

UBUNTU MUNICIPALITY

Ubuntu Municipality



*menswaardigheid • hoop • erfenis
ubuntu • ithemba • izithethe
humanity • hope • heritage*

FINANCIAL STATEMENTS

30 JUNE 2015

UBUNTU LOCAL MUNICIPALITY

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UBUNTU LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GENERAL INFORMATION

NATURE OF BUSINESS

Ubuntu Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Ubuntu Municipality includes the following areas:

*Victoria West
Richmond
Loxton*

MUNICIPAL MANAGER

Mr. X Malgas

CHIEF FINANCIAL OFFICER

Mr. X Malgas

REGISTERED OFFICE

78 Church Street, Victoria West, 7070

AUDITORS

Office of the Auditor General (NC)

PRINCIPLE BANKERS

First National Bank, Victoria West

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2011
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

UBUNTU LOCAL MUNICIPALITY

MEMBERS OF THE UBUNTU LOCAL MUNICIPALITY

COUNCILLORS

Ward 1	<i>Cllr K.J Rigard</i>
Ward 2	<i>Cllr J.C Pieterse</i>
Ward 3	<i>Cllr C.C Jantjies</i>
Ward 4	<i>Cllr K.J Arens</i>
Proportional	<i>Cllr K.V De Bruin</i>
Proportional	<i>Cllr S.C Jordaan</i>
Proportional	<i>Cllr A. Verwey</i>
Proportional	<i>Cllr B.J Bruwer</i>

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2015, which are set out on pages 1 to 85 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2016 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

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

Mr. X Malgas
Municipal Manager

Date

UBUNTU LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

	Notes	2015 (Actual) R	2014 (Restated) R
NET ASSETS AND LIABILITIES			
Net Assets		147 137 487	138 598 475
Accumulated Surplus		147 137 487	138 598 475
Non-Current Liabilities		8 898 537	9 466 689
Annuity Loans	2.1	556 032	802 619
Capitalised Lease Liability	2.2	94 227	360 583
Employee benefits	3	7 127 559	7 281 407
Non-Current Provisions	4	1 120 719	1 022 079
Current Liabilities		35 116 384	25 818 985
Consumer Deposits	5	229 248	217 591
Current Employee benefits	6	2 712 787	2 531 560
Provisions	7	2 809 286	2 558 527
Payables from exchange transactions	8	22 752 682	9 420 766
Unspent Conditional Government Grants and Receipts	9	2 256 382	7 396 155
Taxes	10.1	1 859 833	2 175 208
Operating Lease Liability	21.1	-	698
Cash and Cash Equivalents	22	1 983 222	1 047 083
Current Portion of Annuity Loans	2.1	246 587	227 883
Current Portion of Capitalised Lease Liability	2.2	266 357	243 514
Total Net Assets and Liabilities		191 152 408	173 884 150
ASSETS			
Non-Current Assets		157 503 489	152 209 467
Property, Plant and Equipment	11	132 014 586	126 756 293
Investment Property	12	23 135 338	23 159 854
Intangible Assets	13	7 961	20 778
Capitalised Restoration Cost	14	375 707	360 189
Non-Current Investments	15	1 802 097	1 704 724
Biological Assets	16	167 800	207 630
Long-Term Receivables	17	-	-
Current Assets		33 648 919	21 674 682
Inventory	18	10 906	10 066
Receivables from exchange transactions	19	4 236 587	1 776 806
Receivables from non-exchange transactions	20	26 699 385	18 938 974
Unpaid Conditional Government Grants and Receipts	9	338 200	37 721
Operating Lease Asset	21.2	44 308	62 415
Taxes	10	-	-
Current Portion of Long-term Receivables	17	-	-
Cash and Cash Equivalents	22	2 319 533	848 700
Total Assets		191 152 408	173 884 150

UBUNTU LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 (Actual) R	2014 (Restated) R
REVENUE			
Revenue from Non-exchange Transactions		95 314 844	91 923 157
Taxation Revenue		6 002 212	2 441 770
Property taxes	23	6 002 212	2 441 770
Transfer Revenue		39 025 314	36 920 419
Government Grants and Subsidies - Capital	24	12 261 794	12 069 660
Government Grants and Subsidies - Operating	24	26 763 020	24 850 060
Public Contributions and Donations		500	699
Other Revenue		50 287 318	52 560 967
Actuarial Gains		750 337	-
Third Party Payments		165 773	87 376
Reversal of Impairments	33	234	75
Fines	25	49 370 974	52 473 517
Revenue from Exchange Transactions		25 145 527	22 092 871
Service Charges	26	20 355 549	18 438 376
Rental of Facilities and Equipment		334 266	437 956
Interest Earned - external investments		248 815	189 124
Interest Earned - outstanding debtors		2 652 986	1 782 380
Licences and Permits		784 409	988 021
Agency Services		4 950	12 855
Other Income	27	738 052	244 160
Gain on disposal of Property, Plant and Equipment		26 500	-
Total Revenue		120 460 371	114 016 028
EXPENDITURE			
Employee related costs	29	26 836 132	24 732 334
Remuneration of Councillors	30	2 520 357	2 359 485
Debt Impairment	31	45 477 419	44 825 633
Depreciation and Amortisation	32	6 116 296	5 948 666
Repairs and Maintenance		1 452 181	1 255 587
Actuarial losses	3	-	83 676
Finance Charges	34	1 490 543	900 353
Bulk Purchases	35	13 573 924	12 782 651
Contracted services		4 854 556	7 142 222
Operating Grant Expenditure		1 687 212	1 585 291
General Expenses	36	7 872 909	7 745 783
Loss on disposal of Property, Plant and Equipment		-	652 957
Fair Value Adjustments	28	39 830	99 470
Total Expenditure		111 921 359	110 114 107
NET SURPLUS/(DEFICIT) FOR THE YEAR		8 539 012	3 901 921

UBUNTU LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

	Accumulated Surplus	Total
	R	R
Balance at 1 JULY 2013	134 696 555	134 696 555
Restated Balance at 1 JULY 2013	134 696 555	134 696 555
Net Surplus for the year	3 901 921	3 901 921
Balance at 30 JUNE 2014	138 598 475	138 598 475
Net Surplus for the year	8 539 012	8 539 012
Balance at 30 JUNE 2015	147 137 487	147 137 487

UBUNTU LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	30 JUNE 2015 R	30 JUNE 2014 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		16 865 250	24 032 810
Government		38 030 565	44 446 907
Interest		2 901 802	1 971 504
Dividends		-	-
Payments			
Suppliers and employees		(44 482 807)	(57 371 097)
Finance charges	34	(1 490 543)	(900 353)
Cash generated by operations	38	11 824 265	12 179 771
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	11	(11 190 707)	(12 196 104)
Proceeds on Disposal of Fixed Assets		26 500	204 207
Increase in Long-term Receivables	17	431 749	(274 304)
Increase in Non-current Investments	15	(97 373)	(87 938)
Net Cash from Investing Activities		(10 829 831)	(12 354 140)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(471 397)	(482 256)
New loans raised/restructured		-	867 225
Increase in Consumer Deposits		11 657	14 240
Net Cash from Financing Activities		(459 740)	399 209
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		534 694	224 841
Cash and Cash Equivalents at the beginning of the year		(198 383)	(423 224)
Cash and Cash Equivalents at the end of the year	39	336 310	(198 383)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		534 694	224 841

UBUNTU LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2015 R (Final Budget)	2015 R (Actual)	2015 R (Variance)	Explanations for material variances
ASSETS				
Current assets				
Cash and Cash Equivalents	10 970 953	2 319 533	8 651 421	Projected balance in budget to optimistic.
Consumer debtors	2 113 562	30 935 972	(28 822 410)	Material Variance due to the prospective implementation of IGRAP 1 relating to Fines receivable recognised.
Other Receivables	346 429	382 508	(36 079)	Decrease in unpaid grants not taken into account in budget.
Inventory	10 150	10 906	(757)	Variance not considered material
Total current assets	<u>13 441 094</u>	<u>33 648 919</u>	<u>(20 207 825)</u>	
Non current assets				
Investments	1 693 876	1 802 097	(108 222)	Increase in interest rates from January 2014 not taken into account in budget
Investment property	26 409 955	23 135 338	3 274 618	Budget not aligned with actual balance on 30 June 2013
Property, plant and equipment	134 082 958	132 390 293	1 692 665	Budget not aligned with actual balance on 30 June 2013
Biological Assets	307 100	167 800	139 300	Decrease due to lower than expected market values of biological assets.
Intangible Assets	16 443	7 961	8 482	Variance not considered material
Total non current assets	<u>162 510 331</u>	<u>157 503 489</u>	<u>5 006 842</u>	
TOTAL ASSETS	<u><u>175 951 425</u></u>	<u><u>191 152 408</u></u>	<u><u>(15 200 983)</u></u>	
LIABILITIES				
Current liabilities				
Bank overdraft	1 400 000	1 983 222	(583 222)	Outstanding EFT's transferred to payables
Borrowing	266 357	512 944	(246 587)	Variance not considered material
Consumer deposits	226 330	229 248	(2 918)	Variance not considered material
Trade and other payables	13 477 058	26 868 897	(13 391 840)	Increase due to cash constraints.
Provisions and Employee Benefits	4 443 520	5 522 073	(1 078 553)	Budget allocation not sufficient
Total current liabilities	<u>19 813 265</u>	<u>35 116 384</u>	<u>(15 303 120)</u>	
Non current liabilities				
Borrowing	94 227	650 258	(556 032)	Restructuring of DBSA loan not taken into account in budget.
Provisions and Employee Benefits	8 285 546	8 248 278	37 267	Budget allocation not sufficient
Total non current liabilities	<u>8 379 773</u>	<u>8 898 537</u>	<u>(518 764)</u>	
TOTAL LIABILITIES	<u><u>28 193 037</u></u>	<u><u>44 014 921</u></u>	<u><u>(15 821 884)</u></u>	
NET ASSETS	<u><u>147 758 388</u></u>	<u><u>147 137 487</u></u>	<u><u>620 900</u></u>	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	147 758 388	147 137 487	620 901	
TOTAL COMMUNITY WEALTH/EQUITY	<u><u>147 758 388</u></u>	<u><u>147 137 487</u></u>	<u><u>620 901</u></u>	

Only one budget was approved by Council during the year under review.

UBUNTU LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2015 R (Final Budget)	2015 R (Actual)	2015 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Property rates	7 756 537	6 002 212	1 754 326	Reduction in rates granted by council on certain properties
Service charges	24 779 764	20 355 549	4 424 215	Budget allocation not sufficient
Rental of facilities and equipment	657 740	334 266	323 474	
Interest earned - external investments	388 000	248 815	139 185	Decrease in cash balance.
Interest earned - outstanding debtors	2 200 000	2 652 986	(452 986)	
Reversal of Impairments	-	234	(234)	Not budgeted for.
Fines	21 504 200	49 370 974	(27 866 774)	Material Variance due to the prospective implementation of IGRAP 1
Licences and permits	1 062 960	784 409	278 551	Budget allocation not sufficient
Agency services	15 000	4 950	10 050	
Government Grants and Subsidies - Operating	26 239 800	26 763 020	(523 220)	No budget allocation for housing top structures
Other revenue	790 174	1 654 662	(864 488)	
Gains on disposal of PPE	45 000	26 500	18 500	
Total Operating Revenue	<u>85 439 175</u>	<u>108 198 577</u>	<u>(22 759 401)</u>	
EXPENDITURE BY TYPE				
Employee related costs	31 909 253	26 836 132	5 073 121	All vacancies not filled
Remuneration of councillors	2 905 900	2 520 357	385 543	
Debt impairment	3 929 658	45 477 419	(41 547 761)	Material Variance due to the prospective implementation of IGRAP 1
Depreciation & asset impairment	6 394 872	6 116 296	278 576	
Finance charges	769 468	1 490 543	(721 075)	
Bulk purchases	10 715 112	13 573 924	(2 858 812)	Increase in cost of Electricity not fully budgeted for
Contracted services	14 005 000	4 854 556	9 150 444	
Other expenditure	17 280 216	11 052 132	6 228 084	Material decline in actual fines received during the year.
Loss on disposal of PPE	1 124	-	1 124	Loss on disposal of Abattoir not accounted for in budget
Total Operating Expenditure	<u>87 910 603</u>	<u>111 921 359</u>	<u>(24 010 756)</u>	
Operating Surplus/(Deficit) for the year	<u>(2 471 427)</u>	<u>(3 722 782)</u>	<u>1 251 355</u>	
Government Grants and Subsidies - Capital	11 155 000	12 261 794	(1 106 794)	Projects not completed on 30 June 2014 rolled over to 2014/2015
Net Surplus/(Deficit) for the year	<u><u>8 683 573</u></u>	<u><u>8 539 012</u></u>	<u><u>144 561</u></u>	

Only one budget was approved by Council during the year under review.

Indigent subsidies budgeted for under transfers and grants in the approved budget are disclosed in the comparison above as a revenue foregone in line with GRAP.

UBUNTU LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2015 R (Final Budget)	2015 R (Actual)	2015 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	52 940 032	16 865 250	36 074 782	Variance indicative of poverty in municipal area.
Government	37 394 800	38 030 565	(635 765)	Budget did not include Housing and Paving Project.
Interest	2 588 000	2 901 802	(313 802)	Increase in cash reserves
Payments				
Suppliers and Employees	(74 033 969)	(44 482 807)	(29 551 162)	Decrease in payments due to cash constraints
Finance charges	(769 468)	(1 490 543)	721 075	Increase in landfill site interest as well as interest on late payment of creditors
NET CASH FROM/(USED) OPERATING ACTIVITIES	18 119 395	11 824 265	6 295 130	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	45 000	26 500	18 500	
Increase in non-current receivables	-	431 749	(431 749)	Increase in debtors with long term arrangements not budgeted for.
Increase in non-current investments	-	(97 373)	97 373	
Payments				
Capital assets	(11 155 000)	(11 190 707)	35 707	Combination of projects not completed at year-end as well as projects not budgeted for (eg. paving project)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(11 110 000)	(10 829 831)	(280 169)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	Restructuring of DBSA loan not budgeted for.
Increase/(decrease) in consumer deposits	12 811	11 657	1 155	
Payments				
Repayment of borrowing	(468 348)	(471 397)	3 049	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(455 536)	(459 740)	4 204	
NET INCREASE/(DECREASE) IN CASH HELD	6 553 859	534 694	6 019 165	
Cash and Cash Equivalents at the beginning of the year	3 017 095	(198 383)	3 215 478	
Cash and Cash Equivalents at the end of the year	9 570 954	336 310	9 234 643	

Only one budget was approved by Council during the year under review.

Indigent subsidies budgeted for under transfers and grants in the approved budget are disclosed in the comparison above as a revenue foregone in line with GRAP.

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
2	LONG-TERM LIABILITIES		
2.1	ANNUITY LOANS		
	Annuity Loans - At amortised cost	802 619	1 030 502
	Less: Current portion of Annuity Loans - At amortised cost	(246 587)	(227 883)
	Total	556 032	802 619

The obligations under annuity loans are scheduled below:

Amounts payable under annuity loans:

	Minimum annuity payments	
Payable within one year	303 641	303 641
Payable within two to five years	607 249	910 890
Payable after five years	-	-
	<u>910 890</u>	<u>1 214 531</u>
Less: Future finance obligations	(108 271)	(184 029)
Present value of annuity obligations	802 619	1 030 502

Annuity loans at amortised cost is calculated at 8% interest rate, with a maturity date of 30 June 2018. The loan is unsecured.

2.2 **CAPITALISED LEASE LIABILITY**

Capitalised Lease Liability - At amortised cost	360 583	604 097
Less: Current portion of capitalised Lease Liability - At amortised cost	(266 357)	(243 514)
Total	94 227	360 583

The obligations under finance leases are scheduled below:

Amounts payable under finance leases:

	Minimum lease payments	
Payable within one year	288 000	288 000
Payable within two to five years	96 000	384 000
Payable after five years	-	-
	<u>384 000</u>	<u>672 000</u>
Less: Future finance obligations	(23 417)	(67 903)
Present value of lease obligations	360 583	604 097

Leases are secured by lease assets included in property, plant and equipment - Note 11

The capitalised lease liability consist out of the following contracts:

<u>Supplier</u>	<u>Description of leased item</u>	<u>Effective Interest rate</u>	<u>Annual Escalation</u>	<u>Lease Term</u>	<u>Maturity Date</u>
Nashua	Copiers and Telephone System	9%	0%	5 Years	31/10/2016

Refer to Appendix A for further detail

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3	EMPLOYEE BENEFITS	2015 R	2014 R
	Post Retirement Benefits - Refer to Note 4.1	6 133 431	6 423 260
	Long Service Awards - Refer to Note 4.2	994 128	858 147
	Total Non-current Employee Benefit Liabilities	7 127 559	7 281 407
	<u>Post Retirement Benefits</u>		
	Balance 1 July	6 990 776	6 544 745
	Contribution for the year	171 727	230 140
	Interest Cost	565 014	510 402
	Expenditure for the year	(404 385)	(373 117)
	Actuarial Loss	(730 293)	78 606
	Total post retirement benefits 30 June	6 592 839	6 990 776
	Less: Transfer of Current Portion - Note 6	(459 408)	(567 516)
	Balance 30 June	6 133 431	6 423 260
	<u>Long Service Awards</u>		
	Balance 1 July	966 985	832 072
	Contribution for the year	91 190	75 483
	Interest Cost	72 065	54 360
	Actuarial Loss/(Gain)	(20 044)	5 070
	Total long service 30 June	1 110 196	966 985
	Less: Transfer of Current Portion - Note 6	(116 068)	(108 838)
	Balance 30 June	994 128	858 147
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
	Balance 1 July	7 957 761	7 376 817
	Contribution for the year	262 917	305 623
	Interest cost	637 079	564 762
	Expenditure for the year	(404 385)	(373 117)
	Actuarial Loss	(750 337)	83 676
	Total employee benefits 30 June	7 703 035	7 957 761
	Less: Transfer of Current Portion - Note 6	(575 476)	(676 354)
	Balance 30 June	7 127 559	7 281 407
3.1	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	14	14
	In-service (employee) non-members	112	85
	Continuation members (e.g. Retirees, widows, orphans)	13	16
	Total Members	139	115
	The liability in respect of past service has been estimated to be as follows:		
	In-service members	2 907 512	2 079 882
	Continuation members	3 685 327	4 910 894
	Total Liability	6 592 839	6 990 776
	The liability in respect of periods commencing prior to the comparative year has been estimated as follows:		
		2013 R	2012 R
	Total Liability	6 544 745	3 751 443

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Experience adjustments were calculated as follows:

	2015 R	2014 Rm	2013 Rm	2012 Rm	2011 Rm
Liabilities: (Gain) / loss	(0.441)	0.326	0.483	1.085	-
Assets: Gain / (loss)		-	-	-	-

There were no experience adjustments during 2010 and 2010.

The following are estimates for the 2015/2016 financial year:

	2016 R
Future Service Cost	347 862
Interest Cost	549 053

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

Bonitas;
Discovery
Samwumed; and
Keyhealth.

Key actuarial assumptions used:	2015 %	2014 %
i) Rate of interest		
Discount rate	8.62%	8.42%
Health Care Cost Inflation Rate	7.90%	7.84%
Net Effective Discount Rate	0.67%	0.53%

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 60, which then implicitly allows for expected rates of early and ill-health retirement.

	2015 R	2014 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	6 133 431	6 990 776
Net liability	6 133 431	6 990 776

The fund is not supported by any plan assets

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	6 990 776	6 544 745
Total expenses	332 356	367 425
Current service cost	171 727	230 140
Interest Cost	565 014	510 402
Benefits Paid	(404 385)	(373 117)
Actuarial losses	(730 293)	78 606
Present value of fund obligation at the end of the year	6 592 839	6 990 776
Less: Transfer of Current Portion - Note 6	(459 408)	(567 516)
Balance 30 June	6 133 431	6 423 260

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Sensitivity Analysis on the Accrued Liability

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Central Assumptions	2.908	3.685	6.593

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation	1%	3.543	3.945	7.488	14%
Health care inflation	-1%	2.403	3.452	5.855	-11%
Discount Rate	1%	2.410	3.456	5.866	-11%
Discount Rate	-1%	3.545	3.946	7.491	14%
Post-retirement mortality	-1 year	3.019	3.875	6.894	5%
Average retirement age	-1 year	3.217	3.685	6.902	5%
Continuation of membership at retirement	-10%	2.187	3.685	5.872	-11%

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		171 700	565 000	736 700	

The effect of movements in the assumptions are as follows:

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	1%	209 400	625 900	835 300	13%
Health care inflation	-1%	141 600	513 800	655 400	-11%
Discount Rate	1%	143 300	575 600	718 900	-2%
Discount Rate	-1%	207 700	551 700	759 400	3%
Post-retirement mortality	-1 year	179 400	593 600	773 000	5%
Average retirement age	-1 year	192 100	581 600	773 700	5%
Withdrawal Rate	-50%	130 400	522 000	652 400	-11%

2015 2014

3.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses.

126 99

2016 R

The following are estimates for the 2015/2016 financial year:

Future Service Cost	122 641
Interest Cost	83 883

Key actuarial assumptions used:

i) Rate of interest	2015 %	2014 %
Discount rate	7.96%	7.89%
General Salary Inflation (long-term)	7.06%	7.09%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.84%	0.74%

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

The amounts recognised in the Statement of Financial Position are as follows:	2015 R	2014 R
Present value of fund obligations	1 110 196	966 985
Net liability	1 110 196	966 985

The fund is not supported by any plan assets

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	2013	2012	2011
		R	R
Total Liability	832 072	820 789	722 790

Experience adjustments were calculated as follows:

	2015	2014	2013	2012	2011
	R	R	R	R	R
Liabilities: (Gain) / loss	96 022	157 011	(17 831)	(20 034)	640 602
Assets: Gain / (loss)	-	-	-	-	-
				2015	2014
				R	R

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	966 985	832 072
Total expenses	163 255	129 843
Current service cost	91 190	75 483
Interest Cost	72 065	54 360
Actuarial loss/(gain)	(20 044)	5 070
Present value of fund obligation at the end of the year	1 110 196	966 985
Less: Transfer of Current Portion - Note 6	(116 068)	(108 838)
Balance 30 June	994 128	858 147

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (R m)	% change
Central assumptions		1.110	

The effect of movements in the assumptions are as follows:

General salary inflation	1%	1.178	6%
General salary inflation	-1%	1.049	-6%
Discount Rate	1%	1.045	-6%
Discount Rate	-1%	1.183	7%
Average retirement age	-2 yrs	0.983	-11%
Average retirement age	2 yrs	1.245	12%
Withdrawal rates	-50%	1.340	21%

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		91 200	72 100	163 300	

The effect of movements in the assumptions are as follows:

General Salary Inflation	1%	98 700	76 700	175 400	7%
General Salary Inflation	-1%	84 500	67 900	152 400	-7%
Discount Rate	1%	84 200	76 200	160 400	-2%
Discount Rate	-1%	99 200	67 300	166 500	2%
Average retirement age	-2 years	81 300	63 600	144 900	-11%
Average retirement age	+2 years	98 800	80 600	179 400	10%
Withdrawal Rate	-50%	122 800	87 800	210 600	29%

3.3 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.

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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.

CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in a sound financial position with a funding level of 106.2% (30 June 2013 - 105.1%).

Contributions paid recognised in the Statement of Financial Performance

	2015 R	2014 R
	470 809	433 067

DEFINED CONTRIBUTION FUNDS

Council contribute to the Municipal Council Pension Fund, SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Municipal Councillors Pension Fund
SALA Pension Fund
SAMWU National Provident Fund

	103 172	57 089
	3 193 005	2 356 039
	73 205	75 286
	3 369 382	2 488 415

4 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites

	1 120 719	1 022 079
--	------------------	------------------

Landfill Sites

Balance 1 July
Additions
Unwinding of discounted interest

	3 580 606	3 117 580
	161 834	316 244
	187 565	146 783

Total provision 30 June

	3 930 005	3 580 606
--	------------------	------------------

Less: Transfer of Current Portion to Current Provisions - Refer to note 7

	(2 809 286)	(2 558 527)
--	-------------	-------------

Balance 30 June

	1 120 719	1 022 079
--	------------------	------------------

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs (30 June 2015). The assumptions used are as follows:

	<u>Loxton</u>	<u>Victoria West</u>	<u>Richmond</u>
Area (m ²)	22 800	30 000	22 500
Rehabilitation area (m ²)	15 960	24 000	18 000
Fence (m)	620	800	750
Cost of fence (Rand)	260 400	336 000	315 000
Shape, Trim and compact Dump (R5/m ²)	161 880	213 000	159 750
Excavation cost (150mm @ R40/m ³)	135 620	203 940	152 955
Placing cover material (150mm @ R20/m ³)	-	-	76 410
Capping Layer (200mm @ R30/m ³)	135 500	203 760	-
Re-vegetation (R2.55/m ²)	58 254	87 600	-
Drainage System R4.22/m ²)	95 760	144 000	108 000
Preliminary and general (Rand)	169 483	237 660	162 423
Fees and expenses (Rand)	152 535	213 894	146 181
	1 169 432	1 639 854	1 120 719

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

<u>Location</u>	<u>Reviewed Estimated decommission date</u>	<u>Cost of rehabilitation 2015 R</u>	<u>Cost of rehabilitation 2014 R</u>
Loxton	2015	1 169 432	1 065 239
Victoria Wes	2015	1 639 854	1 493 288
Richmond	2018	1 120 719	1 021 959
		3 930 005	3 580 486

5 CONSUMER DEPOSITS

	<u>2015 R</u>	<u>2014 R</u>
Electricity	138 675	133 889
Water	90 573	83 702
Total Consumer Deposits	229 248	217 591
Guarantees held in lieu of Electricity and Water Deposits	-	-

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

6 CURRENT EMPLOYEE BENEFITS

Current Portion of Post Retirement Benefits - Note 3	459 408	567 516
Current Portion of Long-Service Provisions - Note 3	116 068	108 838
Staff Leave Accrual	1 585 554	1 449 419
Bonus Accrual	551 757	405 787
Total Current Employee Benefits	2 712 787	2 531 560

The movement in current employee benefits are reconciled as follows:

Staff Leave Accrual

Balance at beginning of year	1 449 419	1 496 185
Contribution to current portion	239 764	138 784
Expenditure incurred	(103 630)	(185 549)
Balance at end of year	1 585 554	1 449 419

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. There is no possibility of reimbursement. All leave is vesting, as all employee's will be compensated for unused leave at the end of their employment term.

Bonus Accrual

Balance at beginning of year	405 787	366 136
Contribution to current portion	1 155 605	938 431
Expenditure incurred	(1 009 636)	(898 780)
Balance at end of year	551 757	405 787

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

7 PROVISIONS

Current Portion of Rehabilitation of Landfill-sites - Refer to note 4	2 809 286	2 558 527
Total Provisions	2 809 286	2 558 527

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

8	PAYABLES FROM EXCHANGE TRANSACTIONS	2015 R	2014 R
	Trade Payables	18 137 726	5 898 715
	Salary Accruals	-	631 631
	Arrear Portion of Long Term Liabilities	614	10 640
	Pre-paid electricity	75 931	75 931
	Sundry Creditors	996 976	256 604
	Payments received in advance	3 193 023	2 233 313
	Housing Coghsta	115 555	-
	Sundry Deposits	89 671	92 444
	Traffic Fines Control	143 186	221 488
	Total Trade Payables	22 752 682	9 420 766

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. 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 payables on initial recognition is not deemed necessary

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include hall, builders and housing Deposits.

The arrear portion of long term liabilities originated as a result of the municipality not settling in full the current portion of the annuity loan as disclosed in note 3.1. This amount reduced significantly in the current year due the restructuring of the DBSA loan on 1 August 2013.

9 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unspent Grants	2 256 382	7 396 155
National Government Grants	908 611	6 643 678
Provincial Government Grants	696 110	563 478
District Municipality	-	-
Other Grant Providers	651 661	188 999
Less: Unpaid Grants	338 200	37 721
National Government Grants	331 546	31 067
District Municipality	6 654	6 654
Total Conditional Grants and Receipts	1 918 182	7 358 434

See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

10 TAXES

10.1 VAT PAYABLE

VAT Payable	(15 266)	162 154
VAT output in suspense	3 995 648	2 470 038
Total Vat payable	3 980 383	2 632 192

10.2 VAT RECEIVABLE

VAT Receivable	-	-
VAT input in suspense	2 120 549	456 985
Total VAT receivable	2 120 549	456 985

10.3 NET VAT PAYABLE

1 859 833	2 175 208
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VAT is receivable/payable on the cash basis.

11 PROPERTY, PLANT AND EQUIPMENT

See attached sheet

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
12 INVESTMENT PROPERTY		
Net Carrying amount at 1 July	23 159 854	23 184 370
Cost	23 331 600	23 331 600
Accumulated Depreciation	(171 746)	(147 230)
Depreciation for the year	(24 516)	(24 516)
Net Carrying amount at 30 June	23 135 338	23 159 854
Cost	23 331 600	23 331 600
Accumulated Depreciation	(196 262)	(171 746)

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

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

	2015 R	2014 R
13 INTANGIBLE ASSETS		
Computer Software		
Net Carrying amount at 1 July	20 778	34 043
Cost	66 325	66 325
Accumulated Amortisation	(45 547)	(32 282)
Additions	-	-
Amortisation	(12 817)	(13 265)
Net Carrying amount at 30 June	7 961	20 778
Cost	66 325	66 325
Accumulated Amortisation	(58 364)	(45 547)

<u>Description</u>	<u>Remaining Amortisation Period</u>	Carrying Value	
		2015 R	2014 R
Microsoft Office, Windows software and system software	3 - 5 years	7 961	20 778

No intangible assets were assessed to having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
14 CAPITALISED RESTORATION COST		
Net Carrying amount at 1 July	360 189	54 839
Additions	161 834	316 244
Depreciation	(146 550)	(10 968)
Impairment	-	-
Reversal of Impairment due to an increase in discount rate	234	75
Net Carrying amount at 30 June	375 707	360 189
Cost	715 762	553 928
Accumulated Depreciation	(200 273)	(53 723)
Accumulated Impairments	(139 782)	(140 016)

15 NON-CURRENT INVESTMENTS		
Fixed Deposits	1 802 097	1 704 724
Total Non-Current Investments	1 802 097	1 704 724

Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates varying from 5.7% % to 5.90 % per annum (2014 - 5.7% to 5.90%). The carrying amount of these assets approximates their fair value.

Investments to the value of R 1 400 000 are pledged as security for the overdraft facility at FNB - Refer to note 22

Fixed deposits consist out of the following accounts

FNB - Acc.no.71 26761 8613 - Subsidie Kerkstraat Investment	99 979	94 395
FNB - Acc.no.71 08730 6258 - Security Investment	1 702 118	1 610 329
	1 802 097	1 704 724

16 BIOLOGICAL ASSETS	Quantity (Units)	Fair Value R	2015	2014
			R	R
Springbuck	202	650	131 300	154 830
Ostrich	3	500	1 500	1 350
Blesbuck	15	1 200	18 000	31 200
Swart Wildebeest	10	1 700	17 000	16 150
Zebra	0	3 500	-	4 100
			167 800	207 630

Fair value of biological assets is based on selling prices less costs to sell in an open active market. These prices were obtained from commercial hunters in the municipal area.

Reconciliation of fair value:

Opening Fair Value	207 630	307 100
Fair Value adjustments - Price changes	68 420	(107 470)
Fair Value adjustments - Physical changes	(108 250)	8 000
Closing Fair Value	167 800	207 630

No title or other restrictions are placed on biological assets.

No biological assets were pledged as security for liabilities.

There are no commitments for the acquisition of biological assets.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

All biological assets are located in the Victoria West Nature Reserve. The primary activities revolving around biological assets are as follows:

- Ensure that the game life of the municipal area are conserved for future generations.
- Ensure that game numbers are managed adequately. When the need arises to reduce the game number, prospective hunters are invited to submit tenders for the purchase game, resulting in an inflow of resources to the municipality.

Due to the unwillingness of insurance companies to carry the risk and potential losses relating to biological assets, the financial risk is managed as follows:

- Regular inspection and maintenance of boundary fences to manage movement of biological assets.
- Regular monitoring of game quantities by municipal staff.

	2015 R	2014 R
17 LONG-TERM RECEIVABLES		
Officials' Housing Loans - At amortised cost	55 409	55 409
Consumers and Rates	845 004	1 276 753
Councillors Allowances	55 858	55 858
	<hr/>	<hr/>
	956 271	1 388 020
Less: Provision for Impairment	(956 271)	(1 388 020)
Total Long Term Receivables	<hr/> <hr/>	<hr/> <hr/>
	-	-

The carrying amount of these assets approximates their fair value.

The provision for Impairment could be allocated to the different classes of Long Term Receivables as follows:

Officials' Housing Loans - At amortised cost	55 409	55 409
Consumers and Rates	845 004	1 276 753
Councillors Allowances	55 858	55 858
Provision for impairment	<hr/>	<hr/>
	956 271	1 388 020
	<hr/> <hr/>	<hr/> <hr/>

HOUSING LOANS

The housing loan is receivable from P Minies. Due to the lack of payments received, a council resolution was passed to institute legal actions against P Minies to collect the outstanding debt or possible eviction from the property. The entire balance have been impaired.

CONSUMER AND RATES

Consumer and rates receivables included under long-term debtors represent all balances for which the debtors has made arrangements to settle their balances beyond normal credit terms. Balances included in long term receivables were deferred for more than 12 months past year-end and the balances are fully impaired

COUNCILLORS ALLOWANCES

Outstanding balances relates mainly to former councillors. All balances relating to these councillors have been impaired.

18 INVENTORY		
Water – at cost	10 906	10 066
Total Inventory	<hr/> <hr/>	<hr/> <hr/>
	10 906	10 066

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
19 RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	3 093 898	2 209 605
Water	25 513 892	17 666 267
Refuse	9 054 207	7 541 538
Sewerage	7 409 265	5 796 888
Other	825 751	789 467
Total Receivables from Exchange Transactions	45 897 013	34 003 765
Less: Allowance for Doubtful Debts	(41 660 426)	(32 226 958)
Total Net Receivables from Exchange Transactions	4 236 587	1 776 806

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

Debtors with a total outstanding balance of R 897 115 (2014 - R 1 561 494) have arranged to settle their account over an re-negotiated period. Total payments to the value of R 603 768 (2014 - R 1 025 450) have been deferred beyond 12 months after year end and subsequently included as part of long term debtors.

Interest on overdue balances are included at prime lending rate plus 1% where applicable

Ageing of Receivables from Exchange Transactions:

(Electricity): Ageing

Current (0 - 30 days)	836 624	698 836
31 - 60 Days	198 033	152 246
61 - 90 Days	160 535	83 619
+ 90 Days	1 898 706	1 274 904
Total	3 093 898	2 209 605

(Water): Ageing

Current (0 - 30 days)	2 060 356	811 085
31 - 60 Days	443 311	366 568
61 - 90 Days	476 202	337 063
+ 90 Days	22 534 024	16 151 551
Total	25 513 892	17 666 267

(Refuse): Ageing

Current (0 - 30 days)	241 275	210 116
31 - 60 Days	190 841	163 928
61 - 90 Days	181 659	157 341
+ 90 Days	8 440 432	7 010 153
Total	9 054 207	7 541 538

(Sewerage): Ageing

Current (0 - 30 days)	232 809	183 731
31 - 60 Days	177 113	136 180
61 - 90 Days	166 185	132 342
+ 90 Days	6 833 158	5 344 635
Total	7 409 265	5 796 888

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
<u>(Other): Ageing</u>		
Current (0 - 30 days)	8 440	8 387
31 - 60 Days	8 422	8 312
61 - 90 Days	8 422	8 312
+ 90 Days	800 466	764 455
Total	825 751	789 467
<u>(Total): Ageing</u>		
Current (0 - 30 days)	3 379 503	1 912 155
31 - 60 Days	1 017 721	827 234
61 - 90 Days	993 003	718 678
+ 90 Days	40 506 785	30 545 698
Total	45 897 013	34 003 765
Reconciliation of Provision for Bad Debts		
Balance at beginning of year	32 226 958	25 012 456
Contribution to provision	9 011 785	7 400 076
Transferred to/from Long-Term Debtors	421 682	-
Bad Debts Written Off	-	(185 575)
Balance at end of year	41 660 426	32 226 958
The Provision for Impairment could be allocated between the different classes of receivables as follows:		
Electricity	1 715 725	1 220 573
Water	20 606 021	17 086 301
Refuse	7 716 764	7 453 119
Sewerage	6 446 857	5 684 928
VAT	4 271 318	
Other	903 741	782 038
	41 660 426	32 226 958

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

20 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Rates	13 261 562	9 278 834
Other Receivables	95 275 871	55 022 487
Accrued Fines	94 400 021	53 943 968
Fuel Deposits	319 891	56 000
Electricity Deposit Richmond	30 718	30 718
Payments in advance	282 680	282 680
Other Debtors	155 634	221 695
Housing Cogsta	-	400 500
Accrued Interest	86 927	86 927
Total Receivables from Non-Exchange Transactions	108 537 433	64 301 321
Less: Allowance for Doubtful Debts	(81 838 048)	(45 362 347)
Total Net Receivables from Non-Exchange Transactions	26 699 385	18 938 974

Rates 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 rates debtors are not performed in terms of GRAP 104 on initial recognition.

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Due to the prospective application of the revised IGRAP 1, the municipality raised a receivable as well as an impairment charge on unpaid fines in the current year. This also resulted in a significant increase in fines revenue recognised in the statement of financial performance when compared to the comparative year.

Debtors with a total outstanding balance of R 413 729 (2014 - R 455 423) have arranged to settle their account over an re-negotiated period. Total payments to the value of R 241 236 (2014 - R 251 303) have been deferred beyond 12 months after year end and subsequently included as part of long term debtors.

Interest on overdue balances are included at prime lending rate plus 1% where applicable

Refer to note 17 for balances deferred beyond 12 months from year end.

Ageing of Receivables from Non-Exchange Transactions:

	2015 R	2014 R
<i>(Rates): Ageing</i>		
Current (0 - 30 days)	476 752	391 066
31 - 60 Days	871 051	311 072
61 - 90 Days	569 092	297 728
+ 90 Days	11 344 667	8 278 967
Total	13 261 562	9 278 834

Reconciliation of Provision for Bad Debts

Balance at beginning of year	45 362 347	8 227 880
Contribution to provision	36 465 634	37 151 253
Transferred to/from Long-Term Debtors	10 067	-
Bad Debts Written Off	-	(16 785)
Balance at end of year	81 838 048	45 362 347

The Provision for Impairment could be allocated between the different classes of receivables as follows:

Rates	9 291 898	7 623 496
Accrued Fines	72 546 151	37 738 851
	81 838 048	45 362 347

Concentrations of credit risk with respect to receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

21 OPERATING LEASE ARRANGEMENTS

21.1 The Municipality as Lessee (Liability)

Balance on 1 July	698	1 369
Movement during the year	(698)	(672)
Balance on 30 June	0	698

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:

	2015 R	2014 R
Up to 1 Year	-	5 078
1 to 5 Years	-	-
Total Operating Lease Arrangements	-	5 078

The total lease liability consist out of one agreement entered into with Pixley Ka Seme District Municipality. The municipality leases office space. The latest agreement was entered into on 1 March 2010 and expires on 28 February 2015. The initial rental amount in the contract is R 466.56 (Excluding VAT) with an escalation clause of 8% per annum.

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
21.2 The Municipality as Lessor (Asset)		
Balance on 1 July	62 415	98 256
Movement during the year	(18 107)	(35 841)
Balance on 30 June	44 308	62 415

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	104 611	108 985
1 to 5 Years	94 743	165 361
More than 5 Years	5 688	11 376
Total Operating Lease Arrangements	205 042	285 723

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 and buildings being leased out for periods ranging until 2021.

22 CASH AND CASH EQUIVALENTS

Assets

Call Investments Deposits	962 173	24 615
Bank Accounts	1 354 959	821 685
Cash Floats	2 400	2 400
Total Cash and Cash Equivalents - Assets	2 319 533	848 700

Liabilities

Primary Bank Account	1 983 222	1 047 083
Total Cash and Cash Equivalents - Liabilities	1 983 222	1 047 083

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Bank overdraft facility of R1 400 000 exists at FNB.

The municipality has the following bank accounts:

Current Accounts

Victoria West FNB - Account Number 54 06233 8032 (Primary Bank Account):	(1 983 222)	(1 047 083)
Richmond Standard Bank - Account Number 18 738 917 9 (Secondary Bank Account)	466 366	89 163
Richmond Standard Bank - Account Number 08 319 266 2 (Traffic Account)	888 594	732 522
	(628 263)	(225 398)

Victoria West FNB - Account Number 54 06233 8032 (Primary Bank Account):

Cash book balance at beginning of year	(1 047 083)	(1 211 708)
Cash book balance at end of year	(1 983 222)	(1 047 083)

Bank statement balance at beginning of year	(781 276)	913 367
Bank statement balance at end of year	(835 463)	(781 276)

Richmond Standard Bank - Account Number 18 738 917 9 (Secondary Bank Account)

Cash book balance at beginning of year	89 163	54 120
Cash book balance at end of year	466 366	89 163

Bank statement balance at beginning of year	89 163	37 143
Bank statement balance at end of year	458 169	89 163

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
Richmond Standard Bank - Account Number 08 319 266 2 (Traffic Account)		
Cash book balance at beginning of year	732 522	116 485
Cash book balance at end of year	888 594	732 522
Bank statement balance at beginning of year	739 572	118 985
Bank statement balance at end of year	888 594	739 572
Call Investment Deposits		
Call investment deposits consist out of the following accounts:		
FNB - Acc.no.62 04611 0920 - Projek Biblioteek Investment	117 185	1 024
FNB - Acc.no.62 05001 7021 - Equitable Share Investment	1 018	1 008
FNB - Acc.no.62 05698 7088 - Projek Nasionale Tesourie Investment	13 837	1 167
FNB - Acc.no.62 08647 7760 - Own Funds Investment	6 943	7 702
FNB - Acc.no.62 08984 3744 - Project Consolidate MSIG Investment	66 757	10 293
FNB - Acc.no.62 20922 9831 - MIG Fund	397 524	1 008
FNB - Acc.no.62 24204 3892 - DME Project	213 736	1 399
FNB - Acc.no.62 24730 1708 - Playground	145 173	1 016
	962 173	24 615

23

PROPERTY RATES

Actual

Rateable Land and Buildings

Residential, Commercial Property, State	6 676 050	2 947 500
Less: Rebates	(673 839)	(505 730)
Total Assessment Rates	6 002 212	2 441 770

Valuations - 1 JULY 2009

Rateable Land and Buildings

Residential and Vacant Land	218 915 800	168 274 400
Business & Commercial	66 139 900	52 082 000
Government	58 644 000	55 204 500
Exempt Properties	50 198 800	31 916 500
Multiple Use Properties	-	1 374 000
Agricultural	2 765 889 050	2 350 942 700
Total Assessment Rates	3 159 787 550	2 659 794 100

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2009.

Rates:

Residential	1.473 c/R	1.390 c/R
Commercial	1.503 c/R	1.417 c/R
Agricultural	0.00046 c/R	0.127 c/R

Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. 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.

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
24 GOVERNMENT GRANTS AND SUBSIDIES		
Unconditional Grants	21 614 000	19 400 000
Equitable Share	21 614 000	19 400 000
Conditional Grants	17 410 814	17 519 720
Grants and donations	17 410 814	17 519 720
Subsidies	-	-
Total Government Grants and Subsidies	39 024 814	36 919 720
Government Grants and Subsidies - Capital	12 261 794	12 069 660
Government Grants and Subsidies - Operating	26 763 020	24 850 060
	39 024 814	36 919 720
Revenue recognised per vote as required by Section 123 (c) of the MFMA		
Equitable share	21 614 000	19 400 000
Budget & Treasury	2 734 000	2 540 000
Corporate Services	-	-
Planning & Development	12 120 158	12 110 484
Community & Social Services	736 955	636 139
Sport & Recreation	-	97 284
Waste Management	522 272	-
Electricity	1 297 429	2 135 813
	39 024 814	36 919 720
The municipality does not expect any significant changes to the level of grants.		
24.01 Equitable share		
Opening balance	-	-
Grants received	21 614 000	19 400 000
Conditions met - Operating	(21 614 000)	(19 400 000)
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.		
24.02 Local Government Financial Management Grant (FMG)		
Opening balance	-	-
Grants received	1 800 000	1 650 000
Conditions met - Operating	(1 800 000)	(1 650 000)
Conditions still to be met	-	-
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
24.03 Municipal Systems Improvement Grant		
Opening balance	-	-
Grants received	934 000	890 000
Conditions met - Operating	(934 000)	(890 000)
Conditions still to be met	-	-
The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
24.04 Municipal Infrastructure Grant (MIG)		
Opening balance	5 957 699	3 530 586
Grants received	9 655 000	13 995 000
Paid Back to National Treasury	(4 446 000)	(3 532 000)
Conditions met - Operating	(482 750)	(787 335)
Conditions met - Capital	(10 442 094)	(7 248 553)
Conditions still to be met	<u>241 855</u>	<u>5 957 699</u>

The grant was used to upgrade infrastructure in previously disadvantaged areas.

24.05 Department of Water Affairs		
Opening balance	(31 067)	(31 067)
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Grant expenditure to be recovered	<u>(31 067)</u>	<u>(31 067)</u>

The grant is utilised to promote the access to high quality water in the municipal area.

24.06 Skills Development Fund		
Opening balance	-	-
Grants received	15 588	82 303
Conditions met - Operating	(15 588)	(82 303)
Conditions still to be met	<u>-</u>	<u>-</u>

These funds are utilised to develop skills within the municipality.

24.07 Library Fund		
Opening balance	212 164	-
Grants received	854 000	766 000
Conditions met - Operating	(675 147)	(553 836)
Conditions still to be met	<u>391 017</u>	<u>212 164</u>

The grant was used to fund the operations and sundry capital requirements of the Libraries in the municipal area.

24.08 Expanded Public Works Program (EPWP)		
Opening balance	221 793	-
Grants received	1 000 000	4 000 000
Conditions met - Operating	(1 000 000)	(1 246 022)
Conditions met - Capital	(522 272)	(2 532 185)
Conditions still to be met	<u>(300 479)</u>	<u>221 793</u>

This program is aimed at providing poverty and income relief through the creation of temporary work opportunities.

24.09 Housing Grants		
Opening balance	351 314	(415 901)
Grants received	-	1 063 604
Conditions met - Operating	(46 221)	-
Conditions met - Capital	-	(296 389)
Conditions still to be met	<u>305 093</u>	<u>351 314</u>

This expenditure relates to a project funded by the department of Human Settlements and is aimed at providing services to 36 houses in Loxton. The funds relating to this project have not been received on 30 June 2015

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
24.10 National Electrification Programme (INEP)		
Opening balance	464 187	-
Grants received	1 500 000	2 600 000
Conditions met - Operating	-	(230 826)
Conditions met - Capital	(1 297 429)	(1 904 988)
Conditions still to be met	<u>666 757</u>	<u>464 187</u>
The grant is utilised to upgrade electrical Infrastructure in the Municipal Area.		
24.11 Other Grants		
Opening balance	182 345	279 629
Grants received	657 977	-
Conditions met - Operating	(195 314)	(9 738)
Conditions met - Capital	-	(87 546)
Conditions still to be met	<u>645 007</u>	<u>182 345</u>
Various grants were received from other spheres of government.		
24.12 Total Grants		
Opening balance	7 358 433	3 363 246
Grants received	38 030 565	44 446 907
Paid Back to National Treasury	(4 446 000)	(3 532 000)
Conditions met - Operating	(26 763 020)	(24 850 060)
Conditions met - Capital	(12 261 794)	(12 069 660)
Conditions still to be met	<u>1 918 184</u>	<u>7 358 433</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	2 256 382	7 396 155
Unpaid Conditional Government Grants and Receipts	(338 200)	(37 721)
	<u>1 918 183</u>	<u>7 358 434</u>
25 FINES		
Traffic Fines	49 337 427	52 442 385
Court Fines	28 800	26 420
Library Fines	4 747	4 712
	<u>49 370 974</u>	<u>52 473 517</u>
26 SERVICE CHARGES		
Electricity	9 469 856	9 783 338
Water	8 701 172	6 418 488
Refuse removal	3 148 250	3 097 238
Sewerage and Sanitation Charges	2 785 652	2 764 800
	24 104 930	22 063 864
Less: Rebates	(3 749 381)	(3 625 488)
Total Service Charges	<u>20 355 549</u>	<u>18 438 376</u>
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.		
27 OTHER INCOME		
Sundry income	520 882	244 160
Sale of Game	217 170	-
Total Other Income	<u>738 052</u>	<u>244 160</u>
Sundry income represents sundry income such as building plans, sale of sundry items (wood, sand and stones) an fees for items not included under service charges (camping, fire brigade and impounding fees)		

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
28 FAIR VALUE ADJUSTMENTS		
Biological Assets	39 830	99 470
	<u>39 830</u>	<u>99 470</u>
29 EMPLOYEE RELATED COSTS		
Bargaining Council Levy	13 194	13 290
Bonus	1 155 605	938 431
Performance Bonus	-	416 291
Contributions for UIF, pensions and medical aids	3 681 274	3 298 944
Group Life Insurance	2 247	2 247
Housing Subsidy	31 757	30 477
Leave Reserve Fund	239 764	138 784
Long service awards	91 190	75 483
Overtime	1 952 291	1 489 401
Post Employment Health	171 727	230 140
Salaries and Wages	18 257 325	16 760 700
Travel, motor car, telephone, assistance and other allowances	1 239 757	1 338 145
Total Employee Related Costs	<u>26 836 132</u>	<u>24 732 334</u>
KEY MANAGEMENT PERSONNEL		
Municipal Manager is appointed on a 5-year and all other Directors on a 5-year fixed contract. 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 - Mr M F Fillis</i>		
Annual Remuneration	684 561	641 035
Performance Bonuses	-	127 140
Travelling Allowance	187 998	176 044
Telephone allowance	5 985	5 605
Contributions to UIF, Medical, Pension Funds and Bargaining Council	123 063	181 289
Total	<u>1 001 607</u>	<u>1 131 112</u>
<i>Remuneration of the Director Infrastructure and Technical Services - Mr Zingange</i>		
Annual Remuneration	537 482	503 308
Performance Bonuses	-	93 406
Travelling Allowance	163 224	152 846
Telephone allowance	7 773	7 278
Contributions to Medical and Pension Funds	111 689	104 587
Total	<u>820 168</u>	<u>861 425</u>
<i>Remuneration of the Director Corporate Services - Mr Jacobs</i>		
Annual Remuneration	457 115	417 022
Performance Bonuses	-	85 357
Travelling Allowance	77 726	86 427
Telephone allowance	4 424	4 918
Contributions to Medical and Pension Funds	23 186	77 762
Total	<u>562 450</u>	<u>671 487</u>
<i>Remuneration of the Director Financial Services - Me Plaatjies</i>		
Annual Remuneration	107 177	602 175
Performance Bonuses	-	110 389
Travelling Allowance	31 198	175 285
Telephone allowance	1 295	7 278
Contributions to Medical and Pension Funds	29 729	168 120
Total	<u>169 400</u>	<u>1 063 247</u>

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
30 REMUNERATION OF COUNCILLORS		
Mayor	592 265	669 254
Councillors	1 928 092	1 690 231
Total Councillors' Remuneration	2 520 357	2 359 485
Remuneration per Councillor		
Cllr K.J Rigard (Mayor)	592 265	669 254
Cllr K.J Arens	402 716	264 524
Cllr A.Verwey	236 603	211 481
Cllr J.C Pieterse	283 482	264 524
Cllr C.C Jantjies	283 482	264 524
Cllr B.J Bruwer	253 553	246 311
Cllr S.C Jordaan	241 958	232 886
Cllr K.V De Bruin	226 297	205 981
	2 520 357	2 359 485
<i>In-kind Benefits</i>		
The Executive Mayor and all the committee members are part-time. The Mayor are provided with secretarial support and an office at the cost of the Council.		
31 DEBT IMPAIRMENT		
Long term Receivables - Note 17	(431 749)	274 304
Trade Receivables from exchange transactions - Note 19	9 433 467	7 400 076
Trade Receivables from non-exchange transactions - Note 20	36 475 701	37 151 253
Total Contribution to Debt Impairment	45 477 419	44 825 633
32 DEPRECIATION AND AMORTISATION		
Property Plant and Equipment	5 932 414	5 899 918
Investment Property	24 516	24 516
Intangible Assets	12 817	13 265
Landfill sites	146 550	10 968
	6 116 296	5 948 666
33 IMPAIRMENTS		
Landfill Sites	(234)	(75)
	(234)	(75)
34 FINANCE CHARGES		
Long-term Liabilities	75 992	69 338
DBSA normal	75 992	69 338
DBSA arrears	-	-
Finance leases	44 486	65 371
Creditors	518 856	18 339
Bank Overdraft	26 565	35 760
Post Employment Health	565 014	510 402
Long service awards	72 065	54 360
Landfill Sites	187 565	146 783
Total finance charges	1 490 543	900 353
35 BULK PURCHASES		
Electricity	12 964 854	12 169 045
Water	609 069	613 606
Total Bulk Purchases	13 573 924	12 782 651

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
36 GENERAL EXPENSES		
Audit Fees	1 641 652	775 394
Advertising	57 341	78 252
Bank Charges	238 136	333 694
Job Creation	1 294 641	987 808
Entertainment Expenses	-	102 612
Professional Fees	192 000	-
Membership Fees	425 439	707 066
Fuel Cost	741 049	1 175 310
Free Paraffin Hampers	198 489	195 115
Legal Cost	346 926	10 112
License Fees	75 075	315 617
Insurance	318 590	288 318
Penalties	232 317	6 253
Paupers Funerals	7 500	23 650
Printing and stationery	339 055	347 133
Safety clothes	75 814	129 378
Tyres	2 268	19 671
Skills development levy	228 077	491 667
Telephone	262 362	253 468
Training	23 585	131 610
Travel and subsistence	853 515	1 051 010
Water Research	116 072	121 611
Other	203 008	201 035
General Expenses	7 872 909	7 745 783
		2014 R
37 CORRECTION OF ERROR IN TERMS OF GRAP 3		
37.01 GOVERNMENT GRANTS AND SUBSIDIES		
Balance previously reported		6 957 934
Re-allocation of Government Grants and Subsidies to Trade Payable note 9		400 500
		7 358 434
37.02 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Balance previously reported		18 538 474
Re-allocation of Government Grants and Subsidies to Trade Receivable note 20		400 500
		18 938 974
37.03 Transfer Revenue		
Balance previously reported		30 114 716
Re-allocation of Government Grants and Subsidies to Trade Receivable note 20		(5 264 656)
		24 850 060
37.04 Operating Grant Expenditure		
Balance previously reported		6 849 946
Re-allocation of Government Grants and Subsidies to Trade Receivable note 20		(5 264 656)
		1 585 291

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

38

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

Surplus/(Deficit) for the year	8 539 012	3 901 921
Adjustments for:		
Depreciation	6 103 480	5 935 401
Amortisation of Intangible Assets	12 817	13 265
Gain on disposal of property, plant and equipment	(26 500)	-
Loss on disposal of property, plant and equipment	-	652 957
Debt Impairment - Receivables	45 909 168	44 551 329
Debt Impairment - Long term receivables	(431 749)	274 304
Contribution to staff leave	136 135	(46 765)
Contribution to staff bonuses	145 970	39 651
Contribution to employee benefits	495 611	497 268
Actuarial Gains	(750 337)	83 676
Contribution to provision - Landfill Site	187 565	146 783
Fair Value Adjustments	39 830	99 470
Impairment written off	(234)	(75)
Grants Received	33 584 565	40 914 907
Grant Expenditure	(39 024 814)	(36 919 720)
Operating lease income accrued	18 107	35 841
Operating lease expenses accrued	(698)	(672)
Operating Surplus before changes in working capital	54 937 927	60 179 540
Changes in working capital	(43 113 659)	(47 999 769)
Increase/(Decrease) in Payables from exchange transactions	13 331 916	(438 740)
Movement in Taxes	(315 374)	1 020 832
Decrease in Inventory	(840)	(1 781)
Increase in Receivables from exchange and non-exchange	(56 129 360)	(48 580 080)
Cash generated by operations	11 824 268	12 179 771

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
39 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Call Investments Deposits - Note 22	962 173	24 615
Cash Floats - Note 22	2 400	2 400
Bank - Note 22	1 354 959	821 685
Bank overdraft - Note 22	(1 983 222)	(1 047 083)
Total cash and cash equivalents	336 310	(198 383)
40 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 39	336 310	(198 383)
Investments - Note 15	1 802 097	1 704 724
	2 138 408	1 506 341
Less:	2 256 382	7 396 155
Unspent Committed Conditional Grants - Note 9	2 256 382	7 396 155
Resources available/(required) for working capital requirements	(117 974)	(5 889 814)
41 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 2	1 163 202	1 634 599
Used to finance property, plant and equipment - at cost	(1 163 202)	(1 634 599)
	-	-
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		
42 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE		
42.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	90 760 230	44 574 819
Unspent grant funding utilised to fund operating expenditure - refer to note 40	117 974	5 889 814
Unauthorised expenditure current year - operating	31 477 636	33 938 655
Unauthorised expenditure current year - capital	805 156	6 356 943
Unauthorised expenditure awaiting authorisation	123 160 997	90 760 230

Incident	Disciplinary steps/criminal proceedings
Over expenditure on votes	None

	2015 R (Actual)	2015 R (Budget)	2015 R (Variance)	2015 R (Unauthorised)
Operating Expenditure by Vote				
Executive & Council	5 808 553	5 595 468	213 085	213 085
Budget & Treasury	12 207 890	16 749 946	(4 542 056)	-
Planning & Development	8 410 641	11 226 089	(2 815 449)	-
Community & Social Services	51 321 112	27 168 052	24 153 061	24 153 061
Public Safety	34 625	133 000	(98 375)	-
Sport & Recreation	-	11 000	(11 000)	-
Waste Management	9 743 639	9 617 164	126 475	126 475
Water	8 967 228	4 160 204	4 807 024	4 807 024
Electricity	15 427 672	13 249 680	2 177 992	2 177 992
	111 921 359	87 910 603	24 010 756	31 477 636

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R (Actual)	2015 R (Budget)	2015 R (Variance)	2015 R (Unauthorised)
Capital expenditure by vote				
Planning & Development	730 550	1 500 000	(769 450)	-
Waste Management	10 460 156	9 655 000	805 156	805 156
	11 190 707	11 155 000	35 707	805 156

42.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance			1 515 027	1 460 875
Fruitless and wasteful expenditure current year			777 738	54 152
Fruitless and wasteful expenditure awaiting further action			2 292 765	1 515 027

Incident	Disciplinary steps/criminal proceedings	2015 R	2014 R
<i>Interest on late payment of creditors and bank overdraft</i>	None	545 421	54 100
<i>SARS penalties</i>	None	232 317	52
<i>Interest on arrear portion of long term liabilities</i>	None	-	-
		777 738	54 152

42.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance			36 744 723	24 067 349
Irregular expenditure current year			5 795 916	12 677 374
Irregular expenditure awaiting further action			42 540 639	36 744 723

Incident	Disciplinary steps/criminal proceedings	2015 R	2014 R
<i>Non-compliance with Supply Chain Management Policy - Sufficient Quotations MBD forms and tax clearance certificates not obtained.</i>	None	-	997 412
<i>Shortcomings in personnel resulting in bid committees not complete</i>	None	5 795 916	10 347 187
<i>Tenders Awarded in term of Section 32 of Supply Chain Management Act (Mubesko Africa)</i>	None	-	320 242
<i>Appointment of Director Corporate Services (Mr Jacobs) not in line with section 56 (3) & (4) of the Municipal System Act.(Excluding Performance bonus)</i>	None	-	586 130
<i>Performance bonuses paid without adequate performance management process in place</i>	None	-	416 292
<i>Non-compliance with Supply Chain Management Regulations - Required procedures not followed to procure the services of legal advisors.</i>	None	-	10 112
		5 795 916	12 677 374

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

42.4 Material Losses	2015	2014
Water distribution losses		
- Kilo litres disinfected/purified/purchased	923 915	780 926
- Kilo litres lost during distribution	211 990	81 824
- Percentage lost during distribution	22.94%	10.48%
Electricity distribution losses		
- Units purchased (Kwh)	12 527 673	13 142 030
- Units lost during distribution (Kwh)	2 984 400	3 131 350
- Percentage lost during distribution	23.82%	23.83%

42.5 **Other Non-Compliance (MFMA 125(2)(e) and (f))**

- The municipality did not comply with section 65 (2) (e) of the MFMA. All reasonable steps to ensure, that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure, was not taken.
- Section 32 (4) (a) of the MFMA states that the accounting officer must promptly inform the mayor, the MEC of local government in the province and the Auditor General in writing of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality. The municipality did not inform the relevant parties as required by the section.
- Amounts outstanding regarding organs of state for periods exceeding 30 days are not reported to National Treasury on an individual debtors basis, therefore it is not reported immediately as required by section 64 (3) of the MFMA.
- The municipality did not comply with the requirements of section 166 of the MFMA regarding the duties and responsibilities of the Audit Committee.
- The municipality did not comply with the requirements of section 64 (3) of the MFMA. The accounting officer must immediately inform the National Treasury of any payments due by an organ of state to the municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.
- The municipality did not fully disclosed zero rated supplies on the VAT 201 forms during the year under review, resulting in non-compliance with the VAT Act. This non-compliance did not result in any discrepancies with regards to the amount payable to/refundable from SARS.

43	2015 R	2014 R
ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
43.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS		
Opening balance	-	-
Council subscriptions	250 000	312 329
Amount paid - current year	(250 000)	(312 329)
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
43.2 Audit fees - [MFMA 125 (1)(c)]		
Opening balance	-	425 984
Current year audit fee	1 353 652	775 394
External Audit - Auditor-General	1 353 652	775 394
Internal Audit	-	-
Amount paid - current year	(1 353 652)	(775 394)
Amount paid - previous year	-	(425 984)
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
43.3 VAT - [MFMA 125 (1)(c)]		
Opening balance	(162 154)	418 662
Amounts received - current year	(997 559)	(1 864 622)
Amounts received - previous years	-	(418 662)
Amounts claimed - current year	1 165 143	1 870 052
Amounts payable - current year	(321 170)	(167 584)
Outstanding penalties and interest	-	-
Closing balance - Receivable/(Payable)	<u>(315 740)</u>	<u>(162 154)</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
Vat in suspense due to cash basis of accounting		
Input VAT	2 120 549	456 985
Output VAT	(3 995 648)	(2 470 038)
Payable	(1 875 099)	(2 013 054)

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.

43.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]

Opening balance	257 181	238 070
Current year payroll deductions and Council Contributions	3 409 074	3 388 184
Amount paid - current year	(3 666 255)	(3 369 073)
Balance unpaid (included in creditors)	-	257 181

43.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

Opening balance	456 376	440 377
Current year payroll deductions and Council Contributions	4 660 919	5 478 077
Amount paid - current year	(5 117 295)	(5 462 078)
Balance unpaid (included in creditors)	-	456 376

43.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2015:

	Outstanding more than 90 days	Outstanding more than 90 days
Cllr SC Jordaan	1 230	262
Cllr A.Verwey	-	-
Cllr J.C Pieterse	-	-
Cllr KJ Arens	-	275
Cllr CC Jantjies	6 610	298
Cllr K.J Rigard (Mayor)	-	662
Total Councillor Arrear Consumer Accounts	7 840	1 497

44 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

Approved and contracted for:	5 520 798	12 723 000
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Total commitments consist out of the following:

- High Mast Lightning	-	1 600 000
- Bulk Water Supply	-	4 083 763
- Upgrading of Streets	2 000 536	3 971 237
- Eradication of Buckets	3 520 262	3 068 000
	5 520 798	12 723 000

This expenditure will be financed from:

Government Grants	5 520 798	12 723 000
	5 520 798	12 723 000

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

45 FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk, foreign exchange currency risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

Market Risks

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

	2015 R	2014 R
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:		
1% (2014 - 1%) Increase in interest rates	(26 164)	(31 228)
0% (2014 - 0%) Decrease in interest rates	-	-

Due to the fact that the South African economy is in an upward interest rate cycle, there are no expectation for a decrease in interest rates on 30 June 2014 and 30 June 2015.

Other Risks

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Balances past due not impaired:

	2015 %	2015 R	2014 %	2014 R
<u>Non-Exchange Receivables (including long term receivables)</u>				
Rates	100.00%	9 291 898	100.00%	1 292 971
<u>Exchange Receivables (including long term receivables)</u>				
Electricity	34.76%	1 137 972	64.28%	363 609
Water	61.80%	2 023 027	18.30%	103 493
Refuse	7.85%	257 097	4.25%	24 057
Sewerage	1.83%	59 848	8.57%	48 464
Other	-6.25%	(204 514)	4.60%	26 011
	100.00%	3 273 430	100.00%	565 634

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 19 and 20 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2015 %	2015 R	2014 %	2014 R
<u>Non-Exchange Receivables</u>				
Rates	11.35%	9 291 898	16.81%	7 623 496
Accrued Fines	88.65%	72 546 151	83.19%	37 738 851
	100.00%	81 838 048	100.00%	45 362 347
<u>Exchange Receivables</u>				
Electricity	4.59%	1 715 725	3.79%	1 220 573
Water	55.11%	20 606 021	53.02%	17 086 301
Refuse	20.64%	7 716 764	23.13%	7 453 119
Sewerage	17.24%	6 446 857	17.64%	5 684 928
Other	2.42%	903 741	2.43%	782 038
	100.00%	37 389 108	100.00%	32 226 958

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 %	2015 R	2014 %	2014 R
Bad debts written off per debtor class:				
<u>Non-Exchange Receivables</u>				
Rates	100.00%	-	100.00%	16 785
<u>Exchange Receivables</u>				
Water	0.00%	-	47.83%	88 756
Refuse	0.00%	-	26.59%	49 342
Sewerage	0.00%	-	25.58%	47 477
	0.00%	-	100.00%	185 575

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only enters into non-current investment transactions with major banks with high quality credit standing. Investments to the value of R 1 400 000 were held as security for the overdraft facility at FNB. Although the credit risk pertaining to non-current investments are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank and Standard Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

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

	2015 R	2014 R
Financial assets exposed to credit risk at year end are as follows:		
Long term receivables	-	-
Receivables from exchange transactions	4 236 587	1 776 806
Receivables from non-exchange transactions	94 993 191	54 739 807
Cash and Cash Equivalents	2 319 533	848 700
Non-Current Investments	1 802 097	1 704 724
Unpaid conditional grants and subsidies	338 200	37 721
	103 689 608	59 107 758

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

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

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2015				
Long Term liabilities - Annuity Loans	303 641	607 249	-	-
Capital repayments	246 587	550 196	-	-
Interest	57 054	57 054	-	-
Long Term liabilities - Finance Lease Liability	288 000	29 297	-	-
Capital repayments	266 357	74 357	-	-
Interest	21 643	(45 060)	-	-
Provisions - Landfill Sites	2 956 774	1 306 661	-	-
Capital repayments	2 809 286	1 120 719	-	-
Interest	147 488	185 942	-	-
Payables from exchange transactions	19 483 728	-	-	-
Unspent conditional government grants and receipts	2 256 382	-	-	-
Cash and Cash Equivalents	1 983 222	-	-	-
	<u>27 271 747</u>	<u>1 943 208</u>	<u>-</u>	<u>-</u>
2014				
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Long Term liabilities - Annuity Loans	303 641	910 890	-	-
Capital repayments	227 883	802 619	-	-
Interest	75 758	108 271	-	-
Long Term liabilities - Finance Lease Liability	288 000	384 000	-	-
Capital repayments	243 514	360 584	-	-
Interest	44 486	23 416	-	-
Provisions - Landfill Sites	2 686 579	1 242 198	-	-
Capital repayments	2 558 647	1 021 959	-	-
Interest	127 932	220 239	-	-
Payables from exchange transactions	7 111 523	-	-	-
Unspent conditional government grants and receipts	7 396 155	-	-	-
Cash and Cash Equivalents	1 047 083	-	-	-
	<u>18 832 981</u>	<u>2 537 088</u>	<u>-</u>	<u>-</u>

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
46	FINANCIAL INSTRUMENTS		
	In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:		
46.1	<u>Financial Assets</u>		
	<u>Classification</u>		
	Investments		
	Fixed Deposits	1 802 097	1 704 724
	Long-term Receivables		
	Councillor Allowances	-	-
	Receivables		
	Receivables from exchange transactions	4 236 587	1 776 806
	Receivables from non-exchange transactions	94 993 191	54 739 807
	Other Receivables		
	Government Subsidies and Grants	338 200	37 721
	Short-term Investment Deposits		
	Call Deposits	962 173	24 615
	Bank Balances and Cash		
	Bank Balances	1 354 959	821 685
	Cash Floats and Advances	2 400	2 400
		103 689 608	59 107 758

UBUNTU MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
SUMMARY OF FINANCIAL ASSETS			
	Financial instruments at amortised cost	103 689 608	59 107 758
	At amortised cost	103 689 608	59 107 758
46.2	<u>Financial Liability</u>		
	<u>Classification</u>		
	Non-Current Liabilities		
	Annuity Loans	556 032	802 619
	Capitalised Lease Liability	94 227	360 583
	Non-Current Provisions - Landfill Sites	1 120 719	1 022 079
	Payables from exchange transactions		
	Trade creditors	18 137 726	5 898 715
	Arrear portion of long term liabilities	614	10 640
	Retentions	-	-
	Deposits	89 671	92 444
	Other	1 140 162	478 092
	Current Provisions		
	Current Provisions - Landfill Sites	2 809 286	2 558 527
	Other Payables		
	Government Subsidies and Grants	2 256 382	7 396 155
	Current Portion of Long-term Liabilities		
	Annuity Loans	246 587	227 883
	Capitalised Lease Liability	266 357	243 514
	Bank Overdraft		
	Primary Bank account	1 983 222	1 047 083
		28 700 985	20 138 335
SUMMARY OF FINANCIAL LIABILITY			
	Financial instruments at amortised cost	28 700 985	20 138 335
47	EVENTS AFTER THE REPORTING DATE		
	None		
48	IN-KIND DONATIONS AND ASSISTANCE		
	The municipality received donation to the value of R 699 from Besters Garage.		
49	PRIVATE PUBLIC PARTNERSHIPS		
	Council has not entered into any private public partnerships during the financial year.		
50	CONTINGENT LIABILITY		
	The municipality does not have a permit or license for any of the landfill sites currently in use and could be liable for a penalty in terms of section 24G of the Environmental Conservation Act.		
	A Claim was lodged against the municipality by Mr AM Conroy, due to an dispute over an account for the provision of water. If successful, the municipality will be liable for an amount of R 316 741 (2012 - R94 144) plus interest.		
	A Claim was lodged against the municipality by Mr MF Fillis, for unlawful dismissal, the municipality will be liable for an amount between R 400,000 and R 600,000.		
	A Claim was lodged against the municipality by Mr KJ Rigard, for unlawful dismissal, the municipality will be liable for an amount between R 200,000 and R 400,000.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

51 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

51.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date are disclosed in note 17 to the Annual Financial Statements.

51.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 29 to the Annual Financial Statements.

51.3 Other related party transactions

Included in other receivables are outstanding money to be recovered from Councillors due to an over payments relating to the Cape Joint Pension Fund:

	2015 R	2014 R
Cllr B.J Bruwer	-	1 813
Cllr BS.C Jordaan	1 230	-
Cllr J.C Pieterse	-	5 916
Cllr KJ Arens	-	5 916
Cllr CC Jantjies	6 610	5 916
Cllr K.J Rigard (Mayor)		19 178
	7 840	38 740

52 FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

Current Liabilities exceeds current assets with the current ratio being 0.96:1 (2014 - 0.84:1)
The increase can mainly be attributed to the prospective implementation of IGRAP 1.

The debtors' impairment ratio (Excluding fines) decreased to 86% from the previous year's 92%. This is still considered to be very high

A bank overdraft facility is utilised amounting to R 1 400 000.

The municipality is in arrears with the Development Bank of South Africa to an amount of R 10 640 (2014 - R 10 640)

The municipality restructured the DBSA loan in the current year to ensure repayments are affordable.

Other Indicators

Possible outflow of resources due the contingent liabilities disclosed in note 50

Actions taken by Council

Council is continuously exploring avenues to increase the revenue base and improve the credit control measures of the municipality to address the negative indicators above and cash flow challenges.

Due to the revised calculation for Equitable Share allocation, the municipality is also expected to receive an increased allocation over the MTREF period amounting to the following:

	2015 R (Baseline)	2016 R (DORA Allocation)	2017 R
Equitable Share	21 614 000	25 241 000	26 260 000
% Increase	0%	16.78%	4.04%

These increases are well above the inflation targets of the South African Reserve Bank and will assist the municipality in resolving its cash flow constraints.

UBUNTU LOCAL MUNICIPALITY

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

11 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2015

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation and Impairment Losses				Carrying Value R
	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Depreciation for the year R	Disposals R	Closing Balance R	
Land and Buildings	8 322 176	-	-	8 322 176	391 357	63 629	-	454 985	7 867 191
Land	1 959 310	-	-	1 959 310	-	-	-	-	1 959 310
Buildings	6 362 866	-	-	6 362 866	391 357	63 629	-	454 985	5 907 881
Infrastructure	140 748 914	10 460 156	-	151 209 070	33 135 137	5 095 382	-	38 230 519	112 978 551
Stormwater and Roads	47 953 282	3 544 842	-	51 498 124	16 207 268	2 305 081	-	18 512 349	32 985 775
Sewerage	33 912 812	46 221	-	33 959 032	5 755 610	927 416	-	6 683 025	27 276 007
Electricity	21 437 435	1 199 473	-	22 636 907	4 448 525	718 587	-	5 167 112	17 469 795
Water	36 913 344	5 669 621	-	42 582 965	6 723 734	1 144 299	-	7 868 032	34 714 933
Solid Waste	532 041	-	-	532 041	-	-	-	-	532 041
Community Assets	4 169 979	592 623	-	4 762 603	50 809	10 037	-	60 846	4 701 757
Recreation Grounds	680 701	-	-	680 701	13 310	4 632	-	17 942	662 758
Public Open Spaces	1 671 374	-	-	1 671 374	-	-	-	-	1 671 374
Cemetery	1 817 905	592 623	-	2 410 528	37 499	5 405	-	42 904	2 367 624
Lease Assets	1 156 161	-	-	1 156 161	613 874	231 232	-	845 106	311 055
Office Equipment	1 156 161	-	-	1 156 161	613 874	231 232	-	845 106	311 055
Other Assets	9 228 507	137 927	-	9 366 434	2 678 268	532 133	-	3 210 402	6 156 033
Office Equipment	894 389	-	-	894 389	395 186	119 802	-	514 989	379 400
Furniture & Fittings	1 329 902	596	-	1 330 498	526 539	99 195	-	625 735	704 763
Electrical Equipment	386 114	9 881	-	395 995	230 382	47 024	-	277 406	118 589
Motor vehicles	5 577 458	-	-	5 577 458	1 050 005	156 750	-	1 206 755	4 370 703
Mechanical Equipment	457 317	49 797	-	507 114	190 650	50 453	-	241 102	266 011
Computer equipment	583 328	77 652	-	660 980	285 506	58 909	-	344 414	316 566
	163 625 738	11 190 707	-	174 816 444	36 869 445	5 932 414	-	42 801 858	132 014 586

UBUNTU LOCAL MUNICIPALITY

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

30 JUNE 2014

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation and Impairment Losses				Carrying Value R
	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Depreciation for the year R	Disposals R	Closing Balance R	
Land and Buildings	9 202 176	-	(880 000)	8 322 176	372 769	64 903	(46 315)	391 357	7 930 820
Land	2 089 310	-	(130 000)	1 959 310	-	-	-	-	1 959 310
Buildings	7 112 866	-	(750 000)	6 362 866	372 769	64 903	(46 315)	391 357	5 971 509
Infrastructure	129 688 394	11 105 490	(44 970)	140 748 914	28 056 635	5 104 837	(26 335)	33 135 137	107 613 777
Stormwater and Roads	41 174 961	6 778 321	-	47 953 282	13 891 325	2 315 943	-	16 207 268	31 746 014
Sewerage	33 616 423	296 389	-	33 912 812	4 828 194	927 416	-	5 755 610	28 157 202
Electricity	19 532 447	1 904 988	-	21 437 435	3 729 938	718 587	-	4 448 525	16 988 910
Water	34 832 522	2 125 792	(44 970)	36 913 344	5 607 177	1 142 892	(26 335)	6 723 734	30 189 610
Other	532 041	-	-	532 041	-	-	-	-	532 041
Community Assets	3 150 630	1 019 350	-	4 169 979	43 504	7 305	-	50 809	4 119 170
Recreation Grounds	593 155	87 546	-	680 701	11 410	1 900	-	13 310	667 390
Public Open Spaces	1 671 374	-	-	1 671 374	-	-	-	-	1 671 374
Cemetery	886 101	931 804	-	1 817 905	32 093	5 405	-	37 499	1 780 406
Lease Assets	1 156 161	-	-	1 156 161	382 642	231 232	-	613 874	542 287
Office Equipment	1 156 161	-	-	1 156 161	382 642	231 232	-	613 874	542 287
Other Assets	9 162 349	71 265	(5 106)	9 228 507	2 186 890	491 641	(262)	2 678 268	6 550 239
Office Equipment	894 389	-	-	894 389	275 357	119 830	-	395 186	499 202
Furniture & Fittings	1 317 295	17 713	(5 106)	1 329 902	426 469	100 333	(262)	526 539	803 362
Electrical Equipment	376 781	9 332	-	386 114	184 577	45 805	-	230 382	155 732
Motor vehicles	5 577 458	-	-	5 577 458	933 859	116 147	-	1 050 005	4 527 453
Mechanical Equipment	449 992	7 325	-	457 317	137 826	52 824	-	190 650	266 667
Computer equipment	546 433	36 895	-	583 328	228 803	56 703	-	285 506	297 823
	152 359 710	12 196 104	(930 076)	163 625 738	31 042 440	5 899 918	(72 912)	36 869 445	126 756 293
Balance previously reported	152 359 710	12 196 104	(930 076)	163 625 738	31 042 440	5 899 918	(72 912)	36 869 445	126 756 293
Correction of error - Refer to note 37.01	-	-	-	-	-	-	-	-	-
	152 359 710	12 196 104	(930 076)	163 625 738	31 042 440	5 899 918	(72 912)	36 869 445	126 756 293

The following work in progress balances are included in Property, Plant and Equipment

	2015 R	2014 R
Infrastructure - Stormwater and Roads	12 898 356	3 683 893
Infrastructure - Sewerage	1 455 699	1 409 478
Infrastructure - Electricity	3 894 189	2 694 716
Infrastructure - Water	2 070 613	2 070 613
Infrastructure - Other	532 041	532 041
Community Assets - Recreation Grounds	273 201	273 201
Community Assets - Cemetery	1 758 131	1 165 508
	22 882 230	11 829 450

APPENDIX A - Unaudited
UBUNTU LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2014	Correction	Balance at 30 JUNE 2014 Restated	Received during the period	Restructured during the period	Redeemed written off during the period	Balance at 30 JUNE 2015
ANNUITY LOANS										
DBSA-Sewerage Richmond (Restructured)	8.00%	12692/101	30/06/2018	1 030 502		1 030 502	-	-	227 883	802 619
Total Annuity Loans				1 030 502	-	1 030 502	-	-	227 883	802 619
LEASE LIABILITY										
Nashua	9.00%	Nashua	31/10/2016	604 097	-	604 097	-	-	243 514	360 583
Total Lease Liabilities				604 097	-	604 097	-	-	243 514	360 583
TOTAL EXTERNAL LOANS				1 634 599	-	1 634 599	-	-	471 397	1 163 202

APPENDIX B - Unaudited
UBUNTU LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015
MUNICIPAL VOTES CLASSIFICATION

2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R		2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R
-	-	-	Health Services	-	-	-
12 122 760	(5 409 469)	6 713 291	Public Works	12 153 118	(5 786 256)	6 366 863
53 544 866	(50 111 176)	3 433 690	Licences	50 215 541	(45 978 085)	4 237 456
90 350	(4 188 646)	(4 098 296)	Administration	19 255	(4 293 291)	(4 274 036)
13 082	-	13 082	Cemeteries	12 840	-	12 840
-	(2 637 238)	(2 637 238)	Roads and Stormwater Drainage	-	(2 624 402)	(2 624 402)
-	(99 470)	(99 470)	Nature Reserve	217 170	(39 830)	177 340
-	-	-	Aerodome	-	-	-
7 321	(5 534 985)	(5 527 664)	Council General Expenses	288 554	(5 666 767)	(5 378 213)
9 425	(633 685)	(624 260)	Abattoir	6 423	-	6 423
2 441 770	(7 086 782)	(4 645 012)	Property Tax	6 002 212	(2 106 007)	3 896 204
238	(1 689 806)	(1 689 567)	Management Services	20	(1 500 093)	(1 500 073)
24 158 168	(7 869 023)	16 289 144	Finance	28 310 867	(8 561 960)	19 748 907
-	(50 270)	(50 270)	Fire Brigade	42 466	(34 625)	7 842
558 548	(936 501)	(377 953)	Library	726 115	(1 049 736)	(323 622)
100 197	(750)	99 447	Parks and Recreation	2 624	-	2 624
-	-	-	Grants and subsidies	-	-	-
1 505 221	(3 829 976)	(2 324 755)	Sewerage and Sanitation	2 314 720	(5 663 008)	(3 348 288)
301 055	(185 853)	115 202	Buildings and Offices	230 086	(141 785)	88 300
44 717	-	44 717	Commonage	36 116	-	36 116
-	-	-	Sunrise	-	17	17
-	-	-	Masinyusane	-	-	-
2 018 836	(2 238 109)	(219 273)	Cleansing	2 127 557	(4 080 631)	(1 953 074)
11 307 244	(14 038 232)	(2 730 988)	Electricity	9 974 282	(15 427 672)	(5 453 391)
5 792 229	(3 574 137)	2 218 092	Water Distribution	7 780 743	(8 967 228)	(1 186 484)
-	-	-	Dam Water	-	-	-
-	-	-	Municipal Staff Housing	(338)	-	(338)
114 016 028	(110 114 107)	3 901 921	Sub Total	120 460 371	(111 921 359)	8 539 012
	-	-	Internal Charges		-	-
114 016 028	(110 114 107)	3 901 921	Total	120 460 371	(111 921 359)	8 539 012

APPENDIX C - Unaudited
UBUNTU LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R		2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R
308 376	(5 720 838)	(5 412 462)	Executive & Council	518 303	(5 808 553)	(5 290 250)
26 600 176	(16 745 081)	9 855 095	Budget & Treasury	34 530 268	(12 207 890)	22 322 378
12 167 477	(8 046 707)	4 120 771	Planning & Development	12 189 234	(8 410 641)	3 778 593
-	-	-	Health	-	-	-
54 216 271	(55 870 008)	(1 653 737)	Community & Social Services	50 980 174	(51 321 112)	(340 938)
-	-	-	Housing	-	-	-
-	(50 270)	(50 270)	Public Safety	42 466	(34 625)	7 842
100 197	(750)	99 447	Sport & Recreation	2 624	-	2 624
-	-	-	Environmental Protection	-	-	-
3 524 057	(6 068 085)	(2 544 028)	Waste Management	4 442 277	(9 743 639)	(5 301 362)
-	-	-	Waste Water Management	-	-	-
-	-	-	Road Transport	-	-	-
5 792 229	(3 574 137)	2 218 092	Water	7 780 743	(8 967 228)	(1 186 484)
11 307 244	(14 038 232)	(2 730 988)	Electricity	9 974 282	(15 427 672)	(5 453 391)
114 016 028	(110 114 107)	3 901 921	Total	120 460 371	(111 921 359)	8 539 012

**APPENDIX D - Unaudited
UBUNTU LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 1 JULY 2014	Grants Received	Transfers	Paid back to NT	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2015
UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS							
	R	R	R	R	R	R	R
<u>National Government Grants</u>							
Equitable Share	-	21 614 000	-	-	21 614 000	-	-
Local Government Financial Management Grant	-	1 800 000	-	-	1 800 000	-	-
Municipal Infrastructure Grant	5 957 699	9 655 000	0	(4 446 000)	482 750	10 442 094	241 854
- General MIG Fund	-	9 655 000	(9 655 000)	(4 446 000)	-	-	(4 446 000)
- Eradication of Buckets	3 431 982	-	4 263 763	-	-	8 547 072	(851 327)
- Project Roads Victoria West	2 332 603	-	3 791 237	-	482 750	1 302 399	4 338 691
- Victoria West Cemetery	193 114	-	-	-	-	592 623	(399 510)
- Installation of High Masts Lights	-	-	1 600 000	-	-	-	1 600 000
Municipal Systems Improvement Grant	-	934 000	-	-	934 000	-	-
National Electrification Programme (INEP)	464 187	1 500 000	-	-	-	1 297 429	666 757
Expanded Public Works Program (EPWP)	221 793	1 000 000	-	-	1 000 000	522 272	(300 479)
Department of Water Affairs	(31 067)	-	-	-	-	-	(31 067)
- Installation of Bulk meters	(31 067)	-	-	-	-	-	(31 067)
Skills Development Fund	-	15 588	-	-	15 588	-	-
Total National Government Grants	6 612 611	36 518 588	0	(4 446 000)	25 846 338	12 261 794	577 065
<u>Provincial Government Grants</u>							
Project Library	212 164	854 000	-	-	675 147	-	391 017
Department of Human Settlements (Services 36 Erven Loxton)	351 314	-	-	-	46 221	-	305 093
Project Housing Victoria West	-	-	-	-	-	-	-
Total Provincial Government Grants	563 478	854 000	-	-	721 368	-	696 110
<u>District Municipality Grants</u>							
Upgrading of Sportsgrounds	(6 654)	-	-	-	-	-	(6 654)
Total District Municipality Grants	(6 654)	-	-	-	-	-	(6 654)
<u>Other Grant Providers</u>							
Project Survey of Land	1 248	-	-	-	-	-	1 248
Incentive Grant Gochsta	-	567 190	-	-	106 355	-	460 835
River Project Richmond	-	90 787	-	-	88 960	-	1 827
Project Water Loxton	88 739	-	-	-	-	-	88 739
Solid Waste Site Victoria West	99 012	-	-	-	-	-	99 012
Total Other Grant Providers	188 999	657 977	-	-	195 314	-	651 661
Total	7 358 434	38 030 565	0	(4 446 000)	26 763 020	12 261 794	1 918 182

APPENDIX E (1) - Unaudited
UBUNTU LOCAL MUNICIPALITY

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
SUMMARY

Reconciliation of Table A1 Budget Summary

Description	2014/2015									2013/14				
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	1st Adjusted Budget	Special Adjustments / Unforeseen & Unavoidable	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3			4	5	6	7	8	9	10	11	12
R thousands														
Financial Performance														
Property rates	7 757	-	7 757	-	7 757	6 002		(1 754)	77.4%	77.4%				2 442
Service charges	24 780	-	24 780	-	24 780	20 356		(4 424)	82.1%	82.1%				18 438
Investment revenue	388	-	388	-	388	249		(139)	64.1%	64.1%				189
Transfers recognised - operational	26 240	-	26 240	-	26 240	26 763		523	102.0%	102.0%				24 850
Other own revenue	26 275	-	26 275	-	26 275	54 829		28 554	208.7%	208.7%				56 027
Total Revenue (excluding capital transfers and contributions)	85 439	-	85 439	-	85 439	108 199		22 759	126.6%	126.6%				101 946
Employee costs	31 909	-	31 909	-	31 909	26 836	-	(5 073)	84.1%	84.1%	-	-	-	24 732
Remuneration of councillors	2 906	-	2 906	-	2 906	2 520	-	(386)	86.7%	86.7%	-	-	-	2 359
Debt impairment	3 930	-	3 930	-	3 930	45 477	41 548	41 548	1157.3%	1157.3%	-	-	-	44 826
Depreciation & asset impairment	6 395	-	6 395	-	6 395	6 116	-	(279)	95.6%	95.6%	-	-	-	5 949
Finance charges	769	-	769	-	769	1 491	721	721	193.7%	193.7%	-	-	-	900
Materials and bulk purchases	10 715	-	10 715	-	10 715	13 574	2 859	2 859	126.7%	126.7%	-	-	-	12 783
Transfers and grants	4 029	-	4 029	-	4 029	1 687	-	(2 342)	41.9%	41.9%	-	-	-	1 585
Other expenditure	27 258	-	27 258	-	27 258	14 219	-	(13 038)	52.2%	52.2%	-	-	-	16 980
Total Expenditure	87 911	-	87 911	-	87 911	111 921	45 128	24 011	127.3%	127.3%	-	-	-	110 114
Surplus/(Deficit)	(2 471)	-	(2 471)	-	(2 471)	(3 723)		(1 251)	150.6%	150.6%				(8 168)
Transfers recognised - capital	11 155	-	11 155	-	11 155	12 262		1 107	109.9%	109.9%				12 070
Discontinued Operations	-	-	-	-	-	-		-	-	-				-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-		-	-	-				-
Surplus/(Deficit) after capital transfers & contributions	8 684	-	8 684	-	8 684	8 539		(145)	98.3%	98.3%				3 902
Share of surplus/ (deficit) of associate	-	-	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	8 684	-	8 684	-	8 684	8 539		(145)	98.3%	98.3%				3 902
Capital expenditure & funds sources														
Capital expenditure														
Transfers recognised - capital	11 155	-	11 155	-	11 155	-		(11 155)	-	-				12 070
Public contributions & donations	-	-	-	-	-	-		-	-	-				-
Borrowing	-	-	-	-	-	-		-	-	-				-
Internally generated funds	-	-	-	-	-	-		-	-	-				443
Total sources of capital funds	11 155	-	11 155	-	11 155	-		(11 155)	-	-				12 512
Cash flows														
Net cash from (used) operating	18 119	-	18 119	-	18 119	11 824		(6 295)	65.3%	65.3%				12 180
Net cash from (used) investing	(11 110)	-	(11 110)	-	(11 110)	(10 830)		280	97.5%	97.5%				(12 354)
Net cash from (used) financing	(456)	-	(456)	-	(456)	(460)		(4)	100.9%	100.9%				399
Cash/cash equivalents at the year end	9 571	-	9 571	-	9 571	336		(9 235)	3.5%	3.5%				(198)

APPENDIX E (2) - Unaudited
UBUNTU LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

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

Description	2014/2015									2013/2014			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Special Adjustments / Unforeseen & Unavoidable	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12	
Revenue - Standard													
Governance and administration	35 928	-	35 928	35 068		(860)	97.6%	97.6%				26 992	
Executive and council	18	-	18	518		500	2816.9%	2816.9%				1	
Budget and treasury office	35 367	-	35 367	34 530		(837)	97.6%	97.6%				26 600	
Corporate services	543	-	543	19		(523)	3.5%	3.5%				391	
Community and public safety	842	-	842	51 042		50 201	6064.9%	6064.9%				672	
Community and social services	824	-	824	50 997		50 173	6189.0%	6189.0%				572	
Sport and recreation	5	-	5	3		(2)	52.5%	52.5%				100	
Public safety	2	-	2	42		40	2123.3%	2123.3%				-	
Housing	-	-	-	-		-	-	-				-	
Health	11	-	11	-		(11)	-	-				-	
Economic and environmental services	34 935	-	34 935	12 153		(22 782)	34.8%	34.8%				70 977	
Planning and development	12 279	-	12 279	12 153		(126)	99.0%	99.0%				17 432	
Road transport	22 656	-	22 656	-		(22 656)	-	-				53 545	
Environmental protection	-	-	-	-		-	-	-				-	
Trading services	24 872	-	24 872	22 197		(2 675)	89.2%	89.2%				20 623	
Electricity	11 648	-	11 648	9 974		(1 674)	85.6%	85.6%				11 307	
Water	6 485	-	6 485	7 781		1 296	120.0%	120.0%				5 792	
Waste water management	3 308	-	3 308	-		(3 308)	-	-				1 505	
Waste management	3 431	-	3 431	4 442		1 011	129.5%	129.5%				2 019	
Other	17	-	17	-		(17)	-	-				9	
Total Revenue - Standard	96 594	-	96 594	120 460		23 866	124.7%	124.7%				119 274	
Expenditure - Standard													
Governance and administration	28 509	-	28 509	22 310	481	(6 200)	78.3%	78.3%				26 648	
Executive and council	5 327	-	5 327	5 809	481	481	109.0%	109.0%				5 528	
Budget and treasury office	16 750	-	16 750	12 208		(4 542)	72.9%	72.9%				16 745	
Corporate services	6 432	-	6 432	4 293		(2 139)	66.7%	66.7%				4 374	
Community and public safety	1 723	-	1 723	47 062	45 449	45 340	2731.6%	2731.6%				988	
Community and social services	1 579	-	1 579	47 028	45 449	45 449	2978.5%	2978.5%				937	
Sport and recreation	11	-	11	-		(11)	-	-				1	
Public safety	133	-	133	35		(98)	26.0%	26.0%				50	
Housing	-	-	-	-		-	-	-				-	
Health	-	-	-	-		-	-	-				-	
Economic and environmental services	30 627	-	30 627	8 411		(22 217)	27.5%	27.5%				63 423	
Planning and development	7 312	-	7 312	5 786		(1 525)	79.1%	79.1%				10 674	
Road transport	23 316	-	23 316	2 624		(20 691)	11.3%	11.3%				52 748	
Environmental protection	-	-	-	-		-	-	-				-	
Trading services	27 027	-	27 027	34 139	11 694	7 111	126.3%	126.3%				23 680	
Electricity	13 250	-	13 250	15 428	2 178	2 178	116.4%	116.4%				14 038	
Water	4 160	-	4 160	8 967	4 807	4 807	215.5%	215.5%				3 574	
Waste water management	4 582	-	4 582	-		(4 582)	-	-				3 830	
Waste management	5 035	-	5 035	9 744	4 709	4 709	193.5%	193.5%				2 238	
Other	24	-	24	-	(24)	(24)	-	-				634	
Total Expenditure - Standard	87 911	-	87 911	111 921	57 600	24 011	127.3%	127.3%				115 372	
Surplus/(Deficit) for the year	8 684	-	8 684	8 539	-	(145)	98.3%	98.3%				3 902	

APPENDIX E (3) - Unaudited
 UBUNTU LOCAL MUNICIPALITY
 NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
 REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

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

Vote Description	2014/2015									2013/2014			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Special Adjustments / Unforeseen & Unavoidable	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2		3	4	5	6	7	8	9	10	11	12
Revenue by Vote													
Vote 1 - Budget & Treasury	35 367	-	-	35 367	34 530		(837)	97.6%	97.6%				26 992
Vote 2 - Community & Social Services	23 597	-	-	23 597	50 980		27 383	216.0%	216.0%				581
Vote 3 - Electricity	11 648	-	-	11 648	9 974		(1 674)	85.6%	85.6%				11 307
Vote 4 - Executive & Council	458	-	-	458	518		61	113.2%	113.2%				1
Vote 5 - Health	11	-	-	11	-		(11)	-	-				-
Vote 6 - Planning & Development	12 282	-	-	12 282	12 189		(93)	99.2%	99.2%				70 977
Vote 7 - Public Safety	2	-	-	2	42		40	2123.3%	2123.3%				-
Vote 8 - Sport & Recreation	5	-	-	5	3		(2)	52.5%	52.5%				100
Vote 9 - Waste Management	6 739	-	-	6 739	4 442		(2 297)	65.9%	65.9%				3 524
Vote 10 - Water	6 485	-	-	6 485	7 781		1 296	120.0%	120.0%				5 792
				-			-	-	-				
Total Revenue by Vote	96 594	-	-	96 594	120 460		23 866	124.7%	124.7%				119 274
Expenditure by Vote to be appropriated													
Vote 1 - Budget & Treasury	16 750	-	-	16 750	12 208		(4 542)	72.9%	72.9%				21 120
Vote 2 - Community & Social Services	27 168	-	-	27 168	51 321	24 153	24 153	188.9%	188.9%				1 570
Vote 3 - Electricity	13 250	-	-	13 250	15 428	2 178	2 178	116.4%	116.4%				14 038
Vote 4 - Executive & Council	5 595	-	-	5 595	5 809	213	213	103.8%	103.8%				5 528
Vote 5 - Health	-	-	-	-	-		-	-	-				-
Vote 6 - Planning & Development	11 226	-	-	11 226	8 411		(2 815)	74.9%	74.9%				63 423
Vote 7 - Public Safety	133	-	-	133	35		(98)	26.0%	26.0%				50
Vote 8 - Sport & Recreation	11	-	-	11	-		(11)	-	-				1
Vote 9 - Waste Management	9 617	-	-	9 617	9 744	126	126	101.3%	101.3%				6 068
Vote 10 - Water	4 160	-	-	4 160	8 967	4 807	4 807	215.5%	215.5%				3 574
				-			-	-	-				
Total Expenditure by Vote	87 911	-	-	87 911	111 921	31 478	24 011	127.3%	127.3%	-	-	-	115 372
Surplus/(Deficit) for the year	8 684	-	-	8 684	8 539		(145)	98.3%	98.3%				3 902

APPENDIX E (4) - Unaudited
UBUNTU LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE

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

Description	2014/2015									2013/2014			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Special Adjustments / Unforeseen & Unavoidable	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2		3	4	5	6	7	8	9	10	11	12
Revenue By Source													
Property rates	7 757	-	-	7 757	6 002		(1 754)	77.4%	77.4%				2 442
Property rates - penalties & collection charges	-	-	-	-	-		-	-	-				-
Service charges - electricity revenue	11 579	-	-	11 579	8 639		(2 940)	74.6%	74.6%				9 130
Service charges - water revenue	6 465	-	-	6 465	7 779		1 314	120.3%	120.3%				5 786
Service charges - sanitation revenue	3 305	-	-	3 305	1 791		(1 513)	54.2%	54.2%				1 504
Service charges - refuse revenue	3 431	-	-	3 431	2 146		(1 285)	62.6%	62.6%				2 019
Service charges - other	-	-	-	-	-		-	-	-				-
Rental of facilities and equipment	658	-	-	658	334		(323)	50.8%	50.8%				438
Interest earned - external investments	388	-	-	388	249		(139)	64.1%	64.1%				189
Interest earned - outstanding debtors	2 200	-	-	2 200	2 653		453	120.6%	120.6%				1 782
Dividends received	-	-	-	-	-		-	-	-				-
Fines	21 504	-	-	21 504	49 371		27 867	229.6%	229.6%				52 474
Licences and permits	1 063	-	-	1 063	784		(279)	73.8%	73.8%				988
Agency services	15	-	-	15	5		(10)	33.0%	33.0%				13
Transfers recognised - operational	26 240	-	-	26 240	26 763		523	102.0%	102.0%				24 850
Other revenue	790	-	-	790	1 655		865	209.4%	209.4%				332
Gains on disposal of PPE	45	-	-	45	27		(19)	58.9%	58.9%				-
Total Revenue (excluding capital transfers and contributions)	85 439	-	-	85 439	108 199		22 759	126.6%	126.6%				101 946
Expenditure By Type													
Employee related costs	31 909	-	-	31 909	26 836		(5 073)	84.1%	84.1%				24 732
Remuneration of councillors	2 906	-	-	2 906	2 520		(386)	86.7%	86.7%				2 359
Debt impairment	3 930	-	-	3 930	45 477	41 548	41 548	1157.3%	1157.3%				44 826
Depreciation & asset impairment	6 395	-	-	6 395	6 116		(279)	95.6%	95.6%				5 949
Finance charges	769	-	-	769	1 491	721	721	193.7%	193.7%				900
Bulk purchases	10 715	-	-	10 715	13 574	2 859	2 859	126.7%	126.7%				12 783
Other materials	-	-	-	-	-		-	-	-				-
Contracted services	14 005	-	-	14 005	4 855		(9 150)	34.7%	34.7%				7 142
Transfers and grants	4 029	-	-	4 029	1 687		(2 342)	41.9%	41.9%				1 585
Other expenditure	13 251	-	-	13 251	9 365		(3 886)	70.7%	70.7%				9 185
Loss on disposal of PPE	1	-	-	1	-		(1)	-	-				653
Total Expenditure	87 911	-	-	87 911	111 921	45 128	24 011	127.3%	127.3%				110 114
Surplus/(Deficit)	(2 471)	-	-	(2 471)	(3 723)		(1 251)	150.6%	150.6%				(8 168)
Transfers recognised - capital	11 155	-	-	11 155	12 262		1 107	109.9%	109.9%				12 070
Discontinued Operations	-	-	-	-	-		-	-	-				-
Contributions recognised - capital	-	-	-	-	-		-	-	-				-
Contributed assets	-	-	-	-	-		-	-	-				-
Surplus/(Deficit) after capital transfers & contributions	8 684	-	-	8 684	8 539		(145)	98.3%	98.3%				3 902
Taxation	-	-	-	-	-		-	-	-				-
Surplus/(Deficit) after taxation	8 684	-	-	8 684	8 539		(145)	98.3%	98.3%				3 902
Attributable to minorities	-	-	-	-	-		-	-	-				-
Surplus/(Deficit) attributable to municipality	8 684	-	-	8 684	8 539		(145)	98.3%	98.3%				3 902
Share of surplus/ (deficit) of associate	-	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	8 684	-	-	8 684	8 539		(145)	98.3%	98.3%				3 902

APPENDIX E (5) - Unaudited
UBUNTU LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING

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

Vote Description R thousand	2014/2015							2013/2014				
	Original Budget	Total Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community & Social Services	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Health	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning & Development	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport & Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Management	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Water	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure												
Vote 1 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-	-	48
Vote 2 - Community & Social Services	-	-	-	-	-	-	-	-	-	-	-	933
Vote 3 - Electricity	-	-	-	-	-	-	-	-	-	-	-	1 905
Vote 4 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	6
Vote 5 - Health	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning & Development	1 500	-	1 500	731	-	(769)	49%	49%	-	-	-	8 913
Vote 7 - Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport & Recreation	-	-	-	-	-	-	-	-	-	-	-	88
Vote 9 - Waste Management	9 655	-	9 655	10 460	805	805	108%	108%	-	-	-	620
Vote 10 - Water	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure	11 155	-	11 155	11 191	805	36	100%	100%	-	-	-	12 512
Total Capital Expenditure - Vote	11 155	-	11 155	11 191	805	36	100%	100%	-	-	-	12 512
Capital Expenditure - Standard												
Governance and administration	-	-	-	-	-	-	-	-	-	-	-	54
Executive and council	-	-	-	-	-	-	-	-	-	-	-	6
Budget and treasury office	-	-	-	-	-	-	-	-	-	-	-	48
Corporate services	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	-	-	-	-	-	-	-	-	-	1 021
Community and social services	-	-	-	-	-	-	-	-	-	-	-	933
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	88
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	9 655	-	9 655	-	-	(9 655)	-	-	-	-	-	8 913
Planning and development	9 655	-	9 655	-	-	(9 655)	-	-	-	-	-	8 913
Road transport	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	1 500	-	1 500	-	-	(1 500)	-	-	-	-	-	2 525
Electricity	1 500	-	1 500	-	-	(1 500)	-	-	-	-	-	1 905
Water	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	620
Waste management	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	11 155	-	11 155	-	-	(11 155)	-	-	-	-	-	12 512
Funded by:												
National Government	11 155	-	11 155	-	-	(11 155)	-	-	-	-	-	11 686
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	296
District Municipality	-	-	-	-	-	-	-	-	-	-	-	88
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	11 155	-	11 155	-	-	(11 155)	-	-	-	-	-	12 070
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-	-	443
Total Capital Funding	11 155	-	11 155	-	-	(11 155)	-	-	-	-	-	12 512

APPENDIX E (6) - Unaudited
 UBUNTU LOCAL MUNICIPALITY
 NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
 CASH FLOWS

Reconciliation of Table A7 Budgeted Cash Flows

Description	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	52 940	-	52 940	16 865	(36 075)	31.9%	31.9%	24 433
Government - operating	26 240	-	26 240	38 031	11 791	144.9%	144.9%	30 058
Government - capital	11 155	-	11 155	2 902	(8 253)	26.0%	26.0%	19 254
Interest	2 588	-	2 588	-	(2 588)	-	-	1 972
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(70 005)	-	(70 005)	(44 483)	25 522	63.5%	63.5%	(62 441)
Finance charges	(769)	-	(769)	(1 491)	(721)	193.7%	193.7%	(900)
Transfers and Grants	(4 029)	-	(4 029)	-	4 029	-	-	(195)
NET CASH FROM/(USED) OPERATING ACTIVITIES	18 119	-	18 119	11 824	(6 295)	65.3%	65.3%	12 180
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	45	-	45	27	(19)	58.9%	58.9%	204
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	432	432	#DIV/0!	#DIV/0!	(274)
Decrease (increase) in non-current investments	-	-	-	(97)	(97)	#DIV/0!	#DIV/0!	(88)
Payments								
Capital assets	(11 155)	-	(11 155)	(11 191)	(36)	100.3%	100.3%	(12 196)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(11 110)	-	(11 110)	(10 830)	280	97.5%	97.5%	(12 354)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	867
Increase (decrease) in consumer deposits	13	-	13	12	(1)	91.0%	91.0%	14
Payments								
Repayment of borrowing	(468)	-	(468)	(471)	(3)	100.7%	100.7%	(482)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(456)	-	(456)	(460)	(4)	100.9%	100.9%	399
NET INCREASE/ (DECREASE) IN CASH HELD	6 554	-	6 554	535				225
Cash/cash equivalents at the year begin:	3 017	-	3 017	(198)				(423)
Cash/cash equivalents at the year end:	9 571	-	9 571	336	(9 235)	3.5%	3.5%	(198)

APPENDIX E (1) - Unaudited
UBUNTU LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Revenue - Standard								
<i>Governance and administration</i>	31 631	-	31 631	35 049	3 417	110.8%	110.8%	26 909
Executive & council	18	-	18	518	501	2922.0%	2922.0%	308
Budget & Treasury	31 166	-	31 166	34 530	3 364	110.8%	110.8%	26 600
Corporate services	447	-	447	-	(447)	-	-	-
<i>Community and public safety</i>	801	-	801	51 025	50 224	6367.0%	6367.0%	54 316
Community & Social Services	779	-	779	50 980	50 201	6541.0%	6541.0%	54 216
Sport & Recreation	10	-	10	3	(7)	26.2%	26.2%	100
Public safety	2	-	2	42	40	2123.3%	2123.3%	-
Health	10	-	10	-	(10)	-	-	-
<i>Economic and environmental services</i>	35 419	-	35 419	12 189	(23 230)	34.4%	34.4%	12 167
Planning & Development	15 232	-	15 232	12 189	(3 043)	80.0%	80.0%	12 167
Road transport	20 187	-	20 187	-	(20 187)	-	-	-
<i>Trading services</i>	21 117	-	21 117	22 197	1 080	105.1%	105.1%	20 624
Electricity	10 504	-	10 504	9 974	(530)	95.0%	95.0%	11 307
Water	4 711	-	4 711	7 781	3 069	165.1%	165.1%	5 792
Waste water management	3 010	-	3 010	-	(3 010)	-	-	-
Waste management	2 677	-	2 677	4 442	1 766	166.0%	166.0%	3 524
<i>Other</i>	215	-	215	-	(215)	-	-	-
Total Revenue - Standard	88 969	-	88 969	120 460	31 491	135.4%	135.4%	114 016
Expenditure - Standard								
<i>Governance and administration</i>	32 644	-	32 644	18 016	(14 628)	55.2%	55.2%	22 466
Executive & council	10 096	-	10 096	5 809	(4 288)	57.5%	57.5%	5 721
Budget & Treasury	16 478	-	16 478	12 208	(4 270)	74.1%	74.1%	16 745
Corporate services	6 070	-	6 070	-	(6 070)	-	-	-
<i>Community and public safety</i>	2 057	-	2 057	51 356	49 298	2496.1%	2496.1%	55 921
Community & Social Services	1 866	-	1 866	51 321	49 455	2750.7%	2750.7%	55 870
Sport & Recreation	10	-	10	-	(10)	-	-	1
Public safety	182	-	182	35	(147)	19.1%	19.1%	50
<i>Economic and environmental services</i>	29 446	-	29 446	8 411	(21 035)	28.6%	28.6%	8 047
Planning & Development	8 451	-	8 451	8 411	(41)	99.5%	99.5%	8 047
Road transport	20 994	-	20 994	-	(20 994)	-	-	-
<i>Trading services</i>	26 037	-	26 037	34 139	8 102	131.1%	131.1%	23 680
Electricity	12 757	-	12 757	15 428	2 670	120.9%	120.9%	14 038
Water	4 442	-	4 442	8 967	4 526	201.9%	201.9%	3 574
Waste water management	5 446	-	5 446	-	(5 446)	-	-	-
Waste management	3 370	-	3 370	9 744	6 374	289.1%	289.1%	6 068
<i>Other</i>	21	-	21	-	(21)	-	-	-
Total Expenditure - Standard	90 184	-	90 184	111 921	21 738	124.1%	124.1%	110 114
Surplus/(Deficit) for the year	(1 215)	-	(1 215)	8 539	9 754	-703.0%	-703.0%	3 902

APPENDIX E (2) - Unaudited
UBUNTU LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Revenue by Vote								
Budget & Treasury	31 166	–	31 166	34 530	3 364	110.8%	110.8%	26 600
Community & Social Services	21 270	–	21 270	50 980	29 710	239.7%	239.7%	54 216
Electricity	10 504	–	10 504	9 974	(530)	95.0%	95.0%	11 307
Executive & Council	373	–	373	518	145	138.8%	138.8%	308
Health	10	–	10	–	(10)	–	–	–
Planning & Development	15 235	–	15 235	12 189	(3 045)	80.0%	80.0%	12 167
Public Safety	2	–	2	42	40	2123.3%	2123.3%	–
Sport & Recreation	10	–	10	3	(7)	26.2%	26.2%	100
Waste Management	5 687	–	5 687	4 442	(1 244)	78.1%	78.1%	3 524
Water	4 711	–	4 711	7 781	3 069	165.1%	165.1%	5 792
Total Revenue by Vote	88 969	–	88 969	120 460	31 491	135.4%	135.4%	114 016
Expenditure by Vote to be appropriated								
Budget & Treasury	16 478	–	16 478	12 208	(4 270)	74.1%	74.1%	16 745
Community & Social Services	24 580	–	24 580	51 321	26 741	208.8%	208.8%	55 870
Electricity	12 757	–	12 757	15 428	2 670	120.9%	120.9%	14 038
Executive & Council	10 708	–	10 708	5 809	(4 899)	54.2%	54.2%	5 721
Planning & Development	12 210	–	12 210	8 411	(3 800)	68.9%	68.9%	8 047
Public Safety	182	–	182	35	(147)	19.1%	19.1%	50
Sport & Recreation	10	–	10	–	(10)	–	–	1
Waste Management	8 817	–	8 817	9 744	927	110.5%	110.5%	6 068
Water	4 442	–	4 442	8 967	4 526	201.9%	201.9%	3 574
Total Expenditure by Vote	90 184	–	90 184	111 921	21 738	124.1%	124.1%	110 114
Surplus/(Deficit) for the year	(1 215)	–	(1 215)	8 539	9 754	-703.0%	-703.0%	3 902

APPENDIX E (3) - Unaudited
UBUNTU LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Revenue By Source								
Property rates	6 457	–	6 457	6 002	(455)	93.0%	93.0%	2 442
Service charges	16 352	–	16 352	20 356	4 004	124.5%	124.5%	18 438
Rental of facilities and equipment	539	–	539	334	(205)	62.0%	62.0%	438
Interest earned - external investments	380	–	380	249	(131)	65.5%	65.5%	189
Interest earned - outstanding debtors	1 908	–	1 908	2 653	745	139.0%	139.0%	1 782
Fines	19 569	–	19 569	49 371	29 802	252.3%	252.3%	52 474
Licences and permits	555	–	555	784	230	141.5%	141.5%	988
Agency services	12	–	12	5	(7)	41.3%	41.3%	13
Transfers recognised - operational	23 785	–	23 785	26 763	2 978	112.5%	112.5%	24 850
Other revenue	571	–	571	1 655	1 084	289.7%	289.7%	332
Gains on disposal of PPE	225	–	225	27	(199)	11.8%	11.8%	(634)
Total Revenue (excluding capital transfers and contributions)	70 352	–	70 352	108 199	37 847	153.8%	153.8%	101 313
Expenditure By Type								
Employee related costs	30 797	–	30 797	26 836	(3 961)	87.1%	87.1%	24 732
Remuneration of councillors	2 587	–	2 587	2 520	(67)	97.4%	97.4%	2 359
Debt impairment	3 655	–	3 655	45 477	41 823	1244.3%	1244.3%	44 826
Depreciation & asset impairment	6 263	–	6 263	6 116	(147)	97.7%	97.7%	5 949
Finance charges	649	–	649	1 491	842	229.8%	229.8%	900
Bulk purchases	9 848	–	9 848	13 574	3 726	137.8%	137.8%	12 783
Contracted services	12 003	–	12 003	4 855	(7 148)	40.4%	40.4%	7 142
Transfers and grants	–	–	–	–	–	–	–	–
Other expenditure	19 892	–	19 892	11 052	(8 840)	55.6%	55.6%	10 770
Loss on disposal of PPE	1	–	1	–	(1)	–	–	19
Total Expenditure	85 694	–	85 694	111 921	26 228	130.6%	130.6%	109 480
Surplus/(Deficit)	(15 342)	–	(15 342)	(3 723)	11 619	24.3%	24.3%	(8 168)
Transfers recognised - capital	14 127	–	14 127	12 262	(1 865)	86.8%	86.8%	12 070
Surplus/(Deficit) for the year	(1 215)	–	(1 215)	8 539	9 754	-703.0%	-703.0%	3 902

APPENDIX E (4) - Unaudited
UBUNTU LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Capital expenditure - Vote					-	-	-	
Single-year expenditure								
Budget & Treasury	-	-	-	-	-	-	-	#REF!
Community & Social Services	1 650	-	1 650	-	(1 650)	-	-	236
Electricity	1 600	-	1 600	-	(1 600)	-	-	-
Executive & Council	-	-	-	-	-	-	-	11
Planning & Development	3 002	-	3 002	731	(2 271)	24.3%	24.3%	#REF!
Sport & Recreation	-	-	-	-	-	-	-	186
Waste Management	4 675	-	4 675	10 460	5 785	223.7%	223.7%	237
Capital single-year expenditure	10 927	-	10 927	11 191	264	102%	102%	#REF!
Total Capital Expenditure - Vote	10 927	-	10 927	11 191	264	102%	102%	#REF!
Capital Expenditure - Standard					-	-	-	
Governance and administration	-	-	-	-	-	-	-	#REF!
Executive and council	-	-	-	-	-	-	-	11
Budget and treasury office	-	-	-	-	-	-	-	#REF!
Community and public safety	1 650	-	1 650	-	(1 650)	-	-	421
Community and social services	1 650	-	1 650	-	(1 650)	-	-	236
Sport and recreation	-	-	-	-	-	-	-	186
Economic and environmental services	3 002	-	3 002	731	(2 271)	24.3%	24.3%	#REF!
Planning and development	3 002	-	3 002	731	(2 271)	24.3%	24.3%	#REF!
Trading services	6 275	-	6 275	10 460	4 185	166.7%	166.7%	237
Electricity	1 600	-	1 600	-	(1 600)	-	-	-
Waste management	4 675	-	4 675	10 460	5 785	223.7%	223.7%	237
Total Capital Expenditure - Standard	10 927	-	10 927	11 191	264	102%	102%	#REF!
Funded by:					-	-	-	
National Government	14 127	-	14 127	12 262	(1 865)	86.8%	86.8%	11 686
Provincial Government	-	-	-	-	-	-	-	296
District Municipality	-	-	-	-	-	-	-	88
Transfers recognised - capital	14 127	-	14 127	12 262	(1 865)	87%	87%	12 070
Internally generated funds	(3 200)	-	(3 200)	(1 071)	2 129	33.5%	33.5%	#REF!
Total Capital Funding	10 927	-	10 927	11 191	264	102%	102%	#REF!

APPENDIX E (5) - Unaudited
UBUNTU LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
CASH FLOWS

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts					-	-	-	
Ratepayers and other	46 403	-	46 403	16 865	(29 537)	36.3%	36.3%	24 033
Government - operating	23 785	-	23 785	25 769	1 984	108.3%	108.3%	32 377
Government - capital	14 127	-	14 127	12 262	(1 865)	86.8%	86.8%	12 070
Interest	2 288	-	2 288	2 902	614	126.8%	126.8%	1 972
Payments					-	-	-	
Suppliers and employees	(73 843)	-	(73 843)	(44 483)	29 361	60.2%	60.2%	(57 371)
Finance charges	(649)	-	(649)	(1 491)	(842)	229.8%	229.8%	(900)
NET CASH FROM/(USED) OPERATING ACTIVITIES	12 110	-	12 110	11 824	(286)			12 180
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	224	-	224	27				204
Decrease (increase) other non-current receivables	-	-	-	432	432	#DIV/0!	#DIV/0!	(274)
Decrease (increase) in non-current investments	(81)	-	(81)	(97)	(17)	120.7%	120.7%	(88)
Payments								
Capital assets	(10 927)	-	(10 927)	(11 191)	(264)	102.4%	102.4%	(12 196)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(10 784)	-	(10 784)	(10 830)	151			(12 354)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Borrowing long term/refinancing	-	-	-	-	-			-
Increase (decrease) in consumer deposits	15	-	15	12	(3)	79.1%	79.1%	14
Payments								
Repayment of borrowing	(421)	-	(421)	(471)	(51)	112.1%	112.1%	(482)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(406)	-	(406)	(460)	(54)			(468)
NET INCREASE/ (DECREASE) IN CASH HELD	(3 569)	-	(3 569)	535	4 104	-15.0%	-15.0%	(642)
Cash/cash equivalents at the year begin:	5 900	-	5 900	(198)	(6 098)	-3.4%	-3.4%	(423)
Cash/cash equivalents at the year end:	2 331	-	2 331	336	(2 048)	14.4%	14.4%	(1 066)

APPENDIX D - Unaudited
UBUNTU LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 JULY 2013	Correction of error	Balance 1 JULY 2013	Grants Received	Transfers	Paid back to NT	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 1 JULY 2014
	R	R	R	R	R	R	R	R	R
UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS									
National Government Grants									
Equitable Share	-	-	-	19 400 000	-	-	19 400 000	-	-
Local Government Financial Management Grant	-	-	-	1 650 000	-	-	1 650 000	-	-
Municipal Infrastructure Grant	3 530 586	-	3 530 586	13 995 000	-	(3 532 000)	787 335	7 248 553	5 957 699
- General MIG Fund	-	-	-	13 995 000	(13 995 000)	-	-	-	-
- Eradication of Buckets	-	-	-	-	3 431 982	-	-	-	3 431 982
- Project Roads Victoria West	3 301 654	-	3 301 654	-	6 669 584	(3 303 068)	480 701	3 854 866	2 332 603
- Victoria West Cemetery	35 459	-	35 459	-	1 124 918	(35 459)	-	931 804	193 114
- Victoria West Solid Waste	135 532	-	135 532	-	-	(135 532)	-	-	-
- Loxton Solid Waste	57 941	-	57 941	-	-	(57 941)	-	-	-
- External Water Draining Project (Stormwater)	-	-	-	-	408 018	-	16 748	391 270	-
- External Water Supply	-	-	-	-	2 360 499	-	289 886	2 070 613	-
Municipal Systems Improvement Grant	-	-	-	890 000	-	-	890 000	-	-
National Electrification Programme (INEP)	-	-	-	2 600 000	-	-	230 826	1 904 988	464 187
Expanded Public Works Program (EPWP)	-	-	-	4 000 000	-	-	1 246 022	2 532 185	221 793
Department of Water Affairs	(31 067)	-	(31 067)	-	-	-	-	-	(31 067)
- Installation of Bulk meters	(31 067)	-	(31 067)	-	-	-	-	-	(31 067)
Skills Development Fund	-	-	-	82 303	-	-	82 303	-	-
Total National Government Grants	3 499 519	-	3 499 519	42 617 303	-	(3 532 000)	24 286 486	11 685 725	6 612 610
Provincial Government Grants									
Project Library	-	-	-	766 000	-	-	553 836	-	212 164
Department of Human Settlements (Services 36 Erven Loxton)	(415 901)	-	(415 901)	1 063 604	-	-	-	296 389	351 314
Project Housing Victoria West	-	-	-	-	-	-	-	-	-
Total Provincial Government Grants	(415 901)	-	(415 901)	1 829 604	-	-	553 836	296 389	563 478
District Municipality Grants									
Upgrading of Sportsgrounds	90 630	-	90 630	-	-	-	9 738	87 546	(6 654)
Total District Municipality Grants	90 630	-	90 630	-	-	-	9 738	87 546	(6 654)
Other Grant Providers									
Project Survey of Land	1 248	-	1 248	-	-	-	-	-	1 248
Project Water Loxton	88 739	-	88 739	-	-	-	-	-	88 739
Solid Waste Site Victoria West	99 012	-	99 012	-	-	-	-	-	99 012
Total Other Grant Providers	188 999	-	188 999	-	-	-	-	-	188 999
Total	3 363 246	-	3 363 246	44 446 907	-	(3 532 000)	24 850 060	12 069 660	7 358 433