

POLOKWANE LOCAL MUNICIPALITY



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2009**

INDEX

CONTENTS	Page
APPROVAL AND CERTIFICATION	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF FINANCIAL PERFORMANCE	3
STATEMENT OF CHANGES IN NET ASSETS	4
CASH FLOW STATEMENT	5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	6
APPENDICES	
A SCHEDULE OF INTEREST BEARING BORROWINGS	34
B ANALYSIS OF PROPERTY PLANT AND EQUIPMENT	35
C SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT	36
D SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE	37
E(1) ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)	40
E(2) ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)	41
F DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF MFMA	42

APPROVAL AND CERTIFICATION

I am responsible for the preparation of these annual financial statements, which are set out on pages 2 to 42, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

MS MABOTJA
ACTING MUNICIPAL MANAGER

DATE

POLOKWANE MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

		2009	2008
	Note	R	R
NET ASSETS & LIABILITIES			
Net Assets		4 481 535 501	3 702 414 697
Housing development fund	2	10 900 596	10 808 221
Reserves	3	1 326 170 103	1 326 170 103
Revaluation Reserve		1 326 170 103	1 326 170 103
Accumulated surplus/(deficit)		3 144 464 802	2 365 436 373
Non-current liabilities			
Long term liabilities	4	781 995	93 322 841
Current liabilities			
		561 810 347	514 843 723
Consumer deposits	5	46 216 749	39 182 983
Trade and other payables	6	200 197 918	101 292 354
Provision	38	6 973 945	
Unspent conditional grants and receipts	7	215 880 890	374 368 386
Current portion of long term liabilities	4	92 540 846	0
Total Net Assets and Liabilities		<u>5 044 127 842</u>	<u>4 310 581 261</u>
ASSETS			
Non-current assets			
		4 366 182 133	3 402 991 986
Property, plant & equipment	8	4 143 286 479	3 190 591 859
Investment property	31	125 510 500	125 510 500
Investments	9	82 392 981	70 572 653
Non-current receivables	10	14 992 173	16 316 974
Current assets			
		677 945 709	907 589 275
Inventory	11	45 162 700	56 381 809
Short-term investments	9	272 138 301	320 507 554
Consumer debtors	12	92 745 690	126 718 344
Other receivables	13	4 648 440	24 109 835
VAT	14	55 780 835	36 777 151
Current portion of long-term receivables	10	12 443 918	10 508 221
Cash and cash equivalents	15	195 025 825	332 586 361
Total Assets		<u>5 044 127 842</u>	<u>4 310 581 261</u>

POLOKWANE MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R	2008 R
REVENUE			
Property rates	16	159 348 303	143 534 876
Service charges	17	409 588 318	355 610 727
Rental of facilities and equipment		4 790 960	4 413 851
Investment Revenue – external investments	20	63 842 963	56 379 484
Interest earned – outstanding debtors		20 452 404	13 838 508
Fines		2 713 734	2 776 067
Licenses and permits		6 962 871	5 125 526
Income for agency services		12 267 107	9 975 171
Government grants and subsidies received - operating	18	205 021 421	192 923 655
Government grants and subsidies received - capital	18	756 337 412	497 543 021
Public contributions, donated and contributed property, plant and equipment	19	31 091 119	
Other revenue	21	45 315 905	49 370 649
Total Revenue		<u>1 717 732 517</u>	<u>1 331 491 535</u>
EXPENDITURE			
Employee related costs	22	265 640 569	242 174 283
Remuneration of councillors	23	16 914 554	13 668 409
Bad debts		62 424 588	20 000 000
Collection costs		1 648 188	2 387 708
Depreciation		107 330 528	79 925 025
Repairs and maintenance		72 081 089	65 986 492
Finance cost	24	16 032 429	14 554 690
Bulk purchases	25	244 574 707	190 264 535
Grants and subsidies paid	26	220 000	2 003 553
General expenses	27	145 433 929	111 462 992
Total Expenditure		<u>932 300 582</u>	<u>742 427 687</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>785 431 935</u>	<u>589 063 848</u>

POLOKWANE MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Note	Housing Fund	Other reserves	Revaluation Reserve	Total	Accumulated Surplus/ (Deficit)	Total
			R	R		R	R
Balance at 30 June 2007		10 736 726	876 781 815	-	887 518 541	639 289 061	1 526 807 602
Changes in accounting policy			(876 781 815)		(876 781 815)	876 781 815	-
Correction of prior period error	28				-	130 535 318	130 535 318
Restated balance		10 736 726	-	-	10 736 726	1 646 606 194	1 657 342 920
Surplus/(deficit) on revaluation of property, plant and equipment			-	1 326 170 103	1 326 170 103	-	1 326 170 103
Transfers to/ from accumulated surplus/(deficit)		71 495			71 495	129 766 331	129 837 826
Surplus/(deficit) for the period					-	589 063 848	589 063 848
Balance at 30 June 2008		10 808 221	-	1 326 170 103	1 336 978 324	2 365 436 373	3 702 414 697
Surplus/(deficit) on revaluation of property, plant and equipment					-		-
Net gains and losses not recognised in the statement of financial performance					-		-
Transfers to/ from accumulated surplus/(deficit)		92 375			92 375	(6 403 506)	(6 311 131)
Surplus/(deficit) for the period					-	785 431 935	785 431 935
Balance at 30 June 2009		10 900 596	0	1 326 170 103	1 337 070 699	3 144 464 802	4 481 535 501

POLOKWANE MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from ratepayers, government and others		2 807 513 928	2 229 864 390
Cash paid to suppliers and employees		<u>(1964 087 156)</u>	<u>(1406 111 330)</u>
Cash generated from / (utilized in) operations	29	831 994 993	823 753 060
Interest received		63 842 963	56 379 484
Interest paid		(16 032 429)	(14 554 690)
Net cash from operating activities		<u>879 805 527</u>	<u>865 577 854</u>
CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of property, plant and equipment		(1071 769 637)	(634 109 021)
Proceeds on disposal of property, plant and equipment			
(Increase)/decrease in non-current receivables		(610 896)	(10 248 312)
(Increase)/decrease in non-current investments		(11 820 328)	(10 189 696)
(Increase)/decrease in current investments		48 369 253	(50 507 554)
Net cash from investment activities		<u>(1035 831 608)</u>	<u>(705 054 583)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(decrease) in long term loans		0	(37 333)
Increase/(decrease) in deposits		7 033 766	4 669 637
Net cash from financing activities		<u>7 033 766</u>	<u>4 632 304</u>
Increase/(decrease) in cash and cash equivalents		<u>(148 992 315)</u>	<u>165 155 575</u>
Cash and cash equivalents at beginning of the year		332 586 361	(167 430 786)
Cash and cash equivalents at end of the year		195 025 825	332 586 361

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

1.1 BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notices 991 and 992 of 2005.

These standards are summarised as follows:

- GRAP 1: Presentation of financial statements.
- GRAP 2: Cash flow statements.
- GRAP 3: Accounting policies, changes in accounting estimates and errors.
- GAMAP 4: Effects of changes in foreign exchange rates.
- GAMAP 6: Consolidated financial statements and accounting for controlled entities.
- GAMAP 9: Revenue.
- GAMAP 7: Accounting for investments in associates.
- GAMAP 8: Financial reporting of interests in joint ventures.
- GAMAP 12: Inventories.
- GAMAP 17: Property, plant and equipment.
- GAMAP 19: Provisions, contingent liabilities and contingent assets.

GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards related to the municipality's separate financial statements.

Accounting policies for material transactions, events or conditions not covered by the above GRAP and/or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements.

These accounting policies are consistent with those of the previous financial year.

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

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

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.4 HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund.

Monies standing to the credit of the Housing Development Fund are used to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Proceeds from housing development fund schemes which include instalment sale of houses is recognised as revenue in the statement of financial performance and a corresponding transfer is made to the Fund.

Expenditure allowed in terms of the Housing Act is expensed in the Statement of Financial Performance and a corresponding transfer is made from the Fund.

1.5 RESERVES

1.5.1 Capital Replacement Reserve (CRR)

The purpose of the CRR is to set aside cash to provide infrastructure and other items of property, plant and equipment from internal sources.

The cash is transferred to a designated CRR account and can only be used to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

1.5.2 Capitalisation Reserve

The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from the Capitalisation Reserve to the accumulated surplus/(deficit).

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed of, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.5.3 Government Grant Reserve

When items of property, plant and equipment are purchased from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment funded from government grants.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.5 RESERVES (CONT)

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grants Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.5.4 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from donations and public contributions is disposed of, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.5.5 Self-Insurance Reserve

A Self-Insurance Reserve has been established and, subject to external insurance where, deemed necessary, covers claims that may occur.

Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

The balance of the Self-Insurance Reserve is determined based on surpluses accumulated since inception. These surpluses arose from the differences between premiums charged against claims paid and various administrative expenditure incurred.

The balance of the Self-Insurance Reserve is fully cash backed and invested.

1.6 PROPERTY, PLANT & EQUIPMENT

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost. Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment losses. Such assets are financed either by external loans, capital replacement reserve, government grants and contributions and donations.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.6 PROPERTY, PLANT & EQUIPMENT (CONT)

Any trade discounts and rebates are deducted in arriving at the purchase price.

Directly attributable costs include the following:

- Cost of site preparation.
- Initial delivery and handling costs.
- Installation cost.
- Professional fees.
- Estimated cost of dismantling the asset.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Where an item of property, plant and equipment is acquired at no cost, it is initially recognised at its fair value as at the date of acquisition.

Incomplete construction work is stated at historical cost. Depreciation only commences when the assets is commissioned into use.

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

Residual value

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

Depreciation

Depreciation is calculated at historical cost, using the straight-line method over the useful lives of the asset. Assets will be depreciated according to their annual depreciation rates based on the following estimated asset lives:

<u>Infrastructure Assets</u>	<u>Years</u>
Roads, pavements, bridges and storm water	30
Street names, signs and parking meters	5
Water reservoirs and reticulation	15–20
Electricity reticulation	20–30
Sewerage purification and reticulation	15–20
Housing	30
Refuse sites	15
<u>Community Assets</u>	<u>Years</u>
Parks and gardens	10–30
Sport fields	20-30
Community halls	30
Libraries	30
Recreation facilities	20-30
Clinics	30
Fire services	30
Cemeteries	30

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.6 PROPERTY, PLANT & EQUIPMENT (CONT)

<u>Other Assets</u>	<u>Years</u>
Motor vehicles	5
Plant and equipment	2-15
Security measures	3-10
Buildings	30
IT equipment	3-5
Office equipment	3-7
Specialised vehicles	10

Land is not depreciated as it is regarded as having an infinite life.

The useful life or depreciation method for items of property, plant and equipment that have been recognised was not reviewed as permitted in terms of Gazette 30013 of 29 June 2007.

Impairment

The testing for and impairing of any items of property, plant and equipment were not accounted for as permitted in terms of Gazette 30013 of 29 June 2007

Heritage assets

These are assets that are defined as culturally significant resources and are not depreciated as they are regarded as having an infinite life. However, if improvements to heritage assets are conducted and registered as sub-assets and the useful life of the improvements can be determined, the depreciation charge of the relevant property, plant and equipment category is used for the depreciation of the sub-asset which was capitalised against the heritage asset.

Disposal of property, plant and equipment

- The book values of assets are written off on disposal.
- The difference between the net book value of assets (cost less accumulated depreciation) and proceeds is reflected as a gain or loss in the Statement of Financial Performance.

1.7 FINANCIAL INSTRUMENTS

There are four categories of financial instruments: fair value through profit or loss (which includes trading), loans and receivables, held-to-maturity and available for sale. All financial assets that are within the scope of IAS 39 are classified into one of the four categories.

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. The municipality classifies its financial assets as loans and receivables. Financial instruments are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities in excess of 12 months. These are classified as

Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Loans and receivables are recognised initially at cost which represents fair value. After initial recognition financial assets are measured at amortised cost using the effective interest rate.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.7 FINANCIAL INSTRUMENTS (CONT)

Accounts receivable

Trade and other receivables are recognised initially at cost which represents fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor and default or delinquency in payments of all debt outstanding for more than 150 days are considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

When an under recovery occurs during the year an additional contribution for impairment is made from the accumulated surplus at year end.

Bad debts are written off during the year in which they are identified as irrecoverable.

Financial liabilities

Financial liabilities are recognised initially at cost which represents fair value. After initial recognition financial liabilities are measured at amortised cost using the effective interest rate.

Gains and losses

Gains and losses arising from changes in financial assets or financial liabilities at amortised cost are recognised in profit and loss when the financial asset or liability is derecognised or impaired through the amortisation process.

Investments held-to-maturity

Subsequent to initial recognition, held-to-maturity assets are measured at amortised cost calculated using the effective interest method.

Investments which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered banks are stated at cost.

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

Surplus funds are invested in terms of Council's Investment Policy. Investments are only made with financial institutions registered in terms of the Deposit Taking Institutions Act of 1990 with an A1 or similar rating institution for safe investment purposes.

The investment period should be such that it will not be necessary to borrow funds against the investments at a penalty interest rate to meet commitments.

Leases

Property, plant and equipment subjected to finance lease agreements are capitalised at their cost equivalent and the corresponding liabilities are raised.

The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

Operating lease payments or receipts are recognised on the basis of the actual cash inflows and outflows as per the lease contract as permitted in terms of Gazette 30013 of 29 June 2007.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.11 INVENTORY

The cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Consumable stores, raw materials, work in progress, unused water, and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities.

Redundant and slow-moving stock are identified and written down with regard to their estimated economic or realisable values and sold by public auction. Consumables are written down with regard to age, condition and utility.

Unsold properties are valued at the lower of cost and net realisable value on a specific identification cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

The process to identify immovable capital assets as inventory/stock are not finalised yet and were accounted for in terms of GAMAP 17 as permitted in terms of Gazette 30013 of 29 June 2007.

1.12 TRADE CREDITORS

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade creditors are recognised initially at cost price as permitted in terms of Gazette 30013 of 29 June 2007.

1.13 REVENUE RECOGNITION

Revenue shall be measured at the fair value of the consideration received or receivable. No settlement discount is applicable.

Rendering of service

When the outcome of a transaction can be estimated reliably relating to the rendering of a service, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of the transaction can be measured reliably when all of the following conditions are

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or services potential associated with the transaction will entity;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The cost incurred for the transaction and the cost to complete the transaction can be measured

This principle also applies to tariffs or charges.

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

Sale of goods

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

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

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.13 REVENUE RECOGNITION (CONT)

Finance income from sold housing by way of instalment sales agreements is recognised on a time proportion basis.

Revenue from the sale of erven is recognised when all conditions associated with the deed of sale have been met.

Rates, including collection charges and penalty interest

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

The Municipality uses a differentiated site value assessment rate system. According to this assessment rates are levied on the land value of properties and rebates are granted according to the usage of a particular property.

Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income .

Assessment rates income is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valuer has valued the change to properties.

Service charges

Flat rate service charges and consumption-based service charges shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read.

Revenue from the sale of electricity prepaid meter credit is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Service charges from sewerage and sanitation are based on the size of the property, number of dwelling on each property and connection, using the tariffs approved by Council and are levied monthly.

Fines

Revenue from the issuing of fines is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Revenue from fines is recognised when payment is received and the revenue from the issuing of summonses is recognised when collected.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.13 REVENUE RECOGNITION (CONT)

Government Grants

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Other grants and donations received

Other grants and donations shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

Levies

Levies shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest, royalties and dividends

Revenue arising from the use of assets by others of the municipal assets yielding interest royalties and dividends shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset;

Royalties shall be recognised as they are earned in accordance with the substance of the relevant agreement; and

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.13 REVENUE RECOGNITION (CONT)

The income recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

Revenue are initially recognised at cost as permitted in terms of Gazette 30013 of 29 June 2007.

1.14 PROVISIONS

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

1.15 CONTINGENT ASSETS

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality. Contingent assets are not recognised as assets.

1.16 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

1.17 CONDITIONAL GRANTS AND RECEIPTS

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

1.18 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash at bank. Short term investments are excluded. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.19 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.20 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 FRUITLESS AND WASTEFUL EXPENDITURE

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

1.22 COMPARATIVE INFORMATION

Budgeted amounts have been included in the annual financial statements for the current financial year only. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.23 RETIREMENT BENEFITS

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Joint Municipal Pension Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

- a) Defined contribution plans
Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.
- b) Post employment medical care benefits
The municipality provides post employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost, of these benefits is accrued over the period of employment.
Post employment medical care benefits are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

1.24 BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

1.25 CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1.26 EVENTS AFTER BALANCE SHEET DATE

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note to the financial statements.

1.27 VALUE ADDED TAX

The municipality accounts for Value Added Tax on the invoice basis.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
2. HOUSING DEVELOPMENT FUND	10 900 596	10 808 220
Unappropriated Surplus	7 920 625	7 828 249
Loans estinguished by Government in April 1998	2 979 971	2 979 971
The Housing Fund is represented by the following assets and liabilities:		
Property, plant and equipment	507 721	507 721
Housing selling scheme loans	2 671 199	2 794 722
Bank and cash	7 721 676	7 505 777
	10 900 596	10 808 220

3. RESERVES		
Capital Replacement Reserve	227 931 145	337 148 802
Collapsing of reserve and transfer to accumulated surplus	(227 931 145)	(337 148 802)
	-	-
Capitalisation Reserve	98 305 255	219 378 628
Collapsing of reserve and transfer to accumulated surplus	(98 305 255)	(219 378 628)
	-	-
Government Grants Reserve	1 593 470 629	837 133 218
Collapsing of reserve and transfer to accumulated surplus	(1 593 470 629)	(837 133 218)
	-	-
Donations and Public Contribution Reserve	60 209 630	29 118 511
Collapsing of reserve and transfer to accumulated surplus	(60 209 630)	(29 118 511)
	-	-
Revaluation Reserve	1 326 170 103	
Collapsing of reserve and transfer to accumulated surplus		
Self Insurance Reserve	15 626 030	12 793 484
Collapsing of reserve and transfer to accumulated surplus	(15 626 030)	(12 793 484)
	-	-
	1 326 170 103	0

The impact on Accumulated surplus is as follows:

Accumulated surplus Balance: 30 June 2007	1 526 807 602
Collapsing of reserve and transfer to accumulated surplus: prior adj	1 435 572 643
Collapsing of reserve and transfer to accumulated surplus: Current a	1 995 542 689
Total impact on accumulated surplus	4 957 922 934

4. LONG TERM LIABILITIES		
Local Registered Stock loans	829 995	829 995
Annuity loans	92 492 846	92 492 846
	93 322 841	93 322 841
Less: Current portion transferred to current		
Annuity loans	(92 540 846)	
	781 995	93 322 841

Refer to Appendix A for more detail on long term liabilities.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
5. CONSUMER DEPOSITS		
Water and electricity	<u><u>46 216 749</u></u>	<u><u>39 182 983</u></u>
No interest is paid on consumer deposits.		
Guarantees held in lieu of electricity and water deposits	<u><u>8 813 881</u></u>	<u><u>8 815 481</u></u>
 6. TRADE AND OTHER PAYABLES		
Trade Creditors	101 018 729	32 560 210
Amounts received in advance	14 579 745	7 045 835
Other	7 305 357	8 312 907
Guarantees	261 795	195 931
Staff leave	30 814 491	26 596 035
Retentions	46 217 792	26 581 435
	<u><u>200 197 918</u></u>	<u><u>101 292 352</u></u>

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
7. CONDITIONAL GRANTS FROM GOVERNMENT		
Local Government Restructuring grant	953 927	953 926
Finance Management grant	0	4 537 537
PTIF	2 225 602	31 961 062
2010 Stadium grant	128 455 004	256 341 660
Municipal infrastructure grant	35 906 043	60 895 103
Limpopo Provincial Government	2 949 710	0
DWAF refurbishment	8 621 171	2 000 000
NERSA	7 058 388	11 661 507
Housing Accreditation grant	1 697 284	4 397 233
Local Government Transitional grant	649 874	649 874
Municipal Systems Improvement grant	0	915 770
Provincial LED projects	54 714	54 714
National Heritage Council	50 000	
Capricorn District Municipality	2 259 173	
2010 Host City Operating Grant	25 000 000	
	<u>215 880 890</u>	<u>374 368 386</u>

See note 18 for reconciliation of grants. These amounts are invested until utilised.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

8 PROPERTY, PLANT & EQUIPMENT

	Land and Buildings R	Infrastructure R	Other and Movable R	Heritage R	Biological R	Intangible R	Total R
Carrying values at 1 July 2007	0	0	0	0	0	0	1 193 203 184
Revaluation Balance	758 977 344	1 699 556 780	57 976 626	2 862 537			2 519 373 287
Acquisitions	446 217 707	170 041 500	13 230 750			4 619 065	634 109 022
Capital under construction	125 394 628	2 908 831	675 815			1 556 044	130 535 318
Depreciation – based on cost	(28 358 274)	(56 876 249)	(8 161 360)			(29 885)	(93 425 768)
Carrying value of disposals							0
Cost							0
Accumulated depreciation							0
Carrying values at 30 June 2008	1 302 231 405	1 815 630 862	63 721 831	2 862 537	0	6 145 224	3 190 591 859
Cost	1 330 589 679	1 872 507 111	71 883 191	2 862 537		6 175 109	3 284 017 627
Accumulated depreciation – cost	(28 358 274)	(56 876 249)	(8 161 360)	0	0	(29 885)	(93 425 768)

Carrying values at 1 July 2008	1 302 231 405	1 815 630 862	63 721 831	2 862 537	0	6 145 224	3 190 591 859
Cost	1 330 589 679	1 872 507 111	71 883 191	2 862 537		6 175 109	3 284 017 627
Accumulated depreciation – cost	(28 358 274)	(56 876 249)	(8 161 360)	0	0	(29 885)	(93 425 768)
Acquisitions	12 697 842	259 914 010	33 770 585	1 221 338		16 541 440	324 145 215
Capital under construction	513 959 628	199 185 054	210 885	1 044 920		12 705 061	727 105 548
Depreciation – based on cost	(35 279 141)	(60 884 251)	(10 472 321)			(694 815)	(107 330 528)
Game count					8 774 385		8 774 385
Carrying value of disposals	0	0	0	0	0	0	0
Cost							0
Accumulated depreciation							0
Other movements							0
Carrying values at 30 June 2009	1 793 609 734	2 213 845 675	87 230 980	5 128 795	8 774 385	34 696 910	4 143 286 479
Cost	1 857 247 149	2 331 606 175	105 864 661	5 128 795	8 774 385	35 421 610	4 344 042 775
Accumulated depreciation – cost	(63 637 415)	(117 760 500)	(18 633 681)	0	0	(724 700)	(200 756 296)

All assets were revalued by using depreciated replacement values. The effective date of the revaluation was 1 July 2008.

Refer to Appendix B for more detail on property, plant & equipment, including those in the course of construction.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
9. INVESTMENTS		
Long Term Fixed Deposits		
ABSA Bank	81 721 250	69 825 509
Endowment Policy	671 731	747 144
	<u>82 392 981</u>	<u>70 572 653</u>
Short Term Fixed Deposits		
ABSA Bank	55 535 219	65 000 000
First National Bank	50 533 390	45 000 000
Investec Bank	0	120 507 554
Nedbank	56 533 390	45 000 000
Standard Bank	109 536 302	45 000 000
	<u>272 138 301</u>	<u>320 507 554</u>
Total Investments	<u>354 531 282</u>	<u>391 080 207</u>
Council's valuation of investments	<u>354 531 282</u>	<u>391 080 207</u>

No investments have been written off during the year.

The Absa long term investment serves as security for the ABSA Annuity Loan.

10. NON CURRENT RECEIVABLES		
Motor car loans	19 367	267 842
Housing selling scheme loans	2 671 199	2 794 727
Sport loans	1 190 907	1 343 907
Erven loans	12 301 870	11 165 866
Electrical connection	0	106
Loan to Subsidiary - Polokwane Housing Association	11 252 748	11 252 748
	<u>27 436 091</u>	<u>26 825 195</u>
Less: current portion transferred to current receivables	12 443 918	10 508 221
Motor car loans	19 367	212 949
Housing selling scheme loans	130 001	138 008
Erven loans	12 202 708	10 157 158
Sport loans	91 842	
Electrical connection	0	106
	<u>14 992 173</u>	<u>16 316 974</u>

Motor car loans
attract interest at 7.5% per annum and which are repayable over a maximum period of 6 years. These loans are repayable in the year 2010.

Housing selling scheme loans
These loans have different interest rates and loans were given over a period of 30 years.

Sport loans
These loans were given to sporting bodies at an interest rate of 10% repayable over 10 years. These loans are repayable in 2016.

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	2008 R
10.	NON CURRENT RECEIVABLES (CONT)		
	Erven loans		
	These loans were granted to the community for the purchase of stands. The loans attract different interest rates.		
	Electrical connection		
	The loans attract interest at 5% per annum. This loan is repayable in the year 2009.		
	Loan to Subsidiary		
	An interest free loan was given to the Polokwane Housing Association. The loan is repayable in 2017.		
11.	INVENTORY		
	Consumable stores - at cost	40 649 665	47 184 243
	Unsold properties held for resale	4 230 637	9 197 565
	Water - at cost	282 398	
		<u>45 162 700</u>	<u>56 381 809</u>
	Only properties listed under inventory which were sold during the year, were expensed. All purchased water inventory were capitalized, but only purification costs were capitalized i.r.o. non purchased water inventory		
12.	CONSUMER DEBTORS		
	Consumer Debtors	220 067 976	173 534 040
	Less Provision for bad debts	(109 127 774)	(46 815 696)
	Less contra debtors suspense account	(18 194 512)	
		<u>92 745 690</u>	<u>126 718 344</u>
	Ageing of consumer debtors		
	Current (0-30 days)	52 052 688	56 190 631
	31-60 days	15 606 296	11 607 081
	61-90 days	12 634 575	8 304 756
	91-120 days	10 241 664	5 918 739
	120+ days	129 532 753	91 512 833
		<u>220 067 976</u>	<u>173 534 040</u>
	Consumer debtors per category		
	Government	27 514 456	19 200 577
	Business	67 843 836	52 317 978
	Individuals	118 814 987	95 903 659
	Other	5 894 697	6 111 826
		<u>220 067 976</u>	<u>173 534 040</u>
	The analysis and ageing of consumer debtors per service could not be provided as the billing system utilised by the municipality was not set up to generate such reports		
	Reconciliation of bad debt provision		
	Balance at beginning of year	46 815 696	26 802 265
	Contributions to provision	20 000 000	20 000 000
	Bad debts recovered/(written off) against provision	(112 510)	13 431
	Additional provision raised	42 424 588	
	Balance at year end	<u>109 127 774</u>	<u>46 815 696</u>

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	2008 R
13.	OTHER RECEIVABLES		
	Other debtors	4 255 773	23 968 668
	Deposits	392 667	141 167
		<u><u>4 648 440</u></u>	<u><u>24 109 835</u></u>
	Other receivables are recognised at cost as permitted in terms of gazette 30013 of 29 June 2007.		
14.	VAT		
	Vat refundable	<u><u>55 780 835</u></u>	<u><u>36 777 151</u></u>
	Vat is payable on an invoice basis.		
15.	CASH AND CASH EQUIVALENTS		
	The municipality has the following bank accounts:		
	Current account (primary bank account)		
	Standard Bank: Polokwane		
	Account number: 030172349		
	Bank statement balance at beginning of year	86 009 730	95 972 032
	Bank statement balance at end of year	<u><u>112 670 896</u></u>	<u><u>86 009 730</u></u>
	Cash book balance at beginning of year	71 802 222	60 496 594
	Cash book balance at end of year	<u><u>64 823 904</u></u>	<u><u>71 802 222</u></u>
	2010 Account		
	Standard Bank: Polokwane		
	Account number: 330535250		
	Bank statement balance at beginning of year	256 463 872	103 566 090
	Bank statement balance at end of year	<u><u>128 455 604</u></u>	<u><u>256 463 872</u></u>
	Cash book balance at beginning of year	256 341 660	103 566 090
	Cash book balance at end of year	<u><u>128 455 004</u></u>	<u><u>256 341 660</u></u>
	Housing Account		
	Standard Bank: Polokwane		
	Account number: 330535269		
	Bank statement balance at beginning of year	4 443 241	3 312 852
	Bank statement balance at end of year	<u><u>1 697 284</u></u>	<u><u>4 443 241</u></u>
	Cash book balance at beginning of year	4 397 233	3 312 852
	Cash book balance at end of year	<u><u>1 697 284</u></u>	<u><u>4 397 233</u></u>
	Other	10 873	6 486
	Petty cash	38 760	38 760
		<u><u>195 025 825</u></u>	<u><u>332 586 361</u></u>

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
16. PROPERTY RATES		
Residential	82 734 175	74 074 694
Government	9 245 498	8 609 047
Commercial	63 464 900	58 636 719
Other	3 903 730	2 214 416
	<u>159 348 303</u>	<u>143 534 876</u>
VALUATIONS	R000's	R000's
Residential	1 220 646	1 161 669
Government	129 272	127 806
Commercial	680 006	696 905
Municipal	235 050	246 619
Other	342 584	362 040
	<u>2 607 558</u>	<u>2 595 039</u>
<p>Valuations on land are performed every four years and the last general valuation come into effect on 1 July 2002. The basic rate for 2008/9 was 8.94c in the Rand on land. Different rebates are granted to owners dependent on the land value of the property. An additional rebate of 40% was granted to pensioners.</p>		
17. SERVICE CHARGES		
Sale of electricity	259 300 116	213 847 417
Sale of water	83 256 740	79 454 690
Refuse removal	36 430 033	32 856 590
Sewerage and sanitation charges	30 601 429	29 452 030
	<u>409 588 318</u>	<u>355 610 727</u>
18. GOVERNMENT SUBSIDIES & GRANTS		
Operating Grants	205 021 421	192 923 655
Equitable share	188 536 883	147 399 675
Restructuring grant	0	2 389 731
Municipal systems improvement grant	1 315 770	
Water services operating grant	11 411 000	12 839 396
Finance management grant	619 638	742 977
Capricorn district municipality	294 660	
Limpopo provincial government	500 000	
Municipal infrastructure grant	2 343 470	
PTIF		21 944 492
Local Government Housing		2 430 092
NEP		5 177 292
Capital Grants	756 337 412	497 543 021
2010 FIFA World Cup Stadium grant	430 650 702	392 550 988
Municipal infrastructural grant (MIG)		72 983 813
Finance management grant	4 417 899	
Capricorn district municipality	1 940 826	
Limpopo provincial government	16 746 107	
Public transport infrastructure grant	172 942 459	
Municipal infrastructure grant	129 234 590	
ICC		32 008 219
DWAF refurbishment	404 829	0
Total Government Grants & Subsidies	<u>961 358 833</u>	<u>690 466 676</u>

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
18. GOVERNMENT SUBSIDIES & GRANTS (CONTINUED)		
18.1 <i>Equitable Share</i>		
This grant is an unconditionally grant and is partially utilized for the provision of indigent support through free basic services. Registered indigents receive a maximum monthly subsidy of R120.00 (2008: R118.85) which is funded from this grant.		
18.2 <i>Restructuring Grant</i>		
Balance unspent at beginning of year	953 927	3 343 658
Current year receipts	-	-
Conditions met – transferred to revenue	<u>0</u>	<u>(2 389 731)</u>
Unspent amount transferred to liabilities	<u>953 927</u>	<u>953 927</u>
(see note 7)		
The grant was used for various restructuring initiatives.		
18.3 <i>Finance Management Grant</i>		
Balance unspent at beginning of year	4 537 537	4 780 514
Current year receipts	500 000	500 000
Conditions met – transferred to revenue	<u>(5 037 537)</u>	<u>(742 977)</u>
Unspent amount transferred to liabilities	<u>0</u>	<u>4 537 537</u>
(see note 7)		
This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. The conditions of the grant were met. No funds have been withheld.		
18.4 <i>Water services grant</i>		
Current year receipts	11 411 000	12 839 396
Conditions met – transferred to revenue	<u>(11 411 000)</u>	<u>(12 839 396)</u>
Unspent amount transferred to liabilities	<u>-</u>	<u>-</u>
(see note 7)		
The grant was utilised to subsidise water schemes transferred by DWAF.		
18.5 <i>PTIF</i>		
Balance unspent at beginning of year	31 961 061	3 905 553
Current year receipts	143 207 000	50 000 000
Conditions met – transferred to revenue	<u>(172 942 460)</u>	<u>(21 944 492)</u>
Unspent amount transferred to liabilities	<u>2 225 601</u>	<u>31 961 061</u>
(see note 7)		
The grant was used for public transport and non motorised transport infrastructure.		
18.6 <i>Municipal Systems Improvement Grant</i>		
Balance unspent at beginning of year	915 770	915 770
Current year receipts	400 000	-
Conditions met – transferred to revenue	<u>(1 315 770)</u>	<u>-</u>
Unspent amount transferred to liabilities	<u>0</u>	<u>915 770</u>
(see note 7)		
The purpose of the grant is for institutional systems. The grant was unutilised.		

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	2008 R
18. GOVERNMENT SUBSIDIES & GRANTS (CONTINUED)			
18.7 2010 Stadium			
Balance unspent at beginning of year		256 341 660	103 566 090
Current year receipts		302 764 046	545 326 558
Conditions met – transferred to revenue		<u>(430 650 702)</u>	<u>(392 550 988)</u>
Unspent amount transferred to liabilities		<u>128 455 004</u>	<u>256 341 660</u>
(see note 7)			
This grant was utilised to construct a new 2010 stadium for the 2010 FIFA soccer World Cup. The conditions of the grant were met and no funds have been withheld.			
18.8 Municipal Infrastructure Grant (MIG)			
Balance unspent at beginning of year		60 895 102	28 240 452
Current year receipts		106 589 000	107 642 418
Conditions met – transferred to revenue		<u>(131 578 059)</u>	<u>(74 987 768)</u>
Unspent amount transferred to liabilities		<u>35 906 043</u>	<u>60 895 102</u>
(see note 7)			
This grant was used to construct municipal infrastructure to provide basic services for the benefit of poor households. The conditions of the grant were met and no funds have been withheld.			
18.9 Provincial Government			
Balance unspent at beginning of year		0	12 420 218
Current year receipts		29 027 617	19 588 000
Conditions met – transferred to revenue		<u>(26 077 907)</u>	<u>(32 008 218)</u>
Unspent amount transferred to liabilities		<u>2 949 710</u>	<u>-</u>
(see note 7)			
The grant was used to plan the construction of the convention centre.			
18.10 DWAF refurbishment			
Balance unspent at beginning of year		2 000 000	-
Current year receipts		7 026 000	2 000 000
Conditions met – transferred to revenue		<u>(404 829)</u>	<u>-</u>
Unspent amount transferred to liabilities		<u>8 621 171</u>	<u>2 000 000.0</u>
(see note 7)			
The grant was utilised to subsidise water schemes transferred by DWAF.			
18.11 2010 HOST CITY OPERATING GRANT			
Balance unspent at beginning of year		-	-
Current year receipts		25 000 000	0
Conditions met – transferred to revenue		<u>0</u>	<u>0</u>
Unspent amount transferred to liabilities		<u>25 000 000</u>	<u>0</u>
The grant will be utilised to cover operational expenses associated with the hosting of the 2010 FIFA World Cup competition.			
PUBLIC CONTRIBUTIONS, DONATED & CONTRIBUTED PROPERTY, PLANT & EQUIPMENT			
19. NERSA			
Balance unspent at beginning of year		11 661 508	-
Current year receipts		26 488 000	16 838 800
Conditions met – transferred to revenue		<u>(31 091 120)</u>	<u>(5 177 292)</u>
Unspent amount transferred to liabilities		<u>7 058 388</u>	<u>11 661 508</u>

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
The grant was utilised to instal electricity infrastructure.		
20. INVESTMENT REVENUE		
EXTERNAL INVESTMENTS		
Current account	12 305 865	13 541 386
External investments	51 537 098	42 838 098
	<u>63 842 963</u>	<u>56 379 484</u>
21. OTHER REVENUE		
Building plan fees	2 958 552	3 152 548
Consumer Connection fees	7 706 799	4 758 497
Sale of erven	11 640 539	8 455 386
Surcharge excess	10 815 431	21 696 712
Royalties Silicon	1 505 911	1 142 419
Services contributions	1 007 055	1 173 176
Reconnection and notice fees	4 017 485	4 212 618
Refund Seta levy	1 624 192	
Sundry income	4 039 940	4 779 293
	<u>45 315 905</u>	<u>49 370 649</u>
22. EMPLOYEE RELATED COSTS		
Employee related cost - Salaries and wages	153 861 620	138 276 084
Employee related cost - Social contributions	44 411 590	39 576 926
Travel, motor car, accomodation & other	17 454 972	15 314 646
Housing benefits and allowances	7 252 838	5 733 215
Overtime benefits	30 198 491	22 296 158
Leave reserve provision	7 976 320	20 693 653
Long term service awards	4 484 738	283 601
	<u>265 640 569</u>	<u>242 174 283</u>
There were no advances paid to employees. Loans to employees is set out in Note 10.		
Municipal Manager		
Annual remuneration	671 101	578 054
Allowances	174 131	173 242
Council Contributions	163 671	154 729
	<u>1 008 903</u>	<u>906 025</u>
Chief Financial Officer		
Annual remuneration	221 702	
Allowances	24 000	
Council Contributions	54 298	
	<u>300 000</u>	<u>0</u>
The post was filled as from March 2009.		
Director Planning		
Annual remuneration	242 617	453 127
Allowances	89 000	132 000
Council Contributions	65 141	102 062
	<u>396 758</u>	<u>687 189</u>
The post was vacant for 5 months of the year.		
Director Technical Services		
Annual remuneration		428 213
Allowances		168 000
Council Contributions		100 682
	<u>0</u>	<u>696 895</u>
The post was vacant as from July 2008.		

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
22. EMPLOYEE RELATED COSTS (CONT)		
Director Community Services		
Annual remuneration	445 099	408 064
Allowances	168 000	168 000
Council Contributions	133 145	127 406
	<u>746 244</u>	<u>703 470</u>
Director Corporate Services		
Annual remuneration		
Allowances		
Council Contributions		
	<u>0</u>	<u>0</u>
The post was vacant as from July 2007.		
Director 2010		
Annual remuneration	453 156	195 796
Allowances	163 748	75 913
Council Contributions	125 429	59 741
	<u>742 333</u>	<u>331 450</u>
The post was filled as from 1 November 2007.		
No performance bonuses were paid out in terms of Section 57 of the Municipal Systems Act.		
23. REMUNERATION OF COUNCILLORS		
Executive Mayor	662 855	505 974
Speaker	521 501	406 193
Chief Whip	489 122	402 812
Mayoral Committee members	3 393 980	3 235 258
Councillors	11 847 096	9 118 172
	<u>16 914 554</u>	<u>13 668 409</u>
The Executive Mayor, Speaker and certain Mayoral Committee Members are full time. Each is provided with an office and secretarial support at the cost of Council. The Executive Mayor has use of a Council owned vehicle.		
24. FINANCE COST		
Local Registered Stock loans	153 000	98 507
Annuity loans	15 879 429	14 456 183
	<u>16 032 429</u>	<u>14 554 690</u>
25. BULK PURCHASES		
Electricity	164 163 959	117 078 430
Water	80 410 748	73 186 106
	<u>244 574 707</u>	<u>190 264 536</u>

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
26. GRANT AND SUBSIDIES PAID		
Housing Association	0	1 763 553
Animal care : SPCA	220 000	240 000
	<u>220 000</u>	<u>2 003 553</u>

27. GENERAL EXPENSES		
Project Management	2 343 470	3 023 471
Free basic services	7 421 102	8 180 702
Printing and stationery	2 554 241	2 632 778
Rental equipment	6 979 892	6 910 744
Stores and material	2 361 334	2 014 394
Meter reading	2 533 061	1 503 805
Research and development	13 934 456	3 674 871
Training	4 633 825	1 642 495
Postage and telegram	1 484 511	1 382 470
Legal expenses	1 714 679	1 156 294
Subsistence and travelling	4 248 951	2 285 524
Security services	9 124 227	3 902 493
Telephone costs	5 856 732	5 086 111
Garden services	2 337 476	2 857 823
Awareness campaigns	82 007	8 696 863
Insurance	6 594 690	5 201 100
Levy Seta training	1 955 274	
Street cleaning	4 420 814	
Cost of unsold property	4 966 929	17 851 951
Provision for rehabilitation of landfill sites	2 517 920	
Inventory - fuel and oil	13 969 955	
Other	43 398 383	33 459 104
	<u>145 433 929</u>	<u>111 462 992</u>

28. CORRECTION OF ERROR

During the year ended 30 June 2009 corrections from prior year were made and appropriated to the Accumulated Surplus Account. Details of the appropriations are as follows:

Land and buildings	125 394 628	
Infrastructure assets	2 908 831	
Intangible assets	1 556 044	
Movable & other assets	675 816	
Net effect on surplus/(deficit) for the year	<u>130 535 318</u>	<u>0</u>

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	2008 R
29.	CASH GENERATED FROM/(UTILISED IN) OPERATIONS		
	Net surplus for the year	785 431 935	589 063 848
	Adjustment for:		
	Correction of prior year error	(18 010 438)	19 308 421
	Depreciation charges	107 330 528	79 925 025
	Contributions to biological assets	8 774 385	
	Contributions to bad debt	62 312 078	20 013 431
	Contribution to Reserve	2 924 921	(361 749)
	Interest received	(63 842 963)	(56 379 484)
	Interest paid	16 032 429	14 554 690
	Operating surplus before working capital changes	900 952 875	666 124 182
	(Increase)/decrease in inventories	11 219 109	(25 487 283)
	(Increase)/decrease in debtors	(46 533 936)	(43 346 733)
	(Increase)/decrease in other debtors	19 461 394	(18 349 698)
	Increase/(decrease) in conditional grants	(158 487 496)	213 178 692
	Increase/(decrease) in creditors	117 412 786	23 040 474
	Increase/(decrease) in provisions	6 973 945	0
	(Increase)/decrease in VAT	(19 003 684)	(22 578 353)
	Cash generated by operations	<u>831 994 993</u>	<u>792 581 281</u>
30	ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003		
30.1	Contribution to SALGA		
	Council membership fees payable	1 084 780	1 131 079
	Amount paid current year	<u>(1 084 780)</u>	<u>(1 131 079)</u>
	Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
30.2	Audit Fees		
	Current year audit fee	1 839 694	697 601
	Amount paid current year	<u>(1 839 694)</u>	<u>(697 601)</u>
	Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
30.3	VAT		
	VAT is payable on the invoice basis. VAT input receivables and VAT output receivable are shown in note 14. All VAT returns have been submitted by the due date throughout the year.		
30.4	Pay as You Earn (PAYE)		
	Current payroll deductions	27 768 511	26 195 739
	Amount paid current year	<u>(27 768 511)</u>	<u>(26 195 739)</u>
	Balance unpaid	<u>-</u>	<u>-</u>
30.5	Unemployment Insurance Fund (UIF)		
	Current payroll deductions	2 813 171	2 235 021
	Amount paid current year	<u>(2 813 171)</u>	<u>(2 235 021)</u>
	Balance unpaid	<u>-</u>	<u>-</u>

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
30. ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (CONT)		
30.6 Medical Aid		
Current payroll deductions	11 174 666	15 669 102
Amount paid current year	<u>(11 174 666)</u>	<u>(15 669 102)</u>
Balance unpaid	<u><u>-</u></u>	<u><u>-</u></u>
30.7 Pension Fund		
Current payroll deductions	30 778 212	37 543 627
Amount paid current year	<u>(30 778 212)</u>	<u>(37 543 627)</u>
Balance unpaid	<u><u>-</u></u>	<u><u>-</u></u>
31. INVESTMENT PROPERTY		
Cost	0 125 510 500	0 125 510 500
Correction of error	0 -	0 -
Change in accounting policy	0 -	0 -
Acquisitions	0 -	0 -
Disposal	0 -	0 -
Impairment	0 -	0 -
TOTAL	<u><u>0 125 510 500</u></u>	<u><u>0 125 510 500</u></u>
RECONCILIATION OF INVESTMENT PROPERTY		
Opening balance 1 July	# 125 510 500	# 125 510 500
Additions	0 -	0 -
Disposal	0 -	0 -
Impairment	0 -	0 -
Closing balance at 30 June	<u><u># 125 510 500</u></u>	<u><u># 125 510 500</u></u>
The rental income generated from the investment property is R 4.8 million The investment property comprises mostly land leased for agricultural purposes		
32. COMMITMENTS		
Commitments in respect of capital expenditure:		
Approved and contracted for	<u><u>471 596 000</u></u>	<u><u>583 835 273</u></u>
The expenditure will be financed from:		
- Capital Replacement Reserve	167 553 000	118 271 300
- Government Grants	<u>304 043 000</u>	<u>465 563 973</u>
	<u><u>471 596 000</u></u>	<u><u>583 835 273</u></u>
33. CONTINGENT LIABILITIES		
33.1 Keystone Development CC		
Developer in contravention with Services Agreement - construction of access road behind schedule.	500 000	
33.2 Heque Investments (Purchase of Farm Palmiefontein)		

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
Plaintiff ceased High Court litigation following cost orders against them - want to negotiate on sale. Appointment of valuer by Properties section awaited for new valuation on property pending negotiation of sale.	400 000	

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
33.3 T J Duvenhage/Pol Mun/ Minister of Safety & Security/B Emsley Notice of motion to defend matter has been filed. Awaiting court case against Minister of Safety & Security.	500 000	
33.4 Kenro Contraction CC Dispute regarding specifications in tender	20 000	
33.5 Heuvelkruin College Settlement made order of court. Argument for taxed costs being set down.	90 000	
33.6 M C Makgaba Claim for damages against municipality caused by alleged negligence of council official.	30 000	
33.7 Charleen de Jager Damages claim against municipality after claimant fell into open grave at cemetery.	300 000	
33.8 Gazani Buiding Contractors and Iliad Africa t/a Builder Market Taxation of bills cost awaited.	350 000	
33.9 Braam Pretorius Damages claim for injuries against municipality following incident at Florapark Dam.	250 000	
33.10 Federated Timbers Phekgoga Constuction - application for summary judgement on strength of allegation of non-payment in terms of cession document.	70 000	
33.11 Guduni/Lubbe Alledged assult of member of public	25 000	
33.12 Oscon Domestic Installations Dispute regarding awarding of tender.	300 000	

POLOKWANE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
33.13 Mokone Mokone Attorneys. Claiming payment of purchase price in transfer of Erf Finalising documentation in opposition of appeal proceeding lodged by Mokone Mokone Attorneys in Supreme Court of Appeal.	-	
33.14 Federated Timbers 3rd respondent for payment of cession.	210 000	
33.15 MGN Joint Venture Arbitration pending	250 000	
33.16 SA Smit Obtained judgement against municipality. Negotiate settlement in process.	85 000	
33.17 Matrix Project Developers Summons for payment of alleged outstanding accounts	28 000 000	
33.18 PC Rakgoale Claim for damages caused.	100 000	
33.19 K Yendall Seeks payment for alleged outstanding pension benefits	160 000	
33.20 Blue Sands Trading Claim for payment in terms of session.	1 300 000	
33.21 Eli Stroh & Mbhovu JV Application against awarding of tender.	250 000	
33.22 Township board Appeal to townships board against decision of Polokwane municipality matter amendent scheme 731	 20 000	
33.23 Limpopo tribunal hearing Limpopo tribunal hearing on objection to Ivypark extension 49	 850 000	
33.24 Linchi property consultants Cancellation of contract by municipality upheld by court	 300 000	
The above legal matters are ongoing and have not yet been finalised.		

**UNAUTHORISED, IRREGULAR,
FRUITLESS AND WASTEFUL
35 EXPENDITURE DISALLOWED**

	2009	2008
35.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure		
Opening balance	139 800	-
Unauthorised expenditure current year	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	139 800	-

35.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance -	-	-
Fruitless and wasteful expenditure current year	909 100	-
Condoned or written off by Council	-	-
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	909 100	-

This relate to the amount paid to Linchi property consultants for preparation of valuation

35.3 Irregular expenditure

Reconciliation of irregular expenditure

Opening balance - Mayor overpayment	12 030	
Fruitless and wasteful expenditure current - Traditional	92 019	-
Fruitless and wasteful expenditure current year-council		12 030
Overpayment	103 212	
Underpayment	(58 029)	
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonement	149 232	12 030

Section 81(5)(a)(i) and (ii) of the Municipal structures Act 117 of 1998, which deals with the participation of traditional leaders states:

Traditional leader who participate in the proceedings of a municipal council is entitled to payment of out of pocket expenses in respect of such participation; the municipality

remunerated five traditional leaders a total amount of R 92 019 during 2008/9 financial year. Such expenditure is deemed to be irregular in terms of section 1 of the MFMA

There was over and underpayment of councilors remuneration as disclosed above.

36 RETIREMENT BENEFIT INFORMATION

36.1 Defined contribution plan

The following are defined contribution plans:

post-employment medical care benefit

These contributions have been expensed amounting to R 3 205 615.

37 INVESTMENT IN MUNICIPAL ENTITIES

Issued share capital	100	100
Percentage owned by Council (%)	100%	100%
Indebtness of Municipal Entities	11 252 748	11 252 748
Dividends received	-	-
Management fess received	-	-
Administration fees received	-	-

The above is the information pertaining to Polokwane Housing Association which is owned and controlled by the Municipality

38 Provisions

Provision for rehabilitation of landfill sites	2 517 920
Provision for long service awards	4 456 025
Total	6 973 945

APPENDIX A
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

External Loans	Loan No.	Redeemable	Balance at 30 June 2008	Interest paid during the period	Received during the period	Redeemed or written off during the period	Balance at 30 June 2009
			R	R	R	R	R
LONG TERM LOANS							
Stock Loan@10%	506	2010	3 000				3 000
Stock Loan@10%	507	2010	45 000				45 000
Stock Loan@10%	508	2012	15 400				15 400
Stock Loan@10%	509	2011	41 667				41 667
Stock Loan@10%	510	2013	53 333				53 333
Stock Loan@10%	511	2013	30 000				30 000
Stock Loan@10%	512	2014	30 000				30 000
Stock Loan@10%	513	2011	8 333				8 333
Stock Loan@10%	514	2015	100 000				100 000
Stock Loan@10%	515	2015	10 000				10 000
Stock Loan@10%	516	2014	22 000				22 000
Stock Loan@10%	517	2015	83 333				83 333
Stock Loan@10%	518	2016	7 799				7 799
Stock Loan@10%	519	2016	8 633				8 633
Stock Loan@10%	520	2016	40 000				40 000
Stock Loan@10%	522	2015	6 829				6 829
Stock Loan@10%	523	2015	14 667				14 667
Stock Loan@10%	524	2016	90 000				90 000
Stock Loan@10%	525	2015	200 000				200 000
Stock Loan@10%	527	2016	20 000				20 000
			829 995			0	829 995
ANNUITY LOAN							
ANNUITY LOAN @13.65%	404	2010	92 492 846				92 492 846
			92 492 846			-	92 492 846
Total External Loans			93 322 841	-	-	0	93 322 841

APPENDIX B
ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2009

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value
	Opening Balance	Additions/ Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/ Transfers	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	
LAND	237 993 495	-	8 383 292	-	246 376 787	-	-	-	-	246 376 787
Land	237 993 495		8 383 292		246 376 787				-	246 376 787
BUILDINGS	1 092 596 185	12 697 842	505 576 335	-	1 610 870 362	28 358 274	35 279 141	-	63 637 415	1 547 232 947
Dwellings	29 998 257	65 600	1 287 037		31 350 894	1 090 720	1 135 034		2 225 754	29 125 140
Non Residential	1 062 597 928	12 632 242	504 289 298		1 579 519 468	27 267 554	34 144 107		61 411 661	1 518 107 807
INFRASTRUCTURE	1 872 507 110	210 882 016	35 724 236	-	2 119 113 362	56 876 249	60 884 251	-	117 760 500	2 001 352 862
Electricity reticulation	475 099 591	95 357 863	3 890 784		574 348 238	13 117 114	13 960 797		27 077 911	547 270 327
Roads, pavements, bridges & stormwater	967 826 711		1		967 826 712	33 354 735	34 351 698		67 706 433	900 120 279
Water reservoirs & reticulation	265 129 948	86 611 267	11 611 394		363 352 609	6 038 172	7 876 101		13 914 273	349 438 336
Sewerage purification & reticulation	161 387 719	28 912 886	17 247 661		207 548 266	4 257 232	4 584 684		8 841 916	198 706 350
Solid Waste	1 480 500		2 974 396		4 454 896	5 115	5 115		10 230	4 444 666
Cemetaries	1 582 641				1 582 641	103 881	105 856		209 737	1 372 904
MOVABLE & OTHER ASSETS	71 883 190	33 770 585	210 885	-	105 864 660	8 161 360	10 472 321	-	18 633 681	87 230 979
Machinery & equipment	20 284 985	15 147 779			35 432 764	1 852 410	2 831 463		4 683 873	30 748 891
Furniture & Equipment	8 168 713	3 029 439	210 885		11 409 037	1 466 714	1 648 460		3 115 174	8 293 863
Computer Equipment	4 023 077	2 064 510			6 087 587	787 790	1 082 081		1 869 871	4 217 716
Transport Vehicles	39 406 415	13 528 857			52 935 272	4 054 446	4 910 317		8 964 763	43 970 509
HERITAGE ASSETS	2 862 537	1 221 338	1 044 920	-	5 128 795	-	-	-	-	5 128 795
Heritage assets	2 862 537	1 221 338	1 044 920		5 128 795				-	5 128 795
BIOLOGICAL ASSETS	8 774 385	-	-	-	8 774 385	-	-	-	-	8 774 385
Biological Assets	8 774 385				8 774 385				-	8 774 385
INTANGIBLE ASSETS	6 175 109	16 541 440	12 705 061	-	35 421 610	29 885	694 815	-	724 700	34 696 910
Intangible Assets	6 175 109	16 541 440	12 705 061		35 421 610	29 885	694 815		724 700	34 696 910
TOTAL	3 292 792 011	275 113 221	563 644 729	-	4 131 549 961	93 425 768	107 330 528	-	200 756 296	3 930 793 665

**APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2009**

	HISTORICAL COST					ACCUMULATED DEPRECIATION					Carrying Value
	Opening Balance	Additions/ Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/ Transfers	Disposals	Closing Balance		
	R	R	R	R	R	R	R	R	R		
EXECUTIVE COUNCIL	1 007 533	51 527	-	-	1 059 060	77 987	172 396	-	250 383	808 677	
Executive Council	1 007 533	51 527	-	-	1 059 060	77 987	172 396	-	250 383	808 677	
BUDGET & TREASURY	2 937 923	467 360	-	-	3 405 283	404 407	495 978	-	900 385	2 504 898	
OFFICE											
Finance	2 937 923	467 360	-	-	3 405 283	404 407	495 978	-	900 385	2 504 898	
CORPORATE SERVICES	306 081 558	10 273 308	1 820 858	-	318 175 724	5 699 410	13 043 165	-	18 742 575	299 433 149	
Human Resources	714 576	133 692	-	-	848 268	136 905	159 703	-	296 608	551 660	
IT Services	2 355 622	47 713	-	-	2 403 335	17 463	472 965	-	490 428	1 912 907	
Property Services	259 922 711	3 097 577	1 820 858	-	264 841 146	1 421 403	7 534 412	-	8 955 815	255 885 331	
Other Admin	43 088 649	6 994 326	-	-	50 082 975	4 123 639	4 876 085	-	8 999 724	41 083 251	
COMMUNITY & SOCIAL SERVICES	128 988 299	8 093 245	6 079 562	-	143 161 106	6 553 338	6 794 153	-	13 347 491	129 813 615	
Libraries & archives	31 341 315	6 289 127	2 110 213	-	39 740 655	1 486 500	1 690 963	-	3 177 463	36 563 192	
Museums	79 362 909	1 214 477	842 920	-	81 420 306	4 425 844	4 454 382	-	8 880 226	72 540 080	
Community halls & facilities	-	394 124	3 126 429	-	3 520 553	-	4 693	-	4 693	3 515 860	
Cemeteries & crematoriums	1 867 826	34 878	-	-	1 902 704	128 624	130 599	-	259 223	1 643 481	
Other Social Services	16 416 249	160 639	-	-	16 576 888	512 370	513 516	-	1 025 886	15 551 002	
SPORT & RECREATION	622 947 857	11 172 789	493 301 495	-	1127 422 141	5 859 964	6 307 208	-	12 167 172	1115 254 969	
Sport & recreation	622 947 857	11 172 789	493 301 495	-	1 127 422 141	5 859 964	6 307 208	-	12 167 172	1 115 254 969	
PUBLIC SAFETY	30 768 815	15 663 423	144 967	-	46 577 205	1 836 839	2 709 182	-	4 546 021	42 031 184	
Police	12 050 716	14 757 953	-	-	26 808 669	858 973	1 550 344	-	2 409 317	24 399 352	
Fire	18 118 244	905 470	144 967	-	19 168 681	977 866	1 143 842	-	2 121 708	17 046 973	
Street lighting	599 855	-	-	-	599 855	-	14 996	-	14 996	584 859	
HOUSING	3 363 142	-	-	-	3 363 142	151 534	151 534	-	303 068	3 060 074	
Housing	3 363 142	-	-	-	3 363 142	151 534	151 534	-	303 068	3 060 074	
HEALTH	2 366 170	41 108	-	-	2 407 278	244 719	255 442	-	500 161	1 907 117	
Clinics	2 366 170	41 108	-	-	2 407 278	244 719	255 442	-	500 161	1 907 117	
PLANNING & DEVELOPMENT	55 132 855	3 487 062	16 501 953	-	75 121 870	461 092	559 841	-	1 020 933	74 100 937	
Economic development	7 934 879	2 950 830	3 240 770	-	14 126 479	262 221	329 553	-	591 774	13 534 705	
Town Planning	46 788 309	535 436	13 261 183	-	60 584 928	133 677	152 843	-	286 520	60 298 408	
Licensing & Regulation	409 667	796	-	-	410 463	65 194	77 445	-	142 639	267 824	
ROAD TRANSPORT	981 188 626	49 771 600	172 257 194	-	1 203 217 420	33 623 967	35 019 015	-	68 642 982	1 134 574 438	
Roads	981 107 426	49 771 600	172 257 194	-	1 203 136 220	33 615 559	35 010 607	-	68 626 166	1 134 510 054	
Vehicle licensing & testing	81 200	-	-	-	81 200	8 408	8 408	-	16 816	64 384	
ENVIRONMENTAL PROTECTION	10 190 562	315 777	202 000	-	10 708 339	105 318	140 235	-	245 553	10 462 786	
Pollution Control	19 127	7 049	-	-	26 176	3 630	3 982	-	7 612	18 564	
Game Reserve	10 171 435	308 728	202 000	-	10 682 163	101 688	136 253	-	237 941	10 444 222	
ELECTRICITY	496 224 950	96 587 942	3 890 784	-	596 703 676	13 871 604	14 755 875	-	28 627 479	568 076 197	
Electricity distribution	496 224 950	96 587 942	3 890 784	-	596 703 676	13 871 604	14 755 875	-	28 627 479	568 076 197	
WATER	276 715 354	87 401 051	11 186 765	-	375 303 170	7 185 710	8 718 877	-	15 904 587	359 398 583	
Water distribution	203 164 035	23 647 659	11 186 765	-	237 998 459	4 902 586	6 280 063	-	11 182 649	226 815 810	
Water storage	73 551 319	63 753 392	-	-	137 304 711	2 283 124	2 438 814	-	4 721 938	132 582 773	
WASTE WATER MANAGEMENT	354 837 096	28 978 008	18 745 574	-	402 560 678	16 532 488	17 118 023	-	33 650 511	368 910 167	
Sewerage	349 765 487	28 978 008	17 247 661	-	395 991 156	16 424 637	17 009 895	-	33 434 532	362 556 624	
Stormwater	5 063 289	-	1 497 913	-	6 561 202	107 851	107 851	-	215 702	6 345 500	
Public toilets	8 320	-	-	-	8 320	-	277	-	277	8 043	
WASTE MANAGEMENT	19 761 455	11 841 016	2 974 396	-	34 576 867	817 391	1 089 604	-	1 906 995	32 669 872	
Solid waste	19 761 455	11 841 016	2 974 396	-	34 576 867	817 391	1 089 604	-	1 906 995	32 669 872	
OTHER	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	0	
TOTAL	3 292 512 195	324 145 216	727 105 548	-	4 343 762 959	93 425 768	107 330 528	-	200 756 296	4 143 006 663	

**APPENDIX D
DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009**

2008 Actual Income	2008 Actual Expenditure	2008 Actual Surplus/ (Deficit)		2009 Actual Income	2009 Actual Expenditure	2009 Actual Surplus/ (Deficit)
R	R	R		R	R	R
-	26 803 557	(26 803 557)	Executive & Council	-	72 269 788	(72 269 788)
	25 791 948	(25 791 948)	Council general expenses		70 856 209	(70 856 209)
	82 556	(82 556)	Municipal Manager		126 709	(126 709)
	20 639	(20 639)	2010		31 677	(31 677)
	908 414	(908 414)	Secretariat & Records		1 255 193	(1 255 193)
904 655 291	69 414 711	835 240 580	Finance & Admin	1 238 700 738	108 626 623	1 130 074 115
			Finance			
690 466 677		690 466 677	Intergovernmental transfers	992 449 952		992 449 952
	3 372 019	(3 372 019)	Mankweng/Sebayeng		3 506 715	(3 506 715)
70 142 955	8 248 664	61 894 291	Finance	84 626 229	12 846 216	71 780 013
143 534 876	8 686 530	134 848 346	Assessment rates	159 348 303	9 947 430	149 400 873
			Human Resources			
	1 673 517	(1 673 517)	Administration			-
	547 565	(547 565)	O & W		572 445	(572 445)
	18 476 702	(18 476 702)	Personnel		6 156 119	(6 156 119)
	1 192 258	(1 192 258)	Training	1 624 192	1 225 902	398 290
	348 976	(348 976)	Labour relations		348 365	(348 365)
11 985	362 157	(350 172)	Occupational Health	6 200	359 780	(353 580)
1 276	889 990	(888 714)	IT	192	2 039 236	(2 039 044)
			Property Services			
	7 045 705	(7 045 705)	Administration		7 093 266	(7 093 266)
8 800	693 308	(684 508)	Civic Centre		13 149 895	(13 149 895)
			Other Admin			
	386 470	(386 470)	Com & public participation		676 865	(676 865)
	41 278	(41 278)	Security & risk management		78 113	(78 113)
			Project Management		146 526	(146 526)
	41 278	(41 278)	Internal audit		87 026	(87 026)
	1 432 675	(1 432 675)	Technical depot		1 894 848	(1 894 848)
	4 825 123	(4 825 123)	Transport workshop		11 127 509	(11 127 509)
	4 263 146	(4 263 146)	Community security		16 057 286	(16 057 286)
	3 370 108	(3 370 108)	Legal Services		2 617 728	(2 617 728)
488 722	3 517 242	(3 028 520)	Procurement	645 670	18 695 353	(18 049 683)
16 699 436	30 833 098	(14 133 662)	Planning & Development	18 712 030	41 195 107	(22 483 077)
13 077 480	12 278 395	799 085	Land use management	15 391 341	19 916 727	(4 525 386)
254 982	5 541 111	(5 286 129)	Spatial Planning	236 886	5 210 280	(4 973 394)
3 366 974	4 738 912	(1 371 938)	Building inspections	3 083 803	5 480 218	(2 396 415)
	1 786 230	(1 786 230)	Community development		3 569 169	(3 569 169)
	959 353	(959 353)	Investment promotion		870 556	(870 556)
	3 070 974	(3 070 974)	Economic planning		3 801 019	(3 801 019)
	2 458 123	(2 458 123)	IDP		2 347 138	(2 347 138)

APPENDIX D
DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual Income	2008 Actual Expenditure	2008 Actual Surplus/ (Deficit)		2009 Actual Income	2009 Actual Expenditure	2009 Actual Surplus/ (Deficit)
R	R	R		R	R	R
-	7 268 227	(7 268 227)	Health	-	6 877 452	(6 877 452)
	4 620 265	(4 620 265)	Clinics		4 047 106	(4 047 106)
	2 647 962	(2 647 962)	Health inspection		2 830 346	(2 830 346)
2 179 148	26 955 049	(24 775 901)	Community Services	3 012 724	38 472 549	(35 459 825)
273 976	9 350 219	(9 076 243)	Libraries	311 342	11 379 289	(11 067 947)
	568 122	(568 122)	Museums			
37 091	5 155 085	(5 117 994)	Art Museum		1 056 515	(1 056 515)
213 492	2 213 130	(1 999 638)	Museum	61 542	6 280 542	(6 219 000)
350 749	2 793 891	(2 443 142)	Community centres	300 114	2 581 178	(2 281 064)
			Cemeteries	451 177	3 560 552	(3 109 375)
			Other Community			
1 209 780	4 688 149	(3 478 369)	Game Reserve	1 777 086	6 817 709	(5 040 623)
94 060	1 036 946	(942 886)	Showgrounds	111 463	1 252 410	(1 140 947)
	1 149 507	(1 149 507)	Cultural desk		5 544 354	(5 544 354)
252 696	6 783 100	(6 530 404)	Housing	132 840	4 211 151	(4 078 311)
	6 764 479	(6 764 479)	Administration		4 207 882	(4 207 882)
248 328	18 150	230 178	Assisted schemes	129 144	2 871	126 273
4 368	471	3 897	Letting schemes	3 696	398	3 298
13 636 568	55 672 394	(42 035 826)	Public Safety	15 984 606	58 042 616	(42 058 010)
3 371 399	29 621 956	(26 250 557)	Traffic	3 523 514	29 067 282	(25 543 768)
276 592	17 959 856	(17 683 264)	Fire fighting	181 835	19 789 899	(19 608 064)
	1 582 839	(1 582 839)	Disaster management		1 752 254	(1 752 254)
9 985 481	4 676 797	5 308 684	Licensing	12 274 437	6 218 599	6 055 838
3 096	1 830 946	(1 827 850)	Municipal control centre	4 820	1 214 582	(1 209 762)
656 123	44 301 913	(43 645 790)	Parks & Recreation	883 314	55 831 482	(54 948 168)
12 775	1 820 077	(1 807 302)	Nursery	5 926	1 807 687	(1 801 761)
69 528	18 598 712	(18 529 184)	Parks	74 406	21 656 647	(21 582 241)
	25 060	(25 060)	Administration			-
431 111	20 258 017	(19 826 906)	Sport & recreation	589 925	27 788 267	(27 198 342)
142 709	3 600 047	(3 457 338)	Swimming pools	213 057	4 578 881	(4 365 824)
-	631 447	(631 447)	Environmental Protection	-	708 581	(708 581)
	631 447	(631 447)	Air pollution		708 581	(708 581)
32 856 590	36 091 511	(3 234 921)	Waste Management	36 430 070	43 469 367	(7 039 297)
	32 494 381	362 209	Administration		37 622 628	(1 192 558)
32 856 590	3 597 130	(3 597 130)	Refuse Removal	36 430 070	5 846 739	(5 846 739)
			Street & side walking cleaning			

APPENDIX D
DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual Income	2008 Actual Expenditure	2008 Actual Surplus/ (Deficit)		2009 Actual Income	2009 Actual Expenditure	2009 Actual Surplus/ (Deficit)
R	R	R		R	R	R
30 406 004	26 627 464	3 778 540	Waste water management	31 163 943	40 893 639	(9 729 696)
158 140	9 958 783	(9 800 643)	Sewer purification	92 379	26 369 495	(26 277 116)
30 247 864	9 596 622	20 651 242	Sewer reticulation	31 071 564	7 704 687	23 366 877
	6 234 731	(6 234 731)	Stormwater		5 404 955	(5 404 955)
	837 328	(837 328)	Public toilets		1 414 502	(1 414 502)
5 166 251	33 444 438	(28 278 187)	Road Transport	6 940 783	47 449 886	(40 509 103)
	31 411 342	(31 411 342)	Roads & streets		45 218 527	(45 218 527)
5 166 251	2 033 096	3 133 155	Vehicle licensing & testing	6 940 783	2 231 359	4 709 424
105 687 658	141 567 078	(35 879 420)	Water distribution	98 312 126	145 220 550	(46 908 424)
105 687 658	52 411 149	53 276 509	Water Distribution	98 312 126	48 554 516	49 757 610
	86 166 371	(86 166 371)	Water provision		92 627 007	(92 627 007)
	2 989 558	(2 989 558)	Water Purification		4 039 027	(4 039 027)
219 275 771	214 678 317	4 597 454	Electricity	267 435 342	269 316 898	(1 881 556)
	3 732 457	(3 732 457)	Workshop		6 013 025	(6 013 025)
219 275 771	206 906 375	12 369 396	Distribution	267 435 342	256 725 778	10 709 564
	4 039 485	(4 039 485)	Street Lighting		6 578 095	(6 578 095)
20 000	440 938	(420 938)	Other	24 000	27 601	(3 601)
20 000	440 938	(420 938)	Airport	24 000	27 601	(3 601)
			Adjustment			
1 331 491 536	721 513 242	609 978 294	Total	1 717 732 516	932 613 290	785 119 226

APPENDIX E (1)
ACTUAL OPERATING VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual R	2009 Budget R	2009 Variance R	2009 Variance %	Explanations of significant variances greater than 10% versus budget
REVENUE					
Property rates	159 348 303	153 644 000	5 704 303	3.71	
Service charges	409 588 318	403 647 975	5 940 343	1.47	
Rental of facilities and equipment	4 790 960	4 748 210	42 750	0.90	
Interest earned – external investments	63 842 963	38 000 000	25 842 963	68.01	Under spending on capital projects - funds
Interest earned – outstanding debtors	20 452 404	14 030 000	6 422 404	45.78	Non payment of debt
Fines	2 713 734	2 913 655	(199 921)	(6.86)	Under collection of fines
Licensing & permits	6 962 871	5 242 255	1 720 616	32.82	Growth in issue of licenses
Revenue for agency services	12 267 107	10 883 400	1 383 707	12.71	Growth in issue of licenses
Government grants & subsidies – operating	205 021 421	200 289 000	4 732 421	2.36	
Government grants & subsidies – capital	756 337 412	443 697 000	312 640 412	70.46	Spending of previous years funds
Public contributions, donated and contributed property, plant and equipment	31 091 119	26 488 000	4 603 119	17.38	Spending of previous years funds
Other revenue	45 315 905	41 342 505	3 973 400	9.61	Surcharge on water not budgeted for
Total Revenue	1 717 732 517	1 344 926 000	372 806 517	27.72	
EXPENDITURE					
Employee related costs	265 640 569	283 973 445	(18 332 876)	(6.46)	All vacancies not filled
Remuneration of councillors	16 914 554	13 884 490	3 030 064	21.82	11% increase was allowed while 8.3% was budgeted
Bad debts	62 424 588	20 000 000	42 424 588	212.12	
Collection costs	1 648 188	2 800 000	(1 151 812)	(41.14)	Under collection
Depreciation	107 330 528	12 911 785	94 418 743	731.26	GAMAP GRAP implementation
Repairs & maintenance	72 081 089	87 381 990	(15 300 901)	(17.51)	Budget control
Finance costs	16 032 429	14 900 000	1 132 429	7.60	Change in financing rules
Bulk purchases	244 574 707	217 000 000	27 574 707	12.71	Increase in bulk purchases/price
Grants & subsidies paid	220 000	500 000	(280 000)	(56.00)	Budget control
General expenses	145 433 929	127 668 290	17 765 639	13.92	Budget control
Total Expenditure	932 300 582	781 020 000	151 280 582	19.37	
NET SURPLUS/(DEFICIT) FOR THE YEAR	785 431 935	563 906 000	221 525 935		

APPENDIX E (2)
ACTUAL CAPITAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)
FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual R	2009 Under Construction R	2009 Total Additions R	2009 Budget R	2009 Variance R	2009 Variance %	Explanations of significant variances greater than 5% versus budget
EXECUTIVE & COUNCIL	-	-	-	-	-	-	
Executive & Council	-	-	-	-	-	-	
BUDGET & TREASURY OFFICE	300 076	-	300 076	347 900	(47 824)	(13.75)	
Finance	300 076	-	300 076	347 900	(47 824)	(13.75)	Underspending/ contract less than budget amount
CORPRATE SERVICES	22 131 039	-	22 131 039	39 038 000	(16 906 961)	(43.31)	
Human Resources	18 347	-	18 347	24 000	(5 653)	(23.55)	Underspending/ contract less than budget amount
Information Technology	8 185 533	-	8 185 533	17 986 900	(9 801 367)	(54.49)	Underspending/ contract less than budget amount
Property Services	4 937 656	-	4 937 656	9 035 600	(4 097 944)	(45.35)	Underspending/ contract less than budget amount
Other & Admin	8 989 503	-	8 989 503	11 991 500	(3 001 997)	(25.03)	Underspending/ contract less than budget amount
PLANNING & DEVELOPMENT	31 868 172	-	31 868 172	63 115 500	(31 247 328)	(49.51)	
Planning & Development	31 868 172	-	31 868 172	63 115 500	(31 247 328)	(49.51)	Underspending/ contract less than budget amount
ROAD TRANSPORT	219 698 014	-	219 698 014	280 373 900	(60 675 886)	(21.64)	
Vehicle Licensing & Testing	4 581	-	4 581	7 200	(2 619)	(36.38)	Underspending/ contract less than budget amount
Roads & Stormwater	219 693 433	-	219 693 433	280 366 700	(60 673 267)	(21.64)	Underspending/ contract less than budget amount
Roads Other	-	-	-	-	-	-	
HEALTH	50 577	-	50 577	68 400	(17 823)	(26.06)	
Clinics	40 893	-	40 893	59 400	(18 507)	(31.16)	Underspending/ contract less than budget amount
Health Other	9 684	-	9 684	9 000	684	7.60	
COMMUNITY & SOCIAL	8 107 841	-	8 107 841	25 734 100	(17 626 259)	(68.49)	
Libraries & Archives	2 436 718	-	2 436 718	3 747 800	(1 311 082)	(34.98)	Underspending/ contract less than budget amount
Museums	2 179 797	-	2 179 797	4 732 500	(2 552 703)	(53.94)	Underspending/ contract less than budget amount
Community Halls & Facilities	3 427 458	-	3 427 458	6 265 800	(2 838 342)	(45.30)	Underspending/ contract less than budget amount
Cemeteries & Crematoriums	61 058	-	61 058	985 000	(923 942)	(93.80)	Underspending/ contract less than budget amount
Othet Facilities	2 810	-	2 810	10 003 000	(10 000 190)	(99.97)	Project abandoned
ENVIRONMENTAL PROTECTION	692 850	-	692 850	912 700	(219 850)	(24.09)	
Pollution control	7 049	-	7 049	8 000	(951)	(11.89)	Underspending/ contract less than budget amount
Biodiversity & landscape	685 801	-	685 801	904 700	(218 899)	(24.20)	Underspending/ contract less than budget amount
PUBLIC SAFETY	13 323 129	-	13 323 129	24 177 000	(10 853 871)	(44.89)	
Police	12 104 006	-	12 104 006	13 081 100	(977 094)	(7.47)	Underspending/ contract less than budget amount
Fire	1 219 123	-	1 219 123	7 402 500	(6 183 377)	(83.53)	Underspending/ contract less than budget amount
Street Lighting	-	-	-	3 693 400	(3 693 400)	(100.00)	Project abandoned
SPORT & RECREATION	493 057 443	-	493 057 443	430 052 700	63 004 743	14.65	
Sport & Recreation	493 057 443	-	493 057 443	430 052 700	63 004 743	14.65	Additional funds received from NT
WASTE WATER MANAGEMENT	46 676 226	-	46 676 226	73 752 600	(27 076 374)	(36.71)	
Sewerage	46 604 203	-	46 604 203	69 712 000	(23 107 797)	(33.15)	Underspending/ contract less than budget amount
Public Toilets	72 023	-	72 023	4 040 600	(3 968 577)	(98.22)	Project abandoned
WASTE MANAGEMENT	14 706 085	-	14 706 085	20 178 500	(5 472 415)	(27.12)	
Solid Waste	14 706 085	-	14 706 085	20 178 500	(5 472 415)	(27.12)	Underspending/ contract less than budget amount
HOUSING	-	-	-	320 200	(320 200)	-	
Housing	-	-	-	320 200	(320 200)	-	Project abandoned
WATER	98 316 705	-	98 316 705	156 394 600	(58 077 895)	(37.14)	
Water Distribution	91 473 689	-	91 473 689	149 088 100	(57 614 411)	(38.64)	Underspending/ contract less than budget amount
Water Storage	6 843 016	-	6 843 016	7 306 500	(463 484)	(6.34)	Underspending/ contract less than budget amount
ELECTRICITY	102 322 606	-	102 322 606	129 642 900	(27 320 294)	(21.07)	
Electricity Distribution	102 322 606	-	102 322 606	129 642 900	(27 320 294)	(21.07)	Underspending/ contract less than budget amount
TOTAL	1 051 250 763	-	1 051 250 763	1 244 109 000	(192 858 237)	(15.50)	

**APPENDIX F
DISCLOSURE OF GRANTS AND SUBSIDIES**

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Name of Grants		Quarterly receipts					Quarterly Expenditure for the Year					Delay withheld	Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Sep	Dec	March	June	Total	Sep	Dec	March	June	Total					
Equitable Share	DPLG	60 449 956	45 337 467	82 749 460		188 536 883	47 134 220	47 134 220	47 134 220	47 134 223	188 536 883	No	188 537 000		Not Applicable	Not Applicable
PTIF	NDT	47 700 000	48 000 000	47 507 000		143 207 000	5 854 040	17 209 044	35 959 821	113 919 555	172 942 460	No	143 207 000		Yes	Not Applicable
NEP	DME			26 488 000		26 488 000	20 416	4 815 375	11 522 643	14 732 686	31 091 120	No	26 488 000		Yes	Not Applicable
Financial Management Grants	National Treasury	500 000				500 000	0	0	0	5 037 537	5 037 537	No	500 000		Yes	Not Applicable
MIG Grants	DPLG	27 050 000	55 250 000	24 289 000		106 589 000	17 767 830	39 766 661	14 295 535	59 748 033	131 578 059	No	113 654 000		Yes	Not Applicable
2010 Stadium	DSR	27 300 000	9 100 000	195 000 000	53 025 930	284 425 930	112 478 350	131 266 701	78 344 135	108 561 516	430 650 702	No	286 000 000		Yes	Not Applicable
Water	DWAF	4 933 000	2 907 000	7 907 000	2 690 000	18 437 000		1 579 117	5 083 639	5 153 072	11 815 828	No	22 065 000		Yes	Not Applicable
NBHDG	National Treasury					0				0	0	Yes	2 000 000	None	Yes	Not Applicable
MSIP	DPLG	400 000				400 000				1 315 770	1 315 770	No	400 000		Yes	Not Applicable
Limpopo Prov Govt	Limpopo Prov G	500 000				500 000			500 000		500 000	No	0		Yes	Not Applicable
Capricorn District Mun	CDM		2 700 000	1 794 660		4 494 660	714 482	774 446	294 660	451 898	2 235 486	No	0		Yes	Not Applicable
National Heritage Council	National Heritag	25 000		25 000		50 000					0	No	0		Yes	Not Applicable
Convention Centre	DPLG	23 526 000				23 526 000	14 673 601	5 902 690			20 576 291	No	0		Yes	Not Applicable
		192 383 956	163 294 467	385 760 120	55 715 930	797 154 473	198 642 939	248 448 254	193 134 653	356 054 290	996 280 136		782 851 000			