

O R TAMBO DISTRICT MUNICIPALITY

GRAP FINANCIAL STATEMENTS

for the year ended

30 June 2008

I am responsible for the preparation of these financial statements, which are set out on pages 1 to 36, 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 Council as disclosed in note of these 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.

Municipal Manager

Date

O R TAMBO DISTRICT MUNICIPALITY

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O R TAMBO DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		84 011 900	102 160 222
Government grant reserve		34 291 597	23 772 125
Unappropriated Surplus		49 720 303	78 388 097
Non-current Liabilities		312 359	638 513
Lease Liability	6	312 359	638 513
Current Liabilities		225 869 591	276 598 544
Provisions	22	17 175 731	8 573 822
Creditors	3	79 339 168	91 048 217
Income received in advance		2 406 999	1 643 648
Unspent conditional grants and receipts	4	126 532 636	174 962 976
Current Portion of Lease Liability	6	415 057	369 880
Total Net Assets And Liabilities		310 193 851	379 397 278
ASSETS			
Non-Current Assets		118 131 943	47 983 917
Property, Plant And Equipment	10	108 666 857	47 562 560
Intangibles	9	641 719	394 514
Biological Assets	8	8 750 000	
Long-term receivables	12	73 366	26 842
Current Assets		192 061 908	331 413 362
Inventory	13	6 856 059	5 580 052
Water Inventory	13	8 509 779	
Consumer debtors	14	54 987 416	56 839 140
Other debtors	15	1 168 641	1 429 055
Current portion of long-term loans	12	103 791	559 254
Vat	5	19 437 131	29 661 658
Call investments	11	87 660 550	223 868 603
Cash and Bank	16	13 338 541	13 475 599
Total Assets		310 193 851	379 397 278

O R TAMBO DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008	2007
		R	R
REVENUE			
Regional Services Levy- Turnover		-	-
Regional Services Levy- Remuneration		-	-
Rental		30 732	35 045
Service charges	17	57 165 492	62 840 255
Investment Interest		8 707 456	3 339 743
Other Interest		17 429	2 926 295
Fines		-	
Government grants and subsidies	18	715 055 565	556 997 903
Other income		1 219 567	486 619
Gains on disposal of property, plant and equipment		-	65 370
Total Income		782 196 241	626 691 231
EXPENDITURE			
Employee related costs	19	93 734 445	80 485 468
Remuneration of Councillors	19	6 930 990	6 587 599
Bad debts	20	18 581 674	15 479 445
Provision for irrecoverable investments		-	8 184 965
Provision for irrecoverable overpayments		(193 789)	2 116 390
Provision for leave		4 936 024	2 090 969
Collection costs		-	588 016
Depreciation & Amortization		10 801 504	8 447 704
Repairs and maintenance		18 289 578	25 044 805
Bulk purchases	21	285 089	8 395 746
Contracted services		3 431 001	2 065 834
Grants and Subsidies paid	23	260 650	1 034 932
General expenses-other		647 914 660	485 116 923
Total Expenditure		804 971 826	645 638 797
Nett (Deficit) for the year		(22 775 585)	(18 947 566)

O R TAMBO DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Government grant reserve	Accumulated surplus	Total
	R	R	R
2006			
Balance at 1 July 2006	26 934 890	127 797 351	154 732 240
Corrections	-	(33 307 016)	(33 307 016)
Restated balance	26 934 890	94 490 336	121 425 224
Net Deficit for the year		(19 265 003)	(19 265 003)
Capital grants used to purchase PPE	2 021 940	(2 021 940)	-
Offsetting of depreciation.	(5 184 704)	5 184 704	-
Balance at 30 June 2007	23 772 125	78 388 097	102 160 222
2008			
Corrections (Note 25)	-	4 627 264	4 627 264
Restated balance	23 772 125	83 015 360	106 787 486
Net Deficit for the year		(22 775 585)	(22 775 585)
Capital grants used to purchase PPE	16 879 898	(16 879 898)	-
Offsetting of depreciation.	(6 360 426)	6 360 426	-
Balance at 30 June 2008	34 291 597	49 720 303	84 011 900

O R TAMBO DISTRICT MUNICIPALITY
CASH FLOW STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR
ENDED 30 JUNE 2008

	2008	2007
	R	R
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from levies, government and other	756 845 081	585 062 971
Cash paid to suppliers and employees	(826 177 541)	(550 504 284)
Cash utilised from operations	26 (69 332 460)	34 558 687
Interest received	8 724 885	6 266 039
Interest paid	(177 821)	(706 774)
NET CASH FROM OPERATING ACTIVITIES	(60 785 396)	40 117 951
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment.	(71 263 922)	(13 251 577)
Purchase of Intangible assets	(889 083)	(554 363)
Purchase of Biological assets	(8 750 000)	
Proceeds on disposal of fixed assets.	-	65 370
(Increases)/Decreases in non-current receiveables	408 939	1 580 778
NET CASH FROM INVESTING ACTIVITIES	(80 494 066)	(12 159 792)
CASH FLOW FROM FINANCING ACTIVITIES		
Other prior year adjustment contributing to surplus		
Increase/(Decrease) in income received in advance	763 351	1 643 648
Lease Liability paid	(310 117)	(458 155)
Non-Operating expenditure charged against Provisions	(3 703 849)	(1 186 547)
Non-Operating expenditure charged against surplus		
NET CASH FROM FINANCING ACTIVITIES	(3 250 614)	(1 054)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(144 530 077)	27 957 106
Cash and cash equivalents at the beginning of the year	245 529 168	217 572 062
Cash and cash equivalents at the end of the year	27 100 999 091	245 529 168
	144 530 076	(27 957 106)

O R TAMBO DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
1 LONG- TERM LIABILITIES		
O RTambo District Municipality had no long- term liabilities by way of external loans.		
2 CONSUMER DEPOSITS		
O R Tambo District Municipality holds no consumer deposits.		
3 CREDITORS		
Trade creditors	30 090 380	53 638 146
Sundry creditors-general	5 147 619	3 099 864
DWAF	44 101 169	34 310 207
Total creditors	<u>79 339 168</u>	<u>91 048 217</u>

The DWAF debt relates to the historical debts from the Local Municipalities. The District Municipality is currently negotiating with DWAF to cancel the debt.

4 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional grants from government	126 532 636	174 962 976
Government Grants	126 091 120	159 621 621
Provincial Grants and subsidies	441 516	15 341 355
Other conditional receipts	-	-
Total Conditional Grants and Subsidies	<u>126 532 636</u>	<u>174 962 976</u>

See **Appendix G** for a reconciliation of grants from National/Provincial Government. These amounts are fully invested until utilised.

5 VAT

Accrued vat (refund from sars)	(13 044 507)	(10 764 949)
Output vat - income	(1 954 359)	(4 612 996)
Input vat - general	29 522 217	45 762 966
Capital Vat	5 701 396	249 035
Vat control (rsc levies)	(787 616)	(972 398)
Vat control (w & s)	0	0
	<u>19 437 131</u>	<u>29 661 658</u>

Vat is paid on the receivable basis.

6 LEASE LIABILITY

Finance Lease Liability	727 416	1 008 393
Less: Short-term portion	(415 057)	(369 880)
	312 359	638 513

The finance lease liability is secured by photocopying machines (**note 8**). Monthly instalments which varies between R1926.34 and R26217.72 are payable monthly in arrears. Interest is payable at rates between 5,75% and 11,5% per month. The final instalment is payable on 31 March 2010.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

7 FINANCE LEASE

O R Tambo DM has leased a photocopying machines from different companies between 10 May 2002 and March 2006. The lease agreements provide for between thirty-six(36) to sixty(60) monthly payments in arrears. The agreements do not provide for contingent rental payments. Ownership of the machine will not pass to O R Tambo DM at the end of lease term.

Reconciliation between the total minimum lease payments and their present value

	Up to 1 year	1 - 5 years	>5 yrs	Total
30 June 2008				
Minimum lease payments	450 326	466 087		916 412
Finance costs	(173 862)	(73 704)		(247 566)
Present value	<u>276 464</u>	<u>392 382</u>		<u>668 846</u>
30 June 2007				
Minimum lease payments	537 215	977 739	-	1 514 954
Finance costs	(117 425)	(150 663)	-	(268 087)
Present value	<u>419 791</u>	<u>827 076</u>		<u>1 246 867</u>

8 BIOLOGICAL ASSETS

	Trees R	Livestock R	Total R
Carrying values at 30 June 2008	4 950 000	3 800 000	8 750 000
Increases due to purchases	4 950 000	3 800 000	8 750 000

9 INTANGIBLE ASSETS

	Computer Software R	GIS Software R	Total R
Carrying values at 1 July 2006	138 429		138 429
Cost	1 176 772		1 176 772
Accumulated amortisation	(1 038 343)		(1 038 343)
Acquisitions	418 762	135 600	554 362
Amortisation	(278 501)	(19 775)	(298 276)
Carrying values at 30 June 2007	278 689	115 825	394 514
Cost	1 595 534	135 600	1 731 134
Accumulated amortisation	(1 316 845)	(19 775)	(1 336 620)
30 June 2008			
Reconciliation of Carrying Value	Computer Software R	GIS Software R	Total R
Carrying values at 1 July 2007	278 689	115 825	394 514
Cost	1 595 534	135 600	1 731 134
Accumulated amortisation	(1 316 845)	(19 775)	(1 336 620)
Acquisitions	889 083		889 083
Amortisation	(596 678)	(45 200)	(641 878)
Carrying values at 30 June 2008	571 094	70 625	641 719
Cost	2 484 617	135 600	2 620 217
Accumulated amortisation	(1 913 523)	(64 975)	(1 978 498)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
11 INVESTMENTS		
Financial Instruments		
Fixed Deposits-Long Term		
Other Deposits- Short Term		
Call Account Deposits	87 660 550	232 053 568
Total cash investments	87 660 550	232 053 568
Provision for irrecoverable NRB cash investments	0	(8 184 965)
Total Investments	87 660 550	223 868 603

Average interest rate

Allocation of external investments

Surplus cash is invested until used for specific purposes. Investments are allocated

Capital Replacement Reserve	0	0
Provisions Invested	0	0
Conditional Grants And Subsidies Invested	(126 532 636)	(166 929 013)
Surplus Funds Invested	0	(19 679 081)
Total	(126 532 636)	(186 608 093)

The New Republican Bank was placed under curatorship by the Minister of Finance on 29 January 1999. As at 30 June 2008, funds si vested with NRB totalled R12.5 million. Correspondence received from the curators Ernst & Young dated 27 July 2006 forwarded to depositors and creditors states that they are not in a position to determine the recoverability of the remaining capital balance as there a various litigation matters which have not been finalized. They further state that the quantum of the awards will depend on the outcome the same. Furthermore, All creditors were requested to vote for a return of 35 cents in a rand, hence a provision of 65% has been made in t financial statements.

12 LONG-TERM RECEIVABLES

Motor car loans and other sundry debtors	177 157	586 097
	177 157	586 097
Less : Short-term portion transferred to current assets	(103 791)	(559 254)
Total Non-Current loans	73 366	26 842

Loans were approved for:

Motor car loans to employees. No new loans are being made and existing loans are phased out as they are repaid.

13 INVENTORY

Consumable stores	6 856 059	5 580 052
Work in progress		
	6 856 059	5 580 052

13 WATER INVENTORY

Raw Material	3 239 150
Work In Progress	2 976 874
Purified Water	2 293 755
	8 509 779

14 CONSUMER DEBTORS

As at 30 June 2007	Gross Balances	Provision for Bad Debts	Net Balance
Service Debtors	96 144 159	(39 305 018)	56 839 140
Levies	8 486 747	(3 394 699)	5 092 048
Sewerage	20 961 138	(12 450 337)	8 510 801
Water	66 696 273	(23 459 983)	43 236 291
Total	96 144 159	(39 305 018)	56 839 140

Levies: Ageing

Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121 - 365 Days	-	-
+ 365 Days	-	135 707 838
Adjustment for Corrections	-	(127 221 090)

Total

-	8 486 747
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
<u>Sewerage & Water: Ageing</u>		
Current (0 – 30 days)	24 797 990	8 625 278
31 - 60 Days	3 671 751	4 073 240
61 - 90 Days	3 150 386	3 891 263
91 - 120 Days	2 739 691	2 948 084
121 - 365 Days	19 103 476	3 254 299
+ 365 Days	53 826 799	63 524 147
Adjustment for Corrections	-	(302 517)
Total	107 290 093	86 013 794

As at 30 June 2008	Gross Balances	Provision for Bad Debts	Net Balance
Service Debtors	112 770 434	(57 783 018)	54 987 416
Levies	6 371 566	(5 734 409)	637 157
Sewerage	25 191 936	(12 491 666)	12 700 270
Water	81 206 932	(39 556 943)	41 649 990
Total	112 770 434	(57 783 018)	54 987 416

<u>Levies: Ageing</u>		
Current (0 – 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121 - 365 Days	-	-
+ 365 Days	6 371 566	-
Adjustment for Corrections	-	-
Total	6 371 566	-

<u>Sewerage & Water: Ageing</u>		
Current (0 – 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
120 - 150 Days	-	-
> 150 days	-	-
Adjustment for Corrections	-	-
Total	-	-

15 OTHER DEBTORS		
Sundry Debtors	3 194 918	3 545 445
Provision for irrecoverable overpayments	(2 026 276)	(2 116 390)
Total Other Debtors	1 168 641	1 429 055

16 BANK, CASH AND OVERDRAFT BALANCES

Oliver Tambo District Municipality has the following bank accounts:

Current Account (Primary Bank Account)

Meeg bank
Acc no: 4059110438
address: 60 Sutherland Street,
P.O. Box 30 Mthatha 5099

Cashbook balance at the beginning of the year	-	-
Cashbook balance at the end of the year	-	-
Bank statement balance at the beginning of the year	-	7 962 349
Bank statement balance at the end of the year	-	7 962 349

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
<u>Current Account (Primary Bank Account)</u>		
FNB Acc no: 53990137772 address: York Road Street, P.O.Box 149 Mthatha 5099		
Cashbook balance at the beginning of the year	13 434 766	23 142 083
Cashbook balance at the end of the year	<u>13 327 228</u>	<u>13 434 766</u>
Bank statement balance at the beginning of the year	30 087 306	53 559 320
Bank statement balance at the end of the year	<u>39 193 004</u>	<u>30 087 306</u>
Other Bank accounts		
FNB Acc no: 62154518404 address: York Road Street, P.O.Box 149 Mthatha 5099		
Cashbook balance at the beginning of the year	35 803	35 903
Cashbook balance at the end of the year	<u>37 337</u>	<u>35 803</u>
Bank statement balance at the beginning of the year	35 803	35 903
Bank statement balance at the end of the year	<u>37 337</u>	<u>35 803</u>
FNB Acc no: 8812710004736000 address: York Road Street, P.O.Box 149 Mthatha 5099		
Cashbook balance at the beginning of the year	4 807	4 807
Cashbook balance at the end of the year	<u>7 145</u>	<u>4 807</u>
FNB Acc no: 62142861881 address: York Road Street, P.O.Box 149 Mthatha 5099		
Cashbook balance at the beginning of the year	-	-
Cashbook balance at the end of the year	<u>4 168</u>	<u>-</u>
17 SERVICE CHARGES		
Sale of water	43 511 266	47 899 482
Sewerage and sanitation charges	13 654 227	14 940 773
	<u>57 165 492</u>	<u>62 840 255</u>
18 GOVERNMENT GRANTS AND SUBSIDIES		
<u>Government Grants</u>		
Equitable share	210 420 349	190 354 067
Total Government Grants	<u>210 420 349</u>	<u>190 354 067</u>
Total	<u>210 420 349</u>	<u>190 354 067</u>
<u>National/Provincial conditional Government grant funding.</u>		
Operational spending	487 949 107	364 624 674
<u>National/Provincial conditional Government grant funding.</u>		
Capital spending	16 879 898	2 021 940
Total National/Provincial Government Grants reimbursements	<u>504 829 005</u>	<u>366 646 614</u>
Total Government Grants and Subsidies	<u>715 249 354</u>	<u>557 000 681</u>
Equitable share		
In terms of the Constitution, this grant is used to balance the Municipalities revenue.		
19 EMPLOYEE BENEFITS		
19.1 EMPLOYEE RELATED COSTS		
Salaries and wages	59 847 472	49 896 959

Contributions for UIF, pensions and medical aids	11 681 997	8 785 019
Travel, motor car and other allowances	13 656 908	13 156 992
Housing benefits	3 587 044	3 066 124
Overtime	4 839 939	4 267 737
Performance bonuses	121 084	1 312 637
	<u>93 734 445</u>	<u>80 485 468</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2 008 R	2007 R
Remuneration of the Municipal Manager		
Annual Remuneration	845 906	794 800
Performance Bonuses	0	
Car Allowance	79 397	74 600
UIF	1 473	1 399
Total	926 775	870 799
Remuneration of the Chief Finance Officer		
Annual Remuneration	499 783	391 685
Performance Bonuses	0	96 201
Car Allowance	286 724	261 123
UIF	1 473	1 399
Total	787 980	750 408
Remuneration of Manager - Engineering Services		
Annual Remuneration	657 054	391 685
Performance Bonuses	0	54 514
Car Allowance	83 188	261 123
UIF	1 473	1 399
Total	741 715	708 721
Remuneration of Manager - Developmental Planning		
Annual Remuneration	640 594	391 685
Performance Bonuses	0	96 201
Car Allowance	0	261 123
UIF	125	1 399
Total	640 719	750 408
Remuneration of Manager - Community Services		
Annual Remuneration	515 890	385 364
Performance Bonuses	0	32 067
Car Allowance	178 893	256 909
UIF	1 473	1 399
Total	696 256	675 739
Remuneration of the Internal Audit Manager		
Annual Remuneration	574 085	391 685
Performance Bonuses	0	96 201
Car Allowance	212 422	261 123
UIF	1 473	1 399
Total	787 980	750 408
Remuneration of Manager - Human Resources		
Annual Remuneration	485 914	391 685
Performance Bonuses	0	64 134
Car Allowance	208 869	261 123
UIF	1 473	1 399
Total	696 256	718 341
Remuneration of Political Advisor		
Annual Remuneration	780 305	391 685
Performance Bonuses	0	0
Car Allowance	75 600	261 123
UIF	1 473	1 399
Total	857 378	654 207
Remuneration of Strategic Manager - Office of the Executive Mayor		
Annual Remuneration	471 904	391 685
Performance Bonuses	0	96 201
Car Allowance	314 603	261 123
UIF	1 473	1 399
Total	787 980	750 408
19.2 REMUNERATION OF COUNCILLORS		
Executive Mayor	486 567	496 967
Speaker	216 829	221 202
Mayoral Committee members	3 526 859	3 295 749
Councillors	2 700 735	2 572 667
Councillors' pension and Medical contribution	0	1 014
Total Councillors' Remuneration	6 930 990	6 587 599

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
20 BAD DEBTS		
Contribution to the bad debt provision	18 581 674	15 479 445
Total Bad Debts	<u><u>18 581 674</u></u>	<u><u>15 479 445</u></u>
	-	-
21 BULK PURCHASES		
Water	<u>285 089</u>	<u>8 395 746</u>
22 PROVISIONS		
PROVISION FOR LEAVE		
Opening Balance	6 272 064	5 061 606
Under-provisions- Prior year	4 474 562	
Amount Provided - Current Year	4 936 244	2 397 005
Amount Paid - Current Year	<u>(1 530 359)</u>	<u>(1 186 547)</u>
Closing Balance	<u><u>14 152 511</u></u>	<u><u>6 272 064</u></u>
Leave is paid to employees who no longer offer services to the Municipality (Resign or Deceased) payment limited to maximum of 48 days for permanent employees		
PROVISION FOR BONUS		
Opening Balance	2 301 758	1 786 885
Pro-rata amount provided - Current Year	2 894 952	2 301 758
Amount Paid - Current Year	<u>(2 173 490)</u>	<u>(1 786 885)</u>
Closing Balance	<u><u>3 023 220</u></u>	<u><u>2 301 758</u></u>
Totals	<u><u>17 175 731</u></u>	<u><u>8 573 822</u></u>
23 GRANTS AND SUBSIDIES PAID		
Mbizana Local Municipality	-	376 276
Port St Johns Local Municipality	-	292 006
Inqguza Hill Local Municipality	-	239 618
Support to traditional authorities	260 650	127 032
Total Grants and Subsidies paid	<u><u>260 650</u></u>	<u><u>1 034 932</u></u>
24 GENERAL EXPENSES		
No extraordinary expenses were included in general expenses	<u>-</u>	<u>-</u>
25 CORRECTIONS		
During the year 2007/08 the following transactions was made in regard of the previous year and the comparitve amounts have been restated:		
		-
Restatement of provision for leave from basic salary to total package		(4 474 562)
Capitalisation of office building under construction for 2006/07		6 573 865
Allocation of VAT refund received in 2007/08 relating to June 2007		2 509 826
Accounting for prior year expenditure not included in annual financial statements		18 135
		<u><u>4 627 264</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
26 CASH GENERATED BY OPERATIONS		
Net surplus for the year	(22 775 585)	(18 947 566)
Adjustment for:-		
Previous years		-
Changes in accounting policy		
Depreciation	10 801 504	8 447 704
Under-provision prior year		-
Gain on disposal of property, plant and equipment	-	(65 370)
Contributions to bad debt provision	18 581 674	15 479 445
Contributions to provisions	7 830 976	4 381 326
Investment income	(8 724 885)	(6 266 039)
Provision for irrecoverable investments	-	8 184 965
Interest paid	177 821	706 774
Operating surplus before working capital changes:	5 891 506	11 921 240
Decrease/(Increase) in inventories	(1 276 007)	(3 525 153)
Decrease/(Increase) in water inventories	(8 509 779)	
(Increase)/Decrease in RSC Levy debtors	2 115 181	3 866 669
(Increase)/Decrease in Consumer debtors	(18 741 457)	(39 163 520)
(Increase)/Decrease in other debtors	350 527	1 464 577
Increase/(Decrease) in VAT	10 224 527	10 880 886
Increase/(Decrease) in conditional grants and receipts	(48 430 341)	10 831 953
Increase/(Decrease) in creditors	(10 956 618)	38 282 036
Cash generated by operations	(69 332 460)	34 558 687

27 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :

Bank balances and cash	13 338 541	13 475 599
Bank overdrafts		
Call investment deposits	87 660 550	232 053 568
Total cash and cash equivalents	100 999 091	245 529 168

28 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

O R Tambo District Municipality had no Long-term liabilities at the end of both financial years

29 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorised expenditure

Reconciliation of unauthorised expenditure

Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by Council	-	-
Transfer to statement of Financial performance	-	-
- authorised losses	-	-
Transfer to receivables for recovery	-	-
Closing balance	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
<u>Irregular, fruitless and wasteful expenditure</u>		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Approved by Council	-	-
Transfer to statement of Financial performance	-	-
- authorised losses	-	-
Transfer to receivables for recovery	-	-
Closing balance	-	-
Total unauthorised, fruitless and wasteful expenditure disallowed	-	-
30 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
30.1 <u>Contributions to SALGA</u>		
Opening balance	-	-
Council subscriptions	398 952	1 152 958
Amount paid - current year	(398 952)	(1 152 958)
Amount paid - next year	-	-
Balance paid in advance (included in Debtors)	-	-
30.2 <u>Audit fees</u>		
Opening balance	-	-
Current year audit fee	1 723 607	1 143 412
Amount paid - current year	(1 422 914)	76 202
Amount paid - previous years	-	(1 219 614)
Balance unpaid (included in creditors)	300 693	-
30.3 <u>VAT</u>		
Vat inputs receivables and VAT outputs receivables are shown in note 5 . All Vat returns have been submitted by the due date throughout the year.		
30.4 <u>PAYE and UIF</u>		
Opening balance	(418)	8 341
Current year payroll deductions	16 311 390	14 770 303
Amount paid - current year	(16 311 390)	(14 779 062)
Amount paid - previous years	-	-
Balance unpaid (included in debtors)	(418)	(418)
30.5 <u>Pension and Medical Aid Deductions</u>		
Opening balance	-	28 058
Current year payroll deductions and Council Contributions	10 330 898	11 697 391
Amount paid - current year	(10 329 563)	(11 723 455)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	1 335	1 994
The balance represents medical aid contributions for Munimed Medical for the year ended 30 June 2008. This amounts was paid during August 2008.		
31 CAPITAL COMMITMENTS	0	0
The O R Tambo District Municipality does not have any capital commitments during the underreview		

32 CONTINGENT LIABILITIES		
32.1 ILISO CONSULTING	70 890	-
Plaintiff claims for monies owed by the DM for services rendered		
32.2 WILD COAST GUARDS/OR TAMBO DISTRICT MUNICIPALITY	3 320 136	3 320 136
The OR Tambo District Municipality is being sued by the contractor for the termination of contract. Parties are still exchanging pleadings.		
32.3 IPHINDE TRADING	1 519 068	-
Claimant applies for interdict (including payment) against the DM in the Mankosi Water Supply Phase 2		
32.4 TEMBINKOSI HLUPHEKO	-	-
The DM is being interdicted against performing digging at Erf 49 Lusikisiki		
32.5 BARLOWORLD/OR TAMBO DISTRICT MUNICIPALITY	268 298	268 298
The OR Tambo District Municipality is being sued by the contractor for failure to honour a cession between contractor and Haupt Civils on the Mfundisweni Access Road project		
32.6 ILISO CONSULTING/OR TAMBO DISTRICT MUNICIPALITY	21 991	21 991
The OR Tambo District Municipality is being sued by the consultants for professional services rendered in respect of Zanokhanyo Access Road project		
32.7 ILISO CONSULTING/OR TAMBO DISTRICT MUNICIPALITY	-	142 511
The OR Tambo District Municipality is being sued by the consultants for professional services rendered in respect of Mpapane Water Supply project		
32.8 ILISO CONSULTING/OR TAMBO DISTRICT MUNICIPALITY	-	31 408
The OR Tambo District Municipality is being sued by the consultants for professional services rendered on the Mvalweni to Manzana Water Supply project		
32.9 ILISO CONSULTING/OR TAMBO DISTRICT MUNICIPALITY	-	68 890
The OR Tambo District Municipality is being sued by the consultants for professional services rendered on Ntsimbini Water Supply project		
32.10 NELISWA NDABANKULU/OR TAMBO DISTRICT MUNICIPALITY	2 000 000	2 000 000
The OR Tambo District Municipality is being sued by the said individual for breach of employment contract		
32.11 MOFFAT QITHI/OR TAMBO DISTRICT MUNICIPALITY	141 158	141 158
The OR Tambo District Municipality is being sued by the former employee for the unpaid performance bonus		
32.12 KWINDA CONSTRUCTION/OR TAMBO DISTRICT MUNICIPALITY	187 981	187 981
The OR Tambo District Municipality is being sued by the contractor for failure to honour a cession between contractor and Collosus Construction		
32.13 LUSINDISO MAPISA	200 000	-
Plaintiff is claiming for damages suffered in a motor vehicle accident		
32.14 PUTHAPARANDIL KOCHUKUNJU	-	-
The DM is interdicted from disconnecting water supply at 4 Muncwane Ikwezi T/Ship		
32.15 BAKULA TRUST T/A S FORCE	42 004	-
Plaintiff claims for damages suffered through the DM's termination of contract		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
33 RETIREMENT BENEFIT INFORMATION		
<u>Post-Retirement Medical Benefit</u>		
The Municipality does not make Provision for post retirement medical benefits.		
<u>Pension and Retirement Fund Benefits</u>		
Employees and Council contribute to the Cape Joint Pension, Municipal employee provident fund, Eastern Cape pension fund, Eastern Cape Gratuity Fund, National Fund for Municipal workers, Municipal Employee Pension Fund and Southern Negotiated Retirement Fund on the basis of a fixed contribution and is charged		
34 DONATIONS AND ASSISTANCE		
<u>DONATIONS</u>		
FNB	-	50 000
STD Bank	-	15 000
DBSA	-	150 000
ABSA	-	50 000
	<u>-</u>	<u>265 000</u>

35 EVENTS AFTER THE REPORTING DATE

O.R. Tambo District Municipality does not have the reportable events after year end

36 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures D and E.

37 TRANSFERS TO O R TAMBO NTINGA DEVELOPMENT AGENCY

Included in General Expenditure-other totalling **R million** incurred by the District Municipality, are transfers that were made to the Municipal Entity. Transfers made totalled **R48,5 m (2007: R39.7M)**

38 EXEMPTIONS APPLICABLE TO THE MUNICIPALITY

Standard No	Standard title	GRAP
GRAP 3	Accounting policies changes in accounting estimates and errors	Identification and impact of GRAP standards that have been issued but are not yet effective (GRAP3.30 -31) Changes in accounting policies (GRAP3.14, 19) Initial measurement of fair value; discounting all future receipts using an imputed rate of return (GAMAP 9.12 and SAICA circular 9/06)
GAMAP 09	Revenue	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17
GAMAP 12	Inventories	The entire standard as far as it relates to water stock that was not purchased by the municipality.
GAMAP 17	Property, plant and equipment	Review of useful life of items of PPE recognised in the annual financial statements (GAMAP 17.69-61,77) Review of depreciation method applied to PPE recognised in the annual financial statements (GAMAP 17.62,77) Impairment of non cash generating assets (GAMAP 17.64-69,75(e)(v)-(vi))
GAMAP 17 IAS 11 (AC 10) IAS 14 (AC 115)	Contract contracts Segment reporting	Impairment of cash generating assets (GAMAP 17.63,75(e)(v)-(vi)) Entire standard Entire standard
IAS 17(AC 105)	Lease	Recognising operating lease payments/ receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17.33 - 34 and 50-51, SAICA circular 12/06.8-11)

IAS 19(AC 116)	Employee benefits	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and defined benefit obligation disclosed by narrative information (IAS 19.29,48-119 and 120A © - (j))
IAS 20(AC 134)	Accounting for government grants and disclosures	Entire standard excluding paragraphs 24 and 26 , replaced by GAMAP 12.8 , GAMAP 17.25 and GAMAP 9.42 - 46.
IAS 36(AC 128)	Impairment of assets	Entire standards
IAS 38(AC 129)	Intangible assets	The entire standard except for recognition , measurement and disclosure of computer software and website costs (SIC 32) and all other costs are expensed
IAS 39(AC 133)	Financial instruments: recognition and measurement	Initially measuring financial assets and liabilities at fair value (IAS 39.43 ,AG 79,AG64- AG 65 and SAICA circular 9/06) The entire standard to the extent that the property is accounted for in terms of GAMAP 17
IAS 40(AC 135)	Investment property	Disclosure of fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standard (IAS 40.79(e)(i)-(iii))
IFRS 3(AC 140)	Business combinations	Entire standard
IFRS 5 (AC 142)	Non- current assets held for sale and discontinued operations	Classification , measurement and disclosure of non-current assets held for sale (IFRS 5.6-29 (in so far it relates to non-current assets held for sale) and 38-42

IFRS 7(AC 142)

Financial instrument:
disclosure

Entire standard to
be replaced by IAS
32(AC 125) issued
August 2006 and
effective for
financial
statements
covering periods
beginning on or
after 1 January
1998

10 PROPERTY, PLANT AND EQUIPMENT

30 June 2007

Reconciliation of Carrying Value	Land and buildings R	Infrastructure R	Community R	Other R	Leased Assets R	Total R
Carrying values at 1 July 2006	16 422 809	-	3 961 463	20 995 116	1 081 025	42 460 413
Cost	22 076 366	-	4 887 695	44 113 847	2 039 022	73 116 930
Accumulated depreciation	(5 653 557)	-	(926 232)	(23 118 731)	(957 997)	(30 656 517)
Acquisitions	3 582 744		552 197	9 116 636		13 251 577
Capital under Construction						
Depreciation	(870 710)	-	(420 653)	(6 371 687)	(486 381)	(8 149 430)
- based on cost	(870 710)		(420 653)	(6 371 687)	(486 381)	(8 149 430)
Carrying value of disposals	-	-	-	-		-
Cost						
Accumulated depreciation						
Impairment losses						
Other movements						
Carrying values at 30 June 2007	19 134 844	-	4 093 006	23 740 066	594 645	47 562 560
Cost	25 659 110	-	5 439 892	52 208 331	2 039 022	85 346 355
Accumulated depreciation	(6 524 266)	-	(1 346 886)	(28 468 267)	(1 444 377)	(37 783 795)

30 June 2008

Reconciliation of Carrying Value	Land and buildings R	Infrastructure R	Community R	Other R	Leased Assets R	Total R
Carrying values at 1 July 2007	19 134 844	-	4 093 006	23 740 065	594 645	47 562 560
Cost	25 659 110	-	5 439 892	52 208 331	2 039 022	85 346 355
Accumulated depreciation	(6 524 266)	-	(1 346 886)	(28 468 267)	(1 444 377)	(37 783 795)
Acquisitions	32 550 747		865 524	16 589 759	29 140	50 035 170
Capital under Construction	20 615 685		613 066			21 228 751
Depreciation	(857 386)	-	(425 403)	(8 569 129)	(307 707)	(10 159 626)
- based on cost	(857 386)		(425 403)	(8 569 129)	(307 707)	(10 159 626)
Carrying value of disposals	-	-	-	-		-
Cost						
Accumulated depreciation						
Impairment losses						
Other movements						
Carrying values at 30 June 2008	71 443 889	-	5 146 193	31 760 694	316 079	108 666 856
Cost	78 825 542	-	6 918 482	68 798 090	2 068 162	156 610 276
Accumulated depreciation	(7 381 653)	-	(1 772 289)	(37 037 396)	(1 752 083)	(47 943 420)

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

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2009. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records. Furthermore, the Municipality has not assessed whether items of property, plant and equipment are impaired. It is expected that an assessment of impairments will be done by 30 June 2009. **Leased assets represents Office Machines which are held in terms of a Finance lease agreements (refer to note)**

APPENDIX A
O R TAMBO DISTRICT MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
LAND AND BUILDINGS										
Buildings	19 536 975	6 477 339	20 615 685		46 629 999	5 962 960	698 214		6 661 174	39 968 825
Parking areas	4 689 955	-			4 689 955	559 556	156 176		715 732	3 974 223
Land	1 342 180	26 073 408			27 415 588					27 415 588
Statue	90 000	-			90 000	1 750	2 997		4 747	85 253
Total Land and buildings	25 659 110	32 550 747	20 615 685	-	78 825 542	6 524 266	857 386	-	7 381 652	71 443 889
INFRASTRUCTURE ASSETS										
Total Infrastructure Assets	-	-	-	-	-	-	-	-	-	-
COMMUNITY ASSETS										
Buildings:										
Community Centres	3 881 303	-	613 066	-	4 494 369	338 530	127 391		465 921	4 028 448
	3 881 303	-	613 066	-	4 494 369	338 530	127 391	-	465 921	4 028 448
Security Measures:										
Fencing	1 348 075	707 460		-	2 055 535	1 000 613	260 863		1 261 477	794 059
Security Systems	210 514	158 064		-	368 578	7 742	37 149		44 891	323 687
	1 558 589	865 524		-	2 424 113	1 008 356	298 012		1 306 368	1 117 745
Total Community Assets	5 439 892	865 524	613 066	-	6 918 482	1 346 886	425 403	-	1 772 289	5 146 193
OTHER ASSETS										
Office Equipment:										
Air Conditioners	344 817	-			344 817	129 254	58 781		188 035	156 782
Computer Hardware	6 844 089	1 140 060			7 984 150	5 357 146	1 287 335		6 644 481	1 339 669
Computer Software	-	-			-	-	-		-	-
Office Machines	612 070	1 094 088			1 706 158	358 682	207 800		566 481	1 139 677
Miscellaneous	349 325	-			349 325	339 444	542		339 986	9 340
Training										
Audio visual	244 276	-			244 276	215 565	14 074		229 638	14 638
Scanners	22 229	-			22 229	22 228	-		22 228	1
	8 416 808	2 234 148	-	-	10 650 956	6 422 318	1 568 532	-	7 990 850	2 660 107

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Plant And Equipment:										
Tractors	261 237	-			261 237	146 197	109 580		255 777	5 460
Farm Equipment	354 137	1 669 298			2 023 435	354 137	20 580		374 718	1 648 718
Lawnmowers	-	-			-	-	-		-	-
Plant and Equipment General	543 889	3 620 492			4 164 381	288 552	283 115		571 667	3 592 714
Telecommunications	92 792	-			92 792	75 009	5 783		80 792	12 000
Ambulance /Clinic Equipment	255 975	-			255 975	90 123	25 598		115 721	140 255
Mobile Clinic	-	-			-	-	-		-	-
Tents	1 095 803	-			1 095 803	726 913			726 913	368 889
Mobile pumps & assesories	3 061	-			3 061	3 061	-		3 061	-
Mowing and cutting equipment	102 884	-			102 884	95 069	7 814		102 883	1
Water tanker	2 182 756	594 336			2 777 092	772 726	218 276		991 002	1 786 090
Sucker tanker	695 822	-			695 822	175 385	69 582		244 967	450 855
Vacuum tanker	407 806	-			407 806	191 278	7 960		199 238	208 568
brick machine	79 596	-			79 596	5 306	7 960		13 266	66 330
Generators	198 013	-			198 013	184 215	13 797		198 012	1
	6 273 772	5 884 126	-	-	12 157 898	3 107 972	770 046	-	3 878 018	8 279 880
Furniture And Fittings:										
Cabinets and Cupboards	775 814	-			775 814	695 944	79 869		775 813	1
Chairs	492 288	-			492 288	357 440	61 635		419 075	73 213
Furniture & Fittings Other	3 274 259	2 354 307			5 628 565	1 687 623	617 785		2 305 408	3 323 157
Safes	125 851	-			125 851	6 800	17 984		24 784	101 067
Kitchen Equipment	19 476	-			19 476	17 943	1 532		19 475	1
Tables and Desks	1 350 132	-			1 350 132	411 530	178 538		590 068	760 064
	6 037 819	2 354 307	-	-	8 392 126	3 177 280	987 343	-	4 134 623	4 257 502
Motor Vehicles:										
Motor Vehicles	3 021 511	4 381 285			7 402 796	988 815	4 387 219		5 376 034	2 026 762
Trucks / Bakkies	22 386 622	1 236 842			23 623 464	11 981 883	106 402		12 088 285	11 535 179
Caravans	859 756	-			859 756	443 503			443 503	416 253
Carports	368 038	-			368 038	17 935			17 935	350 104
Trailers	7 915	-			7 915	7 915	-		7 915	-
	26 643 842	5 618 127	-	-	32 261 969	13 440 050	4 493 621	-	17 933 671	14 328 298
Emergency Equipment:										
Fire Engines	3 548 365	499 051			4 047 416	1 140 490	723 900		1 864 390	2 183 026
Compressors	-	-			-	-	-		-	-
General	278 441	-			278 441	170 873	55 688		226 561	51 880
	3 826 806	499 051	-	-	4 325 857	1 311 363	779 588	-	2 090 951	2 234 907
General	1 009 283				1 009 283	1 009 283	-		1 009 283	-
Total Other Assets	52 208 331	16 589 759	-	-	68 798 090	28 468 267	8 569 129	-	37 037 396	31 760 694
Leased Assets										
Photocopier Machines & Faxes	2 039 022	29 140			2 068 162	1 444 377	307 707		1 752 083	316 079
Total Leased Assets	2 039 022	29 140	-	-	2 068 162	1 444 377	307 707	-	1 752 083	316 079
TOTAL	85 346 355	50 035 170	21 228 751	-	156 610 276	37 783 795	10 159 626	-	47 943 420	108 666 856

APPENDIX B
O R TAMBO DISTRICT MUNICIPALITY: DEPARTMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
30 JUNE 2008

FIXED ASSETS	HISTORICAL COST					ACCUMULATED DEPRECIATION				CARRYING VALUE	
	DESCRIPTION	OPENING BALANCE	ADDITIONS	UNDER CONSTRUCTION	DISPOSALS	CLOSING BALANCE	OPENING BALANCE	ADDITIONS	DISPOSALS		CLOSING BALANCE
Executive & Council	7 931 873	5 874 463				13 806 336	3 523 270	832 059		4 355 329	9 451 007
Finance & Admin	39 704 330	14 928 270				54 632 600	14 896 144	3 085 548		17 981 692	36 650 908
Planning & Developme	1 552 235	25 149 564				26 701 799	1 450 909	249 202		1 700 111	25 001 688
Health	2 029 251	43 000				2 072 251	-			-	2 072 251
Community & Social Services	3 997 485	1 903 333	613 066			6 513 884	2 290 801	706 085		2 996 886	3 516 998
Housing	31 079	-				31 079	27 984	2 799		30 782	297
Public Safety	8 253 003	122 355				8 375 358	3 483 132	1 340 300		4 823 432	3 551 926
Environmental Protection	-					-	-			-	-
Water & Sanitation	2 967 597	1 597 805	20 615 685			25 181 087	1 245 962	536 382		1 782 344	23 398 742
Road Transport	1 488 964	416 379				1 905 343	236 584	104 331		340 915	1 564 428
Other Functions	17 390 539					17 390 539	10 629 010	3 302 919		13 931 928	3 458 610
TOTALS	85 346 355	50 035 170	21 228 751	-	156 610 276	37 783 796	10 159 625	-	47 943 420	108 666 856	

APPENDIX C
O R TAMBO DISTRICT MUNICIPALITY: DEPARTMENTAL INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2008

2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R		2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R
2 010 050	33 772 839	(31 762 789)	Executive and Council	2 594 059	47 315 329	(44 721 270)
260 856 454	85 353 529	175 502 925	Finance and Administration	211 029 988	27 965 327	183 064 661
4 047 410	52 595 162	(48 547 752)	Planning and Development	7 963 000	59 986 840	(52 023 840)
2 801 859	4 329 674	(1 527 815)	Health	280 000	3 198 318	(2 918 318)
229 468	4 644 632	(4 415 164)	Community and Social services	1 900 000	5 902 935	(4 002 935)
40 667 278	36 192 500	4 474 778	Housing	5 584 635	39 869 026	(34 284 391)
2 141 860	8 484 695	(6 342 835)	Public safety	1 500 000	8 253 293	(6 753 293)
1 018 847	1 819 426	(800 579)	Environmental Protection	2 000 000	539 832	1 460 168
	12 457 894	(12 457 894)	Road Works		9 889 666	(9 889 666)
-	-	-	Sanitation	-	0	-
	10 413	(10 413)	Electricity		-	-
24 816 211	80 537 818	(55 721 608)	Water	20 339 452	106 715 860	(86 376 408)
288 078 673	325 428 364	(37 349 691)	Other	529 005 107	495 335 399	33 669 708
626 668 110	645 626 946	-18 958 835	Sub Total	782 196 241	804 971 826	-22 775 585
		0				0
626 668 110	645 626 946	-18 958 835	TOTAL	782 196 241	804 971 826	-22 775 585

APPENDIX D
O R TAMBO DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED
30 JUNE 2008

REVENUE	Actual 2008	Budget 2008	Variance R	Variance %	Explanation of Significant Variances Greater than 10% versus Budget
Regional Services Levy- Turnover	0	11 000 000	11 000 000		
Regional Services Levy- Remuneration	0	-	0		
Rental	30 732	11 464	(19 268)	63	During the adjustment budget period it was anticipated that the hall will be used more frequently, however not many functions were held in there. This is due to the fact that the credit control policy was not fully implemented.
Service charges	57 165 492	78 010 098	20 844 606	-36	
Investment Interest	8 707 456	4 500 000	(4 207 456)	48	The district municipality decided to invest surplus funds and refunds from SARS in high interest bearing instruments hence the difference.
Other Interest	17 429		(17 429)	100	
Income for agency services	0		0		
Government grants and subsidies	715 055 565	691 544 062	(23 511 503)	3	
Other income	1 219 567	133 896	(1 085 671)	811	The variance is caused by the fact that we budgeted for VAT refunds which when received did not go through the income statement but rather transferred to the call account.
Gains on disposal of property, plant and equipment	0	-	0		
Total Income	782 196 241	785 199 520	3 003 279		
EXPENDITURE					
Executive & Council	47 315 329	59 623 771	12 308 442	-26	Included in the total budget is a budget for the operational centre, sustainable villages, communications e.t.c. which were not fully utilised hence the variance. The variance is caused by the inclusion of provision for loss of investments held with NRB Bank which is in curatorship since 2000 and also the increase in the depreciation. Also a provision for the irrecoverable overpayments has been made.
Finance & Admin	27 965 327	47 812 961	19 847 634	-71	Included in the budget for developmental planning is the budget for Tourism which has not yet been fully operational hence the variance.
Planning & Developme	59 966 883	122 290 956	62 324 073	-104	Acquisition of park homes led to the variance
Health	3 198 318	3 975 853	777 535	-24	
Community & Social Services	5 902 935	9 578 978	3 676 043	-62	The gazetted amount to be received from the provincial housing department was never received in full hence the underspending, because it was not adjusted during the adjustment budget period.
Housing	39 869 026	90 472 190	50 603 164	-127	
Public Safety	8 253 293	16 667 307	8 414 014	-102	Grants that were to be received were never received, hence the variance.
Environmental Protection	539 832	2 119 992	1 580 160	-293	Included in the total budget for environmental protection is a grant amount of R 1 200 000 for river health water quality monitoring. Its actual expenditure has been transferred to the fund hence the variance.
Water & Sanitation	106 715 860	185 545 010	78 829 150	-74	Shortage of technicians and engineers is the cause of the variance
Road Transport	9 889 666	8 971 178	(918 488)	9	
Other Functions	495 355 356	233 247 756	(262 107 600)	53	
Total Expenditure	804 971 826	780 305 952	(24 665 874)		
NET SURPLUS/(DEFICIT) FOR THE YEAR	(22 775 585)	4 893 568	27 669 153		

APPENDIX E
O R TAMBO DISTRICT MUNICIPALITY: CAPITAL EXPENDITURE ACTUAL VERSUS BUDGET FOR THE YEAR ENDED
30 JUNE 2008

	2008 Actual R	2008 Under Construction R	2008 Total Additions R	2008 Budget R	2008 Variance R	2008 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
Executive & Council	6 139 311		6 139 311.49	6 139 311.49	-	0.00%	
Finance & Admin	15 569 897		15 569 897.26	15 569 897.26	-	0.00%	
Planning & Developme	25 149 564		25 149 564.22	25 149 564.22	-	0.00%	
Health	43 000		43 000.00	43 000.00	-	0.00%	
Community & Social Services	1 903 333	613 066	2 516 398.97	2 516 398.97	-	0.00%	
Housing	-		-	-	-	0.00%	
Public Safety	122 355		122 355.00	122 355.00	-	0.00%	
Environmental Protection			-	-	-	0.00%	
Water & Sanitation	1 597 805	20 615 685	22 213 489.97	22 213 489.97	-	0.00%	
Road Transport	416 379		416 378.96	416 378.96	-	0.00%	
Other Functions			-	-	-	0.00%	
TOTAL	50 941 645	21 228 751	72 170 396	72 170 396			

O. R. TAMBO DISTRICT MUNICIPALITY

APPENDIX F

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

DATE RECEIVED	GRANT NAME	NAME OF ORGAN OF STATE OR MUNICIPAL ENTITY	QUARTERLY RECEIPTS			QUARTERLY RECEIPTS	
			July	August	September	October	November
9-Jul-07	DWAF GRANT	Dwaf	1 004 500.00				
19-Jul-07	MUNICIPAL SYSTEMS IMPROVEMENT GRANT	DPLG	500 000.00				
24-Jul-06	MUNICIPAL INFRASTRUCTURE GRANT	DPLG	29 799 722.26				
3-Aug-07	FINANCIAL MANAGEMENT GRANT	National Treasury		500 000.00			
15-Aug-07	FIRE	Housing EC		2 000 000.00			
15-Aug-07	DISASTER	Housing EC		1 500 000.00			
22-Aug-07	MUNICIPAL INFRASTRUCTURE GRANT	DPLG		8 734 091.12			
22-Aug-07	FREE BASIC SERVICES GRANT	Housing EC		495 000.00			
29-Aug-07	CAPACITY BUILDING & ISRDP	Housing EC		1 000 000.00			
5-Aug-06	HOUSING GRANT	Housing EC		4 320 320.00			
29-Aug-07	NTSHABENI	Housing EC		28 889.60			
5-Sep-07	HADINI	Housing EC			2 659 300.00		
5-Sep-07	NTABAKULU DAM & HOTEL	Economic affairs			2 000 000.00		
5-Sep-07	SIYAPHAMBILI WOODWORK	Economic affairs			750 000.00		
8-Sep-07	INFORMATION & ENERGY	Economic affairs			2 500 000.00		
19-Sep-07	LED CAPACITY BUILDING	Housing EC			300 000.00		
27-Sep-07	ISMS-DBSA GRANT	DBSA			207 281.64		
15-Oct-07	DWAF GRANT	Dwaf				1 004 500.00	
18-Oct-07	PMS	Housing EC				750 000.00	
18-Oct-07	ASSESSMENT STUDY-HEALTH	Housing EC				280 000.00	
18-Oct-07	LIBRARIES	DEPART. SPORT				1 900 000.00	
24-Oct-07	MUNICIPAL INFRASTRUCTURE GRANT	DPLG				38 390 027.95	
31-Oct-07	IDP SUPPORT FUND	Housing EC				1 362 000.00	
7-Nov-07	HEALTH-ATTC	KWT CO-ORDINATOR HIV/AIDS					2 594 059.00
7-Nov-07	CAPACITY & SYSTEMS	Housing EC					317 000.00
15-Nov-07	EQUITABLE SHARE						52 605 087.22
27-Nov-07	MUNICIPAL INFRASTRUCTURE GRANT	DPLG					38 000 000.00
27-Nov-07	BASDPLG NAT: Local 000039624	DPLG					245 794.00
28-Nov-07	BASDPLG NAT: Local 000037291	DPLG					322 250.00
30-Nov-07	BASBHA EC HOUSE (Mantlani & Nkonzo)	Housing EC					108 769.10
29-Nov-07	BASDPLG NAT: Local 000039624	DPLG					500 000.00
20-Dec-07	DWAF GRANT	Dwaf					
20-Dec-07	MUNICIPAL INFRASTRUCTURE GRANT	DPLG					
24-Jan-08	MUNICIPAL INFRASTRUCTURE GRANT	DPLG					
5-Feb-08	EQUITABLE SHARE						
13-Feb-08	LED PROFILING	Housing EC					
13-Feb-08	DWAF GRANT-OPERATIONS	Dwaf					
13-Feb-08	MUNICIPAL INFRASTRUCTURE GRANT	DPLG					
5-Mar-08	DROUGHT RELIEF GRANT	Dwaf					
19-Mar-08	BASDWA NAT:WATER00236128	Dwaf					
19-Mar-08	BASDWA NAT:WATER00238015	Dwaf					
26-Mar-08	MUNICIPAL INFRASTRUCTURE GRANT	DPLG					
21-Apr-08	ATTC-KWT HIV/AIDS COORDINATOR	KWT CO-ORDINATOR HIV/AIDS					
21-Apr-08	HOUSING GRANT	Housing EC					
25-Apr-08	MUNICIPAL INFRASTRUCTURE GRANT	DPLG					
24-Apr-08	Dwaf (operations)	Dwaf					
21-May-08	ISMS-DBSA GRANT	DBSA					
27-May-08	MIG MAY	DPLG					
4-Jun-08	Fire & Emergency	Housing EC					
5-Jun-08	NKONZO VILLAGE	Housing EC					
5-Jun-08	Deat- Or tambo	DEAT					
25-Jun-08	MIG- JUNE 08	DPLG					
TOTAL			31 304 222.26	18 578 300.72	8 416 581.64	43 686 527.95	94 692 959.32

APPENDIX G
O R TAMBO DISTRICT MUNICIPALITY
CONDITIONAL GRANTS AND RECEIPTS

	UNSPENT BALANCE 1-Jul-2007	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	NON CAPITAL EXPENDITURE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30-Jun-2008
NATIONAL GRANTS							
FINANCIAL MANAGEMENT GRANT	1 517 287	500 000	176 450	-1 735 342			458 395
TRANSPORT INFRASTRUCTURE	3 629 153		221 466				3 850 618
INCOME GENERATING PROJECTS	476 188		26 632				502 820
RURAL ANTI-POVERTY	510 807		41 802				552 609
TSOLO-QUMBU SKILLS	36 023		1 309				37 333
CBPWP	930 934		3 406				934 340
BSRP PROJECTS	2 643 157		135 610	-744 887			2 033 881
MSIG PROJECTS	486 675	1 000 000	89 670	-1 333 161			243 185
DIWAF PROJECTS	14 711 923	17 912 123	308 187	-18 745 575	-416 379		13 770 280
IRDP PROJECT FUND	862 890		150 769				1 013 659
DISASTER MANAGEMENT	2 484 160		94 663	-1 266 767	-226 789		1 085 267
SURVEY & PLANNING PROJECT	348 086		660				348 746
LAND DEVELOPMENT OBJECTIVES							
HIV / AIDS PROGRAMME	5 943 650		57 843	-132 283			5 869 210
ESTABLISHMENT FUND (GRANTS RECEIVED)	11 149 478	1 014 767	1 061 866	-2 779 851			10 446 261
SPU YOUTH DEVELOPMENT PROJECT FUND	185 027		15 777	-20 658			180 146
SPU SIMISONKE FUND	119 052		23 203				142 255
MBIZANA DROUGHT RELIEF FUND	818 247		1 024				819 271
MIG FUND	93 933 240	396 534 271	7 162 221	-425 030 788	-14 232 496		58 366 447
UMZINTLAVA/QHINQOLO FUND	4 615 451		426 666				5 042 117
SIP FUND	3 683 103		159 931				3 843 035
COMMUNITY DEV.WORKERS FUND	535 724		132 360	-209 134			458 950
INTEGRATED TRANSPORT FUND	224 693		2 925	-228 734			-1 115
LIBRARIES & INFORMATION FUND	1 569 772	1 900 000	255 319		-2 004 234		1 720 857
INTEGRATED DEVELOPMENT FUND	1 775 322		131 614	-1 442 195			464 741
AIDS TRAINING INFO & COUNSEL FUND	-784 072	2 594 059	157 485	-1 585 246			382 227
LGWSETA	180 872		6 438				187 310
JOB EVALUATION FUND	15 347	6 000	14 868				36 215
IFESH	52 155		5 162				57 317
FIRE & EMERGENCY	680 530	2 000 000	372 048	-2 740 009			312 568
BALANCE CARRIED OVER	153 334 876	423 461 220	11 237 377	-457 994 629	-16 879 898		113 158 945

APPENDIX G
O R TAMBO DISTRICT MUNICIPALITY
CONDITIONAL GRANTS AND RECEIPTS

	UNSPENT BALANCE 1-Jul-2007	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	NON CAPITAL EXPENDITURE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30-Jun-2008
BALANCE BOUGHT DOWN	153 334 876	423 461 220	11 237 377	-457 994 629	-16 879 898		113 158 945
ORTDM DROUGHT RELIEF	1 939 974	745 794	9 630	-212 720			2 482 678
VOTING STATIONS	208 379		3 358				211 736
LG SETA	152 180		12 444				164 623
LED BEAET	1 688 382		161 866	-961 977			888 271
EMFUNDISWENI B&B	108 777	4 158	10 635				123 570
ORTDM SUGAR ASSOCIATION	303		1 051				1 354
VULINDLELA DBSA	331 210		53 640				384 849
CAPE TOWN DISASTER FUND	27 648		2 744				30 392
SPATIAL DEVELOPMENT	156 403		8 819				165 222
MASIMANYANE FUND	106 527		10 871				117 398
SPATIAL PLANNING FUND	12 904		1 283				14 187
VALUATIONS PROJECT FUND	50 555		129 015				179 570
LAND SURVEY PROJECTS FUND	592 478		57 482	-563 000			86 960
FREE BASIC SERVICES FUND	342 001	495 000	46 930				883 931
ISRDP DEVELOPMENT FUND	273 148		27 878				301 026
ISRDP BEEF PROJECT	20 212	300 000	1 994				322 206
CAPACITY BUILDING	131 433		43 213	-26 316			148 330
INSTITUTIONAL TRAINING	52 550	750 000	14 494	-680 000			137 044
ISMIS FUND	38 728	513 082	9 613	-487 785			73 638
LANGENI DEVELOPMENT	52 954		26 601				79 555
Siyaphambili Woodworkers Cooperative		750 000	48 361	-143 465			654 896
Information & Energy Centre		2 500 000	160 479	-2 500 000			160 479
Ntabankulu Dam Hotel and Recreation		2 000 000	48 607				2 048 607
Disaster Relief Fund		1 500 000	25 558	-1 500 000			25 558
ISRDP Knowledge Management Fund		1 000 000		-902 931			97 069
Investment Site Profiling Mapping		396 000					396 000
LED Capacity and Systems Fund		317 000					317 000
Assessment Study for Health		280 000					280 000
Water Services Business Plan Implementation (WSBPI)		2 427 329	57 753	-329 056			2 156 026
	159 621 621	437 439 582	12 211 694	-466 301 879	-16 879 898		126 091 120
PROVINCIAL GRANTS							
PRESTON HOUSING FUND FUND	837 274		162 204	-353 192			646 285
MPEKO HOUSING FUND	243 223		18 008	-4 452			256 779
HADINI HOUSING FUND	402 829	2 659 300	267 868	-3 848 302			-518 305
EAGERTON HOUSING FUND	1 867 933		72 799	-794 252			1 146 479
LINDILE HOUSING FUND	1 295 674		39 281				1 334 955
ZIDINDI RURAL FUND	1 709 253	66 000	90 230	-1 461 018			404 465
PAYNE RURAL FUND	1 062 441	67 350	67 636	-1 221 665			-24 238
UPPER CENTULI FUND	370 954	132 000	6 765	-511 437			-1 718
UPPER TABASE FUND	537 713	133 960	12 701	-790 114			-105 741
NKONZO RURAL HOUSING FUND	874 030	479 069	43 761	-1 499 229			-102 369
NDLUKULU RURAL HOUSING FUND	568 070	66 000	3 287	-622 015			15 342
MANTLANENI RURAL HOUSING FUND	2 324 767		91 221	-1 533 502			882 486
NCAMBELE RURAL HOUSING FUND	31 101		2 840				33 942
NGWALA RURAL HOUSING FUND	1 162 635		8 516	-1 384 577			-213 425
NEW PAYNE RURAL FUND	-271 494	66 000	16 652	-20 831			-275 673
KWENXURHA RURAL HOUSING FUND	718 632	66 000	4 925	-1 530 312			-740 754
NTSHABENI RURAL HOUSING FUND	294 470	28 890	90 502	-100 251			313 609
RURAL ACCESS ROADS							
	14 029 505	3 698 569	999 196	-15 675 151			3 052 119
PUBLIC CONTRIBUTIONS							
UMTATA COMMUNITY ARTS FUND	51 776		99 372				151 149
MBIZANA EXT.4 FUND	1 260 074	1 886 066	64 185	-5 972 077			-2 761 752
	1 311 850	1 886 066	163 557	-5 972 077			-2 610 603
TOTAL CONDITIONAL GRANTS	174 962 976	443 024 217	13 374 448	-487 949 107	-16 879 898		126 532 636