

BEAUFORT WEST MUNICIPALITY

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

2 NET ASSET RESERVES

RESERVES

Capital Replacement Reserve
Housing Development Fund
Self Insurance Reserve

Total Net Asset Reserve and Liabilities

2014 R	2013 R
10 166 450	9 752 086
4 849 606	4 546 564
4 198 159	4 170 185
1 118 685	1 035 337
10 166 450	9 752 086

The above balances are represented by cash of R218 612 for the current year and R197 487 (2013) and is invested together with the other investments of the municipality (See Note 22)

3 LONG TERM LIABILITIES

Annuity Loans - At amortised cost
Capitalised Lease Liability - At amortised cost

Less: Current Portion transferred to Current Liabilities

Annuity Loans - At amortised cost
Capitalised Lease Liability - At amortised cost

Total Long-term Liabilities - At amortised cost using the effective interest rate method

2014 R	2013 R
13 544 430	15 417 378
4 534 416	2 094 697
18 078 846	17 512 075
3 476 271	2 808 681
1 516 227	1 877 333
1 960 044	931 348
14 602 574	14 703 394

Annuity loans at amortised cost is calculated at 6.75%-14.00% interest rate, with last maturity date of 31 July 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured.

Finance Lease loans at amortised cost is calculated at 8.50%-20.50% interest rate, with last maturity date of 30 May 2017. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured.

The obligations under annuity loans are scheduled below:

Amounts payable under annuity loans:

Payable within one year
Payable within two to five years
Payable after five years

Less: Future finance obligations

Present value of annuity obligations

2014 R	2013 R
Minimum annuity payments	
2 870 994	3 408 253
8 963 878	10 048 582
11 173 707	12 951 283
23 008 579	26 408 117
(9 464 179)	(10 990 755)
13 544 400	15 417 362

The obligations under finance leases are scheduled below:

Amounts payable under finance leases:

Payable within one year
Payable within two to five years
Payable after five years

Less: Future finance obligations

Present value of lease obligations

2014 R	2013 R
Minimum lease payments	
2 269 318	1 069 932
2 729 375	1 254 478
-	-
4 998 693	2 324 410
(464 279)	(229 718)
4 534 414	2 094 692

Leases are secured by property, plant and equipment - Note 12

BEAUFORT WEST MUNICIPALITY

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

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LONG TERM LIABILITIES (CONTINUED)

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Eqstra	Cz 4548 Toyota Corolla 1.3 Impact	11.98%	0%	3 Years	2013/09/30
Eqstra	Cz 4557 Toyota Corolla 1.3 Impact	11.98%	0%	3 Years	2013/09/30
Eqstra	Cz 4560 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
Eqstra	Cz 4561 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
Eqstra	Cz 4554 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
Eqstra	Cz 4741 Toyota Hilux 2.5 D-4d P/u S/c	12.09%	0%	3 Years	2013/09/30
Eqstra	Cz 4584 Toyota Hilux 2.5 D-4d P/u S/c	12.09%	0%	3 Years	2013/09/30
Eqstra	Cz 4567 Toyota Hilux 2.5 D-4d P/u S/c	12.09%	0%	3 Years	2013/09/30
Eqstra	Cz 4577 Toyota Hilux 2.5 D-4d P/u S/c	12.04%	0%	3 Years	2013/09/30
Eqstra	Cz 4566 Toyota Hilux 2.5 D-4d P/u S/c	12.04%	0%	3 Years	2013/09/30
Eqstra	Cz 4764 Toyota Hilux 2.5 D-4d P/u S/c	11.99%	0%	3 Years	2013/09/30
Eqstra	Cz 4746 Toyota Hilux 2.5 D-4d P/u S/c	11.99%	0%	3 Years	2013/09/30
Eqstra	Cz 4336 Toyota Hilux 2.5 D-4d P/u S/c	12.13%	0%	3 Years	2013/10/31
Eqstra	Cz 4738 Toyota Hilux 2.5 D-4d P/u S/c	12.06%	0%	3 Years	2013/11/30
Eqstra	Cz 4730 Toyota Hilux 2.5 D-4d P/u S/c	12.06%	0%	3 Years	2013/11/30
Eqstra	Cz 6725 Ldv Toyota	9.00%	0%	3 Years	2014/10/13
Nashua	mpc4001	9.00%	0%	3 Years	2014/09/30
Nashua	mpc5501	9.00%	0%	3 Years	2014/08/31
Eqstra	Cz 8282 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8340 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8341 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8343 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8408 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8410 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8414 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8415 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8418 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8419 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8421 Toyota Yaris Zen3 Acs	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8422 Toyota Yaris Zen3 Acs	8.50%	0%	3 Years	2016/04/30
Panasonic	Machine Photocopy Kyocera Fs1128	9.00%	0%	5 Years	2016/08/30
Panasonic	Machine Photocopy Kyocera Fs 6025	9.00%	0%	5 Years	2016/07/30
Panasonic	Pabx Telephone System	9.00%	15%	5 Years	2016/03/30
Panasonic	Cctv Camera's	20.50%	0%	3 Years	2015/09/30
Panasonic	Cctv Camera's	9.00%	15%	3 Years	2014/07/30
Eqstra	Cz 2078 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 2477 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 4155 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8634 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8685 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8686 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8687 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 5753 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 5136 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 6192 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8563 Isuzu Kb250d Fltside A/c P/u S/c	8.50%	0%	3 Years	2016/06/30
Eqstra	Cz 1096 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/11/30
Eqstra	Cz 5366 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 4898 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 4296 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 2295 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 1461 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 8728 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 6743 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/11/30
Wesbak	Cz 3697 Truck Nissan Ud 90b F/c C/c	8.50%	0%	3 Years	2017/01/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Minolta	machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Minolta	machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Minolta	machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Eqstra	Cz 9005 Isuzu Kb250d Leed Fleetside P/u S	9.00%	0%	3 Years	2017/05/30

BEAUFORT WEST MUNICIPALITY

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

			2014 R	2013 R
4	EMPLOYEE BENEFITS	Notes		
	Post Retirement Benefits	4.1	22 683 885	19 242 724
	Long Service Awards	4.2	3 167 820	3 023 067
	Pension Murraysburg		30 393	29 234
	Total Non-current Employee Benefit Liabilities		25 882 098	22 295 025
	<u>Post Retirement Benefits</u>			
	Balance 1 July		19 978 516	21 524 707
	Contribution for the year		(803 089)	(826 186)
	Expenditure for the year		2 483 291	2 474 038
	Actuarial Loss/(Gain)		1 882 459	(3 194 043)
	Total post retirement benefits 30 June		23 541 177	19 978 516
	<u>Less:</u> Transfer of Current Portion	7	(857 292)	(735 792)
	Balance 30 June		22 683 885	19 242 724
	<u>Long Service Awards</u>			
	Balance 1 July		3 478 317	3 246 547
	Contribution for the year		(209 774)	(331 808)
	Expenditure for the year		503 723	560 472
	Actuarial Loss/(Gain)		(203 285)	3 106
	Total long service 30 June		3 568 981	3 478 317
	<u>Less:</u> Transfer of Current Portion	7	(401 161)	(455 250)
	Balance 30 June		3 167 820	3 023 067
	<u>Pension Murraysburg</u>			
	Balance 1 July		29 234	27 924
	Expenditure for the year		1 159	1 310
	Balance 30 June		30 393	29 234
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>			
	Balance 1 July		23 486 067	24 799 178
	Contribution for the year		(1 012 863)	(1 157 994)
	Expenditure for the year		2 988 173	3 035 820
	Actuarial Loss/(Gain)		1 679 174	(3 190 937)
	Total employee benefits 30 June		27 140 551	23 486 067
	<u>Less:</u> Transfer of Current Portion	7	(1 258 453)	(1 191 042)
	Balance 30 June		25 882 098	22 295 025
4.1	Post Retirement Benefits			
	The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:			
	In-service (employee) members		57	64
	In-service (employee) non-members		301	268
	Continuation members (e.g. Retirees, widows, orphans)		26	23
	Total Members		384	355
			2014 R	2013 R
	The liability in respect of past service has been estimated to be as follows:			
	In-service (employees) members		8 824 030	7 815 266
	In-service (employees) non-members		2 666 600	1 997 976
	Continuation (retirees and widows) members		12 050 547	10 165 274
	Total Liability		23 541 177	19 978 516

BEAUFORT WEST MUNICIPALITY

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

4 EMPLOYEE BENEFITS (CONTINUED)

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

	2012 R	2011 R	2010 R
In-service members	8 183 241	7 277 383	4 234 313
Continuation members	2 080 071	10 306 593	8 826 987
Continuation (retirees and widows) members	11 261 395	-	-
Total Liability	21 524 707	17 583 976	13 061 300

Experience adjustments were calculated as follows:

	2014 Rm	2013 Rm
Liabilities: (Gain) / loss	1.004	(3.061)
Assets: Gain / (loss)	-	-

Experience adjustments were calculated as follows in respect of periods commencing prior to the comparative year:

	2012 Rm	2011 Rm	2010 Rm
Liabilities: (Gain) / loss	1.678	1.785	-
Assets: Gain / (loss)	-	-	-

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

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

LA Health;
Samwumedi; and
Keyhealth.

The Municipality's Accrued Unfunded Liability at 30 June 2014 is estimated at R23 541 177. The Current-service Cost for the year ending 30 June 2014 is estimated at R783 017. It is estimated to be R793 176 for the ensuing year.

Key actuarial assumptions used:

	2014 %	2013 %
i) Rate of interest		
Discount rate	8.93%	8.67%
Health Care Cost Inflation Rate	8.13%	7.60%
Net Effective Discount Rate	0.74%	1.00%

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

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

It has been assumed that in-service members will retire at age 63 for males and 58 for females, which then implicitly allows for expected rates of early and ill-health retirement.

	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	23 541 177	19 978 516
Total Liability	23 541 177	19 978 516

The fund is wholly unfunded.

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

4 EMPLOYEE BENEFITS (CONTINUED)

Reconciliation of present value of fund obligation:

	2014 R	2013 R
Present value of fund obligation at the beginning of the year	19 978 516	21 524 707
Total expenses	1 680 202	1 647 852
Current service cost	783 017	815 290
Interest Cost	1 700 274	1 658 748
Benefits Paid	(803 089)	(826 186)
Actuarial (gains)/losses	1 882 459	(3 194 043)
Present value of fund obligation at the end of the year	23 541 177	19 978 516
Less: Transfer of Current Portion - Note 7	(857 292)	(735 792)
Balance 30 June	22 683 885	19 242 724

Sensitivity Analysis on the Accrued Liability

Assumption	Change	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)	% change
Central Assumptions		11,491	12,051	23,541	
Health care inflation	1%	13,879	13,405	27,284	16%
Health care inflation	-1%	9,602	10,893	20,495	-13%
Discount Rate	1%	9,629	10,910	20,539	-13%
Discount Rate	-1%	13,885	13,408	27,293	16%
Post-retirement mortality	-1 year	11,900	12,539	24,439	4%
Average retirement age	-1 year	12,290	12,051	24,341	3%
Withdrawal Rate	-50%	7,989	12,051	20,039	-15%

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		783 000	1 700 300	2 483 300	
Health care inflation	1%	974 600	1 979 100	2 953 700	19%
Health care inflation	-1%	634 900	1 473 600	2 108 500	-15%
Post-retirement mortality	-1 year	809 200	1 764 300	2 573 500	4%
Average retirement age	-1 year	841 800	1 765 600	2 607 400	5%
Withdrawal Rate	-50%	913 700	1 763 300	2 697 000	9%

4.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 358 employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability at 30 June 2014 is estimated at R3 568 981. The Current-service Cost for the year ending 30 June 2014 is estimated at R264 427. It is estimated to be R283 215 for the ensuing year.

Key actuarial assumptions used:

i) Rate of interest

	2014 %	2013 %
Discount rate	7.97%	7.35%
General Salary Inflation (long-term)	7.13%	6.80%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.79%	0.51%

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

BEAUFORT WEST MUNICIPALITY

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

4

EMPLOYEE BENEFITS (CONTINUED)

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

	2014 R	2013 R
Present value of fund obligations	3 568 981	3 478 317
Net liability/(asset)	3 568 981	3 478 317

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

	2012 R	2011 R	2010 R
Present value of fund obligations	3 246 547	2 902 880	1 740 386
Total Liability	3 246 547	2 902 880	1 740 386

Experience adjustments were calculated as follows:

	2014 R	2013 R
Liabilities: (Gain) / loss	(124 179)	(110 128)
Assets: Gain / (loss)	-	-

Experience adjustments were calculated as follows in respect of periods commencing prior to the comparative year:

	2012 Rm	2011 Rm	2010 Rm
Liabilities: (Gain) / loss	(5 747)	496 177	-
Assets: Gain / (loss)	-	-	-

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

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	3 478 317	3 246 547
Total expenses	293 949	228 664
Current service cost	264 427	354 221
Interest Cost	239 296	206 251
Benefits Paid	(209 774)	(331 808)
Actuarial (gains)/losses	(203 285)	3 106
Present value of fund obligation at the end of the year	3 568 981	3 478 317
<u>Less:</u> Transfer of Current Portion - Note 7	(401 161)	(455 250)
Balance 30 June	3 167 820	3 023 067

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		3,569	
General salary inflation	1%	3,814	7%
General salary inflation	-1%	3,348	-6%
Discount Rate	1%	3,338	-6%
Discount Rate	-1%	3,830	7%
Average retirement age	-2 yrs	3,093	-13%
Average retirement age	2 yrs	4,184	17%
Withdrawal rates	-50%	4,207	18%

4.3 Retirement funds

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

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

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

BEAUFORT WEST MUNICIPALITY

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

4	EMPLOYEE BENEFITS (CONTINUED)		2014 R	2013 R
	<u>CAPE RETIREMENT FUND</u>			
	The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 100.2% (30 June 2012 - 99.9%).			
	<u>CAPE JOINT PENSION FUND</u>			
	The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 99.70% (30 June 2012 - 99.40%). Whilst this has increased since the previous actuarial valuations it is still within the Registrar's normally acceptable range of at least a 95% funding level, provided that the previous statutory valuation reflected at least a 99.4% funding level.			
	<u>SALA PENSION FUND</u>			
	The contribution rate payable is 8.60% by members and 20.78% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 100% (30 June 2012 - 100%). funding level, provided that the previous statutory valuation reflected at least a 100% funding level.			
	<u>SAMWU PROVIDENT FUND</u>			
	The contribution rate payable is 7.50% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 100% (30 June 2012 - 100%). funding level, provided that the previous statutory valuation reflected at least a 100% funding level.			
5	NON-CURRENT PROVISIONS		2014 R	2013 R
	Provision for Rehabilitation of Landfill-sites		5 676 153	5 337 039
	Total Non-current Provisions		<u>5 676 153</u>	<u>5 337 039</u>
	The rehabilitation cost provision is for the rehabilitation of four landfill sites in the Beaufort West region. It is required from the municipality to execute an environmental management program to restore the landfill sites after its useful life. Provision has been made for this cost based on the estimated present value of future cash flows arising from the rehabilitation cost expected as at the estimated decommission dates listed below.			
	<u>Landfill Sites</u>	Notes		
	Balance 1 July		5 337 039	5 018 072
	Balance previously reported			7 064 563
	Correction of Error	38.05		(7 064 563)
	Correction of Error	38.05		5 018 072
	Increase in Estimate		87 835	91 848
	Balance previously reported			-
	Correction of Error	38.05		91 848
	Unwinding of discounted interest		251 280	227 119
	Balance previously reported			292 474
	Correction of Error	38.05		(292 474)
	Correction of Error	38.05		227 119
	Total provision 30 June		<u>5 676 153</u>	<u>5 337 039</u>
	Less: Transfer of Current Portion to Provisions		-	-
	Balance 30 June		<u>5 676 153</u>	<u>5 337 039</u>
	<u>Location</u>	<u>Estimated decommission date</u>	<u>Cost of rehabilitation</u>	<u>Cost of rehabilitation</u>
			2014 R	2013 R
	Beaufort West	2021	2 747 620	2 563 060
	Murraysburg	2024	1 168 235	1 108 220
	Nelspoort	2029	999 883	943 373
	Merweville	2021	760 416	722 387
			<u>5 676 153</u>	<u>5 337 039</u>

BEAUFORT WEST MUNICIPALITY

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

5 NON-CURRENT PROVISIONS (CONTINUED)

Material Assumptions used

Area of landfill site consumed	2012	2013	2014
Beaufort West	59.08%	61.17%	63.05%
Murraysburg	65.37%	66.37%	67.32%
Nelspoort	42.84%	44.33%	45.74%
Merweville	58.45%	60.24%	61.88%
		2014	2013
Discount Rate used		4.71%	4.53%

The discount rate used to calculate the present value of the rehabilitation costs at each reporting period is based on a calculated risk free rate as determined by the municipality. This rate is in line with a competitive investment rate the municipality can obtain from an A grade financial institution. This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

6 CONSUMER DEPOSITS

	2014 R	2013 R
Water & Electricity	1 138 815	1 159 826
Total Consumer Deposits	<u>1 138 815</u>	<u>1 159 826</u>

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

7 CURRENT EMPLOYEE BENEFITS

	2014 R	2013 R
Current Portion of Post Retirement Benefits - Note 4	857 292	735 792
Current Portion of Long-Service Provisions - Note 4	401 161	455 250
Performance Bonuses	481 518	519 411
Bonuses	1 753 146	1 536 643
Staff Leave	4 016 026	3 909 245
Total Current Employee Benefits	<u>7 509 143</u>	<u>7 156 341</u>

The movement in current employee benefits are reconciled as follows:

Provision for Performance Bonuses

Balance at beginning of year	519 411	486 961
Contribution to current portion	321 200	444 126
Expenditure incurred	(359 093)	(411 676)
Balance at end of year	<u>481 518</u>	<u>519 411</u>

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by an executive performance committee.

Bonuses

Balance at beginning of year	1 536 643	1 726 842
Contribution to current portion	3 850 618	2 770 102
Expenditure incurred	(3 634 115)	(2 960 301)
Balance at end of year	<u>1 753 146</u>	<u>1 536 643</u>

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

Provision for Staff Leave

Balance at beginning of year	3 909 245	3 250 382
Contribution to current portion	540 012	1 100 689
Expenditure incurred	(433 231)	(441 826)
Balance at end of year	<u>4 016 026</u>	<u>3 909 245</u>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

BEAUFORT WEST MUNICIPALITY

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

8	PAYABLES FROM EXCHANGE TRANSACTIONS	2014 R	2013 R
	Trade Payables	20 374 174	20 843 901
	Deposits: Other	1 153 637	1 043 672
	Payments received in advance	399 232	868 313
	Receivable accounts with credit balances	2 503 674	2 370 144
	Pensionfund SALA	2 204 084	2 519 084
	Total Trade Payables	26 634 801	27 445 114

Payables are not being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts.

All payments are unsecured.

9	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2014 R	2013 R
	Unspent Grants	7 135 563	7 774 144
	National and Provincial Government Grants	7 135 563	7 774 144
	<u>Less:</u> Unpaid Grants	670 378	912 408
	National and Provincial Government Grants	670 378	912 408
	Total Conditional Grants and Receipts	6 465 185	6 861 736

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. Grants amounting to R482 929 were withheld.

9.01 Equitable share

Grants received	35 567 000	32 765 000
Conditions met - Operating	(35 567 000)	(32 765 000)
Conditions still to be met	-	-

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

9.02 National Grants

Opening balance	(685 641)	7 730 026
Grants received	18 790 000	34 377 674
Interest on investment (Only if condition)	22 551	8 911
Net Transfers	-	(8 636 001)
Conditions met - Own Income	(1 425 174)	(2 338 860)
Conditions met - Operating	(8 810 022)	(12 931 041)
Conditions met - Capital	(3 453 353)	(18 897 351)
Conditions still to be met	4 437 361	(686 642)

National Grants received with conditions to be met.

9.03 Provincial Grants

Opening balance	7 294 949	4 857 015
Grants received	28 164 751	32 330 845
Interest on investment (Only if condition)	223 722	254 182
Conditions met - Own Income	(109 936)	(155 256)
Conditions met - Operating	(32 854 072)	(18 787 558)
Conditions met - Capital	(162 588)	(11 264 440)
Refund to Donor	(482 529)	-
Conditions still to be met	2 073 898	7 234 788

Provincial Grants received with conditions to be met.

BEAUFORT WEST MUNICIPALITY

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

9	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2014 R	2013 R
9.04	Municipal Infrastructure Grant		
	Opening balance	-	131 034
	Grants received	20 353 270	21 437 001
	Net Transfers	(75 111)	1
	Conditions met - Own Income	(2 480 878)	(337 821)
	Conditions met - Operating	(230 514)	(221 979)
	Conditions met - Capital	(17 732 344)	(21 008 234)
	Conditions still to be met	<u>(165 576)</u>	<u>2</u>
	Municipal Infrastructure Grant received with conditions to be met.		
9.05	Local Economic Development		
	Opening balance	31 341	29 862
	Interest on investment (Only if condition)	1 603	1 479
	Conditions still to be met	<u>32 944</u>	<u>31 341</u>
	Local Economic Development received with conditions to be met.		
9.06	Central Karoo District Municipality Funds		
	Opening balance	222 087	374 976
	Grants received	318 600	521 930
	Interest on investment (Only if condition)	318	294
	Conditions met - Operating	(454 651)	(575 113)
	Conditions still to be met	<u>86 554</u>	<u>222 087</u>
	Central Karoo District Municipality Funds received with conditions to be met.		
9.07	Public Contributions		
	Opening balance	-	376 304
	Grants received	137 136	578 533
	Interest on investment (Only if condition)	4 418	10 446
	Conditions met - Own Income	-	(813)
	Conditions met - Operating	(2 502)	(964 470)
	Conditions still to be met	<u>139 052</u>	<u>-</u>
	Public Contributions received with conditions to be met.		
9.08	Total Conditional Grants and Receipts		
	Opening balance	6 861 736	13 499 217
	Grants received	67 763 967	89 245 983
	Interest on investment (Only if condition)	252 613	275 312
	Net Transfers	(75 111)	(8 636 000)
	Conditions met - Own Income	(4 015 989)	(2 832 750)
	Conditions met - Operating	(42 351 760)	(33 589 161)
	Conditions met - Capital	(21 348 285)	(51 170 025)
	Refund to Donor	(482 929)	-
	Conditions still to be met	<u>6 604 234</u>	<u>5 801 576</u>
	Total Conditional Grants and Receipts received with conditions to be met.		

BEAUFORT WEST MUNICIPALITY

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

10 UNSPENT PUBLIC CONTRIBUTIONS

Unspent Public Contribution

139 052

-

The Unspent Public Contributions are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

11 TAXES

2014
R

2013
R

VAT

162 628

(49 149)

Provision for Debt Impairment of trade receivables from exchange transactions

3 769 386

3 514 387

3 932 014

3 465 238

VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.

BEAUFORT WEST MUNICIPALITY

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

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

30 June 2014

	Opening Balance		Additions		Cost		Transfers/WIP		Disposals		Closing Balance		Accumulated Impairment		Opening Balance		Depreciation Charge		Disposals/Transfers		Closing Balance		Carrying Value	
	R		R		R		R		R		R		R		R		R		R		R		R	
Land and Buildings	54 142 214		1 990		-		-		-		54 144 204		9 999 999		875 040		159 442		-		1 034 482		43 139 723	
Land	39 915 780		-		-		-		-		39 915 780		8 698 520		875 040		159 442		-		1 034 482		31 217 260	
Buildings	14 226 434		1 990		-		-		-		14 228 424		1 271 479		-		-		-		-		11 922 463	
Infrastructure	328 451 398		12 501 130		12 563 862		-		-		353 816 220		-		43 814 859		10 334 113		-		53 948 772		299 567 448	
Stormwater Network	38 638 238		1 798 159		41 370		-		-		40 417 967		-		6 837 612		1 505 758		-		8 343 368		32 074 599	
Road Network	113 738 678		1 748 032		2 326 947		-		-		117 813 657		-		15 634 056		3 335 640		-		18 969 898		98 843 959	
Sanitation Network	51 960 534		1 053 607		4 170 182		-		-		57 194 323		-		5 077 778		1 614 818		-		6 692 594		50 501 730	
Electricity Network	66 193 411		5 997 303		3 363 864		-		-		75 544 598		-		5 362 722		1 721 950		-		7 084 872		68 459 826	
Water Network	59 629 422		1 993 829		2 181 371		-		-		60 793 622		-		10 412 459		2 105 918		-		12 518 277		48 275 345	
Refuse Network	1 292 115		-		459 938		-		-		1 752 053		-		290 033		50 131		-		340 164		1 411 889	
Community Assets	16 275 613		644 569		-		-		-		16 920 182		567 801		1 334 593		429 061		-		1 763 654		14 598 727	
Taxi Rank	252 000		-		-		-		-		252 000		-		15 101		2 468		-		17 569		234 431	
Museum	-		-		-		-		-		-		-		-		-		-		-		-	
Cemeteries	17 200		-		-		-		-		17 200		-		1 030		168		-		1 198		16 002	
Community centres	9 704 783		-		-		-		-		9 704 783		349 799		850 397		260 518		-		1 130 915		8 224 159	
Recreation sites	5 744 152		644 569		-		-		-		6 388 721		186 621		433 880		139 910		-		573 790		5 628 310	
Libraries	557 477		-		-		-		-		557 477		21 470		34 185		5 997		-		40 182		498 624	
Lease Assets	4 457 040		4 093 249		-		-		(2 182 407)		6 367 882		-		2 000 952		1 546 485		(2 182 407)		1 365 030		5 002 852	
Office Equipment (Lease)	628 150		247 737		-		-		(78 107)		797 780		-		250 490		108 054		(78 107)		280 437		517 343	
Vehicles (Lease)	3 828 890		3 845 512		-		-		(2 104 300)		5 570 102		-		1 750 462		1 438 431		(2 104 300)		1 054 593		4 485 509	
Other Assets	16 798 798		821 851		-		-		(581 513)		17 039 136		-		7 060 007		1 031 056		(393 514)		7 697 549		9 361 587	
Computer hardware	2 362 542		187 439		-		-		-		2 550 981		-		1 226 561		167 394		(3 001)		1 350 554		1 169 027	
Air conditioners	556 868		38 377		-		-		-		595 245		-		332 085		29 774		-		391 859		235 886	
Chairs	294 154		15 479		-		-		-		309 633		-		191 696		11 744		-		203 440		96 203	
Concrete Mixer	11 938		-		-		-		-		11 938		-		9 017		325		-		9 342		2 596	
Desks & Tables	322 173		6 350		-		-		-		328 523		-		202 738		12 833		-		215 571		112 952	
Compactors	30 731		-		-		-		-		30 731		-		23 774		849		-		24 623		6 108	
Compressors	218 751		-		-		-		-		218 751		-		44 755		10 148		-		54 901		163 850	
Tools	796 059		265 972		-		-		-		1 062 031		-		365 486		55 935		-		421 422		642 609	
Electronic Equipment	890 004		157 820		-		-		-		1 047 824		-		372 915		44 328		-		417 241		438 593	
Fire Brigade Equipment	138 990		-		-		-		-		138 990		-		23 430		6 456		-		29 886		109 104	
Lawn Equipment	290 475		10 115		-		-		-		300 590		-		183 973		12 595		-		196 568		104 022	
Trucks/LDV	6 438 972		-		-		-		(475 718)		5 963 254		-		2 182 006		399 436		(338 718)		2 241 724		3 721 530	
Motor Vehicles	532 836		13 154		-		-		(44 776)		501 214		-		171 239		46 752		(18 776)		201 215		299 999	
Office Equipment	557 825		-		-		-		(21 019)		536 806		-		372 815		28 310		(21 019)		360 108		156 700	
Office Furniture	836 276		58 015		-		-		-		894 291		-		438 302		47 332		-		486 634		407 657	
Trailers	409 922		7 320		-		-		-		414 242		-		268 925		16 266		-		283 195		131 047	
Trackers	1 456 524		-		-		-		(20 000)		1 436 524		-		294 595		87 897		(13 000)		339 483		1 097 041	
Toolbox	332 768		27 526		-		-		-		360 314		-		140 609		23 450		-		154 059		188 265	
Gym Equipment	116 803		-		-		-		-		116 803		-		66 691		4 472		-		71 363		45 440	
Generators	187 130		-		-		-		-		187 130		-		51 446		8 277		-		59 723		127 407	
Radio Equipment	225 527		24 284		-		-		-		249 811		-		127 747		16 493		-		144 240		105 571	
	420 125 063		18 062 789		12 563 862		-		(2 743 920)		448 007 624		10 527 800		54 885 251		13 500 157		(2 975 921)		65 809 487		371 676 337	

BEAUFORT WEST MUNICIPALITY

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

12. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

30 June 2013

	Operating Balance	Additions	Cost	Disposals	Closing Balance	Accumulated Impairment	Operating Balance	Depreciation Charge	Disposals/Transfers	Closing Balance	Carrying Value
	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings											
Land	54 340 364	-	-	(188 150)	54 142 214	-	712 805	162 235	-	875 040	53 267 174
Balance previously reported	40 113 930	-	-	(198 150)	39 915 780	-	-	-	-	-	39 915 780
Correction of error. Refer note 38.07	35 343 105	-	-	(198 150)	35 144 955	-	-	-	-	-	35 144 955
	4 770 825	-	-	-	4 770 825	-	-	-	-	-	4 770 825
Buildings	14 228 434	-	-	-	14 228 434	-	712 805	162 235	-	875 040	13 351 364
Balance previously reported	15 511 934	-	-	-	15 511 934	-	777 115	174 956	-	952 071	14 559 863
Correction of error. Refer note 38.07	(1 285 500)	-	-	-	(1 285 500)	-	(64 310)	(12 721)	-	(77 031)	(1 208 469)
Infrastructure	278 574 688	51 876 710	-	-	329 451 398	-	33 245 925	10 368 733	-	43 614 659	284 836 739
Stormwater Network	34 514 816	3 723 422	-	-	38 238 238	-	5 348 275	1 483 337	-	6 831 612	31 800 626
Road Network	82 266 508	31 472 170	-	-	113 738 678	-	12 399 788	3 234 270	-	15 634 058	98 104 620
Sanitation Network	51 404 217	556 317	-	-	51 960 534	-	3 424 368	1 653 408	-	5 077 776	46 882 759
Electricity Network	53 371 181	12 822 230	-	-	66 193 411	-	3 589 855	1 785 687	-	5 362 722	60 830 689
Water Network	53 699 743	2 928 679	-	-	56 628 422	-	8 241 687	2 170 762	-	10 412 469	46 215 963
Refuse Network	518 223	373 892	-	-	1 292 115	-	234 944	55 089	-	290 033	1 002 082
Community Assets	19 225 780	209 823	(3 160 000)	-	16 275 613	-	1 040 843	463 105	(189 356)	1 334 593	14 941 020
Taxi Rank	252 000	-	-	-	252 000	-	12 607	2 494	-	15 101	236 899
Museum	3 160 000	-	(3 160 000)	-	-	-	156 086	31 270	(180 356)	-	-
Carneries	17 200	-	-	-	17 200	-	860	170	-	1 030	16 170
Community centurms	9 704 783	-	-	-	9 704 783	-	554 246	298 151	-	850 397	8 854 386
Balance previously reported	9 686 383	-	-	-	9 686 383	-	553 376	295 987	-	849 293	8 637 080
Correction of error. Refer note 38.07	18 400	-	-	-	18 400	-	929	184	-	1 104	17 296
Recreation sites	5 534 329	209 823	-	-	5 744 152	-	286 955	145 924	-	433 880	5 310 273
Balance previously reported	5 542 828	209 823	-	-	5 742 651	-	342 441	157 776	-	500 217	5 342 435
Correction of error. Refer note 38.07	(1 108 500)	-	-	-	(1 108 500)	-	(55 486)	(10 852)	-	(66 337)	(1 042 163)
Libraries	557 477	-	-	-	557 477	-	28 088	8 097	-	34 185	523 292
Lease Assets	4 852 316	1 883 024	-	(2 078 300)	4 657 040	-	3 079 020	1 000 232	(2 078 300)	2 000 952	2 458 088
Office Equipment (Lease)	339 187	288 993	-	-	628 180	-	142 325	108 165	-	250 490	377 690
Vehicles (Lease)	4 313 129	1 594 031	-	(2 078 300)	3 828 860	-	2 936 695	892 067	(2 078 300)	1 750 462	2 078 428
Other Assets	16 578 118	226 843	-	(6 163)	16 798 798	-	8 293 068	765 783	(4 844)	7 060 007	9 738 791
Computer hardware	2 260 403	107 439	-	(5 000)	2 362 842	-	1 067 401	162 889	(3 729)	1 226 561	1 135 981
Air conditioners	559 368	-	-	-	559 368	-	257 063	34 122	-	332 085	227 283
Chairs	282 002	2 182	-	-	284 184	-	180 147	11 549	-	191 696	92 488
Concrete Mixer	11 938	-	-	-	11 938	-	8 652	365	-	9 017	2 921
Desks & Tables	319 287	2 896	-	-	322 173	-	198 784	13 564	-	202 338	119 435
Compactors	30 731	-	-	-	30 731	-	22 603	971	-	23 574	6 957
Compressors	218 751	-	-	-	218 751	-	33 812	10 843	-	44 755	173 986
Tools	764 167	33 892	-	(1 163)	796 896	-	316 511	48 978	(1 115)	372 915	317 089
Electronic Equipment	650 818	40 349	-	-	691 167	-	339 341	34 689	-	23 430	115 560
Fire Brigade Equipment	138 990	-	-	-	138 990	-	16 506	8 924	-	183 973	105 502
Lawn Equipment	290 475	-	-	-	290 475	-	171 325	12 648	-	2 182 006	4 258 966
Trucks/LDV	6 438 972	-	-	-	6 438 972	-	1 960 951	201 025	-	171 239	351 597
Motor Vehicles	552 636	-	-	-	552 636	-	154 055	17 174	-	372 815	185 010
Office Equipment	547 396	10 429	-	-	557 825	-	345 640	27 169	-	439 302	396 974
Office Furniture	818 990	17 286	-	-	836 276	-	392 517	46 785	-	266 926	139 956
Trailers	406 922	-	-	-	406 922	-	246 255	62 213	-	264 586	1 191 328
Tractors	1 456 524	-	-	-	1 456 524	-	202 383	25 848	-	140 609	192 178
Toolbox	332 788	-	-	-	332 788	-	113 761	26 848	-	66 891	46 912
Gym Equipment	116 803	-	-	-	116 803	-	51 905	4 985	-	51 446	135 684
Generators	187 130	-	-	-	187 130	-	42 558	8 678	-	127 747	97 790
Radio Equipment	213 127	12 400	-	-	225 527	-	113 942	14 105	-	54 865 251	385 239 811
	371 371 276	54 196 400	(3 160 000)	(2 282 813)	420 125 063	-	44 377 862	12 780 080	(2 272 500)	-	-

BEAUFORT WEST MUNICIPALITY

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

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2014 R	2013 R
Carrying value of assets retired from active use and held for disposal:		
Cost	-	-
Land and Buildings	-	-
Accumulated depreciation	-	-
Land and Buildings	-	-
Carrying value	-	-
Impairment of property plant and equipment		
Impairment charges on Property, plant and equipment recognised in statement of financial performance		
Land and Buildings	9 969 999	-
Community Assets	557 801	-
	<u>10 527 800</u>	<u>-</u>

The effect of a change in accounting estimate will have on the current period and subsequent periods:

	2014 R	2015 R	2016 R
Effect on Property, plant and equipment	<u>378 502</u>	<u>378 502</u>	<u>324 486</u>

Assessment of impairment of assets was performed on other assets.

Details of property plant and equipment carried at fair value

No property, plant and equipment are carried at fair value.

13 INVESTMENT PROPERTY

	2014 R	2013 R
Net Carrying amount at 1 July	9 380 540	9 646 894
Cost	11 222 424	11 222 424
Balance previously reported	-	11 609 924
Correction of error. Refer to note	-	(387 500)
Accumulated Depreciation	(1 841 884)	(1 575 530)
Balance previously reported	-	(1 640 184)
Correction of error. Refer to note	-	64 654
Accumulated Impairment	(466 582)	-
Depreciation for the year	(266 355)	(266 354)
Balance previously reported	-	(279 271)
Correction of error. Refer to note	-	12 917
Net Carrying amount at 30 June	8 647 603	9 380 540
Cost	10 755 842	11 222 424
Accumulated Depreciation	(2 108 239)	(1 841 884)
Revenue derived from the rental of investment property:		
Sanlam Building	191 374	192 446
Operating expenditure incurred on properties generating revenue	<u>25 842</u>	<u>10 539</u>

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The cost model in terms of GRAP 16 is being applied on Investment Property.

Cost at implementation of GRAP 16 and fair value was determined by valuation roll of 1 July 2009.

BEAUFORT WEST MUNICIPALITY

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

14	INTANGIBLE ASSETS	2014 R	2013 R
	Computer System & Software		
	Net Carrying amount at 1 July	334 581	433 721
	Cost	1 049 204	1 041 845
	Accumulated Amortisation	(714 623)	(608 124)
	Acquisitions	24 809	7 359
	Amortisation for the year	(90 620)	(106 499)
	Net Carrying amount at 30 June	268 770	334 581
	Cost	1 074 013	1 049 204
	Accumulated Amortisation	(805 243)	(714 623)

The following material intangible assets are included in the carrying value above

		Carrying Value	
		2014 R	2013 R
Description	Remaining Amortisation Period		
Sebata System	3	238 943	318 737

No intangible asset were assessed as having an indefinite useful life.
There are no intangible assets whose title is restricted.
There are no intangible assets pledged as security for liabilities

15	CAPITALISED RESTORATION COST	Notes	2014 R	2013 R
	Net Carrying amount at 1 July		1 744 746	1 827 758
	Cost		2 565 251	2 473 403
	Balance previously reported			2 505 396
	Correction of Error	38.06		(2 505 396)
	Correction of Error	38.06		2 473 403
	Accumulated Depreciation		(721 672)	(558 028)
	Balance previously reported			(1 088 885)
	Correction of Error	38.06		1 088 885
	Correction of Error	38.06		(558 028)
	Accumulated Impairments		(98 833)	(87 617)
	Balance previously reported			(71 295)
	Correction of Error	38.06		71 295
	Correction of Error	38.06		(87 617)
	Additions		87 835	91 848
	Balance previously reported			-
	Correction of Error	38.06		91 848
	Depreciation for the year		(172 950)	(163 644)
	Balance previously reported			(77 719)
	Correction of Error	38.06		77 719
	Correction of Error	38.06		(163 644)
	Impairment - Note		4 371	(11 216)
	Balance previously reported			(18 356)
	Correction of Error	38.06		18 356
	Correction of Error	38.06		(11 216)
	Net Carrying amount at 30 June		1 664 002	1 744 746
	Cost		2 653 085	2 565 251
	Accumulated Depreciation		(894 623)	(721 672)
	Accumulated Impairments		(94 461)	(98 833)

BEAUFORT WEST MUNICIPALITY

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

	2014 R	2013 R
16 HERITAGE ASSETS		
Net Carrying amount at 1 July	2 970 644	-
Transfers from Property, Plant and equipment	-	2 970 644
Net Carrying amount at 30 June	2 970 644	2 970 644

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in May 2010. The municipality identified its heritage assets during the current period but did not measure all its heritage assets. The municipality is currently in the process of measuring its heritage assets in terms of GRAP 103 and it is expected that this process will be completed for inclusion in the 2015 financial statements.

17 LONG-TERM RECEIVABLES		
Housing Loans	510 743	554 859
Receivables with arrangements	4 387 459	3 400 933
Less: Current portion transferred to Trade and other receivables from exchange transactions	(1 221 615)	(2 334 285)
	3 676 587	1 621 507
Less: Provision for Debt Impairment	-	-
Total Long Term Receivables	3 676 587	1 621 507

ARRANGEMENTS

Municipal account holders can make arrangements with the Municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to Trade receivables where it will be included in the calculation of Provision for impairment.

HOUSING LOANS

The outstanding amount relates to prior years and is still collectable. General public were entitled to housing loans which attract interest at 13,5% per annum and which are repayable over a maximum period of 30 years. These loans are repayable in the year 2026.

18 INVENTORY		
Consumable Stores – Stationery and materials - At cost	2 734 031	3 101 494
Water – at cost	57 419	64 409
Total Inventory	2 791 450	3 165 903
Consumable stores materials written down due to losses as identified during the annual stores counts.	413	26 064
Consumable stores materials surpluses identified during the annual stores counts.	4 263	35 078

No inventory assets were pledged as security for liabilities.

19 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Service Receivables		
Water	4 032 531	2 904 579
Electricity	6 703 596	5 392 199
Housing Rentals	96 734	107 275
Refuse	6 215 193	4 963 549
Sewerage	8 915 638	6 458 247
Total Service Receivables	25 963 692	19 825 849
Less: Provision for Debt Impairment	(17 395 674)	(13 283 318)
Net Service Receivables	8 568 018	6 542 531
Other Receivables		
Other Arrears	19 847 609	22 886 315
Total Other Receivables	19 847 609	22 886 315
Less: Provision for Debt Impairment	(13 297 898)	(15 333 831)
Net Other Receivables	6 549 711	7 552 484
Total Net Receivables from Exchange Transactions	15 117 729	14 095 015

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

BEAUFORT WEST MUNICIPALITY

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

19	TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)	2014 R	2013 R
	Ageing of Receivables from Exchange Transactions		
	<u>(Electricity): Ageing</u>		
	Current (0 - 30 days)	4 354 590	3 625 373
	31 - 60 Days	384 762	161 078
	61 - 90 Days	216 579	47 729
	+ 90 Days	1 747 855	1 558 019
	Total	6 703 596	5 392 199
	<u>(Water): Ageing</u>		
	Current (0 - 30 days)	925 824	954 256
	31 - 60 Days	254 843	178 572
	61 - 90 Days	285 400	136 832
	+ 90 Days	2 566 464	1 634 919
	Total	4 032 531	2 904 579
	<u>(Refuse): Ageing</u>		
	Current (0 - 30 days)	514 107	458 552
	31 - 60 Days	248 405	185 925
	61 - 90 Days	227 053	171 262
	+ 90 Days	5 225 628	4 147 810
	Total	6 215 193	4 963 549
	<u>(Sewerage): Ageing</u>		
	Current (0 - 30 days)	955 895	835 803
	31 - 60 Days	365 817	271 585
	61 - 90 Days	330 109	245 584
	+ 90 Days	7 263 817	5 105 275
	Total	8 915 638	6 458 247
	<u>(Housing Rentals Debtors): Ageing</u>		
	Current (0 - 30 days)	5 819	5 864
	31 - 60 Days	2 615	1 393
	61 - 90 Days	1 960	1 393
	+ 90 Days	86 340	98 625
	Total	96 734	107 275
	<u>(Other Debtors): Ageing</u>		
	Current (0 - 30 days)	1 093 898	555 590
	31 - 60 Days	630 250	196 836
	61 - 90 Days	326 270	147 306
	+ 90 Days	17 797 191	21 986 583
	Total	18 847 609	22 886 315
20	OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS	2014 R	2013 R
	<i>Service Receivables</i>		
	Taxes - Rates	5 724 720	6 418 938
	Other Receivables	38 046 557	6 761 311
	Total Service Receivables	43 771 277	13 180 249
	Less: Provision for Debt Impairment	(28 800 995)	(4 300 688)
	Total Net Receivables from Non-Exchange Transactions	14 970 281	8 879 561
	Ageing of Receivables from Non-Exchange Transactions		
	<u>(Rates): Ageing</u>		
	Current (0 - 30 days)	1 194 606	1 046 177
	31 - 60 Days	328 898	1 465 551
	61 - 90 Days	310 669	164 699
	+ 90 Days	3 890 547	3 742 511
	Total	5 724 720	6 418 938

BEAUFORT WEST MUNICIPALITY

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

20

OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

2014
R

2013
R

(Other Receivables): Ageing

Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	38 046 557	6 761 311
Total	<u>38 046 557</u>	<u>6 761 311</u>

Summary of Receivables by Customer Classification

	Residential, Industrial & Commercial R	Other Debtors R	National and Provincial Government R	Total R
2014				
Total Receivables	88 256 451	-	1 326 127	89 582 578
Less: Provision for doubtful debts	(59 494 567)	-	-	(59 494 567)
Total Recoverable debtors by customer classification	<u>28 761 884</u>	<u>-</u>	<u>1 326 127</u>	<u>30 088 011</u>

Summary of Receivables by Customer Classification

	Residential, Industrial & Commercial R	Other Debtors R	National and Provincial Government R	Total R
2013				
Total Receivables	55 339 378	-	553 035	55 892 413
Less: Provision for doubtful debts	(32 917 837)	-	-	(32 917 837)
Total Recoverable debtors by customer classification	<u>22 421 541</u>	<u>-</u>	<u>553 035</u>	<u>22 974 576</u>

Trade and other receivables impaired

2014	Exchange Transactions R	Non-Exchange Transactions R	Total R
Total	<u>(30 693 572)</u>	<u>(28 800 995)</u>	<u>(59 494 567)</u>
2013	Exchange Transactions R	Non-Exchange Transactions R	Total R
Total	<u>(28 617 149)</u>	<u>(4 300 688)</u>	<u>(32 917 837)</u>

Debits on rates are required to be settled after 30 days, interest is charged after this date at prime +1%.
The fair value of trade and other receivables approximates their carrying amounts.

Reconciliation of the Total Provision for Debt Impairment

	2014 R	2013 R
Balance at beginning of the year	32 917 840	32 285 048
Contributions to provision	27 217 301	8 000 132
VAT Contributions to provision	254 999	83 450
Additional interest/corrections transferred to/from provision	15 131	11 189
Doubtful debts written off against provision	(910 704)	(7 461 979)
Balance at end of year	<u>59 494 567</u>	<u>32 917 840</u>

In determining the recoverability of a trade receivable, the Municipality considers any change in the credit quality of the trade receivable from the date the credit was initially granted, up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

BEAUFORT WEST MUNICIPALITY

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

		2014 R	2013 R
21	OPERATING LEASE ARRANGEMENTS		
21.1	The Municipality as Lessee		
	Balance on 1 July	-	547
	Operating Lease Liability for the current year	-	(547)
	Balance on 30 June	-	-
	Beaufort West Municipality is leasing land from Transnet Limited for periods of 60 months with escalations of 9% per year.		
	At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:		
	Up to 1 Year	-	3 600
	1 to 5 Years	-	-
	More than 5 Years	-	-
	Total Operating Lease Arrangements	-	3 600
21.2	The Municipality as Lessor		
	Balance on 1 July	11 821	11 535
	Operating Lease Asset for the current year	(1 813)	286
	Balance Previously Reported		1 108
	Correction of error	38.02	(822)
	Balance on 30 June	10 008	11 821
	Beaufort West Municipality is leasing land to rate payers for periods of 36 to 119 months with escalations of 10% per year.		
	At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
	Up to 1 Year	243 900	285 020
	1 to 5 Years	326 317	199 460
	More than 5 Years	158 386	160 184
	Total Operating Lease Arrangements	728 603	644 664
	This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.		
	The leases are in respect of land being leased out for a period until 2109		
22	CASH AND CASH EQUIVALENTS		
	Assets		
	Call Investments Deposits	9 332 328	16 811 803
	Primary Bank Account	2 592 738	1 273 546
	Cash Floats	12 070	12 330
	Total Cash and Cash Equivalents - Assets	11 937 136	18 097 679
	Liabilities		
	Primary Bank Account	-	-
	Total Cash and Cash Equivalents - Liabilities	-	-
	Call Investments Deposits to an amount of R7 287 526 are held to fund the Unspent Conditional Grants (2013: R7 774 144).		
	Bank overdraft of R5 000 000 exists at ABSA Bank and the Municipality has a fuel overdraft facility of R 400 000 at ABSA Bank.		

BEAUFORT WEST MUNICIPALITY

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

22	CASH AND CASH EQUIVALENTS (CONTINUED)	2014 R	2013 R
	The municipality has the following bank account:		
	<u>Current Account</u>		
	<i>Beaufort West ABSA - Account Number 40 5053 8936 (Primary Account):</i>		
	Cash book balance at beginning of year	1 273 546	(3 660 114)
	Cash book balance at end of year	-	1 273 546
	Bank statement balance at beginning of year	2 925 478	575 400
	Bank statement balance at end of year	2 151 835	2 925 478
	<u>Call Investment Deposits</u>		
	Call investment deposits consist out of the following accounts:		
	Investec	2 743 193	6 374 013
	ABSA	2 786 780	7 165 527
	Standard Bank	334 603	1 739 356
	Nedbank	3 467 757	1 532 927
		<u>9 332 333</u>	<u>16 811 823</u>

23	PROPERTY RATES		
	<u>Actual</u>		
	Rateable Land and Buildings	25 229 135	23 829 866
	Residential, Commercial Property, State	<u>25 229 135</u>	<u>23 829 866</u>
	<u>Less:</u> Rebates	(2 436 905)	(2 184 339)
	Total Assessment Rates	<u>22 792 230</u>	<u>21 645 527</u>
	<u>Valuations on 30 June 2014:</u>		

	2014 R	2013 R
Residential	1 081 471 237	1 398 636 326
Commercial	253 591 100	226 933 830
Governments	72 862 150	45 086 885
Schools	43 501 100	42 109 100
PSI	40 976 097	51 599 626
Non profitable	80 774 570	-
Exemptions (Municipal)	207 958 061	-
Agricultural	1 686 056 802	1 074 924 181
Vacant Erven	55 000	437 270
Building Clause	9 429 728	9 429 728
Total Property Valuations	<u>3 476 675 845</u>	<u>2 849 156 946</u>

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013. Rebates were granted on land with buildings used solely for dwellings purposes as follows: Residential - The first R19 000 on the valuation is exempted.

Rates are levied monthly and payable by the 12th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

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

BEAUFORT WEST MUNICIPALITY

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

24

GOVERNMENT GRANTS AND SUBSIDIES

Unconditional Grants

Equitable Share - Refer to Note 24.1

Conditional Grants

Municipal Infrastructure Grant
Finance Management Grant
Department of Water Affairs and Forestry
Department of Mineral and Energy
Municipal System Improvement Grant
Public Transport Infrastructure Program (PTIP)
Provincial Administration Western Cape (PAWC)
Development Bank of South Africa
Neighbourhood Development Programme (NDP)
Donations and Public Contributions
Disaster Fund
Job Creation
Expenditure Public Works Program National (EPWP)
Neighbourhood Development Program Capital (NDP)
Regional Bulk Infrastructure Grant : Capital (RBIG)
Community Development Workers

Total Government Grants and Subsidies

Government Grants and Subsidies - Capital
Government Grants and Subsidies - Operating

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

Executive & Council
Budget & Treasury
Planning & Development
Community & Social Services
Housing
Sport & Recreation
Waste Management
Waste Water Management
Road Transport
Water
Electricity

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

24.1 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 6kl free water and 50kwh free electricity per month, which is funded from this grant.

All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services for the geographical area concerned

See Appendix D & note 9 for a reconciliation of all grants.

25

SERVICE CHARGES

Electricity

Service Charges - Electricity
Less: Rebates

Water

Service Charges - Water
Less: Rebates

Refuse removal

Service Charges - Refuse
Less: Rebates

Sewerage and Sanitation Charges

Service Charges - Sewerage
Less: Rebates

Total Service Charges

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

2014 R	2013 R
35 567 000	32 765 000
35 567 000	32 765 000
63 700 041	84 346 249
17 732 343	21 008 234
1 549 058	1 322 133
-	185 687
8 737 286	21 195 621
857 071	800 000
13 482	-
32 701 524	29 269 457
-	371 889
230 514	221 979
2 602	588 667
-	3 912
454 650	511 973
1 093 378	1 473 752
-	6 291 602
26 581	722 737
301 651	378 606
99 267 041	117 111 249
21 348 285	51 170 025
77 918 756	65 941 227
99 267 041	117 111 252
22 192 164	34 204 774
4 646 728	1 604 358
290 514	232 044
3 675 040	3 819 179
28 790 936	15 239 051
844 212	209 823
750 567	618 390
6 388 541	7 279 641
7 540 295	27 694 309
9 088 167	4 201 779
15 059 877	22 007 901
99 267 041	117 111 249

56 620 589	51 717 984
59 505 650	54 382 735
(2 885 061)	(2 664 751)
12 149 823	11 493 073
19 048 372	18 676 995
(6 898 549)	(7 183 922)
5 598 121	5 205 292
6 307 318	5 714 134
(709 197)	(508 842)
10 730 841	9 886 067
12 889 262	11 718 247
(2 158 421)	(1 832 180)
85 099 374	78 302 416

BEAUFORT WEST MUNICIPALITY

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

	2014 R	2013 R
26 OTHER REVENUE		
Insurance excess revenue	141 022	174 390
VAT portion of Grants that the Municipality may recognized as own income	3 848 605	2 676 617
Selling of burial sites	188 432	167 439
Subsidies	23 377	51 621
Fees: swimming pool	82 209	143 155
Commission on insurances	93 091	82 762
Re-connections	61 309	57 870
Building plans	95 591	67 516
Sale of land	199 338	20 798
Reversal: Impairment	4 371	-
Other income represents sundry income such as administration income, sale of sand and photocopies.	639 049	740 798
Total Other Income	5 356 394	4 182 966
27 EMPLOYEE RELATED COSTS		
Standby Allowances	1 176 001	773 927
Housing Subsidy	246 105	252 182
Bonus	3 850 621	3 214 232
Essential Users	1 180 179	885 175
Overtime	3 268 436	2 319 076
Long Service Awards	12 000	12 000
Salaries	43 560 747	39 263 307
Acting Allowance	2 189 981	1 144 989
Uniform Allowance	57 120	43 227
Leave Reserve Fund	540 012	1 100 925
Transport Allowance	404 675	472 192
Group Insurance	54 618	67 246
Medical Aid Contribution	1 177 668	1 120 023
Provident Fund SAMWU	623 397	630 923
Pension Fund Contribution	6 003 064	8 019 042
Occupational Health/Safety	61 555	101 691
Unemployment Fund	415 452	361 741
Long Service Bonus	264 427	354 221
Post Retirement Medical	780 485	815 290
MIG PMU	36 251	43 836
Expanded Public Works Programme	1 340 068	1 105 195
Housing	670 997	244 498
Total Employee Related Costs	67 913 859	62 334 838
KEY MANAGEMENT PERSONNEL		
Director Community Services, Municipal Manager are appointed on 5-year fixed contracts and the Director Finance and Director Corporate Services were vacant at 30 June 2014. There are no post-employment or termination benefits payable to them at the end of the contract period.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager: J Booysen</i>		
Annual Remuneration	818 160	773 369
Performance Bonuses	109 409	102 221
Car Allowance	120 000	119 850
Contributions, Medical and Pension Funds	87 232	112 918
Function Committee Allowance	2 625	2 675
Total	1 137 416	1 111 032
<i>Remuneration of the Director Financial Services: D Louw (Till 31 August 2012)</i>		
Annual Remuneration	-	91 582
Performance Bonuses	-	59 474
Car Allowance	-	17 771
Contributions, Medical and Pension Funds	-	22 604
Leave pay-out	-	34 305
Telephone	-	1 000
Total	-	226 736
<i>Remuneration of the Director Electrical Services: RE van Staden</i>		
Annual Remuneration	553 908	520 208
Performance Bonuses	75 562	70 597
Car Allowance	72 000	72 000
Contributions, Medical and Pension Funds	108 012	93 012
Leave pay-out	-	112 826
Acting Allowance	35 950	47 892
Total	845 432	816 535

BEAUFORT WEST MUNICIPALITY

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

		2014 R	2013 R
27	EMPLOYEE RELATED COSTS (CONTINUED)		
	<i>Remuneration of the Director Community Services: AC Makendiana</i>		
	Annual Remuneration	661 200	683 701
	Performance Bonuses	63 656	59 474
	Car Allowance	60 000	60 000
	Contributions, Medical and Pension Funds	128 928	53 382
	Acting Allowance	227 995	10 224
	Telephone	6 000	6 000
	Total	1 147 779	872 781
	<i>Remuneration of the Director Engineering Services: JCL Smit</i>		
	Annual Remuneration	596 401	559 473
	Performance Bonuses	80 667	75 367
	Car Allowance	72 000	72 000
	Contributions, Medical and Pension Funds	116 103	100 037
	Acting Allowance	1 858	-
	Total	866 029	806 877
	<i>Remuneration of the Director Corporate Services: NE Mtundisi</i>		
	Annual Remuneration	152 405	428 060
	Performance Bonuses	29 798	44 544
	Car Allowance	24 000	71 892
	Contributions, Medical and Pension Funds	52 981	93 544
	Acting Allowance	6 987	13 802
	Leave pay-out	22 861	-
	Total	289 032	651 842
28	REMUNERATION OF COUNCILLORS		
	<i>Remuneration of Councillor: H.T. Prince</i>		
	Annual Remuneration	382 012	389 863
	Telephone Allowance	20 868	19 872
	Travelling	158 670	134 990
	Tools of trade	3 600	3 600
	Pension	56 421	55 604
	Medical	37 850	24 022
	Total	659 421	627 951
	<i>Remuneration of Councillor: S.M. Motsoane</i>		
	Annual Remuneration	332 519	315 726
	Telephone Allowance	20 868	19 872
	Travelling	126 936	120 892
	Tools of trade	3 600	3 600
	Pension	48 291	46 950
	Total	532 214	507 040
	<i>Remuneration of Councillor: G.P. Adolph</i>		
	Annual Remuneration	357 009	340 009
	Telephone Allowance	20 868	19 872
	Travelling	119 003	113 336
	Tools of trade	3 600	3 600
	Total	500 480	476 817
	<i>Remuneration of Councillor: J. Bostander</i>		
	Annual Remuneration	124 696	118 396
	Telephone Allowance	20 868	12 396
	Travelling	47 601	45 335
	Tools of trade	3 600	3 600
	Pension	18 109	17 607
	Total	214 874	197 334
	<i>Remuneration of Councillor: M. Furmen</i>		
	Annual Remuneration	190 405	181 338
	Telephone Allowance	20 868	12 396
	Tools of trade	3 600	3 600
	Total	214 873	197 334

BEAUFORT WEST MUNICIPALITY

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

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REMUNERATION OF COUNCILLORS (CONTINUED)

	2014 R	2013 R
<i>Remuneration of Councillor: G. De Vos</i>		
Annual Remuneration	142 804	136 003
Telephone Allowance	20 868	12 396
Travelling	47 601	45 335
Tools of trade	3 600	3 600
Total	214 873	197 334
<i>Remuneration of Councillor: P.A. Jacobs</i>		
Annual Remuneration	55 584	315 728
Telephone Allowance	3 478	19 872
Travelling	21 156	120 876
Tools of trade	600	3 600
Pension	7 884	46 950
Total	88 702	507 026
<i>Remuneration of Councillor: A.M. Slabbert</i>		
Annual Remuneration	142 804	142 142
Telephone Allowance	20 868	12 396
Travelling	47 601	47 382
Tools of trade	3 600	3 600
Total	214 873	205 520
<i>Remuneration of Councillor: D.E. Welgemoed</i>		
Annual Remuneration	124 695	124 802
Telephone Allowance	20 868	12 396
Travelling	47 601	47 382
Tools of trade	3 600	3 600
Pension	18 109	17 340
Total	214 873	205 520
<i>Remuneration of Councillor: A.D. Willemse</i>		
Annual Remuneration	142 804	142 142
Telephone Allowance	20 868	12 396
Travelling	47 601	47 382
Tools of trade	3 600	3 600
Total	214 873	205 520
<i>Remuneration of Councillor: G.T. Murray</i>		
Annual Remuneration	190 405	189 524
Telephone Allowance	20 868	12 396
Tools of trade	3 600	3 600
Total	214 873	205 520
<i>Remuneration of Councillor: R. vd Linde</i>		
Annual Remuneration	142 804	142 142
Telephone Allowance	20 868	12 396
Travelling	47 601	47 382
Tools of trade	3 600	3 600
Total	214 873	205 520
<i>Remuneration of Councillor: L. Deyce</i>		
Annual Remuneration	166 260	157 864
Telephone Allowance	20 868	12 396
Tools of trade	3 600	3 600
Pension	24 145	23 474
Total	214 873	197 334
<i>Remuneration of Councillor: E.A.J. Beyers</i>		
Annual Remuneration	138 468	-
Telephone Allowance	17 390	-
Tools of trade	3 000	-
Pension	20 203	-
Total	179 061	-

BEAUFORT WEST MUNICIPALITY

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

		2014 R	2013 R
28	REMUNERATION OF COUNCILLORS (CONTINUED)		
	<i>Total Remuneration of Councillors</i>	2 633 267	2 695 679
	Annual Remuneration	271 283	191 052
	Telephone Allowance	711 371	770 292
	Travelling	46 800	46 800
	Tools of trade	193 163	207 925
	Pension	37 850	24 022
	Medical		
	Total	3 893 734	3 935 770
	<i>In-kind Benefits</i>		
	The Executive Mayor, Deputy Executive Mayor, Speaker and one other councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has the use of a Council owned vehicle for official duties.		
29	DEBT IMPAIRMENT		
	Trade Receivables from exchange transactions - Note 19	20 414 987	6 954 921
	Trade Receivables from non-exchange transactions - Note 19	6 802 314	1 045 211
	Total Contribution to Impairment Provision	27 217 301	8 000 132
30	DEPRECIATION AND AMORTISATION		
	Depreciation PPE	13 500 157	12 780 090
	Depreciation Investment Properties	266 355	266 354
	Depreciation Capitalised Restoration Cost	172 950	163 644
	Amortisation	90 620	106 499
	Total depreciation and amortisation expenditure	14 030 083	13 316 587
31	IMPAIRMENTS		
	Property Plant & Equipment	10 527 800	-
	Investment Properties	466 582	-
	Capitalised Restoration Cost	-	11 216
	Total Impairments	10 994 382	11 216
32	REPAIRS AND MAINTENANCE		
	Repairs and maintenance expenditure per vote		
	Executive & Council	3 631	255
	Budget & Treasury	341 005	103 196
	Corporate Services	1 022 096	588 379
	Planning & Development	130 653	137 989
	Community & Social Services	497 731	364 494
	Housing	267 569	88 492
	Public Safety	571 849	855 009
	Sport & Recreation	1 678 024	1 150 604
	Waste Management	2 092 404	1 269 149
	Waste Water Management	454 553	481 835
	Road Transport	3 245 667	2 766 607
	Water	2 436 173	2 015 066
	Electricity	4 666 913	1 450 224
	Total repairs and maintenance expenditure	17 408 268	11 271 299
33	FINANCE CHARGES		
	Long-term Liabilities	1 785 723	1 899 271
	Finance leases	325 383	294 960
	Post Retirement Charges	1 939 570	1 864 999
	Overdraft Facilities	36 050	72 859
	Total finance charges	4 086 726	4 132 089

BEAUFORT WEST MUNICIPALITY

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

		2014 R	2013 R
34	BULK PURCHASES		
	Electricity	41 331 461	38 594 501
	Water	5 058 405	4 567 168
	Total Bulk Purchases	46 389 866	43 161 669
	Stock Adjustments	(7 323 581)	(6 646 662)
	Total Bulk Purchases excluding Stock Adjustments	39 066 285	36 515 007
35	CONTRACTED SERVICES		
	Accountancy Services	1 256 837	1 060 789
	Finance Management Grant	392 682	200 000
	IDP PAWK	63 000	-
	MSIG	-	18 657
	SDBIP	462 611	261 344
	Security Services	2 195 348	1 970 104
	Speed Camera	6 570 444	5 725 560
	Valuation cost	598 899	849 292
	Total Contracted services	11 539 821	10 085 746
36	GRANTS AND SUBSIDIES		
	Donations	60 000	39 859
	Total Grants and Subsidies	60 000	39 859
37	GENERAL EXPENSES		
	Advertisement Costs	235 450	299 498
	Banking Charges	593 170	546 572
	Bursaries	363 773	238 065
	Community Development Workers	306 859	378 606
	Organisations	1 042 140	964 818
	Insurance	1 010 157	755 912
	Asset Management Plan	28 906	163 326
	Licences/ Agreements	1 242 469	1 156 575
	Printing & Stationary	842 767	700 690
	Subsistence & Travel	1 185 207	796 937
	Audit fees	1 811 077	1 642 585
	Telephone Costs	1 429 982	1 374 655
	Training Costs	139 987	83 771
	Water service development program	110 484	245 520
	Ward Committee	579 038	353 358
	Transfer existing housing	3 876	366 421
	Vehicle Cost	73 827	499 837
	Postage	509 394	483 405
	Digging of graves	211 671	195 350
	Job Creation	520 154	466 688
	Legal expenses	465 028	265 945
	Rental Fees	223 569	208 735
	Customer Care	-	491 337
	Deeds Registrations	10 551	13 040
	Mayoral Golf Tournament	50 278	83 417
	Public Functions	57 242	68 357
	Publicity	11 235	10 286
	Tracking Device	197 481	346 076
	Deficit Rental Mun. Dwelling	27 036	24 594
	Licences Vehicles	134 256	117 042
	Consulting Fees	702 655	434 988
	Workmans Compensation	-	634 320
	Memorial Services	100 000	-
	Collection Charges	235 932	96 646
	SCOA Implementation	200 871	-
	Refuse Bins	131 200	160
	Basic service delivery rebates	830 210	990 982
	Youth and gender	15 172	8 983
	Literacy Program	6 746	7 053
	Housing	28 573 434	14 771 058
	Electricity network	2 809 243	9 312 609
	Water network	-	79 972
	Other expenditure	974 048	1 031 824
	General Expenses	47 996 575	40 711 023

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial Performance. This include items such as telecommunications, travelling, legal fees and auditing fees.

BEAUFORT WEST MUNICIPALITY

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

	Notes	2013 R
38 CORRECTION OF ERROR IN TERMS OF GRAP 3		
38.01 Changes to Statement of Financial Performance		
Balance previously reported		44 958 675
Correction of "Tender Deposits" control account to income vote "Tender Documents" for 2012-2013	38.03	20 161
Correction of "Traffic Fines" control account to income vote "Traffic Fines" for 2012-2013	38.03	(1 100 565)
Correction of "ID Kaart" control account to income vote "Licences and Permits" for 2012-2013	38.03	147 059
Correct category allocation of bulk purchases to stock adjustments	38.01	6 646 662
Correct category allocation of stock adjustments from bulk purchases	38.01	(6 646 662)
Correct category allocation of remuneration of councillors to general expenditure (telephone)	38.01	(166 810)
Correct category allocation of general expenditure from remuneration of councillors (telephone)	38.01	166 810
Correct category allocation of General expenditure from operating grant expenditure	38.01	25 170 656
Correct category allocation of Employee related costs from operating grant expenditure	38.01	1 393 530
Correct category allocation of Contracted services from operating grant expenditure	38.01	2 390 082
Correct category allocation of other expenditure line items from operating grant expenditure	38.01	(28 954 269)
Operating leases not recorded during the 2012/13 financial year - corrected against "Rental income"	38.02	(822)
Reverse calculation of additional provision/ finance charges during 2012/13	38.05	292 474
Correction on calculation of provision increase against finance charges during 2012/13	38.05	(227 119)
Reverse calculation of depreciation during 2012/13	38.06	77 719
Reverse calculation of impairment during 2012/13	38.06	18 356
Correction on calculation of depreciation during 2012/13	38.06	(163 644)
Correction on calculation of impairment during 2012/13	38.06	(11 216)
Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Expenses	38.09	(403 936)
Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Income	38.09	347 128
Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Interest	38.09	65
Investment property items with private owners - Reverse calculation of depreciation for 2012/2013	38.08	12 917
Investment property assets with zero cost price - Reverse calculation of depreciation for 2012/2013	38.07	(11 449)
Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of depreciation for 2012/2013	38.07	34 837
Total		43 990 639
38.02 Operating Lease Arrangements		
Balance Previously Reported		12 643
Operating leases not recorded during the 2012/13 financial year - corrected against "Rental income"	38.01	(822)
Total		11 821
38.03 Payables From Exchange Transactions		
Balance Previously Reported		24 209 887
Correction of "Tender Deposits" control account to income vote "Tender Documents" for 2012-2013	38.01 & 8	(20 161)
Correction of "Tender Deposits" control account to Accumulated Surplus for 2001-2012	38.04 & 8	(229 852)
Correction of "ID Kaart" control account to income vote "Licences and Permits" for 2012-2013	38.01 & 8	(147 059)
Correction of "Traffic Fines" control account to income vote "Traffic Fines" for 2012-2013	38.01 & 8	1 100 565
Correction of "Traffic Fines" control account to Accumulated Surplus till 30 June 2013	38.04 & 8	2 679 410
Correction of Payables from Exchange transactions to Accumulated Surplus for 2009-2010	38.04 & 8	(147 679)
Total		27 445 111
38.04 Accumulated Surplus/(Deficit)		
Balance previously reported		288 044 335
Correction of "Tender Deposits" control account to Accumulated Surplus for 2001-2012	38.03	229 852
Correction of Payables from Exchange Transactions to Accumulated Surplus for 2009-2010	38.03	147 679
Correction of "Traffic Fines" control account to Accumulated Surplus till 30 June 2013	38.03	(2 679 410)
Reverse calculation of cost additions (Provision) as at 30 June 2012	38.05	7 064 563
Correction on calculation of provision contribution against accumulated surplus as at 30 June 2012	38.05	(2 544 689)
Reverse calculation of accumulated depreciation as at 30 June 2012	38.06	1 088 885
Reverse calculation of accumulated impairment as at 30 June 2012	38.06	71 295
Reverse calculation of cost additions as at 30 June 2012	38.06	(2 505 397)
Correction on calculation of accumulated depreciation as at 30 June 2012	38.06	(558 028)
Correction on calculation of accumulated impairment as at 30 June 2012	38.06	(87 617)
Misstatements in respect of Revenue - Reverse calculation as at 30 June 2012	38.09	(3 419)
Investment property items with private owners - Reverse calculation of accumulated depreciation as at 30 June 2012	38.08	64 654
Investment property items with private owners - Reverse calculation of cost as at 30 June 2012	38.08	(387 600)
Land not recorded in the asset register - Reverse calculation of cost as at 30 June 2012	38.07	731 800
Sold land displayed as owned by the Municipality on valuation roll - Reverse calculation of cost as at 30 June 2012	38.07	181 400
Investment property assets with zero cost price - Reverse calculation of accumulated depreciation as at 30 June 2012	38.07	(57 245)
Investment property assets with zero cost price - Reverse calculation of cost as at 30 June 2012	38.07	5 269 500
Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of accumulated depreciation as at 30 June 2012	38.07	176 120
Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of cost as at 30 June 2012	38.07	(3 787 475)
Total		290 459 323

BEAUFORT WEST MUNICIPALITY

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

38.05	Non-Current Provisions		
	Balance previously reported		5 480 294
	Reclassification of Provision 2013 to Non-Current Provision 2013		1 876 743
	Reverse calculation of additional provision/ finance charges during 2012/13	38.01	(292 474)
	Reverse calculation of cost additions (Provision) as at 30 June 2012	38.04	(7 064 563)
	Correction on calculation of cost against provision as at 30 June 2012	38.06	2 473 403
	Correction on calculation of cost additions against provision during 2012/13	38.06	91 848
	Correction on calculation of provision contribution against accumulated surplus as at 30 June 2012	38.04	2 544 669
	Correction on calculation of provision increase against finance charges during 2012/13	38.01	227 119
	Total		5 337 039
38.06	Capitalised Restoration Cost		
	Balance previously reported		1 249 142
	Reverse calculation of accumulated depreciation as at 30 June 2012	38.04	1 088 885
	Reverse calculation of accumulated impairment as at 30 June 2012	38.04	71 295
	Reverse calculation of cost additions as at 30 June 2012	38.04	(2 505 397)
	Reverse calculation of depreciation during 2012/13	38.01	77 719
	Reverse calculation of impairment during 2012/13	38.01	18 356
	Correction on calculation of accumulated depreciation as at 30 June 2012	38.04	(558 028)
	Correction on calculation of depreciation during 2012/13	38.01	(163 644)
	Correction on calculation of accumulated impairment as at 30 June 2012	38.04	(87 617)
	Correction on calculation of impairment during 2012/13	38.01	(11 216)
	Correction on calculation of cost against provision as at 30 June 2012	38.05	2 473 403
	Correction on calculation of cost additions against provision during 2012/13	38.05	91 848
	Total		1 744 746
38.07	Property, plant and equipment		
	Balance previously reported		362 702 323
	Investment property assets with zero cost price - Reverse calculation of accumulated depreciation as at 30 June 2012	38.04	(57 245)
	Investment property assets with zero cost price - Reverse calculation of cost as at 30 June 2012	38.04	5 269 500
	Investment property assets with zero cost price - Reverse calculation of depreciation for 2012/2013	38.01	(11 449)
	Land not recorded in the asset register - Reverse calculation of cost as at 30 June 2012	38.04	731 800
	Sold land displayed as owned by the Municipality on valuation roll - Reverse calculation of cost as at 30 June 2012	38.04	181 400
	Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of accumulated depreciation as at 30 June 2012	38.04	176 120
	Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of cost as at 30 June 2012	38.04	(3 787 475)
	Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of depreciation for 2012/2013	38.01	34 837
	Total		365 239 812
38.08	Investment property		
	Balance previously reported		9 690 469
	Investment property items with private owners - Reverse calculation of accumulated depreciation as at 30 June 2012	38.04	64 654
	Investment property items with private owners - Reverse calculation of cost as at 30 June 2012	38.04	(387 500)
	Investment property items with private owners - Reverse calculation of depreciation for 2012/2013	38.01	12 917
	Total		9 380 540
38.09	Unpaid Conditional Government Grants and Receipts		
	Balance previously reported		972 569
	Misstatements in respect of Revenue - Reverse calculation as at 30 June 2012	38.04	(3 419)
	Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Expenses	38.01	(403 936)
	Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Income	38.01	347 128
	Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Interest	38.01	65
	Total		912 406

BEAUFORT WEST MUNICIPALITY

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

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RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS

	2014	2013
	R	R
Surplus for the year	4 892 553	43 990 639
<u>Adjustments for:</u>		
Depreciation	13 939 463	13 210 087
Amortisation of Intangible Assets	90 620	106 499
(Gain)/Loss on disposal of property, plant and equipment	167 999	85 728
Contributed PPE	(362 938)	(61 092)
Impairments	10 990 011	11 216
Contribution from/to employee benefits - non-current	(1 012 863)	(1 157 994)
Contribution from/to employee benefits - non-current - expenditure incurred	2 988 173	3 035 820
Contribution from/to employee benefits - non-current - actuarial losses	1 679 174	(3 190 937)
Contribution from/to provisions - non-current	339 114	318 967
Contribution to employee benefits - current	4 711 830	4 314 917
Contribution to employee benefits - current - expenditure incurred	(4 426 439)	(3 813 803)
Contribution to provisions - Debt Impairment	27 217 301	8 000 132
Impairment written off	(910 704)	(7 461 979)
(Increase)/Decrease in Capitalised Restoration Cost	(87 835)	(91 848)
Additional debt impairment transactions	15 131	11 189
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(638 581)	(5 445 813)
Increase/(Decrease) in Unspent Conditional Public Contributions and Receipts	139 052	(378 303)
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	242 030	(818 782)
Operating lease income accrued	1 813	(286)
Operating lease expenses accrued	-	(547)
Operating Surplus/(Deficit) before changes in working capital	59 974 904	50 665 809
Changes in working capital	(34 358 813)	12 629 540
Increase/(Decrease) in Trade and Other Payables	(810 313)	3 014 892
Increase/(Decrease) in Taxes	(211 777)	2 037 031
(Increase)/Decrease in Inventory	374 453	(85 410)
Increase/(Decrease) in Consumer Deposits	(21 011)	100 147
(Increase)/Decrease in Trade Receivables from exchange transactions	(3 099 137)	(258 321)
(Increase)/Decrease in Other Receivables from non-exchange transactions	(30 591 028)	7 821 202
Cash generated/(absorbed) by operations	25 616 091	63 295 350

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CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Call Investments Deposits - Note 22	9 332 328	16 811 803
Cash Floats - Note 22	12 070	12 330
Bank - Note 22	2 592 738	1 273 546
Bank overdraft - Note 22	-	-
Total cash and cash equivalents	11 937 136	18 097 679

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RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

Cash and Cash Equivalents - Note 40

Less:

Unspent Committed Conditional Grants - Note 9	11 937 136	18 097 679
Unspent Public Contribution - Note 10	11 937 136	18 097 679
Unpaid Committed Conditional Grants - Note 9	6 885 736	7 457 172
Staff Leave - Note 7	7 135 563	7 774 144
VAT - Note 11	139 052	-
Cash Portion of Housing Development Fund - Note 2	(670 378)	(912 408)
	4 016 026	3 909 245
	(3 932 014)	(3 465 238)
	197 487	151 429
Net cash resources available for internal distribution	5 051 400	10 640 507
Allocated to:		
Capital Replacement Reserve	4 849 606	4 546 564
Resources available for working capital requirements	201 794	6 093 943

BEAUFORT WEST MUNICIPALITY

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

42	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION	2014 R	2013 R
	Long-term Liabilities - Note 3	18 078 846	17 512 075
	Used to finance property, plant and equipment - at cost	(18 078 846)	(17 512 075)
		-	-
	Cash set aside for the repayment of long-term liabilities	-	-
	Cash invested for repayment of long-term liabilities	-	-

Annuity loans at amortised cost is calculated at 6.75%-14.00% interest rate, with last maturity date of 31 July 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured.

43	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2014 R	2013 R
43.1	Unauthorised expenditure		
	Reconciliation of unauthorised expenditure:		
	Opening balance	38 748 627	15 898 544
	Unauthorised operating expenditure current year	43 251 373	9 396 141
	Unauthorised capital expenditure current year	3 893 112	13 453 942
	Approved by Council or condoned	(38 748 627)	-
	Transfer to receivables for recovery	-	-
	Unauthorised expenditure awaiting authorisation	47 144 485	38 748 627

Incident	Disciplinary steps/criminal proceedings
Actual vs Budgeted spending	None

	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 R (Unauthorised)
Unauthorised expenditure current year - operating				
Executive & Council	16 739 693	13 936 025	2 803 668	2 803 668
Budget & Treasury	14 068 931	16 965 051	(2 896 120)	-
Corporate Services	23 664 751	11 231 303	12 433 448	12 433 448
Planning & Development	4 272 629	4 482 828	(210 199)	-
Health	-	-	-	-
Community & Social Services	7 291 310	7 952 416	(661 106)	-
Housing	29 740 897	27 643 467	2 097 430	2 097 430
Public Safety	39 548 184	14 340 355	25 207 829	25 207 829
Sport & Recreation	7 099 273	6 654 420	244 853	244 853
Environmental Protection	-	-	-	-
Waste Management	10 410 973	9 946 828	464 145	464 145
Waste Water Management	5 045 194	5 244 743	(199 549)	-
Road Transport	16 226 826	17 047 780	(820 954)	-
Water	17 759 336	19 449 823	(1 690 487)	-
Electricity	62 365 968	68 783 214	(6 417 246)	-
	254 233 965	223 878 253	30 355 712	43 251 373
Unauthorised expenditure current year - capital				
Executive & Council	16 328	-	16 328	16 328
Budget & Treasury	125 437	59 060	66 377	66 377
Corporate Services	328 129	223 500	104 629	104 629
Planning & Development	2 101	-	2 101	2 101
Health	-	-	-	-
Community & Social Services	479 584	175 425	304 159	304 159
Housing	-	358 100	(358 100)	-
Public Safety	635 162	110 600	524 562	524 562
Sport & Recreation	883 176	1 088 174	(204 998)	-
Environmental Protection	-	-	-	-
Waste Management	1 780 136	660 000	1 120 136	1 120 136
Waste Water Management	5 244 949	6 477 310	(1 232 361)	-
Road Transport	6 506 018	9 298 135	(2 792 117)	-
Water	5 111 323	3 356 502	1 754 821	1 754 821
Electricity	9 514 140	12 768 406	(3 254 266)	-
	30 626 480	34 575 212	(3 948 732)	3 893 112

BEAUFORT WEST MUNICIPALITY

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

		2014 R	2013 R								
43	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUED)										
43.2	<u>Fruitless and wasteful expenditure</u>										
	Reconciliation of fruitless and wasteful expenditure:										
	Opening balance	-	-								
	Fruitless and wasteful expenditure current year	-	-								
	Condoned or written off by Council	-	-								
	Transfer to receivables for recovery - not condoned	-	-								
	Fruitless and wasteful expenditure awaiting condonement	-	-								
	<table><tr><th>Incident</th><th>Disciplinary steps/criminal proceedings</th></tr><tr><td>None</td><td>None</td></tr></table>	Incident	Disciplinary steps/criminal proceedings	None	None						
Incident	Disciplinary steps/criminal proceedings										
None	None										
43.3	<u>Irregular expenditure</u>										
	Reconciliation of irregular expenditure:										
	Opening balance	16 264	16 264								
	Irregular expenditure current year	35 000	-								
	Condonement supported by Council	(16 264)	-								
	Transfer to receivables for recovery - not condoned	-	-								
	Irregular expenditure awaiting condonement	35 000	16 264								
	<table><tr><th>Incident</th><th>Disciplinary steps/criminal proceedings</th></tr><tr><td>2012 - Suppliers identified as having members/ directors/owners who are in the service of the state with no evidence of this disclosed to the municipality. R6 170</td><td>None</td></tr><tr><td>2012 - Awards made to close family members of persons in the service of the state. (declaration has been signed) R10 094</td><td>None</td></tr><tr><td>2014 - Open tender request sent after event. R35 000</td><td>None</td></tr></table>	Incident	Disciplinary steps/criminal proceedings	2012 - Suppliers identified as having members/ directors/owners who are in the service of the state with no evidence of this disclosed to the municipality. R6 170	None	2012 - Awards made to close family members of persons in the service of the state. (declaration has been signed) R10 094	None	2014 - Open tender request sent after event. R35 000	None		
Incident	Disciplinary steps/criminal proceedings										
2012 - Suppliers identified as having members/ directors/owners who are in the service of the state with no evidence of this disclosed to the municipality. R6 170	None										
2012 - Awards made to close family members of persons in the service of the state. (declaration has been signed) R10 094	None										
2014 - Open tender request sent after event. R35 000	None										
43.4	<u>Material Losses</u>										
	Electricity distribution losses										
	Units purchased (Kwh)	56 524 586	56 991 818								
	- Units lost during distribution (Kwh)	6 488 858	6 519 179								
	- Percentage lost during distribution	11.48%	11.44%								
	Water distribution losses										
	Kilolitres purified	2 603 153	2 644 718								
	- Kilolitres lost during distribution	1 327 126	1 292 439								
	- Percentage lost during distribution	50.98%	48.87%								

BEAUFORT WEST MUNICIPALITY

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

	2014 R	2013 R
44 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
44.1 Contributions to organised local government - [MFMA 125 (1)(c)] - SALGA CONTRIBUTIONS		
Opening balance	-	-
Council subscriptions	627 076	454 552
Amount paid - current year	(627 076)	(454 552)
Balance unpaid (included in creditors)	-	-
44.2 Audit fees - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year audit fee	1 811 077	1 642 595
External Audit - Auditor-General	1 811 077	1 642 595
Amount paid - current year	(1 811 077)	(1 642 595)
Balance unpaid (included in creditors)	-	-
44.3 VAT - [MFMA 125 (1)(c)]		
VAT	(3 932 014)	(3 465 238)
VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.		
44.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]		
Opening balance	536 345	-
Current year payroll deductions and Council Contributions	7 430 456	6 559 328
Amount paid - current year	(7 401 629)	(6 022 983)
Balance unpaid (included in creditors)	565 172	536 345
44.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	12 139 114	11 294 805
Amount paid - current year	(12 139 114)	(11 294 805)
Balance unpaid (included in creditors)	-	-
44.6 Councillor's arrear consumer accounts - [MFMA 125 (1)(c)]		
The following Councillors had arrear accounts for more than 90 days at 30 June 2014 financial year:		
	2014 R Outstanding more than 90 days	2013 R Outstanding more than 90 days
Councillor L Deyse (510271/000768)	3	4 839
Councillor G Adolph (021180/032194)	-	3 885
Councillor M Furmen (023379/023380)	884	3 118
Councillor R van der Linde (070128/020003)	250	473
Total Councillor Arrear Consumer Accounts	1 137	12 315
44.7 Quotations awarded - Supply Chain Management		
Supply Chain Management Implementation Report for the year ended 30 June 2014 and Supply Chain Management Regulation 45 disclosure:		