806,279</b>	<b>8,410,564</b>

These balances represent the maximum exposure to credit risk.

**Liquidity risk**

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

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

**Interest rate risk**

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

At year end, financial instruments exposed to interest rate risk were as follows:

- FNB Loan

499,751	848,640
<b>499,751</b>	<b>848,640</b>

**43 RESTATEMENT OF COMPARATIVE INFORMATION**

Management in review of Management Letter, discovered error ito wrong classification they are here by presented changes in performance & position affected by prior year adjustments.

**Net Surplus Effect**

service charges  
Interest earned - outstanding receivables  
Licences and permits  
Property rates  
Government grants and subsidies  
Employee related costs  
Bad debts  
Depreciation and amortisation expense  
Finance costs  
Contracted services  
General expenses  
Impairment loss

**-2,327,443**

2,646
-194,668
3,026
124
900,000
3,520
-2,664,528
-8,438
4,296
64,271
-437,692
-

**Net effect to net Asset**

Inventories  
Property, plant and equipment  
Trade and other receivables from exchange transactions  
Trade and other receivables from non-exchange transactions  
VAT receivable  
Intangible assets  
Trade and other payables from exchange transactions  
Non-current finance lease

**3,639,524**

-7,457,713
10,493,672
1,541,079
195,279
-82,818
-109,903
-674,856
-265,217

Trial Balance

**Account**

**Income Statement**

Net Profit

0200/0205/019/Finance(Property Rates)  
0200/0210/019/Finance(Property Rates -Revenue Forgone)  
0400/0446/03/Technical(Service Charge - RefuseRemoval)  
0400/0447/03/Technical(Refuse Removal -Income Foregone)  
0700/0730/05/Community(Rental - Land Lease)  
0700/0750/05/Community(Rental - Stores)  
0700/0760/05/Community(Rental - Taxi Rank)  
0700/0770/03/Technical(Rental - FacilitiesRevenue)  
0700/0770/05/Community(Rental - FacilitiesRevenue)  
0800/0810/019/Finance(Interest Received - Bank: Finance)  
0800/0820/019/Finance(Interest Received -Investments/Finance(Budgetand Treasury Office))  
1000/1010/019/Finance(Interest Received -Debtors : Finance)  
1300/1310/05/Community(Traffic Fines)  
1400/0760/05/Community(Rental - Taxi Rank)  
1400/1416/05/Community(Licensing - Allocate PLN: Community)  
1400/1421/05/Community(Licensing - Application:HMV : Community)  
1400/1422/05/Community(Licensing- Applications:Instructors : Community)  
1400/1424/05/Community(Licensing -Application:Learners :Community)  
1400/1426/05/Community(Licensing -Applications:LMV :Community)  
1400/1428/05/Community(Licensing -Applications:PRDP :Community)  
1400/1430/05/Community(Licensing -Applications:SpecialPermit : Community)  
1400/1434/05/Community(Licensing - Arrears :Community)  
1400/1436/05/Community(Licensing -Deregistration License :Community)  
1400/1438/05/Community(Licensing - Drivers Lic.Card : Community)  
1400/1440/05/Community(Licensing - DuplicateLearners : Community)  
1400/1442/05/Community(Licensing - eNatisCharges/CommunityServices(Other))  
1400/1448/05/Community(Licensing - Issue Drivers: Community)  
1400/1452/05/Community(Licensing - IssueLearners : Community)  
1400/1453/05/Community(Licencing & Permits-Manual Charges)  
1400/1454/05/Community(Licensing - Issue TempDrivers : Community)  
1400/1456/05/Community(Licensing - MVLicensing : Community)  
1400/1458/05/Community(Licensing - MVLicensing Penalties :Community)  
1400/1460/05/Community(Licensing - MVRegistration :Community)  
1400/1462/05/Community(Licensing - OtherLicenses : Community)  
1400/1472/05/Community(Licensing -Testing/CommunityServices(Other))  
1400/1474/05/Community(Licensing - CourtesyLetter Fee/CommunityServices(Other))  
1400/1476/05/Community(Licensing - EnforcementOrder Fee/CommunityServices(Other))  
1400/1478/05/Community(Licensing - OutstandingInfringement/CommunityServices(Other))  
1400/1480/05/Community(Licensing - RegistrationPenalties : Community)  
1600/1602/019/Finance(Grant Realised -Equitable Share :Finance)  
1600/1608/02/Corporate(Grant Realised -LGSETA : Corporate)  
1600/1616/019/Finance(Grant Realised - MFMG: Finance)  
1600/1618/019/Finance(Grant Realised - MSIG :Finance)  
1610/1660/03/Technical(Grant Realised - MIG :Technical)  
1610/1690/03/Technical(Grant-IntergratedNationalElectrificati/Technical(Town Planning))  
1610/1695/03/Technical(Grant Realised - EPWPIncentive : Technical)  
1610/1697/03/Technical(Grant Realised-DisasterGrant)  
1700/1710/019/Finance(Admin Income Charges -VAT/Finance(Budget andTreasury Office))  
1700/1710/02/Corporate(Other Income - AdminCharges /With VAT)  
1700/1710/05/Community(Other Income - AdminCharges/With VAT)  
1700/1712/019/Finance(Other Income - AdminCharges/No VAT)  
1700/1720/019/Finance(Advertising/Finance(Budget and Treasury Office))



1700/1720/02/Corporate(Other Income -Advertising)  
 1700/1730/05/Community(AnimalPounding/CommunityServices)  
 1700/1732/05/Technical(Other Income - BuildingPlans Application )  
 1700/1734/019/Finance(Auction SaleProceeds/Finance)  
 1700/1736/03/Technical(Other Income - BuildingsApprovals)  
 1700/1740/03/Technical(Other Income - BuildingsApprov-Identification ofSites)  
 1700/1742/03/Technical(Other Income - BuildingsApprovals - Inspections)  
 1700/1744/03/Technical(Other Income/BuildingsApprovals - PlanApprovals)  
 1700/1764/019/Finance(DiscountReceived/Finance(Budget and TreasuryOffice))  
 1700/1765/019/Finance(Commission Income:Sale of Site)  
 1700/1768/019/Finance(Capitilization of Assets(In-House Projects)/Finance(Budget and TreasuryOffice))  
 1700/1770/019/Finance(Other Income - OtherPenalties & Fines)  
 1700/1770/03/Technical(Other Income - OtherPenalties & Fines)  
 1700/1770/05/Community(Other Income - OtherPenalties & Fines)  
 1700/1780/03/Technical(Other Income - Sales ofSites)  
 1700/1782/019/Finance(Cleanest TownAwards/Finance)  
 1700/1790/019/Finance(Other Income - SupplierRegistration)  
 1700/1794/01/MM (OtherIncome - Tourism Fees)  
 1700/1798/02/Corporate(LGSETA/CorporateServices)  
 3000/3010/01/MM (Sal &Wages - Basic : MM)  
 3000/3010/019/Finance(Sal & Wages - Basic :Finance)  
 3000/3010/02/Corporate(Sal & Wages - Basic :Corporate)  
 3000/3010/03/Technical(Sal & Wages - Basic :Technical)  
 3000/3010/05/Community(Sal & Wages - Basic :Community)  
 3000/3020/01/MM (Sal &Wages - Bonuses : MM)  
 3000/3020/019/Finance(Salaries & Wages -Bonuses/Finance(Budgetand Treasury Office))  
 3000/3020/02/Corporate(Sal & Wages - Bonuses: Corporate)  
 3000/3020/03/Technical(Salaries & Wages -Bonuses/Technical(TownPlanning))  
 3000/3020/05/Community(Sal & Wages - Bonuses: Community)  
 3000/3040/01/MM (Sal &Wages - CellularAllowance : MM)  
 3000/3040/019/Finance(Sal & Wages - CellularAllowance : Finance)  
 3000/3040/02/Corporate(Sal & Wages - CellularAllowance : Corporate)  
 3000/3040/03/Technical(Sal & Wages - CellularAllowance : Technical)  
 3000/3040/05/Community(Sal & Wages - CellularAllowance : Community)  
 3000/3050/01/MM (Sal &Wages - HousingAllowance : MM)  
 3000/3050/019/Finance(Sal & Wages - HousingAllowance : Finance)  
 3000/3050/02/Corporate(Salaries & Wages -HousingAllowance/CorporateServices(Other Admin))  
 3000/3050/03/Technical(Salaries & Wages -HousingAllowance/Technical(Town Planning))  
 3000/3050/05/Community(Sal & Wages - HousingAllowance : Community)  
 3000/3060/01/MM (Sal &Wages - Overtime : MM)  
 3000/3060/019/Finance(Sal & Wages - Overtime: Finance)  
 3000/3060/02/Corporate(Sal & Wages - Overtime: Corporate)  
 3000/3060/03/Technical(Sal & Wages - Overtime: Technical)  
 3000/3060/05/Community(Sal & Wages - Overtime: Community)  
 3000/3070/01/MM (Sal &Wages - S&T Allowance :MM)  
 3000/3070/019/Finance(Sal & Wages - S&TAllowance : Finance)  
 3000/3070/02/Corporate(Sal & Wages - S&TAllowance : Corporate)  
 3000/3070/03/Technical(Sal & Wages - S&TAllowance : Technical)  
 3000/3071/02/Corporate(Salaries & Wages-NightShiftAllowance/CorporateServices(Other Admin))  
 3000/3073/019/Finance(Salaries & Wages-FixedAllowance/Finance(Budget and Treasury Office))  
 3000/3073/02/Corporate(Salaries & Wages-FixedAllowance/CorporateServices(Other Admin))  
 3000/3075/019/Finance(Salaries &Wages-ActingAllowance/Finance(Budget andTreasury Office))  
 3000/3075/03/Technical(Salaries &Wages-ActingAllowance/Technical(TownPlanning))  
 3000/3075/05/Community(Sal & Wages-ActingAllowance/CommunityServices)  
 3000/3076/01/MM (Sal &Wages- LeaveGratuity/MunicipalManager)  
 3000/3076/019/Finance(Sal & Wages- LeaveGratuity/Finance)  
 3000/3076/02/Corporate(Sal & Wages- LeaveGratuity : Corporate)  
 3000/3076/03/Technical(Sal & Wages- LeaveGratuity/Technical)  
 3000/3076/05/Community(Sal & Wages- LeaveGratuity/CommunityServices)

3000/3078/019/Finance(Sal & Wages - AchieveBonus/Finance)  
 3000/3078/02/Corporate(Sal & Wages -Achievement Bonus )  
 3000/3078/05/Community(Sal & Wages -Achivement Bonus )  
 3000/3085/02/Corporate(Sal & Wages - LongService Award :Corporate)  
 3000/3090/01/MM (Sal &Wages - TravelAllowance : MM)  
 3000/3090/019/Finance(Sal & Wages - TravelAllowance : Finance)  
 3000/3090/02/Corporate(Sal & Wages - TravelAllowance : Corporate)  
 3000/3090/03/Technical(Sal & Wages - TravelAllowance : Technical)  
 3000/3090/05/Community(Sal & Wages - TravelAllowance : Community)  
 3000/3091/01/Corporate(Employee RelatedCosts- Wages andSalari/Clothing/UniformAllowance/Executive &Council/Corporate  
 3000/3091/05/Community(Employee RelatedCosts- Wages andSalari/Clothing/UniformAllowance/CommunityServices/Commu  
 3000/3093/019/Finance(Employee RelatedCosts- Wages andSalari/Re-imbursiveTravel/Budget andTreasury/Finance(Budgeta  
 3000/3093/02/Corporate(Employee RelatedCosts- Wages andSalari/Re-imbursiveTravel/CorporateServices/CorporateService  
 3000/3093/03/MM(Employee RelatedCosts- Wages andSalari/Re-imbursiveTravel/Planning andDevelopment/MunicipalManag  
 3000/3093/03/Technical(Employee RelatedCosts- Wages andSalari/Re-imbursiveTravel/Planning andDevelopment/Technical(  
 3000/3093/05/Community(Employee RelatedCosts- Wages andSalari/Re-imbursiveTravel/CommunityServices/CommunitySer  
 3000/3094/019/Finance(Employee RelatedCosts- Wages andSalari/PerformanceBonus/Budget andTreasury/Finance(Budgeta  
 3000/3094/02/Corporate(Employee RelatedCosts- Wages andSalari/PerformanceBonus/CorporateServices/CorporateService:  
 3000/3094/03/MM(Employee RelatedCosts- Wages andSalari/PerformanceBonus/Planning andDevelopment/MunicipalManag  
 3000/3094/03/Technical(Employee RelatedCosts- Wages andSalari/PerformanceBonus/Planning andDevelopment/Technical(  
 3000/3094/05/Community(Employee RelatedCosts- Wages andSalari/PerformanceBonus/CommunityServices/CommunitySer  
 3100/3120/01/MM (Sal &Wages Contrb - Industrial Council : MM)  
 3100/3120/019/Finance(Sal & Wages Contrb - Industrial Council :Finance)  
 3100/3120/02/Corporate(Sal & Wages Contrb - Industrial Council :Corporate)  
 3100/3120/03/Technical(Sal & Wages Contrb - Industrial Council :Technical)  
 3100/3120/05/Community(Sal & Wages Contrb - Industrial Council :Community)  
 3100/3130/01/MM (Sal &Wages Contrb - MedicalAid : MM)  
 3100/3130/019/Finance(Sal & Wages Contrb - Medical Aid : Finance)  
 3100/3130/02/Corporate(Sal & Wages Contrb - Medical Aid : Corporate)  
 3100/3130/03/Technical(Sal & Wages Contrb - Medical Aid : Technical)  
 3100/3130/05/Community(Sal & Wages Contrb - Medical Aid : Community)  
 3100/3140/01/MM (Sal &Wages Contrb - OID :MM)  
 3100/3140/019/Finance(Sal & Wages Contrb - OID : Finance)  
 3100/3140/02/Corporate(Sal & Wages Contrb - OID : Corporate)  
 3100/3140/03/Technical(Sal & Wages Contrb - OID : Technical)  
 3100/3140/05/Community(Sal & Wages Contrb - OID : Community)  
 3100/3150/01/MM (Sal &Wages Contrb - PensionFund : MM)  
 3100/3150/019/Finance(Sal & Wages Contrb - Pension Fund : Finance)  
 3100/3150/02/Corporate(Sal & Wages Contrb - Pension Fund :Corporate)  
 3100/3150/03/Technical(Salaries & Wages -PensionFund/Technical(TownPlanning))  
 3100/3150/05/Community(Sal & Wages Contrb - Pension Fund :Community)  
 3100/3160/01/MM (Sal &Wages Contrb - SDLLevy : MM)  
 3100/3160/019/Finance(Sal & Wages Contrb - SDL Levy : Finance)  
 3100/3160/02/Corporate(Sal & Wages Contrb - SDL Levy : Corporate)  
 3100/3160/03/Technical(Sal & Wages Contrb - SDL Levy : Technical)  
 3100/3160/05/Community(Sal & Wages Contrb - SDL Levy : Community)  
 3100/3170/01/MM (Sal &Wages Contrb - U.I.F :MM)  
 3100/3170/019/Finance(Sal & Wages Contrb - U.I.F : Finance)  
 3100/3170/02/Corporate(Sal & Wages Contrb - U.I.F : Corporate)  
 3100/3170/03/LED(Salaries & Wages -U.I.F/Planning &Development(EconomicDevelop))  
 3100/3170/03/Technical(Sal & Wages Contrb - U.I.F : Technical)  
 3100/3170/05/Community(Sal & Wages Contrb - U.I.F : Community)  
 3100/3180/02/Corporate(Salaries & Wages -Union Fees/CorporateServices(Other Admin))  
 3100/3180/05/Community(Salaries & Wages -Union Fees/CommunityServices(Other))  
 3400/3075/01/Council(Employee Related Costs- Council/Salaries &Wages-ActingAllowance/Executive &Council/Council(Mayor  
 3400/3093/01/Council(Employee Related Costs- Council/Re-imbursiveTravel/Executive &Council/Council(Mayorand Councillor  
 3400/3410/01/Council(Remun of Councillors -Councillors Allowances :Council)  
 3400/3430/01/Council(Remun of Councillors -Cell Allowance : Council)  
 3400/3450/01/Council(Remun of Councillors -Councillors OID :Council)

3400/3460/01/Council(Remun of Councilors -Pension Fund : Council)  
 3400/3470/01/Council(Remun of Councillors -Travel Allowance :Council)  
 3400/3495/01/Council(S&T Allowance: Council)  
 3400/3496/01/Council(Employee Related Costs- Council/SDL)  
 3500/3510/019/Finance(Debt Impairment - BadDebts : Finance)  
 3700/3705/019/Finance(Depreciation/Finance(Budget and TreasuryOffice))  
 3700/9845/02/Corporate(Depreciation/LeasePhotocopier-Sharp/CorporateServices/CorporateServices(Other Admin))  
 3700/9846(Depreciation/LeasePrinters - Toshiba)  
 3800/3810/019/Finance(Rep & Maint: MV - AutoCards : Finance)  
 3800/3810/03/LED (R &M: MV - Auto Cards/Planning &Development(EconomicDevelop))  
 3800/3810/03/Technical(R & M: MV - Auto Cards/Technical(TownPlanning))  
 3800/3820/019/Finance(Rep & Maint: MV -Battery : Finance)  
 3800/3830/019/Finance(R & M: MV - Oil &Fuel/Finance(Budget and Treasury Office))  
 3800/3830/02/Corporate(Rep & Maint: MV - Oil &Fuel : Corporate)  
 3800/3830/03/LED (R &M: MV - Oil &Fuel/Planning &Development(EconomicDevelop))  
 3800/3830/03/Technical(Rep & Maint: MV - Oil &Fuel : Technical)  
 3800/3840/019/Finance(Rep & Maint: MV -Repairs & Service :Finance)  
 3800/3840/03/Technical(Rep & Maint: MV -Repairs & Service :Technical)  
 3800/3840/05/Community(Rep & Maint: MV -Repairs & Service :Community)  
 3800/3850/019/Finance(R & M: MV -Tyres/Finance(Budgetand Treasury Office))  
 3800/3850/03/Technical(Rep & Maint: MV - Tyres: Technical)  
 3800/3860/019/Finance(Rep & Maint: Buildings :Finance)  
 3800/3860/03/LED (R&M:Buildings/Planning &Development(EconomicDevelop))  
 3800/3860/03/Technical(R&M: Buildings :Technical)  
 3800/3863/019/Finance(Rep & Maint: OfficeEquipments : Finance)  
 3800/3863/02/Corporate(Rep & Maint: OfficeEquipments : Corporate)  
 3800/3863/03/Technical(Rep & Maint: OfficeEquipments : Technical)  
 3800/3863/05/Community(Rep & Maint: OfficeEquipments : Community)  
 3800/3870/03/LED (R&M:Buildings -Electricity/Planning &Development(EconomicDevelop))  
 3800/3870/03/Technical(R&M: Buildings -Electricity : Technical)  
 3800/3880/03/Technical(R&M: Plant & Equipment: Technical)  
 3800/3895/03/Technical(R&M : Roads andBridges/Technical)  
 3900/3910/019/Finance(Bank Interest Paid/Finance(Budget and Treasury Office))  
 3900/3920/019/Finance(Interest Expense -External Borrowings :Finance)  
 3900/3930/019/Finance(Interest Expense - Other: Finance)  
 4200/1670/019/Finance(ContractedServices/Grants - PHPHousing/Budget and Treasury/Finance(Budgetand Treasury Office))  
 4200/4210/05/Community(Contracted Services -Security : Community)  
 4200/4220/019/Finance(Contracted Services -Professional Fees :Finance)  
 4400/4111/03 (PMUExpenses/Technical)  
 4400/4401/019/Finance(Commision: Sale OfSite)  
 4400/4404/01/MM(Advertising : MM)  
 4400/4404/019/Finance(Advertising : Finance)  
 4400/4404/02/Corporate(Advertising : Corporate)  
 4400/4404/03/Technical(Advertising Technical)  
 4400/4406/01/MM(Audit/Accounting Fees :MM)  
 4400/4408/019/Finance(Bank Charges : Finance)  
 4400/4410/01/MM(Books,Magazines/Newspaperect. : MM)  
 4400/4412/01/Council(Budget SpeechExpenses : Council)  
 4400/4412/019/Finance(Budget SpeechExpenses/Finance(Budget and Treasury Office))  
 4400/4414/019/Finance(CashierShortages/Finance(Budget and TreasuryOffice))  
 4400/4415/01/Council(Audit CommitteAllowance : Council)  
 4400/4416/05/Community(Cattle Pounding Costs :Community)  
 4400/4422/019/Finance(Electricity(ESKOM)/Finance(Budget and TreasuryOffice))  
 4400/4422/02/Corporate(Electricity (ESKOM) :Corporate)  
 4400/4424/01/Council(Entertainment -Councillors : Council)  
 4400/4425/019/Finance(Licensing : Finance)  
 4400/4426/01/MM(Entertainment : MM)  
 4400/4426/02/Corporate(Entertainment/CorporateServices)  
 4400/4427/019/Finance(Impairment loss/Finance(Budgetand Treasury Office))

4400/4428/01/Council(Entertainment - Mayor :Council)  
 4400/4432/01/Council(Entertainment - Speaker: Council)  
 4400/4434/03/Technical(Free Basic Electricity :Technical)  
 4400/4438/01/MM(Freight & Postage : MM)  
 4400/4438/019/Finance(Freight & Postage :Finance)  
 4400/4438/02/Corporate(Freight & Postage :Corporate)  
 4400/4438/05/Community(Freight & Postage :Community)  
 4400/4440/01/Council(Indigent Funeral :Council)  
 4400/4442/019/Finance(Insurance Composite :Finance)  
 4400/4443/019/Finance(Licensing & Testing/Finance(Budgetand Treasury Office))  
 4400/4444/019/Finance(Lease -Computer/Finance(Budget and TreasuryOffice))  
 4400/4446/019/Finance(Lease -Photocopier/Finance(Budget and TreasuryOffice))  
 4400/4446/02/Corporate(Lease - Photocopier :Corporate)  
 4400/4447/01/Council(Special Programmes :Council)  
 4400/4447/01/MM(Special Programmes :MM )  
 4400/4448/02/Corporate(Legal Fees : Corporate)  
 4400/4449/019/Finance(Other Expenditure/Losson Sale of Asset/BudgetandTreasury/Finance(Budgetand Treasury Office))  
 4400/4452/01/MM(Printing & Stationery/MunicipalManager)  
 4400/4452/019/Finance(Printing & Stationery :Finance)  
 4400/4452/02/Corporate(Printing & Stationery/CorporateServices(Other Admin))  
 4400/4452/03/Technical(Printing & Stationery/Technical)  
 4400/4452/05/Community(Printing & Stationery :Community)  
 4400/4454/019/Finance(Professional Fees -Other : Finance)  
 4400/4454/02/Corporate(Professional Fees - Other: Corporate)  
 4400/4456/02/Corporate(Protective Clothing :Corporate)  
 4400/4457/019/Finance(Other Expenditure/AssetImpairment/Budget andTreasury/Finance(Budgetand Treasury Office))  
 4400/4459/03/Technical(Provision for LandfillSite/Technical(TownPlanning))  
 4400/4460/03/Technical(Roads & Bridges :Technical)  
 4400/4462/01/Council(SALGA : Council)  
 4400/4463/02/Corporate(Cell Phones & DataCards : Corporate)  
 4400/4465/01/Council(Travel Re-Imbursible :Council)  
 4400/4465/01/MM(Travel Re-imbursible :MM)  
 4400/4465/02/Corporate(Travel Re-Imbursible :Corporate)  
 4400/4468/01/Council(Sitting Allowance -Chiefs : Council)  
 4400/4469/019/Finance(RentalPrinters/Finance(Budgetand Treasury Office))  
 4400/4470/01/Council(Special Transport :Council)  
 4400/4470/02/Corporate(Special Transport :Corporate)  
 4400/4471/05/Community(Rental-Two WayRadios/CommunityServices(Other))  
 4400/4472/02/Corporate(Staff Bursaries :Corporate)  
 4400/4473/05/Community(Sports Arts and CultureProgrammes :Community)  
 4400/4474/01/Council(Staff Conference Fees :Council)  
 4400/4474/01/MM (StaffConference Fees : MM)  
 4400/4474/02/Corporate(Staff ConferenceFees/CorporateServices(Other Admin))  
 4400/4475/01/Council(Mayoral Imbizo :Council)  
 4400/4476/01/Council(Staff Welfare/Council)  
 4400/4476/01/MM (StaffWelfare : MM)  
 4400/4476/019/Finance(Staff Welfare/Finance)  
 4400/4476/02/Corporate(Staff Welfare/CorporateServices)  
 4400/4476/03/Technical(Staff Welfare/Technical)  
 4400/4476/05/Community(StaffWelfare/CommunityServices)  
 4400/4477/03/Technical(EPWP Expense)  
 4400/4478/02/Corporate(Tel Fax & Cellphones :Corporate)  
 4400/4482/01/MM(Training - Staff : MM)  
 4400/4482/019/Finance(Training - Staff :Finance)  
 4400/4482/02/Corporate(Training - Staff :Corporate)  
 4400/4482/03/Technical(Training - Staff :Technical)  
 4400/4484/01/Council(Travel & Accomodation : Council)  
 4400/4484/01/MM(Travel & Accomodation : MM)  
 4400/4484/019/Finance(Travel & Accomodation : Finance)

4400/4484/03/Technical(Travel & Accomodation/Technical)  
 4400/4486/02/Corporate(Travel & Accomodation -Staff : Corporate)  
 4400/4486/05/Community(Travel & Accomodation -Staff : Community)  
 4400/4487/01/MM(CleaningMaterials/MunicipalManager)  
 4400/4487/019/Finance(Cleaning Materials :Finance)  
 4400/4487/02/Corporate(CleaningMaterials/CorporateServices)  
 4400/4487/03/Technical(CleaningMaterials/Technical)  
 4400/4487/05/Community(CleaningMaterials/CommunityServices)  
 4400/4488/01/Council(Ward CommitteeFunctions : Council)  
 4400/4490/019/Finance(MeterReaders/Finance(Budgetand Treasury Office))  
 4400/4498/019/Finance(Valuation Roll : Finance)  
 4400/7430/03/Technical(Other Expenditure/LandInventory/Technical(TownPlanning))

# **Balance Sheet**

Net Profit (Accumulated)

Net Profit

7000/7010 (Bank/FNB -54660083097 (MainAcc))

7000/7015 (Bank/FNB -6204718255)

7000/7045 (CashiersCollection)

7000/7050 (Bank/PettyCash)

7000/7060/019/Finance(Undeposited Funds:Cashiers/Finance)

7110/7115/019/Finance(Provision for BadDebts/Finance)

7200/7201/019/Finance(PrepaidExpenses/Finance)

7200/7202/019/Finance(GL Suspense/Finance)

7200/7204/019/Finance(EskomDeposits/Finance)

7200/7246/019/Finance(Debtors : Traffic Fines)

7210/7220 (Debtors -Property Rates)

7210/7230 (Debtors -Refuse)

7210/7238 (Debtors -Interest)

7260/7261 (Debtors -Sundry)

7260/7263/019/Finance(DebtorsSuspense/Finance)

7400/7410 (Inventory)

7400/7430 (Land )

7400/7430/03/LED(Inventory/LandInventory)

7500/7510(Investments/Investments- FixedDeposit[74213814673])

7700/7700/019/Finance(VAT Control/Finance)

7700/7710 (VAT Input)

7700/7720 (VAT Output)

8100/8103/03/Technical/ACC/MIGR(Roads-AccumulatedDepreciation)

8100/8103/03/Technical/ADD/MIGR(INFRASTRUCTURE/Roads/Technical/Additions/MIG)

8100/8103/03/Technical/ADD/MIGR/MANG(Roads - Mangwele)

8100/8103/03/Technical/ADD/MIGR/MASI (Roads- Masisi Streets)

8100/8103/03/Technical/ADD/MIGR/TSHI (Roads- Thengwe & TshandamaStreets)

8100/8103/03/Technical/ADD/MIGR/VUVH(Roads - TshidongolweRoad to Vuvha)

8100/8103/03/Technical/OPE/MIGR(INFRASTRUCTURE/Roads/Technical/Opening Balance/MIG)

8100/8104/03/Technical/OPE/MIGR(INFRASTRUCTURE/Water/Technical/Opening Balance/MIG)

8100/8105/03/Technical/ADD(Infrastructure/Bridges &Culvert/Te)

8100/8105/03/Technical/WIP(Infrastructure/Bridges &Culvert/Te)

8100/8106/03/Technical/ACC/MIGR(INFRASTRUCTURE/Electricity/Technical/AcummulatedDepreciation/MIG)

8100/8106/03/Technical/OPE/MIGR(INFRASTRUCTURE/Electricity/Technical/OpeningBalance/MIG)

8100/8110/03/Technical/ADD/MIGR(INFRASTRUCTURE/Refusesite/Technical/Additions/MIG)

8100/8110/03/Technical/OPE/MIGR(INFRASTRUCTURE/Refusesite/Technical/OpeningBalance/MIG)

8100/8112(Road/WIP/MAsisi Phase1)

8100/8112/03/Technical/WIP/MIGR(Road/WIP/TShilambaStreets Phase 1)

8100/8112/03/Technical/WIP/MIGR/MAS(INFRASTRUCTURE/MAsisiStreets Phase 2)

8100/8112/03/Technical/WIP/MIGR/MRR(INFRASTRUCTURE/WIP/MIG/Ring Road)

8200/8219/02/Corporate/ACC/MIGR(COMMUNITYASSETS/RecreationalFacilities/CorporateServices/AcummulatedDepreciati

8200/8219/02/Corporate/OPE/MIGR(COMMUNITYASSETS/RecreationalFacilities/CorporateServices/OpeningBalance/MIG)

8200/8222/05/Community/ACC/MIGR(COMMUNITYASSETS/Other -Cemetery/CommunityServices/CommunityServices(Othe

8200/8222/05/Community/OPE/MIGR(COMMUNITYASSETS/Other -Cemetery/CommunityServices(Other)/OpeningBalance/IV  
 8400/8410/019/Finance(InvestmentProperties/Finance)  
 8500/8525/01/Council/ACC/EQ02/VEHI (OtherAssets - Motor Vehicles)  
 8500/8525/01/Council/ADD/EQ02/MAVE (OtherAssets - Motor vehicles)  
 8500/8525/019/Finance/ACC/EQ02/VEHI (OtherAssets - Motor Vehicles)  
 8500/8525/03/Technical/ADD/EQ02/VEHI (OtherAssets - Motor Vehicles)  
 8500/8525/03/Technical/OPE/EQ02/VEHI (OtherAssets - Motor Vehicles)  
 8500/8525/05/Community/OPE/EQ02/VEHI (OtherAssets - Motor Vehicles)  
 8500/8526/02/Corporate/OPE (OTHERASSETS/Plant &Equipment/CorporateServices)  
 8500/8526/03/Technical/ACC/EQ02/PLAN (OtherAsset - Plant &Machinery)  
 8500/8526/03/Technical/OPE/EQ02/PLAN (OtherAsset - Plant &Machinery)  
 8500/8527/01/Council/ADD/EQ02/OFFI (OtherAsset - Office Equipment)  
 8500/8527/01/MM/ADD/EQ02/OFFI (Other Assets- Office Equipment)  
 8500/8527/019/Finance/ACC/EQ02/Furn (OtherAssets - Furniture &Fittings)  
 8500/8527/019/Finance/ADD/EQ02/OFFI (OfficeEquipment : Finance)  
 8500/8527/019/Finance/OPE/EQ02/OFFI (OtherAsset - Office Equipment)  
 8500/8527/02/Corporate/ACC/EQ02/OFFI (OtherAssets - OfficeEquipment)  
 8500/8527/02/Corporate/ADD/EQ02/Furn (OtherAssets - Furniture &Fittings)  
 8500/8527/02/Corporate/OPE/EQ02/Furn (OtherAssets - Furniture &Fittings)  
 8500/8527/02/Corporate/OPE/EQ02/OFFI (OtherAsset - Office Equipment)  
 8500/8527/03/Technical/ADD/EQ02/OFFI (OtherAsset - Office Equipment)  
 8500/8527/03/Technical/OPE/EQ02/OFFI (OtherAsset - Office Equipment)  
 8500/8527/05/Community/ADD/EQ02/OFFI (OtherAssets - OfficeEquipment)  
 8500/8531/03/Technical/ACC/EQ02/LABU(OTHER ASSETS/Land &Buildings/Technical/AccumulatedDepreciation/EQ02CAPEX)  
 8500/8531/03/Technical/ADD/EQ02/LABU (Landand Buildings)  
 8500/8531/03/Technical/OPE/EQ02/CIVI (OtherAssets - Land &Buildings)  
 8500/8531/03/Technical/OPE/EQ02/LABU(OTHER ASSETS/Land &Buildings/Technical/Opening Balance/EQ02CAPEX/Land &Buildings)  
 8500/8532/01/MM/ACC/EQ02 (Other Assets -Computer Equipment)  
 8500/8532/01/MM/OPE/EQ02/COMP (OtherAssets - Computers)  
 8500/8532/019/Finance/ACC/EQ02 (Other Assets- Computer Equipment)  
 8500/8532/019/Finance/ACC/EQ02/BINS (OtherAssets - Bins)  
 8500/8532/019/Finance/OPE/EQ02/COMP (OtherAssets - Computers)  
 8500/8532/03/Technical/ACC/EQ02/VEHI (OtherAsset - Trucks)  
 8500/8532/03/Technical/OPE/EQ02/VEHI (OtherAsset - Trucks)  
 8500/8532/05/Community/ACC/EQ02 (OtherAssets - ComputerEquipment)  
 8500/8532/05/Community/ACC/EQ02/BINS (OtherAssets - Bins)  
 8500/8532/05/Community/OPE/EQ02/BINS (OtherAssets - Bins)  
 8500/8533/05/Community/ACC/EQ02/SECU (OtherAssets : FencingCommunity)  
 8500/8533/05/Community/OPE/EQ02/SECU (OtherAssets : Fencing)  
 8500/8535/02/Corporate/ADD (OTHERASSETS/AIRCONDITIONER)  
 8500/9845/02/Corporate/ACC (OTHERASSETS/LeasePhotocopier-Sharp/AccumulatedDepreciation)  
 8500/9845/02/Corporate/OPE (OTHERASSETS/LeasePhotocopier-Sharp/CorporateServices/OpeningBalance)  
 8500/9846/019/Finance/OPE (OTHERASSETS/Lease Printers -Toshiba/OpeningBalance)  
 8500/9846/019/MM/ACC(OTHER ASSETS/LeasePrinters -Toshiba/AccumulatedDepreciation)  
 8900/8910/019/Finance/ACC/EQ02/SOFT(INTANGIBLES/ComputerSoftwares/AccDepn/EQ02CAPEX/Software)  
 8900/8910/019/Finance/OPE/EQ02/SOFT(INTANGIBLES/ComputerSoftwares/Finance/OpeningBalance/EQ02 CAPEX)  
 8900/8940/019/Finance/ADD/EQ02/SOFT(Software : Finance)  
 9000/9005 (Creditors -Trade Creditors/Finance)  
 9000/9010/019/Finance(Prov GovtCreditors/Finance)  
 9000/9015/019/Finance(Creditors/IncomeRecieved in Adv/Finance)  
 9000/9020/019/Finance(Creditors/RetentionCreditors/Finance)  
 9000/9030(Creditors/Dept ofTransp/Comm Services)  
 9000/9035(Creditors/Prodiba/CommunityServices)  
 9000/9038/019/Finance(Creditors - VhembeDistrictMunicipality/Finance)  
 9000/9040 (Accruals -Accruals/Finance)  
 9000/9050 (GLSuspense/Finance)  
 9000/9055 (Suspense/GLSuspenseOthers/Finance)  
 9000/9056 (SuspenseVhembe DistrictMunicipality)



9000/9070 (DirectDeposits Clearing)  
 9000/9075/019/Finance(Creditor: ThengweTrust/Finance)  
 9000/9080/05/Community(Road TrafficInfringementAgency/CommunityServices)  
 9050/9051 (ConsumerDeposits)  
 9050/9052/019/Finance(Traffic Deposits :StudentTraining/Finance)  
 9050/9053/019/Finance(Unidentified DirectDeposits/Finance)  
 9200/9201/019/Finance(Provision forLeave/Finance)  
 9200/9203/01/MM(Provision for Bonus/MM)  
 9200/9203/019/Finance(Provision forBonus/Finance)  
 9200/9203/02/Corporate(Provision forBonus/CorporateServices)  
 9200/9203/03/Technical(Provision forBonus/Technical)  
 9200/9203/05/Community(Provision forBonus/CommunityServices)  
 9200/9207/01/Council(PAYE Control/Council)  
 9200/9208/03/Technical(Pension FundControl/Technical)  
 9200/9210/01/MM(Medical AidControl/MunicipalManager)  
 9200/9210/02/Corporate(Medical AidControl/CorporateServices)  
 9200/9210/03/Technical(Medical AidControl/Technical)  
 9200/9217/03/Technical(Home LoansControl/Technical)  
 9200/9219/02/Corporate(OLD Control/CorporateServices)  
 9200/9221/019/Finance(Provision for LongService Awards/Finance)  
 9400/9410 (CG : MIG)  
 9400/9425 (CG :Operations &Maintenance)  
 9400/9430/02/Corporate(CG : NationalLottery/CorporateServices)  
 9400/9445/03/Technical(Intergrated NationalElectricProgramme/Technical)  
 9400/9450 (CG: EPWPGGrant/Technical)  
 9400/9455/03/Technical(CG: Disaster ReliefGrant/Planning andDevelopment/Technic)  
 9820/9821/019/Finance(Non-CurrentLiability/85103821797 -Toyota Hilux 2.0vvti/Finance)  
 9820/9845/02/Corporate/OPE (Non-CurrentLiability/LeasePhotocopier-Sharp/CorporateServices/OpeningBalance)  
 9820/9846 (Non-CurrentLiability/Lease Printers -Toshiba)  
 9840/9843 (OtherNon-CurrentLiability/FNB Loan)  
 9950/9951 (AccumulatedProfit/Retained Income)  
 9950/9953/019/Finance(Accumulated Profit -Prior YearAdjust/Finance)  
 9999/9991 (DebtorsTakeon Suspense)

## Totals

Sage Evolution (Registered to Mutale Local Municipality)

<u>Account Type</u>	<u>Debits</u>	<u>Credits</u>	<u>PY Debits</u>	<u>PY Credits</u>
	35,525,699.30		12,440,358.28	
Other Income		2,429,046.17		1,672,521.27
Other Income	130,485.03		232,351.89	
Other Income		397,012.22		250,079.09
Other Income	6,300.00		4,010.92	
Other Income				6,402.28
Other Income				11,618.60
Other Income				2,193.24
Other Income		1,100.00		
Other Income		71,008.62		34,900.23
Other Income		95,489.16		28,168.84
Other Income		885,086.86		372,664.39
Other Income		529,189.91		770,060.42
Other Income		422,660.00		538,020.00
Other Income		416.44		
Other Income		3,744.00		2,340.00
Other Income		381,456.00		406,512.00
Other Income		996.00		
Other Income		515,796.00		451,401.00
Other Income		40,824.00		36,072.00
Other Income		59,598.00		77,319.00
Other Income		1,701.00		1,701.00
Other Income		19,009.48		18,746.33
Other Income		12,432.28		40,673.99
Other Income		1,430.00		2,490.00
Other Income		8,520.00		7,455.00
Other Income		78.42		
Other Income		403,260.00		411,645.00
Other Income		105,564.00		92,625.00
Other Income		134.73		
Other Income		76,075.00		81,685.00
Other Income		404,952.51		335,858.49
Other Income		30,792.02		28,841.92
Other Income		14,813.67		13,233.69
Other Income		821.09		410.51
Other Income		117,435.00		94,623.00
Other Income		10.80		1.80
Other Income		9.00		1.80
Other Income		348.75		90.00
Other Income		424.43		414.20
Other Income		44,920,000.00		41,989,000.00
Other Income				48,000.00
Other Income		1,650,000.00		1,500,000.00
Other Income		890,000.00		800,000.00
Other Income		15,594,954.17		17,485,887.51
Other Income				680,364.60
Other Income		1,000,000.00		1,000,000.00
Other Income		24,642,961.76		57,022.80
Other Income				4,738.15
Other Income				19,318.66
Other Income		193,269.20		190,825.34
Other Income		9,277.43		10,942.22
Other Income		131.58		



Other Income		654.24		261.39
Other Income		31,666.67		
Other Income		4,014.68		2,684.94
Other Income		70,175.44		
Other Income		14,686.49		32,474.25
Other Income		9,880.34		1,219.19
Other Income		720.00		9,976.22
Other Income		14,237.88		0.00
Other Income		12,500.00		
Other Income		2,663,918.67		390,542.83
Other Income		3,062,179.00		
Other Income				2,192.98
Other Income				7,596.18
Other Income		235.44		
Other Income		545,957.76		310,822.87
Other Income		15,000.00		10,000.00
Other Income		29,845.76		24,687.87
Other Income		96,034.20		94,681.61
Other Income				37,800.00
Other Expense	2,292,113.09		1,872,405.30	
Other Expense	4,537,437.13		3,724,581.67	
Other Expense	5,159,731.72		5,965,465.98	
Other Expense	4,706,744.97		4,004,344.88	
Other Expense	2,872,484.39		2,543,735.52	
Other Expense	163,514.34		118,209.20	
Other Expense	339,353.28		298,280.80	
Other Expense	452,096.76		387,272.91	
Other Expense	382,603.68		314,906.63	
Other Expense	240,524.30		211,012.97	
Other Expense	48,000.00		38,300.00	
Other Expense	30,000.00		24,400.00	
Other Expense	45,752.28		43,200.00	
Other Expense	46,000.00		40,500.00	
Other Expense	12,200.00		14,000.00	
Other Expense	5,736.00		5,832.00	
Other Expense	11,472.00		11,664.00	
Other Expense	2,400.00			
Other Expense	1,912.00		5,832.00	
Other Expense	5,736.00		5,832.00	
Other Expense	20,212.68		15,136.72	
Other Expense	72,421.69		7,155.08	
Other Expense	33,610.47		25,432.02	
Other Expense	5,379.66		26,696.38	
Other Expense	333,262.82		284,650.73	
Other Expense			93.00	
Other Expense			40,702.84	
Other Expense			782.60	
Other Expense			2,174.00	
Other Expense	79,351.52		73,350.00	
Other Expense	12,000.00		38,400.00	
Other Expense	7,200.00			
Other Expense			72,532.49	
Other Expense			30,036.27	
Other Expense	21,248.01		7,596.99	
Other Expense			70,500.70	
Other Expense	1,012,931.35		30,665.85	
Other Expense			20,983.72	
Other Expense	4,673.29		15,796.76	
Other Expense	23,079.20			

Other Expense			22,471.45	
Other Expense	5,523.56		25,683.78	
Other Expense			14,954.08	
Other Expense	161,098.86		273,223.46	
Other Expense	594,682.18		445,209.81	
Other Expense	515,451.79		294,507.89	
Other Expense	821,682.05		754,483.95	
Other Expense	650,329.57		574,004.95	
Other Expense	212,278.20		198,194.45	
Other Expense			3,000.00	
Other Expense	76,500.00			
Other Expense			85,141.66	
Other Expense	0.00		46,328.01	
Other Expense			61,535.08	
Other Expense			81,838.65	
Other Expense			27,092.93	
Other Expense			155,621.03	
Other Expense			195,501.52	
Other Expense			56,921.74	
Other Expense			145,532.60	
Other Expense			113,874.37	
Other Expense	774.70		654.50	
Other Expense	1,733.55		1,787.05	
Other Expense	2,998.20		2,832.10	
Other Expense	2,889.25		2,434.72	
Other Expense	1,282.70		1,142.40	
Other Expense	89,995.20		48,318.60	
Other Expense	149,361.00		86,173.44	
Other Expense	95,506.80		84,783.60	
Other Expense	70,264.20		116,971.00	
Other Expense	154,356.76		106,565.20	
Other Expense	6,339.37			
Other Expense	13,481.15			
Other Expense	4,449.60		79,891.38	
Other Expense	14,846.10		178.50	
Other Expense	10,280.33			
Other Expense	474,852.91		382,059.46	
Other Expense	874,594.36		795,745.18	
Other Expense	1,120,243.24		1,060,435.02	
Other Expense	1,106,243.39		847,698.75	
Other Expense	507,446.52		557,830.73	
Other Expense	28,475.02			
Other Expense	47,501.28			
Other Expense	58,210.39		232,520.88	
Other Expense	46,756.41			
Other Expense	33,962.02			
Other Expense	16,606.87		14,212.09	
Other Expense	35,714.07		35,125.03	
Other Expense	46,817.42		42,910.34	
Other Expense			148.72	
Other Expense	46,000.32		36,813.74	
Other Expense	28,354.16		22,847.25	
Other Expense			3,804.34	
Other Expense			2,185.07	
Other Expense	29,350.00		6,083.65	
Other Expense			87,813.69	
Other Expense	4,172,082.67		3,949,845.36	
Other Expense	525,474.00		349,821.13	
Other Expense	16,074.68			

Other Expense	727,589.29		689,508.87	
Other Expense	1,618,333.27		1,530,551.98	
Other Expense			3,434.00	
Other Expense	32,766.24			
Other Expense	11,916,735.92		3,332,695.33	
Other Expense	2,838,573.82		2,098,656.45	
Other Expense	5,555.56			
Other Expense	36,936.67		36,936.67	
Other Expense	669,284.10		694,570.67	
Other Expense	284.22			
Other Expense	19,621.53		296.00	
Other Expense	6,598.06		14,688.00	
Other Expense			343.82	
Other Expense	3,279.05		2,447.40	
Other Expense	74.00			
Other Expense	26,300.26		25,380.33	
Other Expense	25,038.92		8,811.17	
Other Expense	159,720.38		299,423.17	
Other Expense	14,528.44		16,335.85	
Other Expense			85.00	
Other Expense	73,436.07		79,607.66	
Other Expense			946.95	
Other Expense	186.70			
Other Expense	7,826.37		1,033.50	
Other Expense	8,071.24		54,836.45	
Other Expense	3,251.70		3,988.44	
Other Expense	240.00			
Other Expense	18,558.92		15,752.40	
Other Expense	118.00			
Other Expense	80,668.08		78,372.63	
Other Expense	124,386.07		11,835.51	
Other Expense	48,798.26			
Other Expense			3,000.00	
Other Expense	139,310.28		176,316.61	
Other Expense	90,479.30		150,489.43	
Other Income			4,347.31	
Other Expense	431,600.00		415,765.07	
Other Expense	1,297,485.09		1,018,827.83	
Other Expense	2,700.00			
Other Expense	399,587.80		58,581.42	
Other Expense	1,411.18		11,710.00	
Other Expense	182,863.95		74,334.47	
Other Expense	40,819.83		44,920.40	
Other Expense			63,042.00	
Other Expense	1,734,365.86		1,141,551.56	
Other Expense	105,488.63		111,428.76	
Other Expense			31,616.76	
Other Expense	26,578.00		18,079.90	
Other Expense	14,965.23			
Other Expense		0.45		
Other Expense	119,471.72		159,511.85	
Other Expense	3,121.12			
Other Expense	16,666.67		593,699.23	
Other Expense	665,874.48		1,514,079.35	
Other Expense	699.40		3,039.10	
Other Expense	36,455.50		32,708.00	
Other Expense	4,406.74		6,917.11	
Other Expense			200.00	
Other Expense	408,625.00			

Other Expense	1,190.84		4,455.75	
Other Expense	1,313.07		1,243.35	
Other Expense	598,019.93		135,665.06	
Other Expense	301.33		886.94	
Other Expense	1,703.41		434.60	
Other Expense	1,143.56		1,955.02	
Other Expense			330.43	
Other Expense	96.30			
Other Expense	299,512.69		178,616.43	
Other Expense			1,399.00	
Other Expense	94,265.29		41,895.68	
Other Expense			28,781.86	
Other Expense	22,966.70		117,690.70	
Other Expense			11,200.00	
Other Expense	19,770.00			
Other Expense	208,529.72		140,937.00	
Other Expense	281.80			
Other Expense	14,108.41		11,994.41	
Other Expense	331,491.59		329,481.15	
Other Expense	99,952.88		85,142.87	
Other Expense	29,610.37		4,965.32	
Other Expense	41,765.74		25,961.55	
Other Expense	12,648.67		262,274.98	
Other Expense			1,200.00	
Other Expense	172,596.17			
Other Expense			4,528,549.76	
Other Expense	199.95			
Other Expense			84,386.80	
Other Expense	526,000.00		459,750.00	
Other Expense	100,497.46		208,774.10	
Other Expense	1,341.12			
Other Expense			7,001.01	
Other Expense	13,409.95			
Other Expense	24,416.00		14,000.00	
Other Expense	47,950.92		17,385.44	
Other Expense	33,000.00		52,421.93	
Other Expense			21,400.00	
Other Expense	8,159.65		19,044.90	
Other Expense	5,098.61		35,206.00	
Other Expense	20,733.40			
Other Expense	26,066.67		15,700.00	
Other Expense	1,742.60		10,289.47	
Other Expense			14,252.71	
Other Expense	25,200.00		20,700.00	
Other Expense	193.60		38,626.76	
Other Expense	19,825.10		11,547.00	
Other Expense	2,042.38		3,996.80	
Other Expense	11,653.72		15,450.55	
Other Expense	3,365.00			
Other Expense	500.00			
Other Expense	897,664.04			
Other Expense	369,176.38		366,983.42	
Other Expense	183,313.00		63,231.05	
Other Expense	44,770.88		185,189.95	
Other Expense			18,088.99	
Other Expense			89,375.00	
Other Expense	114,528.25		137,642.38	
Other Expense	40,875.43		108,506.98	
Other Expense	121,411.23		633,038.77	

Other Expense	18,858.77		43,652.02	
Other Expense	9,042.23		27,851.96	
Other Expense	1,096.49		4,341.29	
Other Expense	1,013.46		246.00	
Other Expense	4,170.46		4,033.04	
Other Expense	55,569.96		43,448.98	
Other Expense	18,021.12		49,543.29	
Other Expense	1,387.83		2,595.02	
Other Expense	920,000.00		762,019.39	
Other Expense	2,112.00			
Other Expense	151,200.00		237,384.00	
Other Expense	1,022,391.86		521,000.00	
	<b>102,503,536.72</b>	<b>102,503,536.72</b>	<b>70,501,808.70</b>	<b>70,501,808.70</b>

32,166,081.25  
35,526,828.74

19,725,722.97  
12,440,358.28

Cash and Cash Equivalents	4,275,006.45		297,047.04	c&ce
Cash and Cash Equivalents		0.00	4,017.30	
Cash and Cash Equivalents	0.00		0.44	
Cash and Cash Equivalents	6,515.30		9,926.89	c&ce
Cash and Cash Equivalents	21,563.34		21,563.34	
Other Current Liability		12,203,396.33		6,335,292.71
Other Current Asset	768.00		768.00	
Other Current Asset	54,160.49		54,160.49	
Other Current Asset	232,198.57		232,198.57	
Trade Receivables	803,340.00		620,820.00	
Trade Receivables	3,947,278.21		7,684,588.95	
Trade Receivables	1,116,690.09		842,794.44	
Trade Receivables	500,075.89			3,244.46
Trade Receivables	1,025,578.43		1,451,708.53	
Trade Receivables		4,447.09		4,447.09
Inventories	210,765.48		121,286.66	Inventory
Other Non Current Asset	3,390,000.00		3,390,000.00	
Inventories	7,179,000.00		7,579,000.00	Inventory
Investments		0.00	20,057,918.70	C&ce
Other Current Asset	7,718,162.16		7,712,520.74	
Other Current Asset	8,127,368.55		3,185,992.20	
Other Current Asset		1,315,667.67		433,206.82
Property, Plant and Equipment		2,296,521.64		911,520.93
Property, Plant and Equipment	147,460.09		147,459.88	
Property, Plant and Equipment	1,770,252.09		1,770,252.09	
Property, Plant and Equipment	13,578,878.64		2,484,931.49	
Property, Plant and Equipment	7,337,425.07		6,462,861.37	
Property, Plant and Equipment	6,324,034.93		6,324,034.93	
Property, Plant and Equipment	28,510,277.67		28,510,277.67	
Property, Plant and Equipment	3,062,180.00		1.00	
Property, Plant and Equipment	2,996,723.86		1,867,397.55	
Property, Plant and Equipment	10,166,769.65			
Property, Plant and Equipment		622,584.30		494,948.23
Property, Plant and Equipment	2,552,721.37		2,552,721.37	
Property, Plant and Equipment		195,123.28		195,123.28
Property, Plant and Equipment	413,206.56		413,206.56	
Property, Plant and Equipment			8,774,611.93	
Property, Plant and Equipment	8,681,565.36		1,570,992.66	
Property, Plant and Equipment	1,303,126.92			
Property, Plant and Equipment	656,230.62			
Property, Plant and Equipment		422,066.79		422,066.79
Property, Plant and Equipment	2,679,202.92		2,679,202.92	
Property, Plant and Equipment		295,028.55		295,028.55

Property, Plant and Equipment	1,101,439.93		1,101,439.93	
Property, Plant and Equipment	2,350,000.00		2,350,000.00	
Property, Plant and Equipment		849,364.98		664,974.55
Property, Plant and Equipment	646,545.96		646,545.96	
Property, Plant and Equipment		1,136,122.06		1,136,122.06
Property, Plant and Equipment	271,996.56			
Property, Plant and Equipment	2,463,054.84		2,463,054.84	
Property, Plant and Equipment	525,655.88		199,762.13	
Property, Plant and Equipment	39,464.91			
Property, Plant and Equipment		656,973.58		367,591.83
Property, Plant and Equipment	7,837,669.25		1,570,459.09	
Property, Plant and Equipment	18,000.00			
Property, Plant and Equipment	150.00			
Property, Plant and Equipment		613,157.45		552,416.96
Property, Plant and Equipment	13,416.00			
Property, Plant and Equipment		408,625.47		0.47
Property, Plant and Equipment		972,418.92		876,880.90
Property, Plant and Equipment	80,869.74			
Property, Plant and Equipment	1,020,015.93		969,607.34	
Property, Plant and Equipment	1,615,974.66		1,615,974.66	
Property, Plant and Equipment	295,000.00			
Property, Plant and Equipment	6,250.00			
Property, Plant and Equipment	24,840.00			
Property, Plant and Equipment		1,780,149.97		1,533,166.68
Property, Plant and Equipment	17,681.01		17,681.01	
Property, Plant and Equipment	8,981,962.42		8,896,196.72	
Property, Plant and Equipment	1,421,481.26		1,421,481.26	
Property, Plant and Equipment	426,723.37		426,723.37	
Property, Plant and Equipment		347,895.03		383,631.68
Property, Plant and Equipment	792,125.97		792,125.97	
Property, Plant and Equipment		3,062.63		
Property, Plant and Equipment	1,593,540.99		1,574,020.23	
Property, Plant and Equipment		1,227,994.52		1,099,601.66
Property, Plant and Equipment	1,745,596.99		1,745,596.99	
Property, Plant and Equipment		2,307,437.54		2,158,824.37
Property, Plant and Equipment		21,438.38		21,438.38
Property, Plant and Equipment	24,501.00		24,501.00	
Property, Plant and Equipment		262,181.66		162,825.32
Property, Plant and Equipment	289,548.85		289,548.85	
Property, Plant and Equipment	6,200.00			
Other Fixed Assets		5,555.56		
Other Fixed Assets	200,000.00			
Other Fixed Assets	110,810.00		110,810.00	
Other Fixed Assets		110,810.01		73,873.34
Property, Plant and Equipment		261,726.59		192,248.53
Property, Plant and Equipment	469,288.00		469,288.00	
Property, Plant and Equipment	86,536.00		86,536.00	
Trade Payables		1,867,454.43		5,794,714.03
Trade Payables	0.70		0.70	
Trade Payables		108,456.95		127,411.52
Trade Payables		3,287,410.02		3,339,329.72
Trade Payables		4,081,583.36		2,328,549.60
Trade Payables		145,350.00		119,475.00
Other Current Liability		1,285,085.96		1,128,452.53
Trade Payables		637,799.35		4,010,091.15
Trade Payables	9,712.13		9,712.13	
Trade Payables	21,798.20		21,798.20	
Other Current Liability	1,019,292.13		914,583.13	

Other Current Liability	0.00		3,886.65	
Trade Payables		102,787.36		20,689.52
Other Current Liability		18,560.95		6,644.50
Trade Payables		213,433.73		213,433.73
Trade Payables	97.00		97.00	
Trade Payables		15,821.92		15,821.92
Other Current Liability		2,891,285.23		2,093,630.96
Other Current Liability		85,788.37		68,093.81
Other Current Liability		134,381.83		120,713.53
Other Current Liability		224,235.19		146,134.20
Other Current Liability		210,769.66		131,244.81
Other Current Liability		102,184.08		96,791.05
Other Current Liability	2,754.76			0.00
Other Current Liability		10.00		
Other Current Liability		967.20		0.00
Other Current Liability		1,350.00		1,350.00
Other Current Liability	146.25			0.00
Other Current Liability		0.02		
Other Current Liability		2.00		
Other Current Liability		1,833,000.00		1,723,000.00
Other Current Liability		3,188,045.83		0.00
Other Current Liability		6,698,025.22		6,698,025.22
Other Current Liability		1,227,721.79		1,227,721.79
Other Current Liability	1,804,322.42		1,804,322.42	
Other Current Liability		0.00	0.00	
Other Current Liability		15.44		24,642,977.20
Non Current Liability		110.93		110.93
Non Current Liability		195,612.89		
Non Current Liability		4,584.39		48,385.97
Other Non Current Liability		848,528.86		1,157,712.00
Retained Earnings		36,629,647.50		36,010,355.64
Retained Earnings		4,069,206.60		4,594,600.12
Other Current Liability	16.67			0.00
	166,123,006.49	166,123,006.49	146,350,017.29	146,350,017.29
	268,626,543.21	268,626,543.21	216,851,825.98	216,851,825.98

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