

Mantsopa Local Municipality (FS196)

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

43. Prior period errors

Asset verification results

During the current year, management embarked on a process to verify its assets to ensure the existence, completeness and condition thereof. In addition the classification of certain assets and asset types were re-evaluated and corrections were identified. This included:

Retentions that were recognised at the wrong amount

Properties that were identified to have leases over it which were moved from Property, plant and equipment to Investment property

Depreciation that started late on a project.

Statement of financial position

Property, plant and equipment	-	(1 672 450)
Investment property	-	2 329 999
Payables from exchanges transactions	-	2 091 840
Accumulated surplus	-	(765 066)

Statement of financial performance

Fair value adjustment	-	(52 066)
Depreciation	-	(10 628)
Loss on disposal of assets	-	15 932
Repairs and maintenance	-	(1 937 324)

Consumer debtor corrections

During the year and based on a number issues raised by the consumers, a number of corrections were made to individual consumer accounts for various reasons. This included:

An error was identified in the calculation for the bad debt impairment where VAT was excluded.

Interest was incorrectly charged on government accounts.

Revenue corrections were not made for cut-off.

Statement of financial position

Receivables from exchange transactions	-	(3 889 738)
Receivables from non-exchange transactions	-	(612 012)
VAT receivable	-	21 397 617
Accumulated surplus	-	-

Statement of financial performance

Service charges	-	2 248 696
Interest earned	-	3 172 182
Other income	-	(903 752)
Property rates	-	(6 375)
Debt impairment	-	(21 937 617)

Reconciliation of payable accounts and sub-accounts

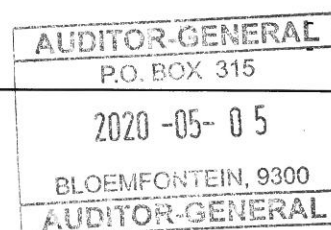
Management identified a number of errors in respect to the previous financial year a part of supplier credit management. This included a the receipt of a grant that was treated incorrectly. These were corrected retrospectively.

Statement of financial position

Other receivables from exchange transactions	-	(5 375 761)
Receivables from exchange transactions	-	(15 820)
VAT receivable	-	5 607 402
Cash and cash equivalents	-	1 164
Payables from exchange transactions	-	(760 154)
Payables from non-exchange transactions	-	240 865
Unspent grants	-	(272 100)
Accumulated surplus	-	690 048

Statement of financial performance

Dividends received	-	(1 164)
Other income	-	272 100



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43. Prior period errors (continued)		
Finance costs	-	47 347
Debt impairment	-	15 820
Bulk purchases	-	(539 518)
Repairs and maintenance	-	30 105
General expenses	-	59 665

Reclassifications made to the annual financial statements

During the preparation of the 2019 Annual Financial Statements, a number of reclassifications were made to ensure that the statements are fairly presented.

Statement of financial position

Other receivables from exchanges	-	79 433
Other receivable from non-exchange	-	(50 759)
Payables from exchange	-	404 318
Payables from non-exchange	-	(431 991)
Consumer deposits	-	(1 000)

Statement of financial performance

Property rates	-	1 437
Interest earned - consumer debtors exchange	-	(25 850 928)
Interest earned - consumer debtors non-exchange	-	(1 498 556)
Interest earned - external investments	-	27 349 484
Service charges	-	14 739 831
Subsidies and indigent support	-	(14 741 268)
Finance costs	-	(1 950 717)
Depreciation and amortisation	-	(1 545)
Impairment loss	-	1 545
Repairs and maintenance	-	6 676 066
Rental of equipment and vehicles	-	(90 720)
Employee related costs	-	3 817 827
Remuneration of councillors	-	89 125
Increase / (decrease) in provisions	-	984 230
Bulk purchases	-	1 688 925
General expenses	-	(7 601 053)
Actuarial gains/losses	-	(3 613 684)

44. Risk management

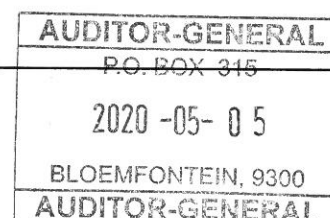
Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

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



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44. Risk management (continued)

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

45. Going concern

We draw attention to the fact that at 30 June 2019, the municipality had an accumulated surplus (deficit) of R 858 184 862 and that the municipality's total assets exceed its liabilities by R 858 184 862.

The municipality's current liabilities exceeds its current assets by R 154 463 915. The municipality has been deducting pension, medical aid and pay as you earn from employees' salaries, but has not paid over R 3 067 489 (2018: R 11 979 826) of the amounts deducted to the relevant third parties. Outstanding amounts for bulk purchases included Eskom for electricity of R 179 133 293 (2018: R 135 354 844) and Bloemwater for water of R 1 717 800 (2018: R 293 770).

Management considered the following matters relating to the going concern assumption:

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

The municipality's budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.

As the municipality has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

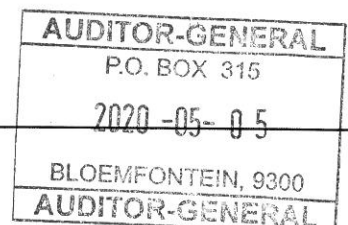
The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality.

The municipality is currently experiencing financial difficulties. Indicators of the financial problems are:

1. Deficit of R 40 952 719 (2018: R 88 390 055) was realised, Government grants and subsidies contributed R 143 676 253 (2018: R 114 194 194).
2. The creditors are not paid within 30 days as required by the MFMA due to cash constraints.
3. Employee benefits are unfunded.
4. High levels of distribution losses
5. Slow collection and low recoverability of outstanding consumer accounts A provision for doubtful debt amounting to R 372 739 261 (2018: R 289 450 881) has been disclosed in the financial statements.
6. Unfavourable ratios included the current and acid test ratios are below the required ratio of 2:1 and 1:1, respectively.

The following mitigating factors have been taken into account in concluding that the municipality remains a going concern:

1. The municipality falls within the local government sphere.
2. No intention by government has been identified that indicates the discontinuing of financial assistance through the provision of government grants.
3. The municipality has not been placed under any administration for the 12 months ending 30 June 2019.
4. The municipality has no unspent grants for the current year (2018: R 346 009).



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46. Unauthorised expenditure

Open balance	266 457 231	96 701 149
Current year expenditure	114 729 650	169 756 083
Written off by council - 2016/2017 year	(96 701 149)	-
Written off by council - 2017/2018 year	(169 756 083)	-
	114 729 649	266 457 232

47. Fruitless and wasteful expenditure

Open balance	20 235 940	4 619 921
Current year expenditure	20 198 733	15 616 019
Written off by council - 2016/2017 year	(4 619 921)	-
Written off by council - 2017/2018 year	(15 613 463)	-
	20 201 289	20 235 940

48. Irregular expenditure

Open balance	17 993 731	6 907 126
Current year expenditure	745 272	1 894 934
Identified in the current year for prior periods	460 828	9 191 671
Written off by council - 2016/2017 year	(6 907 126)	-
Written off by council - 2017/2018 year	(1 603 236)	-
	10 689 469	17 993 731

Subsequent to the investigation in respect of the fruitless and wasteful expenditure referred to, civil proceedings have commenced against the employees concerned to recover an amount of R 2 556. According to Council's legal advisors, it is probable that the proceedings will result in the recovery of the full amount but this recovery is virtually certain.

49. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

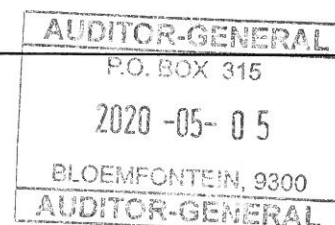
Open balance	2 335 953	1 755 576
Current year fee	4 563 776	4 912 201
Grants	(3 170 843)	(500 000)
Amount paid - current year	-	(2 076 248)
Amount paid - previous years	-	(1 755 576)
	3 728 886	2 335 953

PAYE and UIF

Open balance	10 903 554	5 175 040
Current year expenditure	12 310 192	11 361 804
Amount paid - current year	(19 138 868)	(7 602 498)
Penalties and interest	905 248	1 969 208
	4 980 126	10 903 554

Pension and Medical Aid Deductions

Open balance	1 076 272	3 289 026
Current year contributions	27 296 616	22 869 669
Amount paid - current year	(30 285 525)	(25 082 423)
	(1 912 637)	1 076 272



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49. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

VAT receivable	28 416 684	28 271 668
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All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

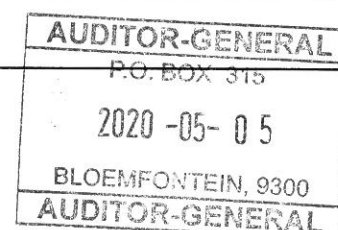
The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2019:

30 June 2019

	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
ME Tsoene	327	(5 658)	(5 331)
MJ Moduka	5 310	3 017	8 327
YJ Jacobs	1 441	448	1 889
MP Nakalebe	569	(1 408)	(839)
NJ Thaisi	534	(1 170)	(636)
KI Tigeli	1 791	6 274	8 065
GM Seoe	1 048	-	1 048
DT Molefe	1 843	10 557	12 400
BE Meya	534	(2 614)	(2 080)
BM Sani	1 661	815	2 476
T Halse	928	(69)	859
DJ Hattingh	2 345	4 323	6 668
LP Moletsane	1 207	-	1 207
SQG Gaba	493	(3 576)	(3 083)
RT Mpakathe	581	(671)	(90)
SJ Moses	3 180	3 187	6 367
BA Maboza	385	(15 241)	(14 856)
	24 177	(1 786)	22 391

30 June 2018

	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
ME Tsoene	3 205	-	3 205
MJ Moduka	1 274	(1 600)	(326)
YJ Jacobs	503	(1 410)	(907)
MP Nakalebe	748	(1 989)	(1 241)
NJ Thaisi	503	(1 997)	(1 494)
KI Tigeli	1 265	-	1 265
GM Seoe	521	(445)	76
DT Molefe	2 150	9 621	11 771
BE Meya	763	(3 998)	(3 235)
BM Sani	850	-	850
T Halse	1 519	(69)	1 450
DJ Hattingh	2 503	4 024	6 527
LP Moletsane	1 795	(4 672)	(2 877)
SQG Gaba	473	(1 805)	(1 332)
RT Mpakathe	527	(1 566)	(1 039)
SJ Moses	3 457	1 182	4 639
BA Maboza	365	(5 860)	(5 495)
	22 421	(10 584)	11 837



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50. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the financial statements.

Deviations totaling R 2 857 537 (2018: R 53 408), were incurred and reported during the financial year in accordance with the aforementioned legislative requirements. These consisted of deviations for emergency cases (i.e. transactions relating to pipe and sewer bursts and water pump repairs), procurement from sole providers (transactions relating to strips and quotes) and deviations that pertain to SCM regulations (obtaining three quotations) that could not be followed due to a various reasons.

51. Distribution losses

Electricity	14 481 826	13 348 706
Water	1 573 394	1 910 291
	16 055 220	15 258 997

Electricity

The municipality purchased 40 894 445 (2018: 42 555 914) units during the financial year and sold 26 766 040 (2018: 29 218 193) units during the year. Distribution losses at an estimated 34% (2018: 31%).

Reasons for incurring electricity losses relates to the dissipation when electricity flows through the conductors, illegal connections, meter tampering and incorrect metering.

Water

The municipality purchased 4 357 325 (2018: 4 194 522) units during the financial year, of which a total of 2 735 270 (2018: 2 225 149) units were sold. This represents a loss of 1 622 055 (2018: 1 969 373) units at an estimated 37% (2018: 47%). Water losses are the result of burst pipes, water provided but not metered, illegal connections, meter tampering.

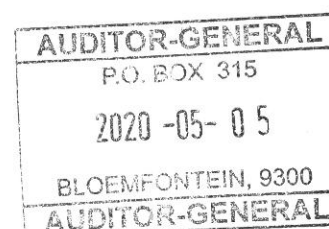
52. Centlec arrangement

The municipality and Centlec (SOC) Ltd has entered into an agreement in terms of which Centlec manages, delivers and maintains all aspects of electricity sales, the associated debt collection and maintenance of the electricity network.

Centlec has, and will have, no title, ownership, lien, leasehold rights or any right of limited ownership in respect of the Network or any part thereof. Title to the Network, including all improvements thereto from time to time, shall at all times vest and remain vested in Mantsopa.

The agreement became effective on 1 July 2018 and shall endure until 30 June 2022, extending on the previous agreement to transact on prepaid electricity sales on behalf of the municipality.

Transactions undertaken by Centlec as the agent on behalf of the municipality include the sale of electricity both on credit and pre-paid, expenses to maintain the network, commission fees to resellers of electricity, assets purchased and installed on behalf of the municipality and the collection of the debtors book.



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52. Centlec arrangement (continued)

Revenue charged on behalf of the municipality

Revenue	37 576 736	10 789 958
Other income - connections	89 763	129 753
Interest	217 266	-

Expenses incurred and assets purchased on behalf of the municipality

Debt impairment	(877 579)	-
Repairs and maintenance	(470 505)	(423 482)
General expenses	(539 850)	(354 417)
Infrastructure assets	1 366 046	2 297 356

Assets and liabilities held on behalf of municipality

Trade receivables	15 499 556	-
Receivable from Centlec	2 275 670	4 508 494
Vat payable	(6 011 073)	-
Consumer deposits	(342 537)	-

Charges to the municipality

Management fee	164 405	27 078
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53. Subsequent events

The following events were identified and disclosed after reporting date:

During July 2019, management identified fraud on the ABSA travel card which was reported during August 2019.

An amount of R 308 268 was recovered from ABSA and the receivable was included in the balance of the travel card note 4

The legal claim against the municipality was settled in favour of the plaintiff Seabata Monyane and the legal claim of R 230 000 has been disclosed in note 19.

54. Budget differences

Material differences between budget and actual amounts

Statement of financial performance

Service charges

Strategies to increase cash collections included converting consumers to pre-paid electricity. The result from this was much better than expected.

Other income

Connections were budgeted as R 9 million but due to the new strategies implemented by debt collections, reconnections were much lower than budgeted as consumers were converted to pre-paid electricity sales.

Rates

The budget for rates was based on the total of the valuation roll, but as part of the reconciliation certain revenues had to be reversed.

Grants and subsidies

The budget does not include the R 3 million grant paid directly to the Auditor General and a grant of R 1 million from Teta.

Repairs and maintenance

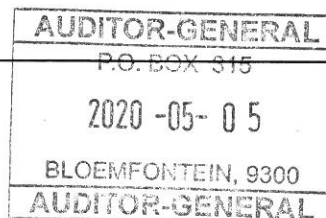
The budget for repairs and maintenance is included in General expenses

Depreciation

The municipality did not appropriately budget for depreciation.

Debtors impairment

The municipality is in the process of cleansing debtors data as part of revenue enhancement strategies. As part of this process accounts are reviewed and billings accordingly updated. This resulted in an higher than expected debt impairment.



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54. Budget differences (continued)

Bulk purchases

The differences relates to higher than expected electricity purchases.

Contracted services

The budget for contracted services includes audit fees of R 4.5 million and consulting fees of R 5.6 which is included general expenses for financial statement purposes.

Finance cost and General expenses

The budget for finance costs is included in general expenses for budget purposes. While contracted services and consulting fees was included in contracted services.

Actuarial gains

Actuarial gains are not considered for budget purposes as it is a non cash item that is determined by a specialist.

Statement of financial position

VAT receivable

VAT receivable difference in budget relates to the higher than expected balance from trade payables.

Trade receivables

Trade receivables are lower than expected due to the debt impairment which is higher than expected.

Investment property

Investment property is higher than expected due to properties that were expected to be derecognised in the current year, as the properties are in the name of the municipality but future economic benefits is unclear.

Property, plant and equipment

The difference in Property, plant and equipment is the result of budgeting the incorrect amount for depreciation.

Payables from exchange

The Eskom debt increased more than expected, while cash flow constraints resulted in payables not being paid as planned.

Payables from non-exchange

This relates debtors with credit balances which is not budgeted for.

Employee benefits and Provisions

The budget for employee benefits and provisions was not updated per the prior year expectation by error.

Cash flow statement

Sale of goods and services

Cash flow is lower than expected due to the lower than budgeted debt collection.

Employee costs

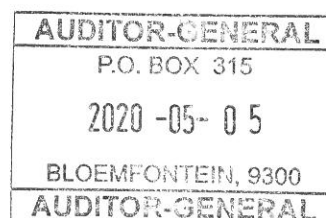
Management planned to settle the majority of the amounts owing to third parties. This did not materialise due to cash flow constraints.

Suppliers and Finance costs

Cash paid to suppliers is lower than expected due to cash flow constraints.

Property, plant and equipment

Purchases is lower than planned due to strategies to increase cash flow.



APPENDIX B
MANTSOPA LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2018

Description	Cost / Revaluation				Accumulated Depreciation / Impairment				Carrying Value
	Opening Balance	Additions	Fair Value Adjustment	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	
	R	R	R	R	R	R	R	R	R
Land and Buildings									
Land	37 184 891	-	-	-	-	-	-	-	37 184 891
Buildings	136 073 315	7 820 174	-	2 929 453	-	(83 563)	146 739 379	-	106 648 353
Total	173 258 206	7 820 174	-	2 929 453	-	(83 563)	183 924 271	-	143 833 245
Infrastructure									
Electricity									
Electricity network	88 888 695	1 127 987	-	1 739 130	-	-	91 755 813	-	59 234 014
Electricity meters	1 492 459	334 668	-	-	-	(26 892)	1 800 235	-	1 208 446
Roads and stormwater									
Roads and stormwater network	521 532 219	24 304 788	-	-	-	-	545 837 007	-	275 132 043
Solid waste									
Solid waste network	18 652 656	-	-	-	-	-	18 652 656	-	13 896 241
Sanitation									
Sanitation network	241 355 770	-	-	2 497 443	-	-	243 853 213	-	189 764 251
Water									
Water network	220 846 736	14 043 615	-	11 837 004	-	-	246 727 355	-	168 973 762
Water meters	2 682 900	-	-	-	-	-	2 682 900	-	871 715
Total	1 095 451 435	33 811 058	-	16 073 577	-	(26 892)	1 151 309 178	-	705 080 473
Leased Assets									
Office Equipment	3 003 484	241 495	-	-	-	-	3 244 978	-	1 566 452
Total	3 003 484	241 495	-	-	-	-	3 244 978	-	1 566 452
Other Assets									
Computer Equipment									
Computer Hardware	4 095 793.93	264 872.88	-	-	-	-	4 360 666.81	-	1 088 288.52
Furniture And Office Equipment									
Cabinets & cupboards	1 325 745.03	10 709.71	-	-	-	-	1 336 454.74	-	417 320.79
Other Furniture And Office Equipment	465 965.26	-	-	-	-	-	465 965.26	-	108 420.87
Shelving and bookcases	148 629.17	-	-	-	-	-	148 629.17	-	33 763.83
Audiovisual equipment	57 169.30	68 642.11	-	-	-	-	125 811.41	-	86 143.94
Domestic equipment	125 144.28	6 875.00	-	-	-	-	132 019.28	-	31 747.68
Air conditioners	187 919.00	9 500.00	-	-	-	-	197 419.00	-	30 371.48
Chairs and couches	1 059 296.76	84 962.92	-	-	-	-	1 154 259.68	-	409 679.71
Tables & desks	1 089 641.27	2 307.89	-	-	-	-	1 091 949.16	-	349 390.75
Office machines	254 100.34	139 811.14	-	-	-	-	393 911.48	-	182 654.14
Musical instruments	89 520.00	-	-	-	-	-	89 520.00	-	26 340.95
Headboards	18 647.60	-	-	-	-	-	18 647.60	-	5 032.88

AUDITOR-GENERAL
P.O. BOX 315
2020 -05- 0 5
BLOEMFONTEIN, 9300
AUDITOR-GENERAL

APPENDIX B
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ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2018

Description	Cost / Revaluation				Accumulated Depreciation / Impairment				Carrying Value
	Opening Balance	Additions	Fair Value Adjustment	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	
<i>Machinery and Equipment</i>									
Workshop equipment and tools	698 398.86	15 040.74	-	-	-	-	713 439.60	355 768.85	292 716.51
Lawnmowers / gardening equipment	341 286.13	4 300.00	-	-	-	-	345 586.13	284 046.70	34 941.05
Generators	54 844.50	-	-	-	-	-	54 844.50	36 789.88	12 014.49
Other Machinery And Equipment	161 799.00	-	-	-	-	-	161 799.00	141 587.19	12 301.52
Compressors	73 962.00	1 359.41	-	-	-	-	75 321.41	57 093.78	9 795.77
Fire fighting equipment / fire hoses	146 221.62	-	-	-	-	-	146 221.62	63 595.76	71 716.75
Emergency / rescue equipment	22 474.00	-	-	-	-	-	22 474.00	12 291.85	8 631.66
Earth moving equipment	159 000.00	-	-	-	-	-	159 000.00	80 025.90	67 642.55
<i>Transport Assets</i>									
Tractors	2 899 604.17	-	-	-	-	-	2 899 604.17	1 143 459.53	1 563 002.29
Trucks, buses and ldv's	3 850 507.06	1 863 696.85	-	-	-	-	5 714 203.91	3 201 030.06	2 227 780.64
Trailers and accessories	570 439.12	432 106.25	-	-	-	-	1 002 545.37	233 241.27	709 605.99
Specialised vehicles	2 836 286.50	-	-	-	-	-	2 836 286.50	963 676.68	1 661 178.64
Passenger vehicles	2 987 974.51	828 130.36	-	-	-	-	3 816 104.87	2 049 037.71	1 555 292.42
Emergency vehicles	261 400.00	-	-	-	-	-	261 400.00	184 195.45	69 090.79
Total	23 991 769	3 732 315	-	-	-	-	27 724 085	14 530 037	11 064 867
Total	1 295 704 895	51 605 042	-	19 003 030	-	(110 455)	1 366 202 512	447 155 606	865 545 036

MANTSOPA LOCAL MUNICIPALITY
ANALYSIS OF INVESTMENT PROPERTIES AS AT 30 JUNE 2018

Description	Cost / Revaluation				Accumulated Depreciation / Impairment				Carrying Value
	Opening Balance	Additions	Fair Value Adjustment	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	
<i>Investment Properties</i>									
Land and Buildings	153 524 264	-	6 329 218	-	-	-	159 853 481	-	159 853 481
Total	153 524 264	-	6 329 218	-	-	-	159 853 481	-	159 853 481
Total Asset Register	1 449 229 158	51 605 042	6 329 218	19 003 030	-	(110 455)	1 526 065 993	447 155 606	1 025 398 518

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APPENDIX B
MANTSOPA LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2019

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2019													
Description	Cost / Revaluation						Accumulated Depreciation / Impairment				Carrying Value		
	Opening Balance	Additions	Fair Value Adjustment	Under Construction	Transfers		Disposals	Closing Balance	Accumulated Depreciation / Impairment			Closing Balance	
					R	R			R	R			R
Land and Buildings													
Land	37 184 891	-	-	-	-	-	37 184 891	-	-	-	-	-	37 184 891
Buildings	143 809 926	3 558 447	-	8 978 574	-	(2 291 692)	154 055 256	40 091 026	3 416 509	-	(845 684)	42 661 851	111 393 405
Total	180 994 818	3 558 447	-	8 978 574	-	(2 291 692)	191 240 147	40 091 026	3 416 509	-	(845 684)	42 661 851	148 578 297
Infrastructure													
Electricity													
Electricity network	90 016 682	69 671	-	10 665 347	-	(9 911)	100 741 790	32 521 799	4 216 746	-	(9 911)	36 728 635	64 013 155
Electricity meters	1 800 235	232 537	-	-	-	(32 422)	2 000 350	591 789	71 050	-	(13 369)	649 470	1 350 880
Roads and stormwater													
Roads and stormwater network	545 837 007	1 447 961	-	9 638 493	-	(328 828)	556 594 633	270 704 963	27 578 313	-	(327 227)	297 956 050	258 638 583
Solid waste													
Solid waste network	18 652 656	-	-	-	-	-	18 652 656	4 756 415	1 107 876	-	-	5 864 291	12 788 365
Sanitation													
Sanitation network	241 355 770	-	-	-	-	-	241 355 770	54 088 962	7 011 866	-	-	61 100 828	180 254 943
Water													
Water network	234 890 351	13 830 543	-	14 650 889	-	(73 069)	263 298 713	77 753 593	8 605 531	-	(72 803)	86 286 320	177 012 393
Water meters	2 682 900	31 260	-	-	-	(13 300)	2 700 860	1 811 185	187 974	-	(10 092)	1 989 066	711 794
Total	1 135 235 601	15 611 973	-	34 954 729	-	(457 530)	1 185 344 773	442 228 705	48 779 356	-	(433 402)	490 574 659	654 770 113
Leased Assets													
Office Equipment	3 244 978	-	-	-	-	-	3 244 978	1 678 527	1 082 892	-	-	2 761 418	483 560
Total	3 244 978	-	-	-	-	-	3 244 978	1 678 527	1 082 892	-	-	2 761 418	483 560
Other Assets													
Computer Equipment													
Computer Hardware	4 360 666.91	456 637.78	-	-	-	-226 582.70	4 590 721.99	3 272 378.39	437 072.06	-	-151 703.36	3 557 747.09	1 032 974.90
Furniture And Office Equipment													
Cabinets & cupboards	1 336 454.74	11 852.53	-	-	-	-7 502.00	1 340 805.27	919 133.95	119 375.41	-	-6 255.88	1 032 253.48	308 551.79
Other Furniture And Office Equipment	465 965.26	21 042.45	-	-	-	-11 315.73	475 691.98	357 544.39	39 696.22	-	-10 271.42	386 969.19	88 722.79
Shelving and bookcases	148 629.17	-	-	-	-	-	148 629.17	114 865.34	11 308.37	-	-	126 173.71	22 455.46
Audiovisual equipment	125 811.41	-	-	-	-	-	125 811.41	39 667.47	20 701.40	-	-	60 368.87	65 442.54
Domestic equipment	132 019.28	6 747.74	-	-	-	-	138 767.02	100 271.60	11 422.02	-	-	111 693.63	27 073.39
Air conditioners	197 419.00	11 995.00	-	-	-	-	209 414.00	167 047.52	10 685.88	-	-	177 733.39	31 680.61
Chairs and couches	1 154 259.68	1 722.53	-	-	-	-121 762.69	1 034 219.52	744 579.97	98 949.80	-	-90 412.11	753 117.67	281 101.85
Tables & desks	1 091 949.16	2 802.49	-	-	-	-117 333.00	977 418.65	742 558.41	90 648.96	-	-85 404.51	747 802.86	229 615.79
Office machines	393 911.48	-	-	-	-	-	393 911.48	211 257.34	54 420.10	-	-	265 677.44	128 234.04
Musical instruments	89 520.00	-	-	-	-	-	89 520.00	63 179.05	8 952.00	-	-	72 131.05	17 388.95
Headboards	18 647.60	-	-	-	-	-	18 647.60	13 614.72	1 694.12	-	-	15 308.83	3 338.77

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APPENDIX B
MANTSOPA LOCAL MUNICIPALITY

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2019

Description	Cost / Revaluation				Accumulated Depreciation / Impairment				Carrying Value
	Opening Balance	Additions	Fair Value Adjustment	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	
<i>Machinery and Equipment</i>									
Workshop equipment and tools	713 439.60	6 373.61	-	-	-	-8 780.18	711 033.03	420 723.09	243 548.80
Lawnmowers / gardening equipment	345 586.13	15 978.26	-	-	-	-1 295.00	360 269.39	310 645.08	28 196.98
Generators	54 844.50	-	-	-	-	-	54 844.50	42 830.01	7 923.82
Other Machinery And Equipment	161 799.00	-	-	-	-	-	161 799.00	149 497.48	7 687.41
Compressors	75 321.41	-	-	-	-	-	75 321.41	65 525.64	6 792.83
Fire fighting equipment / fire hoses	146 221.62	-	-	-	-	-	146 221.62	74 504.87	64 352.37
Emergency / rescue equipment	22 474.00	-	-	-	-	-	22 474.00	13 842.34	7 122.88
Earth moving equipment	159 000.00	-	-	-	-	-	159 000.00	91 357.45	56 311.01
<i>Transport Assets</i>									
Tractors	2 899 604.17	-	-	-	-	-	2 899 604.17	1 336 601.88	1 344 079.11
Trucks, buses and idv's	5 714 203.91	-	-	-	-	-	5 606 394.65	3 486 423.27	1 814 138.03
Trailers and accessories	1 002 545.37	-	-	-	-	-107 809.26	1 002 545.37	292 939.38	590 743.72
Specialised vehicles	2 836 286.50	-	-	-	-	-	2 836 286.50	1 175 107.86	1 386 403.79
Passenger vehicles	3 816 104.87	-	-	-	-	-	3 816 104.87	2 260 812.45	1 449 882.71
Emergency vehicles	261 400.00	-	-	-	-	-	261 400.00	192 309.21	1 267 222.60
Total	27 724 085	535 152	-	-	-	(602 381)	27 656 857	16 659 218	9 185 561
Total	1 347 199 482	19 705 572	-	43 933 303	-	(3 351 603)	1 407 486 755	500 657 475	853 017 531

MANTSOPA LOCAL MUNICIPALITY
ANALYSIS OF INVESTMENT PROPERTIES AS AT 30 JUNE 2019

Description	Cost / Revaluation				Accumulated Depreciation / Impairment				Carrying Value
	Opening Balance	Additions	Fair Value Adjustment	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	
<i>Investment Properties</i>									
Land and Buildings	159 853 481	-	-	-	-	-	159 853 481	-	159 853 481
Total	159 853 481	-	-	-	-	-	159 853 481	-	159 853 481
Total Asset Register	1 507 052 963	19 705 572	-	43 933 303	-	(3 351 603)	1 567 340 236	500 657 475	1 012 871 012

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APPENDIX C
MANTSOPA LOCAL MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2018

Description	Cost / Revaluation						Accumulated Depreciation / Impairment					Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Additions	Transfers	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	
Finance and Administration	7 106 022	3 973 810	-	-	-	11 079 832	3 397 890	1 667 742	-	-	5 065 632	6 014 200
Corporate Services	1 790 224	-	-	-	-	1 790 224	1 070 893	197 580	-	-	1 288 474	521 750
Community and Social Services	1 840 149	-	-	-	-	1 840 149	1 013 797	169 677	-	-	1 183 473	656 676
Planning and Development (LED)	106 964	-	-	-	-	106 964	72 337	8 694	-	-	81 031	25 934
Properties	173 258 206	7 820 174	2 929 453	-	(83 563)	183 924 271	36 881 603	3 269 410	-	(59 987)	40 091 026	143 833 245
Technical Services	16 151 894	-	-	-	-	16 151 894	9 642 561	1 096 574	-	-	10 739 135	5 412 759
Roads and Transport	521 532 219	24 304 788	-	-	-	545 837 007	244 493 454	26 211 510	-	-	270 704 963	275 132 043
Electricity	90 381 154	1 462 656	1 739 130	-	(26 892)	93 556 048	28 855 322	4 269 227	-	(10 961)	33 113 588	60 442 460
Waste Management	260 008 426	-	2 497 443	-	-	262 505 869	50 693 719	8 151 657	-	-	58 845 376	203 660 493
Water	223 529 636	14 043 615	11 837 004	-	-	249 410 255	71 034 031	8 530 747	-	-	79 564 777	169 845 477
Total	1 295 704 895	51 605 042	19 003 030	-	(110 455)	1 366 202 512	447 155 606	53 572 817	-	(70 947)	500 657 475	865 545 036

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APPENDIX C
MANTSOPA LOCAL MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2019

Description	Cost / Revaluation				Accumulated Depreciation / Impairment				Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R
Finance and Administration	11 079 832	535 152	-	-	(177 620)	11 437 364	-	6 991 063	4 446 301
Corporate Services	1 790 224	-	-	-	(38 992)	1 751 232	-	1 414 847	336 384
Community and Social Services	1 840 149	-	-	-	(88 054)	1 752 095	-	1 262 071	490 024
Planning and Development (LED)	106 964	-	-	-	(6 061)	100 903	-	83 610	17 293
Properties	180 994 818	3 558 447	8 978 574	-	(2 291 692)	191 240 147	-	42 661 851	148 578 297
Technical Services	16 151 894	-	-	-	(291 653)	15 860 241	-	11 481 121	4 379 119
Roads and Transport	545 837 007	1 447 961	9 638 493	-	(328 828)	556 594 633	-	297 956 050	258 638 583
Electricity	91 816 917	302 208	10 665 347	-	(42 333)	102 742 140	-	37 378 104	65 364 035
Waste Management	260 008 426	-	-	-	-	260 008 426	-	66 965 119	193 043 308
Water	237 573 251	13 861 803	14 650 889	-	(86 369)	265 969 574	-	88 275 387	177 724 187
Total	1 347 199 482	19 705 572	43 933 303	-	(3 351 603)	1 407 486 755	-	554 469 224	853 017 531

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Mantsopa Local Municipality

Financial Statement for the year ended 30 June 2019

Appendix D: Segmental Statement of Financial Performance

2018 Actual Income	2018 Actual Expenditure	2018 Surplus/ (Deficit)	Description	2019 Actual Income	2019 Actual Expenditure	2019 Surplus/ (Deficit)
R	R	R		R	R	R
9 671 525	(8 649 775)	1 021 751	Municipal Manager	7 677 639	(5 478 349)	2 199 290
9 188 271	(13 225 088)	(4 036 816)	Council	20 772 722	(18 017 295)	2 755 426
79 289 080	(59 024 111)	20 264 969	Financial Services	55 526 887	(57 674 143)	(2 147 256)
10 477	(11 657 376)	(11 646 899)	Corporate Services	8 106 536	(11 544 021)	(3 437 486)
13 995 880	(20 225 741)	(6 229 862)	Community Services	21 503 237	(23 311 808)	(1 808 571)
155 954 835	(243 718 027)	(87 763 192)	Technical Services	192 720 567	(231 234 694)	(38 514 127)
268 110 068	(356 500 118)	(88 390 050)		306 307 587	(347 260 311)	(40 952 724)

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Mantsopa Local Municipality(FS196)
Financial Statement for the year ended 30 June 2019

Appendix E(2): Budget Financial Performance(revenue and expenditure by municipal vote)

Description	2019						
	Original Total Budget	Budget Adjustments	Final Budget	Actual Outcome	Variance	Unauthorised	Actual Outcome as % of Original Budget
Revenue by vote	R	R	R	R	R	R	R
Municipal Manager	7 614 946	462 900	8 077 846	7 677 639	(400 207)	-	95%
Council	16 833 892	(41 158)	16 792 734	20 772 722	3 979 988	-	124%
Financial Services	52 123 208	7 752 402	59 875 610	55 526 887	(4 348 723)	-	93%
Corporate Services	12 104 588	(12 800)	12 091 788	8 106 536	(3 985 252)	-	67%
Community Services	26 837 783	(686 085)	26 151 698	21 503 237	(4 648 461)	-	82%
Technical Services	178 129 798	1 949 050	180 078 848	192 720 567	12 641 719	-	107%
Total	293 644 215	9 424 309	303 068 524	306 307 587	3 239 063	-	101%
Expenditure by vote							
Municipal Manager	9 673 618	1 045 024	10 718 642	5 478 349	(5 240 293)	-	51%
Council	16 833 892	(27 052)	16 806 840	18 017 295	1 210 455	1 210 455	107%
Financial Services	46 872 760	6 093 503	52 966 263	57 674 143	4 707 880	4 707 880	109%
Corporate Services	12 104 588	827 640	12 932 228	11 544 021	(1 388 207)	-	89%
Community Services	18 455 253	1 347 908	19 803 161	23 311 808	3 508 647	3 508 647	118%
Technical Services	125 847 492	84 534	125 932 026	231 234 694	105 302 668	105 302 668	184%
Total	229 787 603	9 371 557	239 159 160	347 260 311	108 101 151	114 729 650	145%
Surplus/Deficit for the year	63 856 612	52 752	63 909 364	(40 952 724)	(104 862 088)	(114 729 650)	-44%
							-30%

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