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**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2006**

	NOTE	2006 R	2005 R
<b>NET ASSETS &amp; LIABILITIES</b>			
<b>Net Assets</b>		<b>527 176 285</b>	<b>338 465 828</b>
Reserves	1	305 393 027	171 540 990
Accumulated Surplus		221 783 257	166 924 837
<b>Current Liabilities</b>		<b>63 992 111</b>	<b>76 662 207</b>
Provisions	2	2 380 885	450 000
Creditors	3	13 978 462	61 523 489
Unspent Conditional Grant	4	35 504 243	14 572 257
Bank Overdraft		12 128 522	116 461
		<u><b>591 168 396</b></u>	<u><b>415 128 035</b></u>
<b>ASSETS</b>			
<b>Non Current Assets</b>		<b>575 975 485</b>	<b>412 404 916</b>
Property, Plant & Equipment	5	139 777 776	76 467 619
Work in progress		154 580 123	130 234 165
Investments	6	281 156 850	204 000 000
Long - term receivables	7	460 736	1 703 132
<b>Current Assets</b>		<b>15 192 911</b>	<b>2 723 118</b>
Sundry Debtors	8	14 734 253	1 841 176
Cash on hand		1 200	1 200
Current - Portion of long -term debtors	8	457 458	880 742
		<u><b>591 168 396</b></u>	<u><b>415 128 035</b></u>

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2006**

BUDGET			ACTUAL	
2005	2006	Note	2006	2005
R	R		R	R
<b><u>REVENUE</u></b>				
16 300 000	21 000 000	Establishment Levies	9 16 671 154	11 324 373
6 700 000	9 000 000	Services Levies	9 12 805 358	11 628 034
1 500 000	1 500 000	Interest on current account	1 879 970	1 320 127
350 000	209 000	Interest on car loans	158 855	294 431
5 000 000	6 500 000	Interest on Investment	25 366 254	12 376 322
348 578 354	249 420 284	Grant & Subsidies	10 213 904 650	239 534 675
300 000	300 000	Royalties	52 254	289 239
150 000	150 000	Application for Tender Documents	183 817	277 091
13 440	14 220	Office Rental	11 885	16 175
36 000	36 000	Telephone Recharge	39 638	39 940
0	0	Penalties	9 252	0
1 000	1 000	Sundry	235 475	2 706
0	0	Health Campaign	480 000	0
<b><u>378 928 794</u></b>	<b><u>288 130 504</u></b>		<b><u>271 798 562</u></b>	<b><u>277 103 112</u></b>
<b><u>EXPENDITURE</u></b>				
29 549 623	36 586 886	Employee related costs	11 24 499 949	24 450 137
1 183 126	3 437 451	Remuneration of councilors	12 2 999 505	2 872 586
3 080 000	4 500 000	Commission : Levies	13 3 432 459	2 979 473
0	1 000 000	Depreciation	6 826 961	3 310 568
2 384 470	1 123 196	Repairs & Maintenance	14 304 413	568 174
63 389 570	72 683 717	General Expenses	15 47 107 234	32 466 324
<b><u>99 586 789</u></b>	<b><u>119 331 250</u></b>		<b><u>85 170 522</u></b>	<b><u>66 647 261</u></b>
<b><u>279 342 005</u></b>	<b><u>168 799 254</u></b>	<b>SURPLUS FOR THE YEAR</b>	<b><u>186 628 040</u></b>	<b><u>210 455 851</u></b>

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>FUTURE DEPRECIATION RESERVE</b>	<b>GOVERNMENT GRANTS &amp; RESERVES</b>	<b>CAPITALISATION RESERVE</b>	<b>ASSET REPLACEMENT RESERVE</b>	<b>SELF INSURANCE RESERVE</b>	<b>ACCUMULATED SURPLUS</b>	<b>TOTAL</b>
<b>2005</b>							
<b>Balance as at 1 July 2004</b>						<b>130 092 393</b>	<b>130 092 393</b>
Surplus for the year						210 455 851	210 455 851
Transfer to Asset Replacement Reserve				3 281 828		-3 281 828	0
Property, Plant and Equipment Purchased			2 082 417			-2 082 417	0
Capital Grant used to Purchase PPE		168 259 162				-168 259 162	0
Contribution to Self Insurance Reserve						0	0
Offsetting Depreciation						0	0
<b>Balance as at 30 June 2005</b>	<b>0</b>	<b>168 259 162</b>	<b>2 082 417</b>	<b>3 281 828</b>	<b>0</b>	<b>166 924 837</b>	<b>340 548 244</b>
<b>Restated Balance as at 1 July 2005</b>	<b>0</b>	<b>168 259 162</b>	<b>2 082 417</b>	<b>3 281 828</b>	<b>0</b>	<b>166 924 837</b>	<b>340 548 244</b>
Surplus for the year						186 628 040	186 628 040
Transfer to Asset Replacement Reserve				6 826 961		-6 826 961	0
Property, Plant and Equipment Purchased			350 367			-350 367	0
Capital Grant used to Purchase PPE		124 083 377				-124 083 377	0
Contribution to Self Insurance Reserve					508 915	-508 915	0
Offsetting Depreciation						0	0
<b>Balance as at 30 June 2006</b>	<b>0</b>	<b>292 342 540</b>	<b>2 432 784</b>	<b>10 108 789</b>	<b>508 915</b>	<b>221 783 257</b>	<b>527 176 285</b>

## **GREATER SEKHUKHUNE DISTRICT MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

#### **1. BASIS OF PRESENTATION**

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

(First time implementation of GAMAP/GRAP)

In accordance with section 122(3) of the Municipal Finance Management Act (Act No 56 of 2003), the municipality has adopted Standards of GAMAP and GRAP issued by the Accounting Standards Board during the financial year. GAMAP and GRAP standards are fundamentally different to the fund accounting policies adopted in previous financial years. Comparative amounts have been restated retrospectively to the extent possible.

#### **2. PRESENTATION CURRENCY**

These annual financial statements are presented in South African currency.

#### **3. GOING CONCERN ASSUMPTION**

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

#### **4. RESERVES**

##### *Government Grant Reserve*

When items of property, plant and equipment are financed 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.

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to accumulated surplus.

##### *Self Insurance Reserve*

The municipality has a self insurance reserve to set aside amounts to offset potential losses or claims that are below the excess amounts. The balance of the self insurance reserve is invested in short term cash investments.

##### *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 this reserve to the accumulated surplus/(deficit).

### *Asset Replacement Reserve (ARR)*

This reserve has been established to finance the provision of infrastructure and other items of property, plant and equipment from internal sources. An amount equal to the reserve is held in an investment account. This cash can only be used to finance items of property, plant and equipment. The ARR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amount in the ARR are utilised.

## **5. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment is stated at cost less accumulated depreciation. The general valuation of land and buildings will be effected by the B - municipality in terms of the Local Government: Municipal Property Rates Act (Act 6 of 2004).

Depreciation is calculated on cost, using the straight line method, over the estimated useful life of the asset. The useful life of assets is scheduled in the Asset management policy of the council.

Incomplete construction work is stated at historic cost. Depreciation only commences when the asset is in use.

## **6. INVESTMENTS**

Investments are shown at market value and invested in accordance with council investment policy.

## **7. ACCOUNTS RECEIVABLE**

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on outstanding amounts at year end. Bad debts are written off in the year they are identified.

## **8. TRADE CREDITORS**

Trade creditors are stated at their nominal value.

## **9. REVENUE RECOGNITION**

Revenue from regional levies, both those based on turnover and remuneration, is recognised on the payment due basis.

## **10. CONDITIONAL GRANTS AND RECEIPTS**

Revenue received from conditional grants 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 recognised.

## **11. PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events.

## **12. CASH AND CASH EQUIVALENTS**

Cash includes cash on hand.

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>1. RESERVES</b>		
Future Depreciation Reserve	0	0
Government Grant Reserve	292 342 540	168 259 162
Capitalisation Reserve	2 432 784	2 082 417
Asset Replacement Reserve	10 108 789	3 281 828
Self Insurance Reserve	508 915	0
	<u><b>305 393 027</b></u>	<u><b>173 623 407</b></u>
<b>2. PROVISIONS</b>		
13th Cheque	513 499	0
Leave	1 409 892	450 000
Performance Bonus	457 494	0
	<u><b>2 380 885</b></u>	<u><b>450 000</b></u>
<b>3. CREDITORS</b>		
Makhuduthamaga Municipality	0	11 679 986
Fetakgomo Municipality	0	2 137 443
Trade creditors	5 436 252	23 848 761
Third Party Payments	383 360	0
Retentions	8 158 850	21 727 810
Sundry	0	2 129 488
	<u><b>13 978 462</b></u>	<u><b>61 523 489</b></u>
<b>4. UNSPENT CONDITIONAL GRANTS</b>		
Water & Sanitation	9 779 819	9 749 471
Municipal Finance Grant	344 169	698 740
Municipal Infrastructure Grant (MIG)	18 933 095	1 593 080
Community Development Workers	1 294 991	1 294 991
Municipal Support Programme	25 261	190 351
CMTF	4 702	0
Fire Station	4 000 000	0
Transport Plan Grant	850 000	0
Municipal Support Improvement Grant	272 205	1 045 625
	<u><b>35 504 243</b></u>	<u><b>14 572 257</b></u>

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

**5. PROPERTY, PLANT AND EQUIPMENT**

<b>As at 30 June 2006</b>	<b>Cost R</b>	<b>Accumulated Depreciation R</b>	<b>Carrying Value R</b>
Land and Buildings	2 152 843	77 617	2 075 225
Infrastructure	137 066 285	7 079 002	129 987 283
Other	10 637 141	2 921 873	7 715 268
<b>Total Property Plant and Equipment</b>	<b><u>149 856 269</u></b>	<b><u>10 078 492</u></b>	<b><u>139 777 776</u></b>

<b>As at 30 June 2005</b>	<b>Cost R</b>	<b>Accumulated Depreciation R</b>	<b>Carrying Value R</b>
Land and Buildings	1 899 380	77 164	1 822 216
Infrastructure	76 428 228	5 148 639	71 279 590
Other	6 060 198	2 694 385	3 365 813
<b>Total Property Plant and Equipment</b>	<b><u>84 387 806</u></b>	<b><u>7 920 187</u></b>	<b><u>76 467 619</u></b>

	<b>2006 R</b>	<b>2005 R</b>
<b>6. INVESTMENTS</b>		
Standard Bank	10 000 000	81 000 000
First national Bank	23 653 422	75 000 000
ABSA	92 503 428	48 000 000
Stanlib	85 000 000	0
Rand Merchant Bank	70 000 000	0
	<b><u>281 156 850</u></b>	<b><u>204 000 000</u></b>

Average Interest on Investment	9.02%	6.07%
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**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>7. LONG - DEBTORS</b>		
Car loans	918 194	2 583 874
Less: Short term portion transferred to Current Assets	<u>-457 458</u>	<u>-880 742</u>
	<u><b>460 736</b></u>	<u><b>1 703 132</b></u>

Staff with traveling allowance were entitled to car loan which attracted 8.50% per annum and which are repayable over a maximum of 5 years. These loans were granted before implementation of the MFMA and last of the loans are redeemable by 2009.

**8. DEBTORS**

RSC Debtors	362 252	281 269
Grants & Subsidies	224 237	0
Sundry Debtors	<u>17 462 148</u>	<u>1 659 907</u>
Current debtors	18 048 637	1 941 176
Amounts paid in advance	<u>0</u>	<u>0</u>
	18 048 637	1 941 176
Less: Provision for bad debts	-2 396 190	-100 000
Car loans	<u>-918 194</u>	<u>0</u>
	<u><b>14 734 253</b></u>	<u><b>1 841 176</b></u>

*Analysis of Debtors - Age in Days*

As at 30 June 2006	Total	Current	31 - 60	61 - 90	91 - 120	+120
RSC Debtors	362 252	189 279	172 973	0	0	0
Grants & Subsidies	224 237	0	0	0	0	224 237
Sundry	<u>17 462 148</u>	<u>16 974 411</u>	<u>49 136</u>	<u>-1 429 643</u>	<u>-269 820</u>	<u>2 138 063</u>
	<u><b>18 048 636</b></u>	<u><b>17 163 689</b></u>	<u><b>222 109</b></u>	<u><b>-1 429 643</b></u>	<u><b>-269 820</b></u>	<u><b>2 362 300</b></u>
As at 30 June 2005	Total	Current	31 - 60	61 - 90	91 - 120	+120
RSC Debtors	281 289	-147 003	59 073	390 657	92 503	-113 940
Sundry	<u>1 941 176</u>	<u>151 105</u>	<u>173 587</u>	<u>-167 279</u>	<u>-106 374</u>	<u>1 890 138</u>
	<u><b>2 222 466</b></u>	<u><b>4 102</b></u>	<u><b>232 660</b></u>	<u><b>223 378</b></u>	<u><b>-13 871</b></u>	<u><b>1 776 197</b></u>

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>9. REGIONAL SERVICE COUNCIL LEVIES</b>		
Provisional RSC Levies are not raised where the levy payer failed to submit the declaration of actual liabilities		
<b>10. GOVERNMENT GRANTS &amp; SUBSIDIES</b>		
Equitable Share	86 738 619	62 922 135
Sport & Recreation	0	2 523 723
Water & Sanitation	18 923 393	9 018 259
Municipal Finance Grant	354 571	212 847
Municipal Infrastructure Grant (MIG)	105 159 985	157 814 098
Community Development Workers	0	753 150
Municipal Support Programme	165 090	535 088
CMTF	595 298	0
Fire Station	0	0
Transport Plan Grant	0	0
Municipal Support Improvement Grant	1 923 420	4 317 541
Annual Financial Statement Support	44 275	11 029
Community Based Public Works Program	0	1 426 805
	<u><b>213 904 650</b></u>	<u><b>239 534 675</b></u>

**Equitable Share**

Of this grant R16 627 748 was used to subsidise the provision of basic services to indigent communities

**Sports & Recreation**

Balance unspent at the beginning of the year	209 621	85 898
Current year receipt	0	-2 400 000
Adjustment	0	0
Conditions met - transferred to revenue	0	2 523 723
Condition still to be met	<u><b>209 621</b></u>	<u><b>209 621</b></u>

This grant was used to fund the construction of Sport Complex in Fetakgomo and Makhuduthamaga.

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>Water &amp; Sanitation</b>		
Balance unspent at the beginning of the year	-9 749 471	-10 578 011
Current year receipt	-18 953 741	-8 189 718
Conditions met - transferred to revenue	<u>18 923 393</u>	<u>9 018 259</u>
Condition still to be met	<u><b>-9 779 819</b></u>	<u><b>-9 749 471</b></u>
<p>This grant was used to fund the construction of infrastructure asset for the District . Other than the amount unspent, the conditions of the grant have been met. No funds have been withheld.</p>		
<b>Municipal Finance Grant</b>		
Balance unspent at the beginning of the year	-698 740	-911 587
Current year receipt	0	0
Conditions met - transferred to revenue	<u>354 571</u>	<u>212 847</u>
Condition still to be met	<u><b>-344 169</b></u>	<u><b>-698 740</b></u>
<p>This grant was used to run the Finance Internship Programme</p>		
<b>Municipal Infrastructure Grant</b>		
Balance unspent at the beginning of the year	-1 593 080	-580 766
Current year receipt	-122 500 000	-158 826 412
Conditions met - transferred to revenue	<u>105 159 985</u>	<u>157 814 098</u>
Condition still to be met	<u><b>-18 933 095</b></u>	<u><b>-1 593 080</b></u>
<p>This grant was used to fund the construction of infrastructure asset for the District . Other than the amount unspent, the conditions of the grant have been met.</p>		
<b>Community Development Workers</b>		
Balance unspent at the beginning of the year	-1 294 991	-2 048 142
Current year receipt	0	0
Conditions met - transferred to revenue	<u>0</u>	<u>753 150</u>
Condition still to be met	<u><b>-1 294 991</b></u>	<u><b>-1 294 991</b></u>

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>Municipal Support Programme</b>		
Balance unspent at the beginning of the year	-190 351	0
Current year receipt	0	-725 439
Conditions met - transferred to revenue	165 090	535 088
Condition still to be met	<u>-25 261</u>	<u>-190 351</u>

**CMTG Grant**

Balance unspent at the beginning of the year	0	0
Current year receipt	-600 000	0
Conditions met - transferred to revenue	595 298	0
Condition still to be met	<u>-4 702</u>	<u>0</u>

**Fire Station**

Balance unspent at the beginning of the year	0	0
Current year receipt	-4 000 000	0
Conditions met - transferred to revenue	0	0
Condition still to be met	<u>-4 000 000</u>	<u>0</u>

This grant is for building of Fire Station in Greater Tubatse Municipality  
No funds have been withheld.

**Transport Plan Grant**

Balance unspent at the beginning of the year	0	0
Current year receipt	-850 000	0
Conditions met - transferred to revenue	0	0
Condition still to be met	<u>-850 000</u>	<u>0</u>

This grant is to develop a District Transport Plan  
No funds have been withheld.

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>Municipal Support Improvement Grant</b>		
Balance unspent at the beginning of the year	-1 045 625	-1 463 166
Current year receipt	-1 150 000	-3 900 000
Conditions met - transferred to revenue	1 923 420	4 317 541
Condition still to be met	<u><u>-272 205</u></u>	<u><u>-1 045 625</u></u>

This grant was used to fund the local municipality on capacity building programmes. Other than the amount unspent, the conditions of the grant have been met. No funds have been withheld.

**Annual Financial Statement Support**

Balance unspent at the beginning of the year	-88 971	0
Current year receipt	0	-100 000
Adjustment	0	0
Conditions met - transferred to revenue	44 275	11 029
Condition still to be met	<u><u>-44 696</u></u>	<u><u>-88 971</u></u>

This grant was used to fund the construction of infrastructure asset for the District . Other than the amount unspent, the conditions of the grant have been met. No funds have been withheld.

**Community Based Public Works Program**

Balance unspent at the beginning of the year	14 616	-1 412 189
Current year receipt	0	0
Adjustment	0	0
Conditions met - transferred to revenue	0	1 426 805
Condition still to be met	<u><u>14 616</u></u>	<u><u>14 616</u></u>

This grant was used to fund the construction of infrastructure asset for the District . Other than the amount unspent, the conditions of the grant have been met. No funds have been withheld.

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>11. EMPLOYEE RELATED COSTS</b>		
Salaries & Wages	17 762 076	20 785 351
Accumulated Leave Pay	775 335	275 455
Overtime	388 563	183 478
Group Life Insurance	135 690	10 645
Housing Allowance	33 755	16 179
Medical Aid	644 234	291 728
Pension	2 041 329	1 117 142
Industrial Council Levy	2 012	824
Travel Allowance	1 493 608	1 242 985
Telephone Allowance	487 242	463 416
Unemployment Insurance Fund	102 832	37 543
Workman Compensation	500 000	25 392
Skills Development Levy	133 273	0
Performance Bonus	0	0
	<u><b>24 499 949</b></u>	<u><b>24 450 137</b></u>
<b>12. REMUNERATION TO COUNCILORS</b>		
Executive Mayor	324 571	324 571
Speaker	269 427	269 427
Mayoral Committee Members	1 320 126	1 380 939
Ordinary Councilors	1 136 217	948 485
Councilors' Medical Aid Contribution	36 504	36 504
Councilors' Pension Contribution	246 908	246 908
	<u><b>3 333 753</b></u>	<u><b>3 206 834</b></u>
	2 999 505	2 872 586
	334 248	334 248

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

**Remuneration to Senior Managers**

<b>2006</b>	<b>Total</b>	<b>Basic</b>	<b>Travelling</b>	<b>Cellphone</b>	<b>Group</b>
	<b>R</b>	<b>Salary</b>	<b>Allowance</b>	<b>Allowance</b>	<b>Life</b>
		<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Municipal Manager	634 753	475 805	137 500	18 000	3 448
Chief Financial Officer	514 161	413 335	84 000	12 000	4 826
Manager : Corporate Services	504 655	392 670	93 514	12 000	6 471
Manager : Technical Services	460 092	374 040	72 000	12 000	2 052
Manager : Planning	214 100	184 620	15 380	12 000	2 100
Manager : Strategic Management	433 800	360 000	60 000	12 000	1 800
Manager : Community Services	462 247	334 560	111 480	12 000	4 207
Manager : Office of the Executive Mayor	434 524	372 000	48 000	12 000	2 524
	<b>3 658 331</b>	<b>2 907 029</b>	<b>621 874</b>	<b>102 000</b>	<b>27 428</b>

<b>2005</b>	<b>Total</b>	<b>Basic</b>	<b>Travelling</b>	<b>Cellphone</b>	<b>Group</b>
	<b>R</b>	<b>Salary</b>	<b>Allowance</b>	<b>Allowance</b>	<b>Life</b>
		<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Municipal Manager	605 548	446 600	137 500	18 000	3 448
Chief Financial Officer	490 478	389 652	84 000	12 000	4 826
Manager : Corporate Services	481 503	369 518	93 514	12 000	6 471
Manager : Technical Services	438 852	352 800	72 000	12 000	2 052
Manager : Planning	296 767	218 667	64 000	12 000	2 100
Manager : Strategic Management	413 800	340 000	60 000	12 000	1 800
Manager : Community Services	441 007	313 320	111 480	12 000	4 207
Manager : Office of the Executive Mayor	414 524	352 000	48 000	12 000	2 524
	<b>3 582 479</b>	<b>2 782 557</b>	<b>670 494</b>	<b>102 000</b>	<b>27 428</b>

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

**REMUNERATION TO COUNCILORS**

<b>2006</b>	<b>Total</b>	<b>Basic Salary/ Personal Allowance</b>	<b>Traveling Allowance &amp; Claims</b>	<b>Cellphone Allowance</b>	<b>Housing Allowance</b>
Executive Mayor	324 571	220 576	55 144	12 684	36 167
Speaker	269 427	176 461	44 115	12 684	36 167
Mayoral Committee Members	1 320 126	770 936	485 830	63 360	0
Ordinary Councilors	1 136 217	478 081	412 616	245 520	0
Councilors' Medical Aid Contribution	36 504	36 504	0	0	0
Councilors' Pension Contribution	246 908	246 908	0	0	0
	<b>3 333 753</b>	<b>1 929 466</b>	<b>997 705</b>	<b>334 248</b>	<b>72 334</b>

<b>2005</b>	<b>Total</b>	<b>Basic Salary/ Personal Allowance</b>	<b>Traveling Allowance &amp; Claims</b>	<b>Cellphone Allowance</b>	<b>Housing Allowance</b>
Executive Mayor	324 571	220 576	55 144	12 684	36 167
Speaker	269 427	176 461	44 115	12 684	36 167
Mayoral Committee Members	1 380 939	770 936	546 643	63 360	0
Ordinary Councilors	948 485	478 081	224 884	245 520	0
Councilors' Medical Aid Contribution	36 504	36 504	0	0	0
Councilors' Pension Contribution	246 908	246 908	0	0	0
	<b>3 206 834</b>	<b>1 929 466</b>	<b>870 786</b>	<b>334 248</b>	<b>72 334</b>

Cellphone Allowance do not form part of Councilors Allowance but it is an allowance in terms of Gazette no: 27138

**In-kind Benefits**

The Executive Mayor, Speaker are employed full time, each is provided with an office and secretarial support at council's cost. The Executive Mayor have access to council owned vehicles for ceremonial and official functions. Mayoral committee members are employed part time. Executive Mayor has two full time bodyguard as per council resolution.



**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

**13. LEVIES**

The collection of regional levies was outsourced to Metropolitan Inspection Services cc on a commission basis for income collected. The structure of the commission was as follows:

Commission on first R 750 000 levy income collected	10%
Commission on levy income collected >R 750 000 and < R 1 250 000	15%
Commission on levy income collected > R 1 250 000	10%

	<b>2006</b>	<b>2005</b>
	<b>R</b>	<b>R</b>
<b>14. REPAIRS &amp; MAINTENANCE</b>		
Alteration on Building	291 897	0
Building Equipment	89 819	95 835
Computer Cabling & Repairs	66 220	0
Furniture, Office Machine/Equipment	1 120	4 409
Garden Services	11 830	0
Hardware Support	92 753	0
Network Maintenance	26 030	0
Occupational Safety Requirements	10 229	0
Regravelling & Patching (Fetakgomo)	-253 844	421 918
Tools & Equipment	2 625	8 425
Vehicles	349 881	37 587
	<b><u>688 560</u></b>	<b><u>568 174</u></b>

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

<b>15. GENERAL EXPENSES</b>	<b>2006</b>	<b>2005</b>
	<b>R</b>	<b>R</b>
Accommodation	1 370 508	1 108 681
Advertising	587 186	400 068
Aged Care	84 625	0
Annual Report Publication	128 282	0
Asset Management	3 871	0
Audit Fees - External	159 435	105 935
Audit Fees - Internal	425 809	152 667
Awareness Campaign	473 976	452 876
Bank Charges	92 255	109 515
Book: Technical Reference	10 005	1 648
Budget Process	88 368	20 847
Bulk Paper	160 842	0
Bursaries - Staff	108 799	102 918
Capacity Building - Traditional Leaders	798 516	0
Children Care	27 973	0
Civic Courtesy	129 028	248 264
Cleaning Material	60 250	19 134
Computer Consumables	56 341	65 696
Conference and Workshop	853 034	1 178 112
Co-ordination of Forums	12 651	3 175
Customer Care Dev Service Strategy	151 150	0
Design Server Room	93 660	0
Development of Five Year Review	131 579	0
Development of Skills - WPSDP	17 930	540 000

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>15. GENERAL EXPENSES - CONT</b>		
Development Plans for 5 Nodes	1 129 165	1 075 903
Development Systems, Policies & Bylaws	6 902	0
District Management System	420 000	350 000
District Shared Service Centre	68 856	50 892
Donation	45 743	7 250
Electricity & Water	87 339	84 170
Emergency Lights	45 659	0
Entertainment - Speaker	43 751	64 579
Entertainment - Head of Departments	71 113	61 654
Entertainment - Mayor	69 925	90 775
EPWP Facilities	10 138	0
Excess Insurance	3 070	7 894
Exploration of S78 Process	828 103	500 000
Farmers Assistance	231 056	0
Free Basic Water	16 627 748	9 665 274
Fuel	530 855	334 145
GAMAP/GRAP Compliance	115 000	0
Geographic Name Change	5 543	0
Gravesite Plan	20 204	5 071
Growth & Development	609 690	0
Health Campaign	514 521	844 358
Heritage Celebration	3 000	0
IDP - Alignment of Sector Plans	61	460 580
Improvement of Pension Paypoint	88 041	0
Insurance	935 920	1 171 247
Inter Governmental Relations & Forums	420 557	590 756
International Relations	118 605	257 498
Integrated Waste Management	499 067	414 000
Interview Costs	39 551	446 345
Kitchen Utensils	9 350	4 999
Knowledge of Man Centre	237 917	0
Lease : Office Equipment	679 192	412 109
Lease ISP & Data Line	75 103	98 465
Lease Vehicle	31 774	0
LED- Profiling of the District	552 000	0
LED-Forums	7 023	0
LED-Marketing of the District	145 260	0
Legal Costs	203 280	9 519

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>15. GENERAL EXPENSES - CONT</b>		
Licence - Motor Vehicles	13 382	2 467
Literature and Publication	2 157	6 029
Manager's Forum	23 800	20 687
Medicines	457	496
Membership Fees	123 499	782 681
Mitigation Strategy	200 450	0
Moral Regeneration	3 400	0
News Letter Production	4 369	10 429
Newspapers	3 176	2 185
Non-Motorised Transport Plan	125 840	0
Office Rental	620 424	288 906
Operations & Maintenance	2 046 340	1 890 832
Outreach Programme	1 196 028	997 511
People with Disability	3 714	743
PMS Reviews	338 302	507 410
Postage	18 743	32 516
Pot Plants & Flowers	3 977	3 500
Printing & Stationery	118 870	428 130
Publicity	397 166	292 599
Receptions	1 551	0
Refreshment	99 434	70 598
Relief Fund	325 707	707 306
Relocation Expense	16 441	5 360
Road Master Plan	701 522	0
Security	1 195 183	1 132 627
Small, Medium, Micro Enterprise	1 017 544	220 000
Software Licence	37 948	0
Software Rental	40 526	0
Software Support	256 642	236 508
Special Operation - High Tensity Day	51 655	0
Sport Advancement & Promotion	409 278	64 515
State of District Address	492 741	306 396
Study Assistance	368 033	0
Subscription	6 931	3 692
Sundries	2 603	6 391
Support to Ward Committees	198 175	97 500
Telephone	1 103 935	992 579
Tracking Device	19 026	9 566
Training Material / Capacity Building	511 842	155 523

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>15. GENERAL EXPENSES - CONT</b>		
Traveling & Subsistence - Administration	1 348 623	795 471
Voter Education	470 315	0
Water Summit	1 578 752	0
Website Development	10 719	205 665
Woman Development Initiatives	2 136	568 935
Youth / Junior Council	39 722	103 556
	<u>47 107 234</u>	<u>32 466 324</u>
<b>16. CASH GENERATED BY OPERATIONS</b>		
Surplus for the year	186 628 040	9 552 708
Adjustment for : -	2 396 190	3 209 114
- Depreciation	16 606 144	450 000
- Contribution to Provisions	2 396 190	100 000
- Contribution to Bad Debt Provision	-27 405 079	-13 947 030
- Investment Income	189 024 230	12 761 822
<b>Operating Surplus Before Working Capital Changes</b>	<b>189 024 230</b>	<b>12 761 822</b>
<b>(Increase) / Decrease in Working Capital</b>	<b>-15 385 645</b>	<b>26 530 986</b>
- Decrease / (Increase) in Debtors	11 227 396	8 629 987
- Increase / (Decrease) in unspent Conditional Grant	20 931 985	17 901 000
- Increase / (Decrease) in Creditors	-47 545 027	17 901 000
<b>Cash Generated by Operations</b>	<u><b>173 638 585</b></u>	<u><b>39 292 808</b></u>
<b>17. UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>		
<b>17.1 Wasteful Expenditure</b>		
Opening Balance	3 408	0
Movement	267 296	3 408
<b>Closing Balance</b>	<u><b>270 704</b></u>	<u><b>3 408</b></u>

Council entered into a cell phone contract with Provider of Unique Communication Services (Pty) Ltd. The handsets and airtime are available but not used. These contract has been running for more than 12 months and will be expiring in October 2006.

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>18. ADDITIONAL DISCLOSURE IN TERMS OF MFMA</b>		
<b>Contribution to SALGA</b>		
Opening Balance	0	0
Council Subscription	111 104	782 681
Amount Paid	-111 104	-782 681
<b>Balance unpaid ( Included in creditors)</b>	<u><u>0</u></u>	<u><u>0</u></u>
 <b>Audit Fees</b>		
Opening Balance	0	0
Current Year Audit Fee	159 435	105 935
Amount Paid	-159 435	-105 935
<b>Balance unpaid ( Included in creditors)</b>	<u><u>0</u></u>	<u><u>0</u></u>
 <b>19. VALUE ADDED TAX (VAT)</b>		
VAT Input	5 006 859	4 890 988
VAT Output	369 731	308 019
<b>Balance (Included in Debtors)</b>	<u><u>4 637 129</u></u>	<u><u>4 582 969</u></u>

VAT is payable on payment basis. Only once payment has been received from debtors is VAT paid over to South African Revenue Services. All VAT returns have been submitted.

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>20. CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure		
- Approved and contracted for	138 528 245	174 548 925
Water & Sanitation	134 215 745	164 553 567
Community	323 600	7 912 942
Other	3 988 900	2 082 417
- Approved but not yet contracted for	52 871 449	119 481 707
Water & Sanitation	45 821 170	94 367 751
Community	3 807 679	11 990 794
Other	3 242 600	13 123 161
<b>Total</b>	<b>191 399 694</b>	<b>294 030 632</b>
This Expenditure will be financed from:		
- Government Grants	154 619 455	278 825 054
- Other Sources	36 780 239	15 205 578
	<b>191 399 694</b>	<b>294 030 632</b>

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

**21. RETIREMENT BENEFIT INFORMATION**

The Municipality provision for post-retirement benefit to eligible Councilors and employees who belong to different pension schemes. These Funds are governed by the Pension Fund Act and include both defined benefit and defined contribution schemes. Employees are members of either Municipal Employees Pension Fund, Municipal Gratuity Fund or SAMWU Provident Fund and the Councilors belong to Municipal Councilors Pension Fund. Employees who are not on total package contribute 7.5% and employer contributes 22%. Employees on total package choose how much to contribute. Councilors contribute 13.75% and employer contributes 15%.

**22. CONTINGENT LIABILITY**

An invoice of R62,2 million from Inkangala Water Board was received for water that was supplied on behalf of the Municipality without an agreement. The matter is in discussion with Inkangala Water Board, Department of Water Affairs and Council.

The municipality had become water authority in July 2003. A loan agreement was signed by the Greater Tubatse Municipality with Anglo Platinum for the provision of water in its area. The GSDM, being the successor in title, inherited such loan. The amount of the loan is being disputed by the GSDM. The loan initially was approximately R32 million and depended on final figures to be issued. Anglo Platinum has indicated its intention to reduce this amount. We still await a negotiated figure.







**APPENDIX B**  
**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2006**

Reconciliation of Carrying Value	Land and Building	Infrastructure	Community	Heritage	Other	Leased Asset	Housing	Total
<b>Carrying Values at 01 July 2005</b>	<b>1 127 706</b>	<b>71 279 590</b>	<b>0</b>	<b>0</b>	<b>3 365 813</b>	<b>0</b>	<b>0</b>	<b>75 773 109</b>
Cost	1 899 380	76 428 228	0	0	6 060 198	0	0	84 387 806
Accumulated Depreciation	771 674	5 148 639	0	0	2 694 385	0	0	8 614 697
Acquisitions	253 463	60 638 057	0	0	4 576 943	0	0	65 468 462
Assets Under Construction	0	0	0	0	0	0	0	0
Depreciation based on Cost	453	1 930 363	0	0	227 488	0	0	2 158 305
Carrying value of disposals	0	0	0	0	0	0	0	0
Cost	0	0	0	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
<b>Carrying Values at 30 June 2006</b>	<b>1 380 715</b>	<b>129 987 283</b>	<b>0</b>	<b>0</b>	<b>7 715 268</b>	<b>0</b>	<b>0</b>	<b>139 083 266</b>
Cost								
Accumulated Depreciation								
<b>Carrying Values at 01 July 2004</b>								
Cost								
Accumulated Depreciation								
Acquisitions								
Assets Under Construction								
Depreciation based on Cost								
Carrying value of disposals								
Cost								
Accumulated Depreciation								
Transfers								
<b>Carrying Values at 30 June 2005</b>	<b>1 127 706</b>	<b>71 279 590</b>	<b>0</b>	<b>0</b>	<b>3 365 813</b>	<b>0</b>	<b>0</b>	<b>75 773 109</b>
Cost	1 899 380	76 428 228	0	0	6 060 198	0	0	84 387 806
Accumulated Depreciation	771 674	5 148 639	0	0	2 694 385	0	0	8 614 697



**APPENDIX D**

**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY:  
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
30 JUNE 2006**

<b>2005</b>	<b>2005</b>	<b>2005</b>		<b>2006</b>	<b>2006</b>	<b>2006</b>
<b>ACTUAL</b>	<b>ACTUAL</b>	<b>SURPLUS/</b>		<b>ACTUAL</b>	<b>ACTUAL</b>	<b>SURPLUS/</b>
<b>INCOME</b>	<b>EXPENDITURE</b>	<b>(DEFICIT)</b>		<b>INCOME</b>	<b>EXPENDITURE</b>	<b>(DEFICIT)</b>
<b>R</b>	<b>R</b>	<b>R</b>		<b>R</b>	<b>R</b>	<b>R</b>
			Councillors Allowance - Full Time	0	955 987	-955 987
0	3 377 505	-3 377 505	Office of the Executive Mayor	0	11 097 063	-11 097 063
0	30 946 094	-30 946 094	Council General	30 151 102	5	30 151 096
0	149 250	-149 250	Wes Street	0	0	0
0	1 534 933	-1 534 933	Office of the Municipal Manager	0	4 479 336	-4 479 336
0	4 503 240	-4 503 240	Corporate Services	0	3 699 887	-3 699 887
0	0	0	Human Resource Management	0	4 213 633	-4 213 633
0	0	0	Fleet & Facilities	28 714	5 302 802	-5 274 088
37 568 437	2 806 845	34 761 592	Treasury	115 404 097	12 088 773	103 315 324
0	964 148	-964 148	Data Processing	0	1 820 092	-1 820 092
0	11 864 342	-11 864 342	Planning & Economic Development	198 618	8 361 700	-8 163 082
239 534 675	2 801 537	236 733 138	Technical	126 016 031	628 964	125 387 067
0	1 733 927	-1 733 927	Water & Sanitation		22 396 211	-22 396 211
0	421 918	-421 918	Roads, Transport, Electricity & Strom Water	0	2 402 217	-2 402 217
0	911 165	-911 165	PIMS	0	0	0
0	0	0	Health Services	0	1 223 452	-1 223 452
0	0	0	Public Safety	0	3 848 117	-3 848 117
0	0	0	Sports & Recreation	0	655 787	-655 787
0	4 632 357	-4 632 357	Community Services	0	1 996 495	-1 996 495
<b>277 103 112</b>	<b>66 647 261</b>	<b>210 455 851</b>		<b>271 798 562</b>	<b>85 170 522</b>	<b>186 628 040</b>



**APPENDIX E1**

**ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2006**

<b>REVENUE</b>	<b>2006 Budget</b>	<b>2006 Actual</b>	<b>2006 Variance</b>	<b>2006 Variance (%)</b>	<b>Explanation of significant variances greater than 10 % versus budget</b>
Levies	30 000 000	29 476 512	-523 488	-2%	
Interest on current account	1 500 000	1 879 970	379 970	25%	Due to poor spending,the money was invested and earned enough interest.
Interest on car loans	209 000	158 855	-50 145	-24%	Most employees settled their debt earlier than expected.
Interest on Investment	6 500 000	25 366 254	18 866 254	290%	Due to poor spending,the money was invested and earned enough interest.
Grant & Subsidies	249 420 284	213 904 650	-35 515 634	-14%	There have been slow progress on Mig spending due to poor planning.
Royalties	300 000	52 254	-247 747	-83%	Collection is based on the mining activities that was slow.
Application for Tender Documents	150 000	183 817	33 817	23%	More documents sold
Office Rental	14 220	11 885	-2 335	-16%	Space rented was reduced after the budget was finalized
Telephone Recharge	36 000	39 638	3 638	10%	
Penalties	0	9 252	9 252		Penalties on RD cheques
Sundry	1 000	235 475	234 475	23448%	Refund on SDL which was not budgetted
Health Campaign	0	480 000	480 000		
<b>Total revenue</b>	<b>288 130 504</b>	<b>271 798 562</b>	<b>16 331 942</b>	<b>6%</b>	
<b>EXPENDITURE</b>					
Employee related costs	36 586 886	24 499 949	-12 086 937	-33%	Slow pace on filling the post resulted on savings on salaries. We budget 8% increase on Senior Managers and effected 6%.
Remuneration of councilors	3 437 451	2 999 505	-437 946	-13%	
Commission : Levies	4 500 000	3 432 459	-1 067 541	-24%	Arrears on levies had reduced and the less accounts were sent to outsourced service provider for collection
Depreciation	1 000 000	682 696	-317 304	-32%	Detailed asset register was not in place during budget, which did not inform the depreciation
Repairs & Maintenance	1 123 196	304 413	-818 783	-73%	Most of projects are still on construction phase.
General Expenses	72 683 717	47 107 235	-25 576 483	-35%	There was slow pace on implementing some of the programmes which is caused by poor planning.
<b>Total expenditure</b>	<b>119 331 250</b>	<b>79 026 257</b>	<b>40 304 993</b>	<b>34%</b>	
<b>NET SURPLUS/DEFICIT FOR THE</b>	<b>168 799 254</b>	<b>192 772 305</b>	<b>(23 973 051)</b>	<b>-28%</b>	





APPENDIX F

0

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA

NAME OF GRANT	FUNDER	QUARTERLY RECEIPTS					QUARTERLY EXPENDITURE					TOTAL
		SEPTEMBER R'000	December R'000	MARCH R'000	JUNE R'000	TOTAL R'000	SEPTEMBER R'000	DECEMBER R'000	MARCH R'000	JUNE R'000	TOTAL R'000	
Sport & Recreation		0	0	0	0	0						0
Water & Sanitation	DWAF	10 767 975	191 000	12 042 083	5 702 154	28 703 212	3 637 044	1 440 690	1 506 371	12 339 288	18 923 393	9 779 819
Municipal Finance Grant	NT	698 740	0	0	0	698 740	99 409	93 202	67 835	94 125	354 571	344 169
Municipal Infrastructure Grant (MIG)	PDLG	57 093 080	40 000 000	27 000 000		124 093 080	26 766 392	29 951 950	14 139 138	34 302 505	105 159 985	18 933 095
Community Development Workers	DLGH	1 294 991	0	0	0	1 294 991	0	0	0	0	0	1 294 991
Municipal Support Programme	DLGH	190 351	0	0	0	190 351			165 090		165 090	25 261
CMPT	Other	0	600 000	0	0	600 000	0	215 330	350 605	29 363	595 298	4 702
Fire Station	DLGH	0	0	4 000 000	0	4 000 000	0	0	0	0	0	4 000 000
Transport Plant Grant	DEPT R&T	450 000	0	0	400 000	850 000	0	0	0	0	0	850 000
Municipal Support Improvement Grant	DPLG	1 045 625	575 000	575 000	0	2 195 625	798 672	97 336	113 703	913 709	1 923 420	272 205
Community Based Public Works Programme	DPW	14 616	0	0	0	14 616	0	0	0	0	0	14 616
AFS Grant	DPLG	88 971	0	0	0	88 971	22 948	21 327	0	0	44 275	44 696
												0
		<b>71 644 349</b>	<b>41 366 000</b>	<b>43 617 083</b>	<b>6 102 154</b>	<b>162 729 586</b>	<b>31 324 465</b>	<b>31 819 835</b>	<b>16 342 742</b>	<b>47 678 990</b>	<b>127 166 032</b>	<b>35 563 554</b>
<b>FUNDING DELAYED</b>												
Municipal Infrastructure Grant (MIG)(Footnote 3)	DPLG	0	0	0	32 893 000	32 893 000	0	0	0	0	0	32 893 000
<b>SUB-TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>32 893 000</b>	<b>32 893 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32 893 000</b>
												-
												-
<b>GRAND TOTAL</b>												-
												-

**FUNDING DELAYED**

There's outstanding transfer of R32 893 000 for MIG that was not transferred as at June 06 due to delays in expenditure.

