

NKANGALA DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		337 777 836	205 198 470
Government grant reserve future depreciation reserve		568 346	150 440
Donations and public contribution future depreciation res		300 000	300 000
Accumulated Surplus/(Deficit)		336 909 490	204 748 030
Non-current liabilities		64 678 581	67 910 601
Long-term liabilities	1	60 253 141	64 828 227
Non-current provisions	2	4 425 441	3 082 374
Current liabilities		43 618 383	42 244 859
Creditors -Retention	3	11 796 486	11 840 460
Provisions	4	2 377 652	1 707 475
Creditors	5	22 238 335	21 535 462
Unspent conditional grants and receipts	6	1 586 197	1 624 756
Current portion of long-term liabilities	1	5 619 713	5 536 705
Total Net Assets and Liabilities		<u>446 074 802</u>	<u>315 353 929</u>
ASSETS			
Non-current assets		89 964 286	110 551 347
Property, plant and equipment	8	81 464 286	75 960 380
Investments	9	8 500 000	34 500 000
Long-term receivables	10	-	90 967
Current assets		356 110 516	204 802 582
VAT	7	4 252 545	1 582 126
Inventory	11	78 181 506	58 731 061
RSC Levy debtors	12	-	-
Other debtors	13	1 302 414	5 253 613
Grants Receivable from other spheres of Gov	14	3 231 090	3 252 987
Current portion of long-term debtors	10	93 046	93 046
Call investment deposits	15	246 531 521	127 940 277
Bank balances and cash	16	22 518 394	7 949 472
Total Assets		<u>446 074 802</u>	<u>315 353 929</u>

**NKANGALA DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2008**

Budget	Note	2008 R	2007 R
REVENUE			
- RSC - Regional Services - Turnover		-	2 697 113
- RSC - Regional Services -Remuneration		726 159	1 048 808
- Rental of facilities and equipment		24 720	50
5 565 000 Interest earned - external investments		22 967 319	10 606 756
80 000 Interest earned - outstanding debtors		220 678	1 173 314
1 192 600 Income for agency services/ donors		70 450	277 462
222 894 608 Government grants and subsidies	17	218 530 614	192 218 476
20 410 000 Other income	18	26 221 543	4 400 474
250 142 208 Total Revenue		268 761 483	212 422 453
EXPENDITURE			
45 266 000 Employee related costs	19	23 646 371	24 204 375
7 279 000 Remuneration of Councillors	20	7 267 838	5 124 542
100 000 Bad debts		(585 441)	1 884 740
27 500 Collection costs		14 000	220 242
3 224 200 Depreciation	21	1 754 932	1 915 869
3 203 939 Repairs and maintenance		1 000 895	421 428
4 110 000 Interest paid	22	3 737 395	3 810 109
287 453 959 Grants and subsidies paid	23	92 808 287	134 911 675
32 288 317 General expenses	24	6 955 745	8 867 184
- Loss on disposal of property, plant and equipment		-	5 213 442
382 952 915 Total Expenditure		136 600 021	186 573 607
(132 810 707) SURPLUS/(DEFICIT) FOR THE YEAR		132 161 462	25 848 847

Refer to Appendix E(1) for the comparison with the approved budget

NKANAGALA DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Note	Government	Donations and	Accumulated	Accumulated	Total
		Grant Reserve	Public Contribution Reserve	Surplus/ (Deficit) Work in progress	Surplus/ (Deficit)	
		R	R		R	R
2007						
Balance at 1 July 2006	-	195 739.00	300 000	88 459 251	90 439 932	179 394 922
Implementation of GAMAP (Note 24)	-	-	-	-	-	-
Restated balance		195 739.00	300 000	88 459 251	90 439 932	179 394 922
Surplus/(deficit) for the year					25 848 847	25 848 847
Work in progress complete				(88 459 251)	88 459 251	-
Carry over to work in progress				58 731 061	(58 731 061)	-
Offsetting of depreciation		(45 299.19)				(45 299)
Balance at 30 June 2007		150 440	300 000	58 731 061	146 016 968	205 198 469
2008						
Restated balance		150 440	300 000	58 731 061	146 016 968	205 198 469
Surplus/(deficit) for the year		505 234			132 161 462	132 666 696
Work in progress complete				(58 731 061)	58 731 061	-
Carry over to work in progress				78 181 506	(78 181 506)	-
Offsetting of depreciation		(87 328)	-		-	(87 328)
Balance at 30 June 2008		568 346	300 000	78 181 506	258 727 985	337 777 836

NKANAGALA DISTRICT MUNICIPLITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		268 761 483	212 422 453
Cash paid to suppliers and employees		(169 304 630)	(146 663 437)
Cash generated from/(utilised in) operations	26	99 456 853	65 759 017
Interest received		23 187 997	11 780 070
Interest paid		(3 737 395)	(3 810 109)
NET CASH FROM OPERATING ACTIVITIES		118 907 455	73 728 977
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7 346 178)	(981 230)
Proceeds on disposal of property, plant and equipment		-	-
Decrease in non-current receivables		90 967	123 024
Decrease/(Increase) in non-current investments		26 000 000	-
NET CASH FROM INVESTING ACTIVITIES		18 744 789	(858 207)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(4 492 079)	(4 348 385)
Increase in consumer deposits		-	-
NET CASH FROM FINANCING ACTIVITIES		(4 492 079)	(4 348 385)
NET DECREASE IN CASH AND CASH EQUIVALENTS		133 160 166	68 522 386
Cash and cash equivalents at the beginning of the year		135 889 749	67 367 364
Cash and cash equivalents at the end of the year	27	269 049 915	135 889 749

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
1 LONG-TERM LIABILITIES		
Local Registered Stock Loans	-	-
Annuity Loans	65 872 854	70 364 932
Government Loans : Other	-	-
Sub-total	<u>65 872 854</u>	<u>70 364 932</u>
Less : Current portion transferred to current liabilities	(5 619 713)	(5 536 705)
Local Registered Stock Loans	<u>-</u>	<u>-</u>
Annuity Loans	<u>(5 619 713)</u>	<u>(5 536 705)</u>
Government Loans : Other	<u>-</u>	<u>-</u>
Total External Loans	<u><u>60 253 141</u></u>	<u><u>64 828 227</u></u>

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

2 NON-CURRENT PROVISIONS

Post employment Medical Aid benefit	(3 765 216)	(1 746 826)
Leave	(660 225)	(1 335 548)
Total Non-Curent Provisions	<u><u>(4 425 441)</u></u>	<u><u>(3 082 374)</u></u>

Leave is accumulated monthly. The provision is an estimate of the leave based on historical staff turnover.

The post employment medical aid benefit are provided for ex retired employees and their legitimate spouses and is paid monthly. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The provision is an estimate of the liability based on historical staff turnover and life expectancy of the relevant people and is discounted by using the inflation rate at the balance sheet date. The provision is phased in over a five year period starting from the 2005/2006 financial year.

The movement in the non-current provision is reconciled as follows: -

Balance at beginning of year	(3 082 374)	(2 622 152)
Contributions to provision	(1 962 718)	-
Expenditure incurred	-	-
Increase in provision due to discounting	-	-
Transfer to current provisions	619 651	(460 222)
Balance at end of year	<u><u>(4 425 441)</u></u>	<u><u>(3 082 374)</u></u>

3 CREDITORS -RETENTION

Retention	11 796 486	11 840 460
Total Retention	<u><u>11 796 486</u></u>	<u><u>11 840 460</u></u>

Guarantees held in lieu of Retention	<u><u>10 756 257</u></u>	<u><u>10 164 871</u></u>
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NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
4 PROVISIONS		
Performance bonus	(1 286 741)	(1 236 215)
Leave	(1 037 103)	(422 012)
Post employment Medical Aid benefit	(53 808)	(49 248)
Current portion of long-service provision (see note 2 above)	-	-
Total Provisions	<u><u>(2 377 652)</u></u>	<u><u>(1 707 475)</u></u>

Performance bonuses are paid one year in arrear and are provided at a 100% rate.

The movement in current provisions are reconciled as follows: -

Performance Bonus

Balance at beginning of year	(1 236 215)	(996 014)
Transfer from non-current		
Contributions to provision	(850 635)	(1 236 215)
Expenditure incurred	800 110	996 014
Balance at end of year	<u><u>(1 286 741)</u></u>	<u><u>(1 236 215)</u></u>

Leave

Balance at beginning of year	(422 012)	(399 850)
Transfer from non-current	(675 323)	(440 846)
Contributions to provision	(1 042 677)	(397 958)
Expenditure incurred	1 102 909	816 641
Balance at end of year	<u><u>(1 037 103)</u></u>	<u><u>(422 012)</u></u>

Medical Aid Ex Employees

Balance at beginning of year	(49 248)	(42 350)
Transfer from non-current	2 018 390	901 068
Contributions to provision	(2 074 466)	(932 966)
Expenditure incurred	51 516	25 000
Balance at end of year	<u><u>(53 808)</u></u>	<u><u>(49 248)</u></u>

5 CREDITORS

Trade creditors	(21 758 093)	(21 125 250)
Payments received in advance	(1 806)	(5 415)
Other creditors	(478 437)	(404 797)
	<u><u>(22 238 335)</u></u>	<u><u>(21 535 462)</u></u>

NKANGALA DISTRICT MUNICIPLITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
6 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
6.1 Conditional Grants from other spheres of Government	1 440 007	1 413 624
Fire	-	729 666
MSIG	698 150	683 958
MIG		
FMG	272 499	
Transport	469 358	
Provincial	-	-
6.2 Other Conditional Receipts	146 190	211 132
DBSA	146 190	211 132
Total Conditional Grants and Receipts	<u>1 586 197</u>	<u>1 624 756</u>
See Note 17 for reconciliation of grants from other spheres of government.		
These amounts are invested in a ring-fenced investment until utilized.		
7 VAT		
VAT (payable)/ receivable	<u>4 252 545</u>	<u>1 582 126</u>

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

8 PROPERTY, PLANT AND EQUIPMENT
30-Jun-08

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2007	67 237 385	-	5 285	-	8 717 699	75 960 369
Cost	67 237 385	-	5 633	-	12 436 496	79 679 514
Accumulated depreciation	-	-	(348)	-	(3 718 797)	(3 719 145)
Acquisitions	45 995	-	-	-	967 684	1 013 679
Capital under Construction	6 332 499	-	-	-	-	6 332 499
Depreciation	-	-	(2 088)	-	(1 840 173)	(1 842 261)
Carrying values at 30 June 2008	73 615 879	-	3 196	-	7 845 211	81 464 286
Cost	73 615 879	-	5 633	-	13 404 180	87 025 692
Accumulated depreciation	-	-	(2 436)	-	(5 558 970)	(5 561 406)

30-Jun-07						
Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2006	68 014 080	4 459 956	124 479	-	9 555 244	82 153 760
Cost	68 040 047	4 481 026	125 000	-	11 929 828	84 575 901
Accumulated depreciation	(25 967)	(21 070)	(521)	-	(2 374 584)	(2 422 141)
Acquisitions	-	-	5 633	-	998 478	1 004 111
Capital under construction	(22 880)	-	-	-	-	(22 880)
Depreciation	(12 983)	(133 919)	(3 462)	-	(1 808 527)	(1 958 892)
Carrying value of disposals	(740 832)	(4 326 038)	(121 354)	-	(27 495)	(5 215 719)
Cost/revaluation	(779 782)	(4 481 026)	(125 000)	-	(491 809)	(5 877 617)
Accumulated depreciation	38 950	154 988	3 646	-	464 314	661 898
Carrying values at 30 June 2007	67 237 385	-	5 295	-	8 717 700	75 960 380
Cost	67 237 385	-	5 633	-	12 436 497	79 679 514
Correction of error (note 27)	-	-	-	-	-	-
Accumulated depreciation	-	-	(337)	-	(3 718 797)	(3 719 134)

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 2008. 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 2008.

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007	2008	2007
			R	R
9 INVESTMENTS				
<u>Financial Instruments</u>				
Long Term Investments - at cost			<u>8 500 000</u>	<u>34 500 000</u>
	2008	2007	2008	2007
	Cost	Cost	Guaranteed Value	Guaranteed Value
Momentum - Policy		R 20 000 000		R 27 044 269.00
Nedbank Investment		R 10 000 000		R 13 967 947.00
Investec	R 2 000 000	R 2 000 000	R 3 000 945	R 4 440 682.00
Investec		R 2 500 000		R 4 437 885.00
Investec	R 6 500 000		R 11 414 148	
Total	<u>R 8 500 000</u>	<u>R 34 500 000</u>	<u>R 14 415 093</u>	<u>R 49 890 783.00</u>

Pledged Investments

A Long Term Investment of R2.5 million has been pledged as security to the Development Bank of South Africa for a loan of R46 050 523.41

Guaranteed Value

The guaranteed value of the investments amounts to R14 415 093

10 LONG-TERM RECEIVABLES

Car loans	93 046	184 013
	93 046	184 013
Less : Current portion transferred to current receivables	(93 046)	(93 046)
Car loans	(93 046)	(93 046)
Total	<u>-</u>	<u>90 967</u>

CAR LOANS

Senior staff were entitled to car loans which at interest rates between 8% and 8.5% per *annum* and are repayable over periods between 42 months and 72 months. The last loan will be repaid in February 2009. The Municipal Finance Management Act forbid any further loans to employees and councillors and no new loans will be granted.

11 INVENTORY

Projects - Work in progress	78 181 506	58 731 061
Total Inventory	<u>78 181 506</u>	<u>58 731 061</u>
11.1 Work in Progress	2008	2007
Balance previously reported: -		
Work in progress	-	-
Total	<u>-</u>	<u>-</u>
Implementation of GAMAP		
Current year transferred to Accumulated Surplus/(Deficit) (see 24.2 below)	78 181 506	58 731 061
Previous year transferred to Accumulated Surplus/(Deficit) (see 24.2 below)	(58 731 061)	(88 459 251)
	<u>19 450 445</u>	<u>(29 728 190)</u>

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
11.2 Provisions and Reserves		
Balance previously reported		
Transferred to Accumulated Surplus/(Deficit)		
General	9 939 570	7 628 698
Delmas	4 355 303	4 810 273
Dr JS Moroka	6 931 102	9 850 075
Emalahleni	20 693 194	10 502 309
Steve Tshwete	12 713 431	7 023 744
Emakhazeni	7 321 267	8 987 987
Thembisile	16 227 639	9 927 975
Total	78 181 506	58 731 061
Previous year transferred from Accumulated Surplus/(Deficit)		
General	(7 628 698)	(10 495 510)
Delmas	(4 810 273)	(11 260 435)
Dr JS Moroka	(9 850 075)	(9 151 773)
Emalahleni	(10 502 309)	(12 881 928)
Steve Tshwete	(7 023 744)	(22 069 190)
Emakhazeni	(8 987 987)	(9 082 785)
Thembisile	(9 927 975)	(13 517 629)
Total	(58 731 061)	(88 459 251)

Financial Instruments is accounted for in terms of accounting policy no. 19
Infrastructure projects not fully completed by the municipality are

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R		2007 R
12 RSC Debtors			
	Gross Balances	Provision for Bad Debts	Net Balance
As at 30 June 2008	R	R	R
Service debtors			
Levy Debtors	2 064 767	(2 064 767)	-
Total	<u>2 064 767</u>	<u>(2 064 767)</u>	<u>-</u>

	2008 R		2007 R
<u>Rates: Ageing</u>			
Current (0 – 30 days)	-		-
31 - 60 Days	-		-
61 - 90 Days	-		-
91 - 120 Days	-		-
121 - 365 Days	2 064 767		2 686 825
+ 365 Days	-		-
Provision for Bad Debts	(2 064 767)		(2 686 825)
Total	<u>-</u>		<u>-</u>

	2008 R		2007 R
<u>Reconciliation of the bad debt provision</u>			
Balance at beginning of the year	2 686 825		810 994
Contributions to provision	-		1 881 122
Bad debts written off against provision	(26 948)		(5 292)
Reversal of provision	(595 110)		-
Balance at end of year	<u>2 064 767</u>		<u>2 686 825</u>

13 OTHER DEBTORS

	Gross Balances R	Provision for Bad Debts R	Net Balance R
As at 30 June 2008			
Sundry Debtors			
Ogies Local Municipality	962 805		962 805
Department of Health	5 284 639	(5 284 639)	-
Other	403 831	(64 222)	339 609
Total	<u>6 651 275</u>	<u>(5 348 861)</u>	<u>1 302 414</u>

	2008 R		2007 R
<u>Rates: Ageing</u>			
Current (0 – 30 days)	248 105		1 187 458
31 - 60 Days	24 156		42 990
61 - 90 Days	12 291		40 601
91 - 120 Days	14 409		40 230
+ 365 Days	6 352 314		9 281 526
Provision for Bad Debts	(5 348 861)		(5 339 193)
Total	<u>1 302 414</u>		<u>5 253 613</u>

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
<u>Reconciliation of the bad debt provision</u>		
Balance at beginning of the year	5 339 193	6 527 014
Contributions to provision	9 669	3 617
Bad debts written off against provision	-	(1 191 439)
Reversal of provision	-	-
Balance at end of year	<u>5 348 861</u>	<u>5 339 193</u>
Sundry Debtors as above	1 302 414	5 253 613
Total Other Debtors	<u>1 302 414</u>	<u>5 253 613</u>
14 GRANTS RECOVERABLE FROM OTHER SPHERES OF GOVERNMENT		
Department of Local Government and Housing	3 231 090	3 252 987
Total government Grants and Commitments	<u>3 231 090</u>	<u>3 252 987</u>
15 CALL INVESTMENT DEPOSITS		
Other Deposits	<u>246 531 521</u>	<u>127 940 277</u>
16 BANK AND CASH BALANCES		
The Municipality has the following bank accounts: -		
<u>Current Account (Primary Bank Account)</u>		
ABSA Bank Limited Account number 1040161836		
Cash balance at beginning of year (Including Petty Cash of R5200.00)	7 949 472	3 671 848
Cash balance at end of year (Including Petty Cash of R5200.00)	<u>22 518 394</u>	<u>7 949 472</u>
Bank statement balance at beginning of year	11 156 705	13 303 249
Bank statement balance at end of year	<u>24 812 010</u>	<u>11 156 705</u>
TOTAL BALANCE	<u>22 518 394</u>	<u>7 949 472</u>

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
17 GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share	2 858 250	799 000
RSC LEVY REPLACEMENT GRANT	212 718 631	187 628 982
Fire	1 209 781	1 077 378
MSIG	985 808	1 511 267
DWAF	-	-
TRANSPORT	530 642	-
FMG	227 501	500 000
MIG Grant	-	701 850
Total Government Grant and Subsidies	218 530 614	192 218 476
17.1 Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
17.2 RSC LEVY REPLACEMENT GRANT		
In terms of the Division of Revenue Act this grant is used to subsidise the replacement of the RSC Levies that were abolished from 1 July 2006		
17.3 Fire Grant		
Balance unspent at beginning of year	(729 666)	(729 666)
Current year receipts	1 209 781	(1 077 378)
Conditions met - transferred to revenue	(480 115)	1 077 378
Conditions still to be met - transferred to liabilities (see note 6)	-	(729 666)
17.4 MSIG Grant		
Balance unspent at beginning of year	(683 958)	(1 195 225)
Current year receipts	(1 000 000)	(1 000 000)
Conditions met - transferred to revenue	985 808	1 511 267
Conditions still to be met - transferred to liabilities (see note 6)	(698 150)	(683 958)
17.5 DWAF Grant		
Balance unspent at beginning of year	8 172	-
Current year receipts	(8 172)	-
Conditions met - transferred to revenue	-	8 172
Conditions still to be met - transferred to Other Debtors (see note 13)	-	8 172
17.6 TRANSPORT Grant		
Balance unspent at beginning of year	-	-
Current year receipts	(1 000 000)	-
Conditions met - transferred to revenue	530 642	-
Conditions still to be met - transferred to liabilities (see note 6)	(469 358)	-
17.7 Finance Management Grant		
Balance unspent at beginning of year	-	(17 543)
Current year receipts	(500 000)	(500 000)
Conditions met - transferred to revenue	227 501	517 543
Conditions still to be met - transferred to liabilities (see note 6)	(272 499)	-

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
17.8 MIG Grant		
Balance unspent at beginning of year	-	701 850
Current year receipts	-	-
Conditions met - transferred to revenue	-	(701 850)
Conditions still to be met - transferred to liabilities (see note 6)	<u>-</u>	<u>-</u>

17.9 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (Act ...of 2006), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

18 OTHER INCOME

Sundry income	1 884 596	4 134 874
Discount received	323 899	265 600
Profit on investment	24 013 048	-
Total Other Income	<u>26 221 543</u>	<u>4 400 474</u>

19 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	15 401 987	15 952 609
Employee related costs - Contributions for UIF, pensions and medical aids	3 201 455	3 262 663
Travel, motor car, accommodation, subsistence and other allowances	2 522 724	3 044 369
Housing benefits and allowances	190 893	157 426
Overtime payments	426 292	502 542
Performance bonus	800 110	1 236 215
Long-service awards/ Leave encashment	1 102 909	48 552
Less: Employee costs capitalised to Property, Plant and Equipment	-	-
Less: Employee costs included in other expenses	-	-
Total Employee Related Costs	<u>23 646 371</u>	<u>24 204 375</u>

There were no advances to employees. Loans to employees are set out in note 10.

Remuneration of the Municipal Manager

Annual Remuneration	745 637	684 213
Performance Bonuses	155 013	145 689
Car Allowance	238 748	236 302
Contributions to UIF, Medical and Pension Funds	91 482	90 063
Total	<u>1 230 880</u>	<u>1 156 267</u>

Remuneration of the Chief Finance Officer

Annual Remuneration	478 506	586 179
Performance Bonuses	98 205	102 633
Car Allowance	118 952	208 298
Contributions to UIF, Medical and Pension Funds	93 975	81 637
Total	<u>789 638</u>	<u>978 747</u>

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
Remuneration of Individual Executive Directors		
	<u>Technical</u>	<u>Corporate</u>
	<u>Services</u>	<u>Services</u>
	R	R
30-Jun-08		
Annual Remuneration	516 248	355 670
Overtime	-	-
Performance Bonuses	93 864	-
Car Allowance	111 604	80 000
Medical and pension funds	2 946	82 194
Total	<u><u>724 661</u></u>	<u><u>517 864</u></u>
30-Jun-07		
Annual Remuneration	545 210	536 900
Overtime	42 417	22 410
Performance Bonuses	88 218	101 483
Car Allowance	110 906	128 376
Medical and pension funds	80 674	94 211
Total	<u><u>867 425</u></u>	<u><u>883 380</u></u>
REMUNERATION OF		
20 COUNCILLORS		
Executive Mayor	519 952	414 708
Chief Whip	399 151	313 127
Speaker	420 809	327 526
Executive Committee Members	1 958 284	1 958 284
Councillors	3 187 548	1 377 724
Councillors' pension contribution	549 911	445 144
Councillors' medical contribution	232 183	288 028
Total Councillors' Remuneration	<u><u>7 267 838</u></u>	<u><u>5 124 542</u></u>
<i>In-kind Benefits</i>		
The Executive Mayor, Council Whip, Speaker and Mayrol Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Executive Mayor has use of a Council owned vehicle for official duties.		
As a result of the determination dated 1 July 2006 that was published on 1 December 2006 The municipality was down graded from a level 5 to level 4. Council adopted this determination on 31st January 2007. The application of the determination was retrospective from the 1 March 2006 and hence this resulted in remuneration of councillors on a grade 5 instead of a grade 4 for the period 1 March to February 2007. The implication of this is that an amount of R284 903.98 has been overpaid in terms of councilor remuneration. The Accounting Officer has implemented steps to recover such over payment as at 30 June 2008 the balance outstanding is R27 186.32 (30 June 2007 the balance outstanding is R253 705.86)		
21 DEPRECIATION		
Depreciation for the year - Asset Register	1 842 261	1 958 892
Contribution recovered from Future Depreciation Reserve	(87 328)	(43 023)
Total	<u><u>1 754 932</u></u>	<u><u>1 915 869</u></u>

NKANGALA DISTRICT MUNICIPLITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
22 INTEREST PAID		
Long-term liabilities	3 737 395	3 810 109
Consumer deposits	-	-
Bank overdrafts	-	-
Total Interest on External Borrowings	3 737 395	3 810 109
GRANTS AND SUBSIDIES		
23 PAID		
Grant paid to Local Municipalities out of own revenue		
General	18 174 899	22 240 987
Delmas	7 774 592	12 362 918
Dr JS Moroka	12 841 841	20 096 293
Emalahleni	17 606 477	21 160 427
Steve Tshwete	10 515 667	25 838 535
Emakhazeni	9 095 263	13 330 059
Thembisile	15 540 614	18 903 144
Total Grants and Subsidies out of own revenue	91 549 353	133 932 364
Grant paid to Local Municipalities out of Implementing Agents Funds		
General	1 188 484	-
Delmas	-	-
Dr JS Moroka	-	-
Emalahleni	-	-
Steve Tshwete	-	-
Emakhazeni	-	-
Thembisile	70 450	979 312
Total Grants and Subsidies out of Implementing Agent Funds	1 258 934	979 312
	92 808 287	134 911 675

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
24 GENERAL EXPENSES		
Included in general expenses are the following:-		
<u>24.1 Thunder storm support</u>	<u>695 000</u>	<u>9 470</u>
2007		

A thunder storm hit the Dullstroom area in October 2006. Another thunder storm hit the Langkloof area in February 2007. In both instances Council provided blankets to aid the affected residents until the flooding subsided and residents were able to return to their homes. The thunder storm damage was unforeseen and has never occurred previously.

2008

Heavy rains were experienced during 10 - 24 January 2008 in the Thembisile and Dr JS Moroka Local Municipal areas Council provided tents to aid the affected residents until the flooding subsided and residents were able to return to their homes. The heavy rains were unforeseen.

24.2 Operating leases

	2008	2007
	R	R
Operating leases iro automated office machines - minimum payments.	584 331	756 996

The municipality lease office automation machines from various service providers over a lease of a maximum period of 5 years. The last lease agreements will terminate in March 2010.

Future minimum lease payments at 30 June 2008:

Up to 1 year	1 - 5 years	More than 5 years
R	R	R
584 331	2 075 715	-

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

25 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP: -

25.1 Property, Plant and equipment

Property, Plant and equipment is accounted for in terms of accounting policy no. 5

The useful lives and depreciation methods was not reviewed in the previous and current financial years as required by GAMAP 17 as these requirements have been exempted in terms of government notice 552 of 2007.

The change in accounting policy has been applied prospectively from the current year; and

The comparative information and amounts have not been reclassified and may, therefore, not be consistent with current year information and amounts.

25.2 Financial Instruments

Financial Instruments is accounted for in terms of accounting policy no. 6
Impairment testing on financial instruments was not performed by the municipality in the previous and current financial years as required by IAS 39 as these requirements have been exempted in terms of government notice 552 of 2007

The requirement of IAS 39, 43, AG64, AG65, AG79 and SAICA Circular 9 that financial instruments should initially be measured at fair value has been exempted in terms of General notice 552 of 2007 and was not applied in the previous and current financial statements.

The change in accounting policy has been applied prospectively from the current year; and

The comparative information and amounts have not been reclassified and may, therefore, not be consistent with current year information and amounts.

25.3 Trade Creditors

Financial Instruments is accounted for in terms of accounting policy no. 7

Trade creditors was not recognised initially at fair value by the municipality in the previous and current financial years as required as these requirements have been exempted in terms of government notice 552 of 2007

The change in accounting policy has been applied prospectively from the current year; and

The comparative information and amounts have not been reclassified and may, therefore, not be consistent with current year information and amounts.

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

25.4 Revenue Recognition

Financial Instruments is accounted for in terms of accounting policy no. 8 Revenue for the current and prior financial year was initially recognised at cost. The requirement of GAMAP 9.12 and SAICA circular 9/06 that the initial measurement of revenue be recognised at fair value through discounting all future receipts using an imputed rate of return have been exempted in terms of General Notice 552 of 2007.

The change in accounting policy has been applied prospectively from the current year; and

The comparative information and amounts have not been reclassified and may, therefore, not be consistent with current year information and amounts.

25.5 Leases

Financial Instruments is accounted for in terms of accounting policy no. 18 Operating leases were not recognised on a straight-lined basis over the lease period and was expensed at cost as a general expense as these requirements have been exempted in terms of government notice 552 of 2007

The change in accounting policy has been applied prospectively from the current year; and

The comparative information and amounts have not been reclassified and may, therefore, not be consistent with current year information and amounts.

26 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	132 161 462	25 848 847
Adjustment for:-		
Depreciation	1 754 932	1 915 869
(Gain)/ loss on disposal of property, plant and equipment	-	5 213 442
Contribution to provisions - non-current	1 343 067	
Contribution to provisions – current	670 177	729 482
depreciation reserve	505 246	
Interest paid	3 737 395	3 810 109
Investment income	(23 187 997)	(11 780 070)
Operating surplus before working capital changes:	116 984 282	25 737 679
(Increase) /Decrease in inventories	(19 450 445)	29 728 190
(Increase)/decrease in debtors	1 302 676	21 856 530
(Increase)/decrease in other debtors	-	-
(Decrease)/increase in conditional grants and receipts	-	-
Increase / (Decrease) in creditors	620 340	(11 563 382)
Increase / (Decrease) in VAT	-	-
Cash generated by/(utilised in) operations	99 456 853	65 759 017

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	22 518 394	7 949 472
Bank overdrafts	-	-
Call investment deposits	246 531 521	127 940 277
Total cash and cash equivalents	269 049 915	135 889 749

28 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 1)	65 872 853	70 364 931
Used to finance property, plant and equipment – at cost	65 872 853	70 364 931

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
Sub- total	-	-
Cash set aside for the repayment of long-term liabilities	12 235 256	11 260 000
Cash invested for repayment of long-term liabilities (see note 14)	12 235 256	11 260 000

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. A long term investment has been pledged as security as per note 9.

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE
29 DISALLOWED

29.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure		
Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery (note 13)	-	-
Unauthorised expenditure awaiting authorization	-	-

Incident	Disciplinary steps/criminal proceedings
<i>No incident</i>	<i>No disciplinary hearing held</i>

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

29.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
To be recovered – contingent asset (see note 46)	-	-
	<u>-</u>	<u>-</u>
Fruitless and wasteful expenditure awaiting condonement	<u>-</u>	<u>-</u>

Incident	Disciplinary steps/criminal proceedings
<i>No incident</i>	<i>No disciplinary hearing held</i>

29.3 Irregular expenditure

Reconciliation of irregular expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
	<u>-</u>	<u>-</u>
Irregular expenditure awaiting condonement	<u>-</u>	<u>-</u>

Incident	Disciplinary steps/criminal proceedings
<i>No incident</i>	<i>No disciplinary hearing held</i>

30 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

30.1 Contributions to organized local government

Opening balance	-	-
Council subscriptions	174 434	74 673
Amount paid - current year	(174 434)	(74 673)
Amount paid - previous years	-	-
	<u>-</u>	<u>-</u>
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

30.2 Audit fees

Opening balance	-	-
Current year audit fee	1 386 076	720 779
Amount paid - current year	(1 386 076)	(720 779)
Amount paid - previous years	-	-
	<u>-</u>	<u>-</u>
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>

The balance unpaid represents the audit fee for an interim audit conducted during April and May 2008 and is payable by 31 July 2008

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

30.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 7. All VAT returns have been submitted by the due date throughout the year.

30.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	4 859 737	4 889 230
Amount paid - current year	(4 859 737)	(4 889 230)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-----	-----

30.5 Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	5 923 450	5 575 788
Amount paid - current year	(5 923 450)	(5 575 788)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-----	-----

30.6 Compliance with Chapter 11 of the Municipal Finance Management Act

Council's Supply Chain Policy was adopted in October 2005 (DM208/09/2005) with effective date 1 January 2006. The Supply Chain Unit was established December 2006.

NKANGALA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

31 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

		131 000 000	143 754 955
	- Approved and contracted for		
<i>Infrastructure</i>	General	25 282 728	28 636 383
	Delmas	9 493 680	11 874 345
	Dr JS Moroka	25 480 402	19 227 852
	Emalahleni	20 876 541	31 982 852
	Steve Tshwete	18 320 774	19 002 053
	Emakhazeni	16 503 800	9 539 682
	Thembisile	15 042 075	23 491 788
	- Approved but not yet contracted for	-	-
<i>Infrastructure</i>	General	-	-
	Delmas	-	-
	Dr JS Moroka	-	-
	Emalahleni	-	-
	Steve Tshwete	-	-
	Emakhazeni	-	-
	Thembisile	-	-
Total		131 000 000	143 754 955
This expenditure will be financed from:			
	- Own resources	131 000 000	143 754 955

32 POST-EMPLOYMENT BENEFITS

All councillors and employees belong to 3 defined benefit retirement funds as well as 3 defined contribution funds administered by Municipal Gratiuity Fund, Municipal Joint Pension Fund, Government Employees Pension Fund, Samwu Pension Fund, Municipal Employees Pension Fund and Councillors Pension Fund. These funds are subject to a triennial actuarial valuation. The last valuation was performed in 2003. These valuations indicate that the funds are in a sound financial position.

Defined contribution plans are benefit plans under which an entity pays fixed contributions into a separate entity (pension fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current or prior periods. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

An amount of R3,070,263 (2006 : R3,184,977) was contributed by Council in respect of Councillor and employees retirement funding. These contributions are recognised as an expense in the income statement as incurred.

The post employment medical aid benefit are provided for ex retired employees and their legitimate spouses and is paid monthly. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The provision is an estimate of the liability based on historical staff turnover and life expectancy of the relevant people and is discounted by using the inflation rate at the balance sheet date. The provision is phased in over a five year period starting from the 2005/2006 financial year. See note 2

NKANGALA DISTRICT MUNICIPLITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
33 IN-KIND DONATIONS AND ASSISTANCE		
The Municipality made the following in-kind donations and assistance		
<u>Description</u>		
▪ Thembisile Municipality - Assistance with King Silamba Annual Celebrations	-	76 596

34 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E(1) and E(2).

APPENDIX A

NKANGALA DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/07	Received during the period	Redeemed written off during the period	Balance at 30/06/08	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
LONG-TERM LOANS			R	R	R	R	R	R
1996@ 6 months JIBAR plus 2%.	1	30/09/2019	39 701 260	-	3 178 352	36 522 908	-	-
2004 @ 12.28% p.a. INCA	2	30/12/2018	30 663 671	-	1 313 726	29 349 945	35 000 000	-
Total long-term loans			70 364 931	-	4 492 078	65 872 853	35 000 000	-
TOTAL EXTERNAL LOANS			70 364 931	-	4 492 078	65 872 853	35 000 000	-

APPENDIX B
NKANGALA DISTRICT MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
30 JUNE 2008

	Cost				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Infrastructure Assets	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-
Sewerage	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Community assets	5 633	-	-	-	5 633	348	2 088	-	2 436	3 196
Buildings	-	-	-	-	-	-	-	-	-	-
Recreational	5 633	-	-	-	5 633	348	2 088	-	2 436	3 196
Other Assets	79 673 881	7 346 178	-	-	87 020 059	3 718 797	1 840 173	-	5 558 970	81 461 090
- Accounting and Office Machines	1 837 216	414 349	-	-	2 251 564	1 184 948	280 598	-	1 465 546	786 018
- Plant and Equipment	804 856	42 111	-	-	846 968	283 767	155 240	-	439 007	407 960
- Furniture and appliances	8 557 845	5 990	-	-	8 563 835	1 568 351	1 197 037	-	2 765 388	5 798 447
- Vehicles	1 196 325	505 234	-	-	1 701 559	643 678	207 117	-	850 796	850 763
- Emergency Equipment	40 255	-	-	-	40 255	38 053	180	-	38 233	2 022
- Land and Buildings	300 000	-	-	-	300 000	-	-	-	-	300 000
- Capital under construction - Office	66 937 385	45 995	-	-	66 983 380	-	-	-	-	66 983 380
- Capital under construction - Kwamhlanga Fire Station	6 332 499	6 332 499	-	-	6 332 499	-	-	-	-	6 332 499
Total	79 679 514	7 346 178	-	-	87 025 692	3 719 145	1 842 261	-	5 561 406	81 464 286

APPENDIX C

NKANGALA DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT 30 JUNE 2008

	Cost				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Executive & Council	8 114 804	217 979	-	-	8 332 783	2 027 536	1 183 307	-	3 210 843	5 121 940
Finance & Admin	2 724 766	142 226	-	-	2 866 992	1 111 130	366 793	-	1 477 923	1 389 069
Planning & Development	1 050 259	78 769	-	-	1 129 028	300 053	156 141	-	456 193	672 834
Community & Social Services	852 300	528 710	-	-	1 381 010	280 427	136 020	-	416 447	964 563
Work in progress	66 937 385	6 378 494	-	-	73 315 879	-	-	-	-	73 315 879
TOTAL	79 679 514	7 346 178	-	-	87 025 692	3 719 146	1 842 261	-	5 561 407	81 464 285

APPENDIX D

NKANGALA DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

2007				2008		
Actual	Actual	Surplus/		Actual	Actual	Surplus/
Income	Expenditure	(Deficit)		Income	Expenditure	(Deficit)
R	R	R		R	R	R
-	18 449 151	18 449 151	Executive & Council	-	19 772 243	19 772 243
(208 854 447)	14 535 487	(194 318 960)	Finance & Admin	(265 964 801)	14 008 022	(251 956 779)
(2 490 578)	142 253 654	139 763 076	Planning & Development	(1 586 901)	92 711 350	91 124 449
(1 077 428)	7 723 506	6 646 078	Community & Social Services	(1 209 781)	6 416 700	5 206 919
-	3 611 808	3 611 808	Primary Functions	-	3 691 706	3 691 706
(212 422 453)	186 573 607	(25 848 847)	Sub Total	(268 761 483)	136 600 021	(132 161 462)
-	-	-	Less Inter-Department Charges	-	-	-
(212 422 453)	186 573 607	(25 848 847)	Total	(268 761 483)	136 600 021	(132 161 462)

APPENDIX E(1)

NKANGALA DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2008

	2008	2008	2008	2008	Explanation of Significant Variances greater than 10% versus Budget
REVENUE	Actual (R)	Budget (R)	Variance (R)	Variance (%)	
Regional Services - Turnover	-	-	-	-	(Explanations to be recorded)
Regional Services -Remuneration	726 159	-	726 159	-	
Rental of facilities and equipment	24 720	-	24 720	-	
Interest earned - external investments	22 967 319	5 565 000	17 402 319	313	
Interest earned - outstanding debtors	220 678	80 000	140 678	176	
Income for agency services	70 450	1 192 600	(1 122 150)	(94)	
Government grants and subsidies	218 530 614	222 894 608	(4 363 994)	(2)	
Other income	26 221 543	20 410 000	5 811 543	28	
Surplus cash					
Total Revenue	268 761 483	250 142 208	18 619 275	7	
EXPENDITURE					
Executive & Council	19 772 243	23 545 800	3 773 557	16	
Finance & Admin	14 008 022	20 750 000	6 741 978	32	
Planning & Development	92 711 350	296 162 098	203 450 749	69	
Community & Social Services	6 416 700	12 947 700	6 531 000	50	
Primary Functions	3 691 706	29 547 317	25 855 611	88	
Less Inter-Departmental Charges	-	-	-	-	
Total Expenditure	136 600 021	382 952 915	246 352 894	64	
NET SURPLUS/(DEFICIT) FOR THE YEA	132 161 462	(132 810 707)	(227 733 619)	171	

APPENDIX E(2)

NKANGALA DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2008

	<u>2008</u> <u>Actual</u>	<u>2008</u> <u>Under</u> <u>Construction</u>	<u>2008</u> <u>Total</u> <u>Additions</u>	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Variance</u>	<u>2008</u> <u>Variance</u> <u>greater than 5% versus Budget</u>	<u>Explanation of Significant Variances</u> <u>greater than 5% versus Budget</u>
	R	R	R	R	R	%	<i>(Explanations to be recorded)</i>
Executive & Council	217 979	-	217 979	1 316 300	(1 098 321)	(83)	
Finance & Admin	142 226	-	142 226	202 000	(59 774)	(30)	
Planning & Development	78 769	-	78 769	-	78 769	100	
Community & Social Services	528 710	-	528 710	50 000	478 710	957	
Work in progress		6 378 494	6 378 494				
TOTAL	967 684	6 378 494	7 346 178	1 568 300	(600 616)	(38)	

APPENDIX F

NKNAGLA DISTRICT MUNICIPALITY: DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003 AS AT 30 JUNE 2008

Grant and Subsidies Received

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08			
MSIG	National Gov					1 000 000	290 292	245 220	370 441	209 628	109 285						NA	Yes	NA
FMG	National Gov		500 000				189 263		59 843	351 530	21 605						NA	Yes	NA
																	NA	Yes	NA