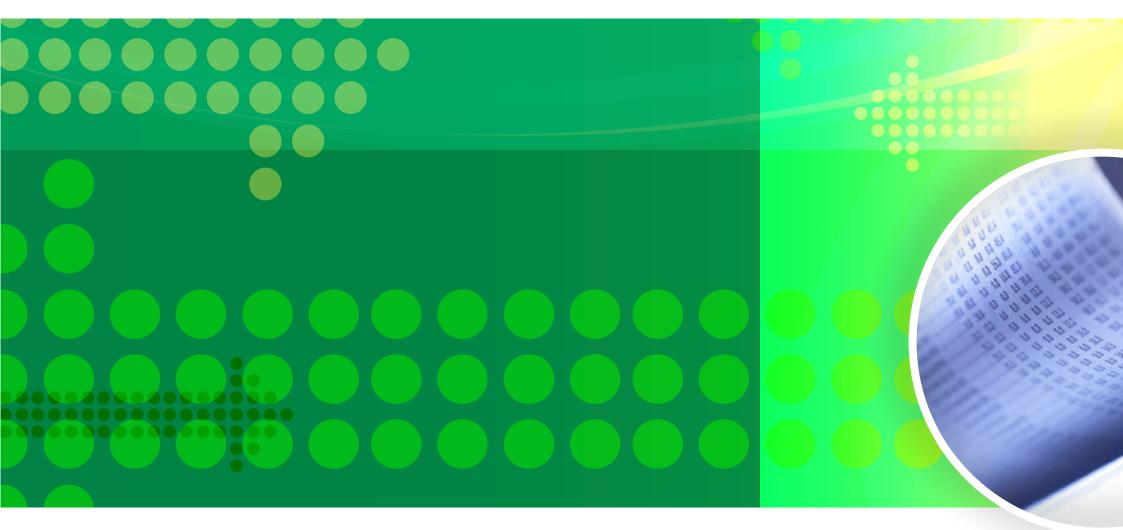


Consolidated Annual Financial Statements

for the year ended 30 June 2009



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Approval Of Consolidated Annual Financial Statements

I am responsible for the preparation of these consolidated annual financial statements, which are set out on pages 1 to 90 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 Councilors as disclosed in Note 25 of these consolidated annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

DR N. LUKHWARENI Acting CITY MANAGER

30 September 2009

General Information

MEMBERS OF THE COUNCIL:

Ramokgopa, Gwen (Dr) Dau, K J (Khorombi) Skosana, Vusi Komane (Ms) Tebogo Ditshoke, A M Ernest, T (Ms) Lehobye, Kideledi Mahlangu, B W Masondo, Z L (Ms) Makoena, Naldo Pillay, Subesh Thipe, S S (Ms) Twala, Gabriel

City Manager

Kekana, Kiba D Telephone: 012 - 358 4901 E-mail: KibaKe@tshwane.gov.za

Grading of local authority: Metro Auditors: Auditor-General Bankers: Standard Bank, Van der Walt Street, PRETORIA

Registered Office: City Manager

9™ Floor, Munitoria,	P O Box 440
Van der Walt Street,	PRETORIA
PRETORIA 0002	0001

Registered Office: Chief Financial Officer

373 Pretorius Street	P O Box 408
PRETORIA	PRETORIA
0002	0001

Executive Mayor Speaker Chief Whip MMC: Economic Development MMC: Housing (Sustainable Human Settlement Development) MMC: Agriculture and Environmental Management MMC: Community Safety and Emergency Services MMC: Finance MMC: Sports, Recreation, Arts and Culture MMC: City Planning and Development MMC: Public Works and Infrastructure Development MMC: Health and Social Development MMC: Corporate and Shared Services

Chief Financial Officer

Makhari, Ndanduleni (Ms) Telephone: 012 - 358 8100 E-mail: NdanduleniM@tshwane.gov.za

Legislation governing the municipality's operations:

Local Government: Municipal Finance Management Act (Act 56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Housing Act (Act 107 of 1997) Constitution of the Republic of South Africa (Act 108 of 1996) Property rates Act, 2004 (Act 6 of 2004) Division of Revenue Act, 2007 (Act 1 of 2007)

ENTITIES CONSOLIDATED

Consistent with the prior financial year the following Municipal Entities were included in the Consolidated Annual Financial Statements:

- Housing Company Tshwane
- Sandspruit Works Association (ODI Water and Waste Water)
- Civirelo Water
- Tradepoint Pretoria (liquidation underway)

ENTITIES DISESTABLISHED

The Roodeplaat Temba Water Services Trust which was ٠ included in the consolidated financial statements of 2007/08 was disestablished on 1 July 2008 and the statement of financial position was incorporated into the records of the City of Tshwane with effect from 1 July 2008.

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE GROUP FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE CITY OF TSHWANE METROPOLITAN MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

1. I have audited the accompanying group financial statements of the City of Tshwane Metropolitan Municipality (CoT) which comprise the consolidated and separate statement of financial position as at 30 June 2009, and the consolidated and separate statement of financial performance, the consolidated and separate statement of changes in net assets and the consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 19 to 79.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

- As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126 of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
- 4. I conducted my audit in accordance with the International Standards on Auditing read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

- 5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 6. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1, Presentation of Financial Statements requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the CoT in this respect will be limited to reporting on non-compliance with this disclosure requirement.
- 7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

Property rates and consumer debtors

8. I could not satisfy myself as to the occurrence, completeness and cut off of the amounts (current and corresponding figures) disclosed as property rates of R2, 299 billion (2008: R2, 185 billion) in the statements of financial performance and as to the correct valuation and allocation of consumer debtors of R2, 667 billion (2008: R2, 393 billion) in the statement of financial position, as sufficient and appropriate information could not be provided for audit purposes in respect of the correcting journals processed during the year as well as after year-end, for the correct allocation of revenue to the current and prior financial years.

Qualified opinion

9. In my opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the consolidated and separate financial position of the City of Tshwane Metropolitan Municipality as at 30 June 2009 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended, in accordance with GRAP and in the manner required by the MFMA.

Emphasis of matters

I draw attention to the following matters on which I do not express a qualified opinion:

Going concern/Financial sustainability

- 10. While the municipality has prepared financial statements on a going concern basis, there are a number of indicators that its financial sustainability is under threat, as indicated in paragraph 8.4 of the chief financial officer's report. These indicators related to the world economic recession as well as the slow repayment of debtors and a substantial increase in the consumer debtors and creditors amounts from the prior year. Subsequent to year-end the municipality has substantially increased its overdraft facility. Furthermore, the CoT required more funds to ensure that the capital replacement reserve and housing development fund had sufficient cash backing as per its accounting policies.
- 11. One of the CoT's municipal entities, Housing Company Tshwane's rental income has decreased during the year under review, its debtors payments have deteriorated and key senior management personnel have resigned subsequent to yearend. Furthermore, the accounting officer's report of the entity indicated uncertainty with respect to the future cash flows of the entity. These conditions cast significant doubt on the entity's ability to continue as a going concern and the entity has not yet finalised a plan to ensure its future sustainability. The cash flow and other problems of the Housing Company Tshwane, including the unavailability of information and documentation required for audit purposes, led to a disclaimer of the audit opinion on its financial statements.
- 12. Civirelo Water, a municipal entity of the CoT, incurred a net loss of R17, 6 million during the year ended 30 June 2009

and as at that date the entity's total liabilities exceeded its total assets by R29, 2 million. These conditions, along with other matters set out in the director's report indicate the existence of a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

Unauthorised expenditure and deviations from supply chain management procedures

- 13. As disclosed in note 45.1 to the annual financial statements an amount of R75 million of unauthorised expenditure was still awaiting authorisation from the council, as required by section 32(2) of the MFMA.
- 14. The municipality incurred unauthorised expenditure of R477 million in respect of the late approval of the deviation report (not approved before 31 August) as disclosed in note 45.4 to the annual financial statements.
- 15. Deviations from the official procurement process during the financial year were approved in terms of the delegations as stipulated in the supply chain management policy and amounted to approximately R351 million as disclosed in note 47 to the annual financial statements.

Other matters

16. I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Unaudited supplementary schedules

17. The supplementary information set out on pages 80 to 90 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly do not express an opinion on them.

Non-compliance with applicable legislation

Municipal Finance Management Act

18. As previously reported, the then council of the CoT in 2001 resolved to provide an official residence to the mayor of the CoT. This provision of an official residence to a mayor does not fall within the framework of the Remuneration of Public Office-Bearers Act, 1998 (Act No. 20 of 1998), which, in turn, results in the transgression of section 167 of the MFMA, which came into effect in 2004 and states that

the municipality may remunerate its members of the political structure only within the framework of the Remuneration of Public Office-Bearers Act, 1998. If it falls outside this, it must be classified as irregular expenditure and the municipality must take appropriate steps as required.

- 19. The CoT failed to submit electronic and signed returns on their conditional grants spending for the period ended 30 June 2009 in terms of section 74(1) of the MFMA. Furthermore, the CoT also did not sign the section 71 report for the period ended 30 June 2009, as evidence of verification.
- 20. Invoices were not paid within 30 days of receiving the relevant invoice as required by section 65(e) of the MFMA.
- 21. Section 64(2)(h) of the MFMA requires that appropriate reconciliations be done at least on a weekly basis for revenue received by the municipality, including revenue received by any collecting agents on its behalf. However, collections by agents/municipality were not appropriately reconciled at least on a weekly basis for transport income, prepaid electricity and licences.
- 22. No financial statements were received for auditing in terms of section 126(2) of the MFMA for Tshwane Economic Development Agency and Tshwane Centre for Business Information and Support, being municipal entities of the CoT. As such we could not confirm whether these entities had any assets and liabilities that had to be included in the consolidated annual financial statements of the CoT.

Municipal Systems Act

- 23. Various reconciling differences were identified in the property values on the valuation systems (ProV) and the billing system (SAP), resulting in individual accounts not being billed timeously and accurately. This resulted in non-compliance with section 95(e) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), which states that the municipality must ensure that persons liable for payments receive regular and accurate accounts that indicate the basis for calculating the amounts due.
- 24. Section 95(e) (h) of the MSA Customer Care and Management, requires that the "municipality provide a mechanism to monitor the response time and efficiently in complying with dealing with complaints," as notifications were not always timeously cleared, work was not always performed on notifications created and work orders were closed before actual work was performed.

Governance framework

25. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

Internal control deficiencies

26. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. The number listed per component can be followed with the legend below the table. In some instances deficiencies exist in more than one internal control component.

Par. no.	Basis for qualified opinion	CE	RA	СА	IC	м
8	Property rates and consumer debtors	6				1

Conclusion on the governance framework

27. The above was mainly due to the following:

- Insufficient monitoring controls and oversight by senior management over the preparation and completion of financial statements, with specific reference to the reviewing and evaluation of supporting documentation and figures.
- Insufficient guidance/procedures provided to staff regarding the preparation of financial statements.

Legend	
CE = Control environment	
The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting.	1
Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.	2
Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.	3
Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.	4
The accounting officer/accounting authority does not exercise oversight responsibility over financial reporting and internal control.	5
Management's philosophy and operating style do not promote effective control over financial reporting.	6
The entity does not have individuals competent in financial reporting and related matters.	7
RA = Risk assessment	
Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting.	1
The entity does not identify risks to the achievement of financial reporting objectives.	2
The entity does not analyse the likelihood and impact of the risks identified.	3
The entity does not determine a risk strategy/action plan to manage identified risks.	4
The potential for material misstatement due to fraud is not considered.	5
CA = Control activities	
There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.	1
General information technology controls have not been designed to maintain the integrity of the information system and the security of the data.	2
Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed.	3
Actions are not taken to address risks to the achievement of financial reporting objectives.	4
Control activities are not selected and developed to mitigate risks over financial reporting.	5
Policies and procedures related to financial reporting are not established and communicated.	6

Realistic targets are not set for financial performance measures, which are in turn not linked to an effective reward system.	7
IC = Information and communication	
Pertinent information is not identified and captured in a form and time frame to support financial reporting.	1
Information required to implement internal control is not available to personnel to enable internal control responsibilities.	2
Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel.	3
M = Monitoring	
Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting.	1
Neither reviews by internal audit or the audit committee nor self -assessments are evident.	2
Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.	3

Key governance responsibilities

28. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
	Clear trail of supporting documentation that is easily available and provided in a timely manner		
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.		✓
	Quality of financial statements and related management information		
2.	The financial statements were not subject to any material amendments resulting from the audit.		~
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	~	
	Timeliness of financial statements and management information		
4.	The annual financial statements were submitted for auditing as per the legislated deadlines in section 126 of the MFMA.	~	
	Availability of key officials during audit		
5.	Key officials were available throughout the audit process.	~	

No.	Matter	Y	Ν
	Development and compliance with risk management, effective internal control and governance practices		
6.	Audit committee		
	 The municipality had an audit committee in operation throughout the financial year. The audit committee operates in accordance with approved, written terms of reference. The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. 	✓ ✓ ✓	
7.	Internal audit		
	 The municipality had an internal audit function in operation throughout the financial year. The internal audit function operates in terms of an approved internal audit plan. The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. 	✓ ✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		~
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		~
10.	The information systems were appropriate to facilitate the preparation of the financial statements.		~
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(c) (i) of the MFMA.		~
12.	Delegations of responsibility are in place, as set out in 106 of the MFMA.	\checkmark	
	Follow-up of audit findings		
13.	The prior year audit findings have been substantially addressed.	\checkmark	
14.	SCOPA/Oversight resolutions have been substantially implemented.	Ν	I/A
	Issues relating to the reporting of performance information		
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		~
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		~
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Municipality against its mandate, predetermined objectives, outputs, indicators and targets (section 68 of the MFMA).	~	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	\checkmark	

Overall reflection on governance framework

29. The municipality has all the required governance structures in place. For deficiencies in this regard, refer to paragraph 27 above.

Investigations

30. Thirty-two cases were received by the forensic audit section of the CoT's internal audit unit for the current financial year, 11 of which were finalised. The nature of cases covered a wide spectrum of activities, including bribery, theft, financial corruption, RDP houses misallocation and tender irregularities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

31. I have reviewed the performance information as set out on pages xx to xx.

The accounting officer's responsibility for the performance information

32. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the MSA.

The Auditor-General's responsibility

- 33. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008 and section 45 of the MSA.
- 34. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
- 35. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the review findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

No mid-year budget and performance assessment

- 36. No evidence was submitted to verify that the accounting officer of the CoT submitted the monthly budget statements to the mayor of the CoT within 10 working days after the end of each month in terms of section 71(1) of the MFMA.
- 37. No evidence was submitted to verify that the accounting officer of both Civirelo Water and Sandspruit Works Association (municipal entities of the CoT) submitted to the accounting officer of the CoT the information in respect of the entity's budget in terms of section 87(11) of the MFMA within seven days after the end of each month.
- 38. No evidence was provided to verify that the accounting officer of Housing Company Tshwane complied with the provisions of both sections 87(11) and 88 of the MFMA in respect of monthly budget statements, mid-year budget and performance assessment.
- 39. No evidence could be provided to verify that the Housing Company Tshwane complied with the provisions of section 121(4)(d) of the MFMA in respect of performance information.

Usefulness and reliability of reported performance information

- 40. The following criteria were used to assess the usefulness and reliability of the information on the municipality's performance with respect to the objectives in its integrated development plan:
- Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan?
- Relevance: Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate. Is this specific and measurable, and is the time period or deadline for delivery specified?
- Reliability: Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following audit findings relate to the above criteria: Reported performance information not relevant

41. The indicator with regard to public transport was not specific in clearly identifying the nature and the required level of performance, as the method used to measure the performance of public transport did not necessarily give an indication of how the municipality has increased the accessibility to public buses. As bus tickets sold was used to determine the number of passengers using buses, this could result in the same passengers being included more than once in the calculation. This resulted in an incorrect indication of the improvement of bus usage as required by the key performance indicator (KPI).

Reported performance information not reliable

Lack of source documentation

42. Sufficient appropriate audit evidence in relation to the reported performance information for the KPI on housing could not be provided for audit purposes.

Source information not accurate and complete

- 43. The source information or evidence provided to support the reported performance information with regard to various KPI's did not adequately support the accuracy and completeness of facts. Examples included the following:
- Reported information on crime levels was only for eight months and did not cover the entire period, thus information was incomplete.
- Sufficient appropriate audit evidence with regard to the reported information in respect of the KPIs on roads and storm water could not be obtained as the system used was not appropriate to facilitate the preparation of accurate and complete actual performance information.
- Evidence received in respect of solid waste removal, public transport, water, sanitation and households registered as indigents differed from amounts/ percentages reported.
- Evidence submitted in respect of the disaster risk management plan differed from the actual achievement percentage as reported.

APPRECIATION

44. The assistance rendered by the staff of the City of Tshwane during the audit is sincerely appreciated.

andstor - General

Pretoria 21 December 2009



Auditing to build public confidence

Report Of The Chief Financial Officer

1. INTRODUCTION

The 2008/09 financial year posed many challenges and obstacles which had to be addressed and accommodated by the limited financial and other resources.

The budget and the City of Tshwane's five-year strategic plan are aligned with the vision and imperatives of national government, which are to address service delivery backlogs.

The following strategic areas were focussed on during the 2008/09 budget:

- The eradication of backlogs and investment in infrastructure for basic services and for growth
- Economic growth and development that is shared and creates sustainable jobs
- Building safer, more secure and more sustainable communities
- The deepening of democracy
- Financial viability and management of resources
- A caring and effective government
- Institutional capacity and transformation

To budget for improved service delivery and then subsequently realising operational efficiency while it is also ensured that the deliverables are attained in a sustainable manner, has been a huge challenge during the 2008/09 financial year. The challenge of addressing unlimited needs within the constraints of limited resources has necessitated a change in the way we do business to ensure that we stretch our resources to the maximum.

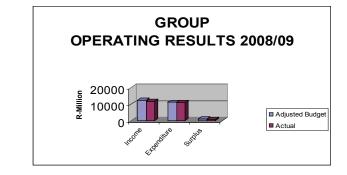
2. REVIEW OF OPERATING RESULTS

The 2008/09 budget of the City of Tshwane was approved by Council on 29 May 2008 and the Adjustments Budget was approved by Council on 29 January 2009.

Figures with regard to the 2008/09 original budget as well as the adjusted budget are included in this report. The budgets of the municipal entities are not included as not all the budgets were available.

1.1 General

Details of the 2008/09 operating results per department and classification of revenue and expenditure are included in the Statement of Financial Performance and appendix D. A graphical presentation of the operating results is shown in the graph below:



The overall operating results for the year ending 30 June 2009 are as follows:

Description	Original Budget 2009 Parent	Adjusted Budget 2009 Parent	Actual 2009 Parent	Actual 2009 Group	Variance Actual/ Adjusted Budget	Actual 2008 Parent	Actual 2008 Group
	R′000	R′000	R′000	R′000	%	R′000	R′000
REVENUE							
Accumulated surplus: Beginning of year			859 522	888 593		864 955	930 812
Operating revenue for the year	12 708 977	12 244 224	11 638 995	11 751 331	4.03	10 187 705	10 468 954
	12 708 977	12 244 224	12 498 517	12 639 924		11 052 660	11 399 766
EXPENDITURE	· <u> </u>			·			
Operating expenditure for the year Sundry transfers * Accumulated surplus: End of year	11 010 559 1 698 418	11 263 553 1 180 671	11 263 553 217 539 1 017 425	11 050 592 566 815 1 022 517	1.89	9 848 728 344 410 859 522	10 173 592 337 581 888 593
	12 708 977	12 444 224	12 498 517	12 639 924		11 052 660	11 399 766

* Sundry transfers consist of transfers to and from the reserves for example offset depreciation for projects financed from grants and the Capital Replacement Reserve

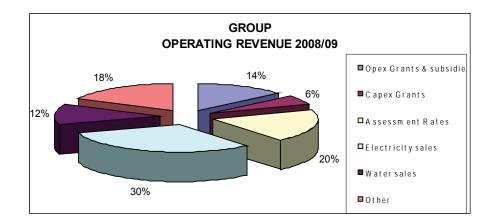
The actual net expenditure of the Municipality reflects an increase of 14.4% (Group increased with 8.6%) while the actual revenue of the Municipality has increased by 14.2% (Group increased with 12.2%) since 2007/08. The largest increase on revenue since 2007/08 occurred on assessment rates, service charges, interest on debtors and government grants and subsidies. The largest increase on expenditure since the previous financial year occurred on the following items:

Expenditure item	Municipality (increase)	Group (increase)
	%	%
Remuneration	14.8	14.9
Remuneration of Councillors	25.2	25.2
Bad debt written off	64.0	93.8
Interest paid	40.3	17.8
Bulk purchases	23.2	28.1
Repair and maintenance	25.8	25.5
Contribution to bad debt provision	17.2	3.8

Interest paid by the Municipality increased with 40.3% since 2007/08 due to the increase in external loans taken up

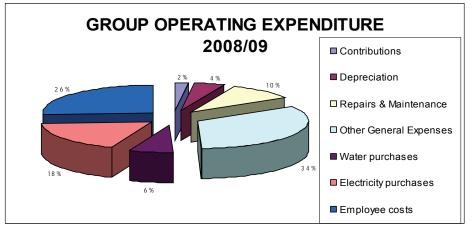
2.2 Operating Revenue

The following graph indicates a break down of the largest categories of revenue.



2.3 Operating expenditure

The graph below indicates the break down per main expenditure group.

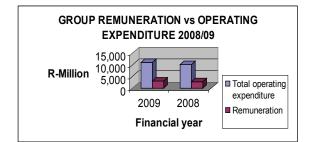


Remuneration

The actual expenditure on remuneration expressed as a percentage of the total expenditure shows a slight increase from 26.6% in 2007/08 to 27.6% in 2008/09. For the Group it increased from 26.2% to 27.7% since 2007/08.

The total remuneration cost and the allocation of individual items in a remuneration package differ from municipality to municipality for example; certain municipalities are more contracts intensive whilst others might be more labour intensive. In terms of the Restructuring grant, the target for remuneration as a percentage of revenue is 33.0%.

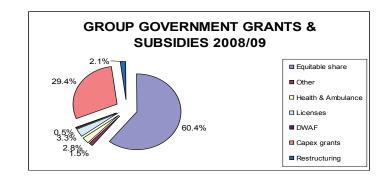
	200	8/09	2007/08		
Description	Parent	Group	Parent	Group	
Total operating expenditure	10 918 585	11 050 592	9 848 728	10 173 593	
Total operating revenue	11 638 995	11 751 331	10 187 705	10 468 954	
Employee remuneration	3 009 111	3 061 854	2 621 003	2 665 394	
Ratio: % of total expenditure	27.6 %	27.7 %	26.6 %	26.2 %	
Ratio: % of total revenue	25.8 %	26.1 %	25,7 %	25.5 %	
% Growth in remuneration expense	14.8 %	14.9 %	8.7 %	8.9 %	



2.4 Government grants and subsidies

The following table and graph show the amounts received in terms of grants, contributions and subsidies from the Central Government and the Gauteng Provincial Government, which amounts have been included in the total revenue:

	2008	8/09	2007/08		
Description	Parent	Group	Parent	Group	
	R′000	R′000	R′000	R′000	
Equitable share	1 335 550	1 335 550	1 101 416	1 101 416	
Provincial Health Subsidy	22 554	22 554	22 669	22 669	
Provincial Ambulance Subsidy	38 377	38 377	36 005	36 005	
Provincial Motor vehicle licenses retund	71 776	71 776	66 191	66 191	
Capex: grants and donations	650 643	650 643	474 450	474 450	
Opex: grants and donations	97 075	97 075	154 163	154 163	
Finance Management Grant	539	539	699	699	
Restructuring Grant	45 680	45 680	52 228	52 228	
Department of Water Affairs and Forestry	13 169	12 224	13 962	16 235	
MSIG	0	0	2 502	2 502	
	2 275 363	2 272 418	1 924 285	1 926 558	



2.5 Provision for Employment benefits

In terms of accounting standard IAS 19: Employment benefits a provision had to be created for the liabilities in respect of post-employment benefits. Actuarial valuations and calculations indicated that a liability provision to the total amount of R1,004 billion had to be created for 2008/09. The liability provision for 2007/08 amounted to R838, 893 million and the figures with regard to 2007/08 were therefore restated. The balance of the accumulated surplus was adequate to provide for the total liability. The creation of this provision was debited against general expenses (statement of financial performance) and Post-employment benefit liability on the statement of financial position. This provision need to be adjusted annually at year end and need to be taken up in the annual budget.

3. DEBTORS

Details regarding the debtors are provided in Note 14 (Long-term receivables), Note 16 (Consumer Debtors) and Note 17 (Other Debtors) of the Notes to the Consolidated Annual Financial Statements.

Long-term receivables:

The long-term receivables showed an increase of R52,8 million (15.9%). This increase can mainly be ascribed to an increase in the arrangement consumer debtors (increase of R42,8 million) and an increase in the sale of land (R13,6 million).

Consumer debtors:

The consumer debtors for the group increased in total with an amount of R505.575 million (14.4%). The increase in debt per customer classification is made up as follows:

	Par	ent	Group	
Customer classification	Total	Increase/ (Decrease)	Total	Increase/ (Decrease)
	R′000	R′000	R′000	R′000
Households	2 686 383	338 320	2 920 854	370 242
Industrial/Commercial	762 949	96 008	762 949	96 008
National and Provincial government	56 217	7 074	56 217	7 074
Other	509 971	64 173	509 971	64 173
Total	4 015 520	505 575	4 249 991	537 497

The increase in consumer debt per ageing analysis is as follows:

	Par	ent	Group		
Age Ananlysis Group	Total	Increase/ (Decrease)	Total	Increase/ (Decrease)	
	R′000	R′000	R′000	R′000	
Currnet (0-30 days)	1 062 178	24 086	1 296 649	56 007	
31 – 60 days	189 344	(7 673)	189 344	(7 673)	
61 – 90 days	110 957	8 965	110 957	8 965	
91 + days	2 653 041	480 198	2 653 041	480 198	
Total	4 015 520	505 575	4 249 991	537 497	

Other debtors:

The Other Debtors for the Group in total increased with an amount of R202.3 million (parent = R198.2 million increase). This can mainly be attributed to an increase in housing debtors of R13,7 million (43.9%) for the group and for the parent an increase of R5,3 million.

Other current debtors for the group increased with R395.8 million. For the parent other current debtors increased with R400.1 million which is due to an increase in sundry rentals and sundry year end debtors which include outstanding ambulance subsidies, outstanding health subsidies, waste management-bulk containers and outstanding grants e.g. Housing Grants R125 million and MIG R53 million as well as public contributions to the amount of R143.6 million. The RSC levies debtor decreased with an amount of R200,5 million due to a write back of the debtor against the provision for bad debt as the 3 year period has lapsed.

3.1 Consumer debtors

The following is an indication of the effectiveness of credit control measures, as well as the ability to convert debtors into cash:

	200	2008/09		2007/08	
Description	Parent	Group	Parent	Group	
Debits levied : Consumer debtors	7 947 309	8 048 950	7 024 024	7 110 025	
Balance on 1 July	3 509 944	3 712 493	3 146 540	3 293 028	
Balance on 30 June	4 015 520	4 249 991	3 509 944	3 712 493	
Average balance	3 762 732	3 981 242	3 328 242	3 502 761	
Turnover: Number of times (levies/average balance)	2.11	2.02	2.11	2.03	
Turnover: Number of days (days in financial year/number of times)	173	181	173	180	
Days in the financial year	365	365	366	366	

From the table it is clear that, although the number of days to recover debt remained unchanged at 173 days since 2007/08 for the parent (and for the group it increased from 180 to 181 days), the outstanding consumer debt still is negative. This high turnover has serious implications on the cash flow of the Municipality specifically.

On 1 July 2008 the Municipality implemented the Municipal Property Rates Act of 2004 and this increased the revenue base with 122 000 Sectional Title Units. This increase in the revenue base had an impact on the increase of the debtor's book even though there was no change in the number of days to recover debt since the previous financial year.

The Municipality has introduced various strategic interventions to collect outstanding consumer debt, for example:

- The Municipality has introduced the blocking of prepaid vending for electricity when the other services are in arrears
- The implementation of section 28 of the Municipal Property Rates Act, where the municipality forces a tenant to pay rent directly to the Municipality when the owner is in arrears with property rates
- The Municipality introduced a process of disconnecting services if property rates are in arrears

On 1 January 2009 the Municipality has appointed a panel of 4 new collection agencies that will further assist with the collection of arrears in line with Chapter VIII of the Magistrate Court Act of 1944. The collection agencies have signed a robust performance agreement that will enhance collection of revenue. The Municipality is currently piloting an outbound debt call for the Top 1 000 business accounts. A collection rate calculated on the total levies for a period compared to the total payments received during the same period is used to measure revenue recovery. The credit control policy and the actions taken in terms of the policy started producing better results, since an average collection rate of 98.3% (2007/08 = 99.0% and 2006/07 = 98.3%) was maintained by the Municipality during the 2008/09 financial year.

4. CAPITAL EXPENDITURE AND FINANCING (only with regard to Parent)

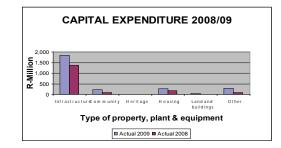
The Municipality's original approved Capital Expenditure Budget for 2008/09 amounted to R3 161 765 000 and was accepted by National Treasury. This Capital Budget was amended by means of an adjustments budget approved by Council on 29 January 2009 to R3 050 998 246 in total, as a result of Strategic Units requesting to review the performance of the capital programme. Actual capital expenditure incurred during the year in respect of property, plant and equipment amounted to R2 685 672 601. The actual capital expenditure is 52.8% more than the previous financial year, but only relates to a 88.0% performance against the adjusted budget for 2008/09. The actual expenditure is 11.97% less than the adjusted budget, which can mainly be attributed to non-achieving of the SDBIP targets due to various reasons for example:

- Delays in EIA studies
- Delays in implementation of BRT programme PTIS funded projects
- Delays in procurement process
- Delays in approval of business plans for MIG funding
- Non-receipt of grant funding or withholding of grant funding Government Housing and PTIS funded projects
- Workmanship quality and material acquisition problems due to emerging contractors
- Delay in delivery of specialized vehicles

The table below represents the Capital Expenditure per Type of Asset:

Actual Capital expenditure according to asset class					
True of Acces	Parent Actual 2009	Parent Actual 2008			
Type of Asset	R	R			
Infrastructure	1 844 867 557	1 384 562 498			
Community	229 883 607	94 565 396			
Heritage	0	0			
Housing	263 141 486	186 983 791			
Land and buildings	47 526 719	3 751 441			
Other	300 253 232	88 039 174			
Total	2 685 672 601	1 757 902 300			

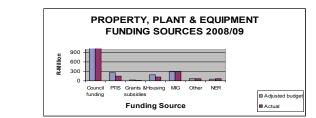
The graph shows the distribution of the property, plant and equipment according to the type.



The above-mentioned property, plant and equipment of the parent were financed from the following sources:

Type of finance	Parent Original Budget 2009	Parent Adjusted Budget 2009	Parent Actual 2009	Parent Actual as % of Adjusted Budget 2009	Parent Actual 2008
	R′000	R′000	R′000	%	R′000
Council funding	2 138 968	2 156 868	1 978 157	91.7	1 289 921
Public Transport Infrastructure and Systems Grant (PTIS)	501 654	262 105	154 943	59.1	0
Provincial Grants and subsidies	26 070	23 021	14 028	60.9	127 299
Government Housing grant	84 322	184 864	129 596	70.1	62 191
Municipal Infrastructure Grant(MIG)	288 935	288 935	286 877	99.3	208 975
National Electricity Regulator (NER)	60 500	60 500	60 416	99.9	52 228
Other funding	61 316	74 705	61 656	82.5	17 288
Total	3 161 765	3 050 998	2 685 673	88.0	1 757 902

The following is a graphic presentation according to financing sources:



Government Housing Programme

The original approved Capital budget for Government Housing of R84 321 988 was amended with the approved 2008/09 Adjustments Budget to R184 864 035 of which an amount of R129 596 252 was spent to 30 June 2009, resulting in an under spending on Government Housing projects of R55 267 783 in total. The amount budgeted for the Winterveldt Land Management Project was withheld by Gauteng Province as they indicated that they appointed their own contractors. The budget could not be amended owing to the late notification by Gauteng Province. An amount of R92 872 744 was claimed from the Gauteng Provincial Department of Housing (GPDoH) for Services and R115 875 956.05 for Top Structures. To date no transfers were received from the GPDoH for the claims submitted. An amount of R5 537 200 was claimed from the North West Provincial Government of Housing (NWPDoH) for Top Structures. To date no transfers were received from the NWPDoH for the claims submitted.

Public Transport, Infrastructure and Systems (PTIS) Grant funded projects

The original approved Capital Budget for the PTIS funded projects, which are SWC 2010 and BRT related projects, in the amount of R501 654 000 was amended with the approved 2008/09 Adjustments Budget to R262 104 892 of which an amount of R159 307 204 was spent to 30 June 2009, resulting in an under spending of R102 797 688 in total. The approved 2008/09 Operating Budget for PTIS funded projects of R73 728 330 was funded from the 2007/08 unspent allocations brought forward. An amount of R8 771 576 was spent and recognized on operating PTIS funded projects. The total amount of R260 million was received from the original DoRA allocation of R510 169 000, which was reduced to only R260 million during the year, owing to the Transferring Authority via the National Treasury informing the Municipality that an amount of R380,1 million of the 2008/09 allocation is being withheld owing to under spending. Subsequent correspondence between the Municipality and National Treasury regarding the reasons for the delay in implementation of the BRT projects, as well as the revised proposed implementation timeframes and cash-flow projections took place during May and June 2009. An impending meeting between the parties is being arranged to resolve outstanding issues.

Conclusion:

When comparing the actual expenditure to the budgeted expenditure the financing source of capital projects plays an important role. The funding from own sources which are primarily the Capital Replacement Reserve and the External Financing Fund (external loans taken up), can largely influence the following aspects:

- Depreciation
- The raising of loans
- The cash flow of the Municipality

5. ACCOUNTING RATIOS

5.1 Current asset ratio

This ratio mainly involves the financial resources used in the operating cycle of a local authority. Operating capital represents the surplus of current assets over current liabilities. This is a useful indicator when determining the ability to fund operating expenditure. This ratio measures the extent to which the current liabilities are covered by the current assets. A larger coverage means a lower risk since short-term debt can be paid out of short-term assets.

The following table shows the calculation of the operating capital ratio:

	2008	8/09	2007	/08	
Description	Parent	Group	Parent	Group	
	R′000	R′000	R′000	R′000	
CURRENT ASSETS:					
Cash	89 561	95 850	43 236	214 534	
Inventory	241 320	259 899	216 602	232 919	
Debtors	3 372 435	3 421 566	2 686 415	2 720 577	
Non-current assets held for sale	394	394	0	0	
Investments (short-term)	177 605	187 814	235 136	272 462	
Short-term portion of long-term debtors	123 833	123 833	103 377	103 377	
Total	4 005 148	4 089 356	3 284 766	3 543 869	
CURRENT LIABILITIES:					
Creditors	3 241 438	3 342 566	2 188 847	2 293 859	
Short-term portion of long-term liabilities	133 693	134 009	172 573	189 530	
Short-term portion of finance lease liabilities	175 709	175 709	150 248	150 248	
Current provisions	0	917	0	782	
Deposits	282 760	285 243	267 979	269 510	
Overdrawn bank account	95 417	95 417	106 407	106 679	
Total	3 929 017	4 033 861	2 886 054	3 010 608	
Net Operating Capital	76 131	55 495	398 712	533 261	
Current asset Ratio	1,02 : 1	1,01:1	1,14:1	1,18:1	
Current asset ratio excluding consumer debt of 90+ days	0,34 : 1	0,36:1	0,38 : 1	0,45:1	
Consumer debtors older than 90 days	2 653 041	2 653 041	2 172 843	2 172 843	

The ratio decreased slightly since 2007/08 from 1,14:1 to 1,02:1. This is due to the fact that the current liabilities increased with 36.1% (for the Group an increase of 34.0%) whilst the current assets increased with only 21.9% (for the Group an increase of 15.4%). The increase in current assets can mainly be ascribed to the increase in debtors, cash and an increase in inventory; this is counter acted by a decrease in short-term investments.

The increase in current liabilities mainly lies with the increase in deposits and a huge increase in trade creditors.

The private sector sets a ratio of 2:1 as being acceptable, however a norm for local government is currently not available. If the consumer debtors of 90 days and older are excluded from the calculation the ratio decreases considerably (refer to table above) which is a concern.

5.2 Quick asset ratio (Acid test)

This ratio is a more accurate test of a local authority's ability to settle its short-term debt. When calculating this ratio, only assets that can be converted into cash are taken into account. Since material and stock are for the local authority's own use and are not for sale, they are not included in the calculations. The private sector sets a ratio of 1:1 as being acceptable. The figures that follow reflect the Municipality's quick asset ratio for the following years:

	2008/09		2007/08	
Description	Parent	Group	Parent	Group
	R′000	R′000	R′000	R′000
Current assets	4 005 148	4 089 356	3 284 766	3 543 869
Less: Inventory	241 320	259 899	216 602	232 919
Total	3 763 828	3 829 457	3 068 164	3 310 950
Current liabilities	3 929 017	4 033 861	2 886 054	3 010 608
Quick asset ratio	0,96 : 1	0,95:1	1,06 : 1	1,09:1
Quick asset ratio excluding consumer debt older than 90 days	0,28 : 1	0,29:1	0,31 : 1	0,38:1

If the consumer debtors of 90 days and older are excluded from the calculation the ratio decreases considerably (refer to table above).

5.3 Solvability

In this ratio, the total assets are compared to the total liabilities, and it shows the ability of the Municipality to meet its obligations in the long term. A ratio of less than one is an indication of insolvency.

The following table shows the calculation of the solvency ratio:

	200	B/09	2007	//08
Description	Parent	Group	Parent	Group
	R'000	R'000	R′000	R'000
TOTAL ASSETS:				
Current assets	4 005 148	4 089 356	3 284 766	3 543 869
Long-term investments	500 346	502 858	425 553	432 411
Long-term receivables	187 100	187 100	189 763	189 763
Leased assets	252 872	252 872	247 781	261 544
Biological assets	17 008	17 008	14 741	14 741
Property, plant and equipment	12 823 004	12 850 580	10 099 164	10 505 279
Total	17 785 478	17 899 774	14 261 768	14 947 607
TOTAL LIABILITIES:				
Current liabilities	3 929 017	4 033 861	2 886 054	3 010 608
Long-term loans	4 203 275	4 207 634	2 705 772	3 211 660
Non-current provisions	204 985	204 985	87 211	87 211
Lease liabilities	86 806	86 806	107 048	133 374
Employment benefit provision	1 004 196	1 004 196	838 893	838 893
Reserves	7 339 775	7 339 775	6 777 267	6 777 267
Total	16 768 054	16 877 257	13 402 245	14 059 013
Solvability Ratio	1,06 : 1	1,06:1	1,06 : 1	1,06:1

The total assets of the Parent Municipality increased with 24.7% (Group increased with 19.8%) while the total liabilities increased with 25.1% (Group liabilities increased with 20.0%). Property, plant and equipment of the parent increased with 27.0% while external loans increased with 55.3% and the accumulated funds increased with 8.3%.

5.4 Total long-term debt to total revenue ratio

According to credit rating companies, the benchmark for local government is a ratio of less than 50%. The ratio increased from 30.8% to 39.5% since 2007/08. This increase can be ascribed to the fact that the external loans increased with 46.7% (for the Municipality) in relation to the increase of only 14.2% in total revenue.

	2008	8/09	2007	7/08
Description	Parent	Group	Parent	Group
	R'000	R'000	R′000	R'000
Total debt	4 599 483	4 604 157	3 135 642	3 684 813
Total revenue	11 638 995	11 751 331	10 187 705	10 468 954
Ratio	39.52%	38.18%	30.78%	35.20%

5.5 Inventory turnover

Inventory turnover is considered a key measure of management efficiency. It is a measure of how often, during the course of a financial year, a company sells and replaces its inventory. As a general rule, a higher ratio for inventory turnover is better. The standard however varies dramatically from industry to industry. A ratio of 2.5 times per year is considered acceptable for the large municipalities.

June 2009:2.8 times per yearJune 2008:2.8 times per year

Although the value of inventory increased with R24.7 million since 2007/08, the turnover however, remained unchanged on 2.8 times per year. This can be attributed to the fact that the turnover is an average calculated for all inventory items in all stores.

5.6 Overdraft (cashbook balance) plus short-term loans to total operating revenue

According to credit rating companies, the benchmark is a ratio of less than 5 %. As shown in the table below the ratio improved due to a decrease in the short-term portion of external loans (decrease of 22.5%) as well as a decrease in the bank overdraft while the revenue increased with 14.2% since 2007/08.

	2008/09		2007/08	
Description	Parent	Group	Parent	Group
Description	R'000	R'000	R'000	R'000
Cash book overdraft	95 417	95 417	106 407	106 679
Short-term portion of external loans	133 693	134 009	172 573	189 530
Overdraft plus short-term loans	229 110	229 426	278 980	296 209
Total operating revenue	11 638 995	11 751 331	10 187 705	10 468 954
Ratio	1.97%	1.95%	2.74%	2.83%

5.7 Cash to interest coverage

This ratio indicates to what extent a local authority can generate sufficient cash from its normal activities to cover its external interest liabilities. If the ratio is less than 1:1, it may indicate future cash flow problems. The ratio for the past two financial years is as follows:

	2008/09		2007/08	
Description	Parent	Group	Parent	Group
	R′000	R′000	R'000	R'000
Cash generated from operations (Nett cash flow)	1 943 934	1 803 298	1 718 526	1 692 180
Interest paid on external loans	507 584	508 313	361 757	431 490
Ratio	3.83 : 1	3,55:1	4.75 : 1	3,92:1

The ratio shows a deterioration for the Municipality as the interest paid on external loans increased with R145.8 million (40.3%) and the cash generated from operations increased with R225.4 million (13.1%) since 2007/08. This deterioration is a further indication of the cash flow challenges that the Municipality is currently experiencing.

For the Group, the ratio also deteriorated since 2007/08 as the cash generated from operations increased with R111.1 million (6.6%) and the interest paid on external loans increased with R76,8 million (17,8%).

5.8 Capital charges (interest and depreciation) to total annual operating revenue

The ratio indicates to what extent the expenditure in respect of interest paid on external loans and depreciation is covered by operating revenue.

	2008	B/09	2007/08	
Description	Parent	Group	Parent	Group
	R′000	R′000	R′000	R′000
Total operating revenue	11 638 995	11 751 331	10 187 705	10 468 954
Interest paid on external loans	507 584	508 313	361 757	431 490
Depreciation	500 104	502 939	574 907	613 963
Capital charges	1 007 688	1 011 252	936 664	1 045 453
Ratio	11.55 : 1	11.62:1	10,88 : 1	10,01:1

The ratio for the Municipality improved since 2007/08 due to the fact that the capital charges increased with R71.0 million (7.6%) while the operating revenue increased with R1 451.2 million or 14.2%. For the group the ratio improved from 10,01 to 11.62.

5.9 Debt to cash ratio

This ratio indicated below is a yardstick to measure the time (in years) that it will take a local authority to pay off its debt (loans) from cash generated by operating activities. The ratio for the past two financial years is as follows:

	200	8/09	2007/08		
Description	Parent	Group	Parent	Group	
	R′000	R′000	R′000	R′000	
Long-term debt	4 599 483	4 604 157	3 135 642	3 684 813	
Cash generated from operations	1 943 934	1 803 298	1 718 526	1 692 180	
Ratio	2,37 : 1	2,55:1	1,83 : 1	2,18:1	

The ratio for the Municipality deteriorated as the long-term debt increased with R1 463.8 million (46.7%) while the cash generated from operations increased with only R225.4 million (13.1%) since 2007/08. Based on the ratio, it will now take longer to repay loans. For the Group the ratio deteriorated less due to the fact that the loans of Roodeplaat Temba Water Services Trust to the value of R518,1 million was taken over by the Municipality upon disestablishment of the entity on 1 July 2008.

5.10 Financing to capital expenditure ratio

Local authorities normally finance their capital expenditure from external loans. This ratio enables the user to analyse the extent to which external loans are used to finance capital expenditure. The ratio for the past two financial years is as follows:

	200	8/09	2007/08		
Description	Parent	Group	Parent	Group	
	R'000	R'000	R′000	R'000	
Net Increase/(Net Decrease) in long-term loans	1 458 624	940 452	43 749	14 176	
Net Increase/(Net Decrease) in finance lease liabilities	5 218	(19 030)	52 470	78 795	
	1 463 842	921 422	96 219	92 971	
Cash used in capital					
expenditure	3 326 808	2 839 963	2 211 743	2 221 750	
Ratio	0,44 : 1	0,33:1	0,04 : 1	0,04:1	

A ratio which is smaller than 1:1 is an indication that more cash was spent on infrastructure (capital expenditure) than was borrowed. If this ratio exceeded 1:1 over several years, it indicates that too much funds are obtained externally which may even mean that loans are used to finance operating expenditure. Compared to 2007/08 the Municipality borrowed more than the previous year (also refer to note 33 to the Consolidated Annual Financial statements).

5.11 Repairs and maintenance to annual operating revenue

The ratio indicates to what extent the expenditure in respect of repairs and maintenance are covered by operating revenue.

	2008	3/09	2007/08		
Description	Parent	Group	Parent	Group	
	R'000	R′000	R′000	R'000	
Annual operating revenue	11 638 995	11 751 331	10 187 705	10 468 954	
Repairs and maintenance	1 125 506	1 127 186	894 629	897 807	
Percentage	9.67 %	9.59%	8.78 %	8.58%	

The ratio deteriorated as a result of the repairs and maintenance increasing with 25.8% (Group increased with 25.5%) while the operating revenue increased with only 14.2% (Group increased with 12.2%).

5.12 Net debtors to total annual operating revenue

The ratio indicates to what extent the net outstanding debtors are covered by operating revenue.

	2008	3/09	2007/08		
Description	Parent	Group	Parent	Group	
	R′000	R′000	R′000	R'000	
Annual operating revenue Net debtors (after provision for	11 638 995	11 751 331	10 187 705	10 468 954	
Net debtors (after provision for bad debt)	3 322 613	3 382 378	2 686 415	2 720 577	
Percentage	28.55 %	28.69%	26.37 %	25.99%	

The ratio shows a slight deterioration for the Municipality as a result of the net debtors increasing 23.7% while the operating revenue increased with 14.2%.

6. CREDIT RATING (for the Parent)

The firm Moody's Investors Services South Africa (Pty) Ltd performed a credit rating of the Municipality during March 2009 (based on the annual financial statements for the year ending 30 June 2008) and the following rating was awarded to the Municipality (stable rating outlook):

Long term Debt Rating (maturities of one year or greater): Aa3

Defined as high-grade. "Aa" rated are judged to be of a high quality and are subject to very low credit risk.

- Short term Debt Rating (maturities of less than one year): Prime-1
- Defined as the highest quality. A high certainty of timely payment is indicated
- Financial outlook: The grading changed from stable to negative
- The negative outlook factors the weakening of the city's liquidity profile. The administration's strategy to maintain a conservative financial policy, streamline operating expenditure and enhance revenue collection is not likely to produce the desired effect on the city's liquidity position in the short to medium term.

7.2 Viable municipal entities

Of the entities evaluated the following were found to be viable:

- Civirelo Water
- Sandspruit Works Association
- Housing Company Tshwane
- Tshwane Economic Development Agency (newly created not in full operation yet)

7.3 Entities not viable and liquidation process is underway

The following companies are not viable:

- Tradepoint Pretoria
- Tshwane Centre for Business Information and Support (Cenbis)

7.4 Consolidation of municipal entities

Consistent with the prior three financial years separate consolidated financial statements was compiled for City of Tshwane and its operational municipal entities, namely:

- Housing Company Tshwane
- Sandspruit Works Association:
- Civirelo Water
- Tradepoint Pretoria
- Tshwane Centre for Business Information and Support (Cenbis) – no statements were submitted for 2008/09

8. CHALLENGES EXPERIENCED BY THE MUNICIPALITY DURING 2008/09

8.1 Implementation of accounting standards

The City of Tshwane experienced problems with the implementation of certain accounting standards during the compilation of the 2007/08 financial statements and therefore had to make use of the Exemptions granted by National Treasury in Government Gazette No 30013 of 29 June 2007. The City of Tshwane had to comply with the accounting framework as set out in paragraph 1 of the Accounting policies as contained in the Consolidated Annual Financial Statements of 2008/09. This accounting framework was determined in Directive 5 issued by the Accounting Standards Board on 31 March 2009.

8.2 Compliant fixed asset register

It was a tremendous challenging exercise during the 2007/08 financial year to produce a compliant and purified asset register. During the 2008/09 financial year the Asset Register information from the external systems was loaded on the SAP system. Verification, review of useful lives, impairment, etc was done during the year end process of 2008/09. It however, became evident that most of the requirements of the new accounting standards cannot be maintained within the current SAP system. Most of these requirements will have to be maintained outside the system for financial statement purposes.

8.3 Lease register

Much the same problem existed with the lease register in 2008/09 as in 2007/08, however the lease register, calculations and necessary disclosure requirements were updated on the 2008/09 financial statements. The maintaining of the lease register will also need to be addressed as a matter of urgency during the 2009/10 financial year.

8.4 Economic resession and cash-flow challenges

The world economy is in a worse position than it has been in several decades. Like the rest of the world, the economy of South Africa has equally been affected by this slow down. The most visible signs of this dilemma are experienced through job losses, growth in the unemployment rate and in the number of households classified to be under poverty levels. Owing to the economic climate (job losses, high inflation, interest rates, petrol and food prices, etc) many people are struggling to cover their monthly household expenditures with the result that the municipal account is not high on the consumers' list of priority payments anymore. It should be noted that the municipality is also affected by the mentioned conditions and has to pay more for goods and services.

It is evident that the impact of the economic recession on residents, businesses and other institutions in the municipal boundaries of the City of Tshwane appears to be greater than originally anticipated, as the shortfall in the collection of revenue and the concomitant increase in consumer debt, as well as other liabilities (short and long term debt) has indicated that the Municipality is indeed facing some serious challenges, similar to other municipalities, semigovernment institutions and other government institutions.

This challenge would have to be collectively addressed by government on all three spheres in partnership with the private sector to enable the South African Economy to withstand this onslaught, to show sustained growth and development, which in turn will create job opportunities or at least maintain current levels of employment, to ensure the future sustainability of service delivery in a developing economy where demand for services by far exceeds the availability of resources.

9. **APPRECIATION**

I am grateful to the Executive Mayor, Members of the Mayoral Committee, Councillors, Office of the Municipal Manager and Strategic Executive Directors for the support they have given me and my personnel during the 2008/09 financial year. A special word of appreciation to everybody for the months of hard work, sacrifices and concentrated efforts during the financial year to enable my Department to finalise and submit the annual financial statements within the prescribed period of 2 months after year end (i.e. 31 August) as well as the consolidated annual financial statements within the prescribed period of 3 months after year end (i.e. 30 September 2009).

N. MAKHARI CHIEF FINANCIAL OFFICER

Report of the Chief Financial Officer

1. BASIS OF PRESENTATION

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

These financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, 2003 (Act 56 of 2003). The reporting framework as prescribed by the Accounting Standards Board in Directive 5 of March 2009 and which are deemed by the Municipality to be applicable on the Municipality are summarised as follows:

GRAP Framework	Framework for the preparation and presentation of financial statements				
GRAP 1	Presentation of Financial Statements				
GRAP 2	Cash Flow Statements				
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors				
GRAP 4	The Effects of Changes in Foreign Exchange Rates				
GRAP 5	Borrowing Costs				
GRAP 6	Consolidated and Separate Financial Statements				
GRAP 7	Investments in Associates				
GRAP 8	Interests in Joint Ventures				
GRAP 9	Revenue from Exchange Transactions				
GRAP 12	Inventories				
GRAP 13	Leases				
GRAP 14	Events after the Reporting Date				
GRAP 16	Investment Property				
GRAP 17	Property, Plant and Equipment				
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets				
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations				
GRAP 101	Agriculture				
GRAP 102	Intangible Assets				
IFRS 7	Financial instruments: Disclosures				
IAS 19	Employee benefits				
IAS 32	Financial instruments: Presentation				
IAS 36	Impairment of assets				
IAS 39	Financial instruments: Recognition and measurement				
GAMAP 9.29 – 35 & .3954	Revenue (Refer to GRAP 9.45)				
IGRAP1	Applying the probability test on initial recognition of exchange revenue				

IFRIC 4	Determining whether an Arrangement contains a Lease
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

Directives issued and effective as per Directive 5 of March 2009:

Directive 1	Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP				
Directive 3	Transitional Provisions for the Adoptions of Standards of GRAP by High Capacity Municipalities				

Approved guidelines in terms of Directive 5 of March 2009:

ASB Guide 1	Guideline on Accounting for Public Private Partnerships
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Effective accrual based IPSAS's in terms of Directive 5 of March 2009:

IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non-Cash Generating Assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with the hierarchy set out in paragraph 12 of GRAP 3. The principle accounting policies adopted in the preparation of these annual financial statements are set out below. The accounting policies applied are consistent with those used to present the previous year's financial statements, except where the implementation of an accounting standard has resulted in the relevant policy. The details of any changes in accounting policies are explained in the relevant policy. Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

2. BASIS OF CONSOLIDATION

Investments in associates, subsidiaries and joint ventures are carried at cost in the annual financial statements of the Municipality. Separate consolidated financial statements are prepared to account for the Municipality's share of the net assets and post – acquisition results of these investments.

3. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality, and are rounded to the nearest rand.

4. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis, i.e. the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

5. PROPERTY, PLANT AND EQUIPMENT (PPE)

5.1 Fixed assets are stated:

- At historical cost less accumulated depreciation and any write-downs, or
- At fair value (market value) at date of acquisition less accumulated depreciation where assets have been acquired by grant or donation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure:

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential over the total life of the asset in excess of the most recently assessed standard of performance of the existing asset will flow to the municipality. All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

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

The difference between the depreciation based on the revalued carrying amount of the asset charged to the Statement of Financial Performance and the depreciation based on the asset's original cost is transferred from other reserves to the accumulated surplus/deficit.

5.2 Depreciation

Depreciation is recognised on a straight line basis over the estimated useful life of the asset to its residual value from the day that the asset is ready for use. Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Estimated useful lives of assets:

Asset Category	Years	Asset Category	Years	
Infrastructure		Other		
Roads and Paving	30	Buildings	30	
Pedestrian Malls	30	Specialist vehicles	8 – 20	
Electricity	20-30	Öther vehicles	8	
Water	15-20	Office equipment	5 – 8	
Sewerage	15-20	Furniture and fittings	7-10	
Housing	30	Watercraft	5	
0		Bins and containers	5	
Community		Specialized plant and equipment	10-15	
Buildings	30	Other plant and equipment	2-5	
Recreational Facilities	20-30	Landfill sites and quarries	1 – 50	
Security	5	Books	10	

Residual value is what the asset would currently receive if in the condition it would be at the end of its useful life. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance. The actual useful lives of the assets, residual values and depreciation method are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

5.3 Impairment of property, plant and equipment

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

5.4 Disposal of property, plant and equipment

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

5.5 Heritage assets

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

5.6 Land

Land is not depreciated as it is deemed to have an indefinite useful life.

5.7 Incomplete construction work (Assets under construction)

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

6. INVESTMENT PROPERTY

Investment property, which is property held to earn rental revenue or for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property.

7. INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortisation and any impairment losses. Software is amortised on a straight-line basis over its anticipated useful life. Generally, costs associated with developing computer software programs are recognised as an expense as incurred. However, costs that are clearly associated with an identifiable and unique product, which will be controlled by the Municipality and have an probable benefit exceeding the cost beyond one year, are recognised as an intangible asset.

Expenditure which enhances and extends the benefits of computer software programs beyond the original life of the software is capitalised. Computer software development costs recognised as assets are amortised using the straight line method over their useful lives. Costs associated with the maintenance of existing computer software programs are expensed as incurred.

8. AGRICULTURAL/BIOLOGICAL ASSETS

8.1 Initial recognition

Agricultural/biological assets, which are defined as living animals or plants are recognised on the Statement of Financial Position of the Municipality, when and only when the Municipality:

- Controls the asset as a result of a past event
- Regards the inflow of future economic benefits from the use of the asset to be probable, and
- Is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Agricultural/biological assets are stated at fair value less estimated point of sale costs with any resultant gain or loss recognised in the Statement of Financial Performance.

8.2 Subsequent measurement

Biological assets are measured at their fair value less estimated point-of-sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit. A gain or loss arising on initial recognition of biological assets at fair value less estimated point-of-sale costs is included in profit or loss for the period in which it arises.

9. NON-CURRENT ASSETS HELD FOR SALE

9.1 Initial recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

9.2 Subsequent measurement

Non-current assets held for sale or disposal group are measured at the lower of carrying amount and fair value less cost to sell. A non-current asset is not depreciated while it is classified as held for sale, or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

10. INVENTORY

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Consumable stores, raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Land held for development, including land in the course of development until legal completion of the sale of the asset, is initially recorded at cost.

Where, through deferred purchase credit terms, cost differs from the nominal amount which will actually be paid in settling the deferred purchase terms liability, no adjustment is made to the cost of the land, the difference being charged as a finance cost.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs, if this relates to development.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.Redundant and slow moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

11. RESERVES

The municipality creates and maintains Reserves in terms of specific requirements.

11.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment amounts are transferred from the Statement of Financial Performance to the Capital replacement reserve in terms of the implementation guidelines on GAMAP/ GRAP. These transfers from the net surplus may only be made if they are backed by cash.

The amount transferred to the CRR is based on the Municipality's need to finance future capital projects included in the Integrated Development Plan. The following provisions are set for the creation and utilisation of the CRR:

- The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR an amount equal to the cost price of the asset purchased is transferred from the CRR into a future depreciation reserve called the Capitalisation reserve (CR). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the CRR. The Capitalisation reserve is used to offset depreciation charged on assets purchased out of the CRR to avoid double taxation of the consumers.
- If a gain is made on the sale of assets previously purchased out of the CRR the gain on these assets sold is reflected in the Statement of Financial Performance.

11.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds.

When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

11.3 Government Grant Reserve

When items of property, plant and equipment are financed from aovernment arants, a transfer is made from the accumulated surplus/(deficit) to the Government Grant Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/ (deficit) The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

11.4 Self Insurance Reserve

A Self Insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets. Contributions to and from the reserve are transferred via the Statement of Changes in Net Assets to the reserve in line with the amount provided for in the operating budget.

- The total amount of insurance premiums paid to external insurers are regarded as expenses and must be shown as such in the Statement of Financial Performance. These premiums do not affect the Self insurance reserve.
- Claims received from external insurers are utilised in the calculation of a profit or loss on the scrapping of damaged assets and are therefore effectively recorded in the Statement of Financial Performance.
- Claims received to meet repairs of damages on assets are reflected as income in the Statement of Financial Performance.

The Self Insurance Reserve is based on recognized insurance industry principles. In determining the level of capacity required an agreed methodology has been adopted. The calculation of the required capacity of the Self Insurance Reserve is consistently applied annually based on the following methodology:

- Determination of the forecast surplus (free) capacity within the Self Insurance Reserve.
- The following liabilities are taken into account in determining this surplus capacity:
- Reported known outstanding claims;
- Statistically forecast losses for the remainder of the underwriting period (IBNR = claims incurred but not yet reported)
- Probability and quantification of a catastrophe loss.
- Comparison of the surplus (free) capacity to the declared value of the highest service delivery asset to determine the shortfall that exist based on the assumption that sufficient capacity will be built up to cover that asset through the Self Insurance reserve over an agreed period of time.
- Spread the shortfall over a 5-year period (in terms of the Long Term Insurance Strategy).
- Adjust for inflation with the agreed relevant indices.
- Determine the annual premium contribution to reach the target capacity over a 5-year period.
- Apply a probability and affordability factor to the ideal premium contribution to determine the budgeted premium contribution over a 5-year period.

11.4.1 Self Insurance Future Depreciation Reserve

An amount equal to the carrying value of items of property, plant and equipment that had historically been utilised for the acquisition of property, plant and equipment from the Self Insurance Reserve

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have been transferred to a Self Insurance Future Depreciation Reserve instead of the accumulated surplus/(deficit).

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

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

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

11.5 COID Reserve

The Municipality has been exempted from making contributions to the Compensation Commissioner for Occupational Injuries and Diseases (COID). In terms of this exemption the Municipality has established a COID reserve to offset claims from employees. Amounts are transferred to the COID reserve from the accumulated surplus based on the statutory rate of contributions set out in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993) as well as additional amounts deemed necessary to ensure that the balance of the reserve is adequate to offset potential claims.

Contributions to the COID reserve is based on 1 % of the annual remuneration of employees that qualify for COID benefits. All employees earning more than R189 840 per annum are reinsured by what is called a "COID Wrap Around" policy. Claims are paid as determined by the Compensation Commissioner and are reflected in the Statement of Financial Performance. Claims are settled by transferring a corresponding amount from the COID reserve to the accumulated surplus in the Statement of Changes in Net Assets.

11.6 Donations and Public Contributions

Revenue received from donations and public contributions may be transferred to the Capital Replacement Reserve (CRR) and utilised via the CRR to finance items of property, plant and equipment.

12. HOUSING DEVELOPMENT FUND

Section 15(5) and 16 of the Housing Act, (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund.

The Housing Act also requires in terms of Section 14(4)(d)(iii)(aa) read with, inter alia, Section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the Municipality for housing development subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the Housing Fund:

- The Housing Fund has its own separate bank account/ allocated investments and is backed by cash.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments backing up this fund is recorded as part of interest earned in the Statement of Financial Performance and can be transferred via the Statement of Changes in Net Assets to the Housing Development Fund.
- Any cash backed surplus/deficit on the Housing Statement of Financial Performance must be transferred to the Housing Development Fund.

13. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are measured at the present value of the expenditures expected to be incurred to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

13.1 Clearing of alien vegetation

In terms of the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983) the provision for the clearing of alien vegetation was established in 2005/06 as a start to address the backlogs that exist.

13.2 Cleaning up of illegal dumping

Currently the Municipality is cleaning up illegal dumping on an ongoing basis as part of maintenance; therefore there is no backlog cleaning that needs to take place. No provision is currently made for the cleaning up of illegal dumping.

13.3 Landfill sites

The Municipality has an obligation to rehabilitate its landfill sites in terms of its licence stipulations. A provision has been established from 2007/08. The amount of the provision is recognised at the present value of the expenditure expected to be required to settle the obligation, and is carried at amortised cost.

13.4 Quarries

In terms of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002), Section 52 (2)(d), the City of Tshwane is required to rehabilitate its quarries and borrow pits after these quarries and pits have been closed. The amount of the provision is recognised at the present value of the expenditure expected to be required to settle the obligation, and is carried at amortised cost.

14. RETIREMENT BENEFITS

14.1 Pension, Provident and Retirement Funds

The Municipality and its employees contribute to various Pension, Provident and Retirement Funds and its councillors contribute to the Pension Fund for Municipal Councillors. The retirement benefits are calculated in accordance with the rules of the funds. Full actuarial valuations are performed by the relevant funds on a regular basis.

Current contributions are charged against the operating account of the Municipality at a percentage of the basic salary paid to employees, or allowances in the case of councillors.

Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. The **Tshwane Pension Fund** is a defined benefit plan. The cost of providing these benefits is determined on the Projected Unit Credit Method prescribed by IAS 19 and actuarial valuations are performed at every reporting date. The retirement benefit obligation presented in the statement of financial position represents the sum of the present value of the obligation less the fair value of plan assets plus/minus any balance of unrecognised unrecognised actuarial gains or losses, minus any balance of unrecognised past service costs.

Multi-employer funds are treated as defined contribution funds, due to the nature of these funds and the fact that assets are not specifically associated to meet the obligation in respect of individual employers in terms of paragraph 30 of IAS 19.

14.2 Medical Aid: Continued Members

The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality.

According to the rules of the medical aid funds, with which the Municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The cost of providing these benefits is determined on the Projected Unit Credit Method prescribed by IAS 19. Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over expected working lifetime. No plan assets exist and any actuarial gains and losses are recognised immediately.

15. LEASES

15.1 The Municipality as Lessee

The City of Tshwane leases certain property, plant and equipment. Leases of property, plant and equipment where the City of Tshwane assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance lease assets and liabilities are recognised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the future minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the Statement of Financial Performance over the lease period so as to produce a constant periodic rate of interest on the remaining balances of the liability for each period. The property plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases are those leases which do not fall within the scope of the above definition. Payments made under operating leases are charged against income on a straight-line basis over the period of the lease.

The Municipality will not incur a foreign currency lease liability other than that allowed by the Municipal Finance Management Act, 2003 (Act 56 of 2003).

15.2 The Municipality as Lessor

When assets are leased out under a finance lease, the presentvalue of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

When assets are leased out under an operating lease, the asset is included in the Statement of Financial Position based on the nature of the asset.

16. FINANCIAL INSTRUMENTS

16.1 Financial assets:

The City of Tshwane classifies its financial assets in the following categories:

- Loans and receivables,
- Held to maturity and
- Available-for-sale.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. With regard to reclassifications of financial assets, the entity shall not reclassify a financial instrument into or out of the fair value through profit or loss category while it is held or issued.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The City of Tshwane's loans and receivables comprise "trade receivables and other receivables" and cash and cash equivalents.

(b) Held-to-maturity

Held to maturity (HTM) investments are financial assets with fixed or determinable payments and fixed maturity where the entity has the positive intent and ability to hold the investment to maturity. These investments have been normally encumbered and therefore must be held to maturity. The value of the investments is recorded at trade date.

HTM financial instruments originated by the municipality and not held for trading is subsequently recognised at amortised cost using the effective interest rate method. Amortised cost is the amount at which the financial asset was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount and minus any write-down for impairment of uncollectability.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the financial asset within 12 months of the reporting date.

Regular purchase and sales of financial assets are recognised on the trade date – the date on which the City of Tshwane commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed in the Statement of Financial Performance.

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Offsetting of financial assets and liabilities:

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when and only when:

- (a) The City of Tshwane has a legally enforceable right to set off the recognised amount; and
- (b) The City of Tshwane intends either to settle on a net basis, or realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the City of Tshwane will not offset the transferred asset and the associated liability.

Derecognition:

Financial assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred, and the municipality has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Impairment:

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified. Impairment losses recognised in the Statement of Financial Performance on equity instruments are not reversed through the Statement of Financial Performance. Impairment testing of trade receivables is described in paragraph 16.3 below.

Disposal:

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Counterparty exposure:

The City of Tshwane limits its counterparty exposure arising from money market by only dealing with well established financial institutions confirmed by the rating agency appointed by the Chief Financial Officer. The credit ratings of these institutions are reviewed quarterly and investments are spread across different types of approved investments and institutions.

Hedging:

Hedging is not applicable to the accounting treatment of financial instruments in the City of Tshwane.

Derivative financial instruments:

Derivative financial instruments, principally interest rate swap contracts, are used by the City of Tshwane in its management of financial risks. Derivative financial instruments are initially measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates.

Payments and receipts under interest rate swap contracts are recognised in the statement of financial performance on a basis consistent with the corresponding fluctuations in the interest payment on floating rate financial liabilities. The carrying amounts of interest rate swaps, which comprise net interest receivables and payables accrued are included in assets and liabilities respectively.

16.2 Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value, net of transaction costs incurred. It should also be added that interest bearing borrowings are classified as non-current and current liabilities. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Financial Performance over the period of the borrowings using the effective interest method.

Interest bearing borrowings are classified as non-current and current liabilities unless the municipality has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The interest risk is managed by maintaining an appropriate mix between fixed and variable rate borrowings. The Municipality borrows more than 50 % of funds at a fixed rated to reduce the risk of interest fluctuations.

16.3 Accounts receivable

Trade receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of a provision for bad debt account, and the amount of the loss is recognised in the Statement of Financial Performance. When a trade receivable is uncollectible, it is written off against the provision for bad debt account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Statement of Financial Performance.

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts with regard to arrangement of consumer debtors are classified as long-term receivables.

16.3.1 Provision for Bad Debt

Provision for bad debt is made by means of an annual contribution of electricity and water levies, debtor's revenue from Fire Brigade Services, Ambulance Services and Rentals excluding the Tshwane Market.

The annual contribution is determined by calculating the estimated non payment by debtors for the financial year. The percentage contribution is calculated during the budget process each year and reviewed at year end.

16.4 Accounts payable

16.4.1 Trade creditors

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

16.4.2 Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the potential liability (value of leave credits as at 30 June) of the Municipality

17. CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Cash and cash equivalents and bank borrowings are subsequently recorded at face value.

18. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency of the municipality (i.e. SA Rand) using the rate of exchange prevailing on the date of the transaction. Trade Creditors denominated in foreign currency are reported at the Statement of Financial Position date by using the exchange rate at that date. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded during the period are recognised as revenue or as expenses in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used. The Municipality will not incur a foreign currency liability other than that allowed by the Municipal Finance Management Act, 2003 (Act 56 of 2003).

19. REVENUE RECOGNITION

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided. Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality and these benefits can be measured reliably.

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

19.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered/goods sold, the value of which approximates the consideration received or receivable.

19.1.1 Service charges relating to Electricity, Water and Sanitation

Service charges relating to electricity, water and sanitation are based on consumption. Meters are read and billed on a monthly basis and revenue is recognized when invoiced. Estimates of consumption are made monthly when meter readings have not been performed. The estimates of consumption are recognized as revenue when invoiced. Adjustments to estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognized as revenue in the invoicing period.

19.1.2 Services provided on a prepayment basis

Various services are provided on a prepayment basis in which case no formal billing takes place and income is accrued when received. Revenue is recognized at point of sale.

19.1.3 Interest earned on outstanding debtors

Interest on outstanding debtors is recognized on a time proportionate basis.

19.1.4 Income from agency services

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

19.1.5 Housing rental and instalments

Income in respect of housing rental and instalments are accrued monthly in advance. Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportionate basis.

19.1.6 Sale of goods

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

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

19.1.7 Interest earned on investments

Interest earned on investments is recognised on a time proportionate basis that takes into account the effective yield on the investment.

19.1.8 Collection charges

Collection charges are recognized when such amounts are incurred.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt of receivable qualifies for recognition as an asset and there is no liability to repay the amount.

19.2.1 Revenue from rates

Revenue from rates is recognized when the legal entitlement to this revenue arises. A site rating system is applied.

In terms of this system assessment rates are levied on the land value of property and rebates are granted subject to certain conditions. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers.

19.2.2 Fines

Revenue from the issuing of fines shall be recognised when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality,
- (b) the amount of the revenue can be measured reliably, and
- (c) the stage of completion of the transaction at the reporting date can be measured reliably.

Therefore:

- Income in respect of traffic fines, spot fines and certain licenses is accrued when received, and
- Revenue from the issuing of summonses is only recognised when notified by the public prosecutor of the amount actually collected.

The accrual is calculated based on past experience of amounts collected on fines and summonses issued. From 1 July 2008 the City of Tshwane was part of the pilot project of the new AARTO fines and act as a issuing authority. The new traffic revenue from traffic fines is recognised on an agency basis.

19.2.4 Donations and contributions

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

19.2.5 Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act, 2003 (Act 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

20. CONDITIONAL GRANTS AND RECEIPTS

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

21. BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance in terms of paragraph 10 of GRAP 5.

22. VALUE ADDED TAX

The Municipality accounts for Value Added Tax on the cash basis.

23. SEGMENTAL INFORMATION

The principle segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditure. The primary basis is representative of the internal structure for both budgeting and management purposes. The secondary basis classifies all operations based on the classification of income and expenditure.

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D consistent with prior years.

24. GRANTS-IN-AID (EXPENSE)

The Municipality annually awards grants to individuals and organisations based on merit. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

25. UNAUTHORISED EXPENDITURE

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

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

26. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act 56 of 2003), the Municipal Systems Act, 2000 (Act 32 of 2000), the Public Office Bearers Act, 1993 (Act 20 of 1998) or in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

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

27. FRUITLESS AND WASTEFUL EXPENDITURE

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

28. COMPARATIVE INFORMATION

28.1 Current year comparatives

Budgeted amounts have been included in the annual financial statement of performance for the current financial year only.

28.2 **Prior year comparatives**

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

Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The comparative figures (2007/08 accounting policy and disclosures) may not be consistent with the current year accounting policies and disclosures due to the implementation of the new GRAP standards which became effective from 1 July 2008.

29. TAXATION

The City of Tshwane Metropolitan Municipality is exempt from tax in terms of section 10(1)cB(i)(ff) of the Income Tax Act.

30. ESTIMATES

The preparation of financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the City of Tshwane's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the financial statements were applicable.

31. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 - Segment Reporting (Issued March 2005)

GRAP 21 - Impairment of non-cash-generating assets

GRAP 23 - Revenue from Non-exchange transactions (Taxes and Trans fers) (Issued February 2008)

GRAP 24 - Presentation of Budget Information in Financial Statements (Issued November 2007)

GRAP 26 - Impairment of cash-generating assets (Issued March 2009)

GRAP 103- Heritage Assets (Issued July 2008)

The impending changes will prove a challenge as systems need to be changed to ensure compliance to the disclosure requirements of these standards. Most of the changes will only pertain to disclosure requirements.

GRAP 18 Segment Reporting will have a major impact on the financial statements as the whole system of reporting will need to be changed before compliance to GRAP 18 will be possible.

	Note			GROUP		
		2009	2008	2009	2008	
		R	R	R	R	
ASSETS						
Current assets	1.5	4 005 148 826	3 284 766 277	4 089 355 726	3 543 869 496	
Inventory Consumer debtors	15 16	241 320 519 2 667 419 972	216 602 418 2 392 902 525	259 899 193 2 686 009 151	232 918 709 2 401 050 206	
Other debtors	17	705 015 225	293 512 862	735 556 504	319 527 120	
Non-current assets held for sale	12	394 315	0	394 315	0	
Current portion of long-term receivables Call investment deposits	14 13.2	123 832 808 177 605 393	103 377 148 235 135 631	123 832 808 187 814 191	103 377 148 272 462 172	
Bank balances and cash	19	89 560 594	43 235 693	95 849 564	214 534 141	
Non-current assets		13 780 329 712	10 977 002 065	13 810 417 464	11 403 738 148	
Fixed assets:		12 823 003 790	10 099 164 373	12 850 580 403	10 505 278 922	
Property, plant and equipment	10.9 10.10	12 658 785 881	9 990 558 238	12 676 760 874	10 386 669 547 20 571 024	
Investment Property Intangible assets	10.10	8 027 162 156 190 747	10 571 024 98 035 111	17 627 162 156 192 367	98 038 351	
Leased assets	10.13	252 871 839	247 780 561	252 871 839	261 544 377	
Biological Assets: Livestock	11	17 007 999	14 741 255	17 007 999	14 741 255	
Investments	13.1	500 346 374	425 553 069	502 857 513	432 410 787	
Long-term receivables	14	187 099 710	189 762 807	187 099 710	189 762 807	
Total Assets		17 785 478 538	14 261 768 342	17 899 773 190	14 947 607 644	
LIABILITIES						
Current liabilities		3 929 017 392	2 886 054 459	4 033 860 826	3 010 608 025	
Consumer deposits	6	282 759 977	267 978 963	285 243 276	269 510 010	
Creditors	7	2 656 933 299	1 755 705 926	2 741 347 012	1 847 095 150	
Unspent conditional grants and receipts VAT	8	419 920 338 164 585 154	328 760 232 104 380 809	433 598 771 167 620 490	333 043 184 113 720 301	
Bank overdraft	19	95 416 694	104 380 807	95 416 694	106 678 519	
Provisions	5	0	0	917 255	782 275	
Current portion of long-term liabilities	2	133 693 231	172 572 966	134 008 629	189 530 393	
Current portion of finance lease liabilities	3.1	175 708 699	150 248 193	175 708 699	150 248 193	
Non-current liabilities		5 499 261 633	3 738 924 810	5 503 620 267	4 271 138 722	
Long-term liabilities	2 3.1	4 203 274 984	2 705 771 524	4 207 633 618	3 211 659 565	
Finance lease liabilities Deferred operating lease liability	3.2	86 806 115 0	107 048 837	86 806 115	131 296 586 2 078 122	
Post-employment benefit liability	36	1 004 196 000	838 893 000	1 004 196 000	838 893 000	
Non-current provisions	4.4	204 984 534	87 211 449	204 984 534	87 211 449	
Total Liabilities		9 428 279 025	6 624 979 269	9 537 481 093	7 281 746 747	
Net Assets		8 357 199 513	7 636 789 072	8 362 292 097	7 665 860 896	
NET ASSETS						
Housing Development Fund and Reserves		7 339 774 689	6 777 266 678	7 339 774 689	6 777 267 878	
Accumulated surplus		1 017 424 824	859 522 394	1 022 517 408	888 593 018	
Total Net Assets and Liabilities		8 357 199 513	7 636 789 072	8 362 292 097	7 665 860 896	

			MUNIC	IPALITY			GRO	OUP	
		20	09	20	08	20	09	20	08
	Note	Actual	Adjustment budget	Actual	Adjustment budget	Actual	Adjustment budget	Actual	Adjustment Budget
		R	R	R	R	R	R	R	R
REVENUE									
Property rates	20	2 299 623 948	2 530 500 000	2 185 065 026	2 007 541 000	2 299 523 005	2 530 500 000	2 184 999 728	2 007 541 00
Service charges	21	5 647 685 341	5 948 707 000	4 838 958 770	4 769 479 797	5 749 212 670	5 948 707 000	4 925 025 127	4 769 479 79
Regional Services Levies		0	0	0	20 000 000	0	0	0	20 000 00
Rental of facilities and equipment		87 687 033	71 756 960	84 317 308	74 495 934	98 877 333	71 756 960	90 860 818	74 495 93
Interest earned - external investments		122 499 553	120 441 000	135 554 608	113 303 229	125 804 444	120 441 000	158 014 824	113 303 22
Interest earned - outstanding debtors		279 267 901	173 624 000	179 065 234	160 432 604	298 653 352	173 624 000	194 352 139	160 432 60
Fines		31 241 834	55 160 221	39 354 788	49 433 869	31 241 834	55 160 221	39 354 788	49 433 86
Licences and permits		28 423 732	24 930 991	29 498 520	23 049 903	28 423 732	24 930 991	29 498 520	23 049 90
Government grants and subsidies	22	2 275 363 522	2 667 416 951	1 924 285 012	2 201 857 795	2 274 418 557	2 667 416 951	1 926 558 232	2 201 857 79
Other income	23	612 705 674	672 386 146	541 766 130	619 483 107	590 672 297	672 386 146	690 450 225	619 483 10
Public contributions		226 447 787	138 000 000	221 175 922	155 000 000	226 447 787	138 000 000	221 175 922	155 000 00
Gains on disposal of property, plant and		2 779 292	41 301 938	4 936 900	40 352 144	2 786 173	41 301 938	4 936 900	40 352 14
equipment									
Gain: Changes in fair value of livestock	11	2 266 744	0	3 726 697	0	2 266 744	0	3 726 697	
Gain: Disestablishment of muncipal entity	42.3	23 002 905	0	0	0	23 002 905	0	0	
TOTAL REVENUE		11 638 995 266	12 444 225 207	10 187 704 915	10 234 429 382	11 751 330 833	12 444 225 207	10 468 953 920	10 234 429 38
EXPENDITURE									
Employee related costs	24	3 009 111 305	3 281 323 070	2 621 002 843	2 729 726 831	3 061 853 987	3 281 323 070	2 665 393 656	2 729 726 83
Remuneration of Councillors	25	55 350 803	73 992 387	44 201 359	47 914 093	55 350 803	73 992 387	44 201 359	47 914 09
Bad debts: contribution		210 896 373	71 359 812	179 914 390	19 920 755	238 917 368	71 359 812	230 254 392	19 920 75
Bad debts: written off - consumer & sundry debtors		165 228 232	60 414 000	100 732 978	109 100 000	193 630 109	60 414 000	100 732 978	109 100 00
Collection costs		72 511 251	72 780 752	72 224 153	63 178 651	72 511 251	72 780 752	72 224 153	63 178 65
Depreciation	26	500 104 539	862 988 273	574 906 652	728 387 673	502 939 437	862 988 273	613 963 377	728 387 67
Asset impairment		6 901 250	0	0	0	6 901 250	0	0	
Interest paid	27	507 584 152	411 961 352	361 757 332	382 138 723	508 312 549	411 961 352	431 489 612	382 138 72
Bulk purchases	28	2 718 185 952	2 789 472 300	2 206 818 210	2 232 955 941	2 835 273 617	2 789 472 300	2 214 193 693	2 232 955 94
Repairs and maintenance		1 125 506 266	942 539 899	894 628 918	749 310 022	1 127 185 923	942 539 899	897 807 296	749 310 02
Grants and subsidies paid	29	9 833 837	12 953 000	11 584 679	12 285 250	9 833 837	12 953 000	11 584 679	12 285 25
Loss on disposal of property, plant and equipment		9 069 358	11 000	23 423 391	9 900	9 069 358	11 000	23 423 391	9 90
General expenses	30	2 528 301 508	2 683 757 545	2 757 533 009	2 263 439 651	2 428 812 607	2 683 757 545	2 868 324 787	2 263 439 65
TOTAL EXPENDITURE		10 918 584 826	11 263 553 390	9 848 727 914	9 338 367 490	11 050 592 096	11 263 553 390	10 173 593 373	9 338 367 49
Net Surplus for the year		720 410 440	1 180 671 817	338 977 001	896 061 892	700 738 737	1 180 671 817	295 360 547	896 061 89

Refer to Appendix E for the comparison with the approved budget

	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	COID Reserve	Self Insurance Reserve	Self Insurance: FDR	Total Reserves	Accumulated Surplus/ (Deficit)	Total: Net Assets
	R	R	R	R	R	R	R	R	R	R
2008 Balance at 1 July 2007	141 152 353	501 152 806	2 008 028 104	3 506 835 333	62 694 963	65 637 380	332 487	6 285 833 426	761 314 423	7 047 147 849
Prior year adjustments (see Note 43.6) Prior year adjustments: Reserves(see Note 43.6) Net surplus for the year			139 469 413	7 553 936				0 147 023 349 0	250 664 222 (147 023 349) 338 977 001	250 664 222 338 977 001
Asset purification/retirements Property, plant & equipment purchased: Capitalised		(378 715 875)	(18 537 534) 378 715 875	(85 335 055)				(103 872 589)	103 872 589 0	0
Capital grants used to purchase PPE (revenue recognised) Contribution: Workmens Compensation (from employees)				467 680 281	6 178 310			467 680 281 6 178 310	(467 680 281) (6 178 310)	0
Transfer from Housing Development Fund Transfer from Insurance Reserve Transfer to Capital replacement reserve (Tshwane Market)	(12 232 466)	16 219 136				163 313 466		(12 232 466) 163 313 466 16 219 136	12 232 466 (163 313 466) (16 219 136)	0 0 0
Transfer to Capital replacement reserve : General Offsetting of depreciation Balance at 30 June 2008	128 919 887	168 501 412 307 157 479	(267 942 951) 2 239 732 907	(93 390 852) 3 803 343 643	68 873 273	228 950 846	(43 844) 288 643	168 501 412 (361 377 647) 6 777 266 678	(168 501 412) 361 377 647 859 522 394	0 0 7 636 789 072
	120 717 007	307 137 479	2 237 732 707	5 605 545 645	00 07 3 27 3	220 750 040	200 043	0 /// 200 0/0	037 322 374	7 030 707 072
2009 Net surplus for the year Asset purification/retirements		317 641 199	(326 781 703)	(3 842 084)				0 (12 982 588)	720 410 440 12 982 588	720 410 440 0
Property, plant & equipment purchased: Capitalised Capital grants used to purchase PPE (revenue recognised) Contribution: Workmens Compensation (from employees)		(441 137 531)	441 137 531	650 643 403	8 355 831			0 650 643 403 8 355 831	0 (650 643 403) (8 355 831)	0 0 0
Transfer from Housing Development Fund Transfer from Insurance Reserve Transfer to Capital replacement reserve (Tshwane Market)	(70 167)	25 590 421				(38 264 782)		(70 167) (38 264 782) 25 590 421	70 167 38 264 782 (25 590 421)	0 0 0
Transfer to Capital replacement reserve (public contributions) Offsetting of depreciation		152 002 906	(133 147 993)	(89 590 113)			(28 908)	152 002 906 (222 767 014)	(152 002 906) 222 767 014	0
Balance at 30 June 2009	128 849 720	361 254 474	2 220 940 742	4 360 554 849	77 229 104	190 686 064	259 735	7 339 774 689	1 017 424 824	8 357 199 513

Note: Capitalisation Reserve

The handling of the Capitalisation Reserve differs from the guidelines of National Treasury as indicated in the specimen financial statements in the sense that:

* The amount used to finance property, plant and equipment from the Capital Replacement Reserve since the implementation of GAMAP is not transferred to the Accumulated surplus, but to the Capitalisation Reserve

The reasons for this deviation are the following:

- * To offset future depreciation charges via a transfer from the reserve to prevent double taxation of ratepayers
- * To prevent distortion of the accumulated surplus which could possibly lead to utilisation other than the offsetting of depreciation
- * An accumulated surplus are not used to finance deficits on future budgets as a result of depreciation charges
- * The financing and offsetting of depreciation of property, plant and equipment financed from the Capital Replacement Reserve should be treated the same as property, plant and equipment financed from the Government Grant Reserve

The effect on the financial statements would be the following if the guidelines of National Treasury were followed:

* Accumulated surplus will increase with R441 137 531 (2007/08 = R378 715 875 2006/07 = R 94 508 184 and 2005/06 = R302 183 695 and 2004/05 = R 909 806 168)

* Capitalisation Reserve will decrease with R441 137 531 (2007/08 = R378 715 875 2006/07 = R94 508 184 and 2005/06 = R302 183 695 and 2004/05 = R909 806 168)

Statement of Changes in Net Assets for the year ended 30 June 2009 - Group

	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	COID reserve	Self Insurance Reserve	Self Insurance: Future Depreciation Reserve	Roodeplaat Temba Water Services Trust: Statutory Donations Fund	Housing Company Tshwane: Grant Reserve	Total Reserves	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R	R	R	R	R	R	R
2008 Balance at 1 July 2007	141 152 353	501 152 806	2 008 028 104	3 506 835 333	62 694 963	65 637 380	332 487	1 200	3 053 553	6 288 888 179	827 171 383	7 116 059 562
Net surplus for the year Prior year adjustments: Parent		0								0	295 360 547 250 664 222	295 360 547 250 664 222
(see note 43.6) Prior year adjustments: Reserves			139 469 413	7 553 936						147 023 349	(147 023 349)	230 004 222
(see Note 43.6) Prior year adjustments: Sandspruit			137 407 413	/ 333 930						023 347	70 076	70 076
(see note 43.7) Prior year adjustments: Housing Company									(3 053 553)	(3 053 553)	14 679 980	11 626 427
(see note 43.7) Prior year adjustments: Roodeplaat Temba									. ,	0	(7 809 766)	(7 809 766)
(see note 43.7) Prior year adjustments: Civirelo										0	(110172)	(110172)
(see note 43.7) Asset purification/retirements			(18 537 534)	(85 335 055)						(103 872 589) 0	103 872 589 0	0
Property, plant & equipment capitalised Capital grants used to purchase PPE		(378 715 875) 0	378 715 875	467 680 281						0 467 680 281	(467 680 281)	0
(revenue recognised) Contribution: Workmens Compensation		0			6178310					6178310	(6 178 310)	0
(from employees) Transfer from Housing Development Fund	(12 232 466)	0				1/0.010 ///				(12 232 466)	12 232 466	0
Transfer from Insurance Reserve Transfer to Capital replacement reserve		0 16219136				163 313 466				163 313 466 16 219 136	(163 313 466) (16 219 136)	0
(Tshwane Market) Transfer to Capital replacement reserve :		168 501 412								168 501 412	(168 501 412)	0
General Offsetting of depreciation		0	(267 942 951)	(93 390 852)			(43 844)			(361 377 647)	361 377 647	0
Balance at 30 June 2008	128 919 887	307 157 479	2 239 732 907	3 803 343 643	68 873 273	228 950 846	288 643	1 200	0	6 777 267 878	888 593 018	7 665 860 896
2009 Net surplus for the year											700 738 737	700 738 737
Prior year adjustments: Housing Company Tshwane (Note 43)											5 677 531	5 677 531
Prior year adjustments: Civirelo (Note 43) Prior year adjustment: Roodeplaat Temba											5 504	5 504
Water Services Trust (Note 43) Property valuation: Housing company											(9 989 370)	(9 989 370)
Tshwane (note 43) Asset purification/retirements		317 641 199	(326 781 703)	(3 842 084)				(1 200)		(1 200) (12 982 588)	12 982 588	(1 200) 0
Property, plant & equipment capitalised Capital grants used to purchase PPE		(441 137 531)	441 137 531	. ,						Ó	0	0
(revenue recognised) Contribution: Workmens Compensation				650 643 403						650 643 403	(650 643 403)	0
(from employees) Transfer from Housing Development Fund	(70 167)				8 355 831					8 355 831 (70 167)	(8 355 831) 70 167	0
Transfer from Insurance Reserve	(/010/)					(38 264 782)				(38 264 782)	38 264 782	0
Tranfer to Capital replacement reserve (Tshwane Market) Transfer to Capital replacement reserve :		25 590 421								25 590 421	(25 590 421)	0
General		152 002 906	(100.1.(7.000)	(00 500 335)						152 002 906	(152 002 906)	0
Offsetting of depreciation Balance at 30 June 2009	128 849 720	361 254 474	(133 147 993) 2 220 940 742	(89 590 113) 4 360 554 849	77 229 104	190 686 064	(28 906) 259 737	0	0	(222 767 012) 7 339 774 689	222 767 012 1 022 517 408	0 8 362 292 097

		MUN	NICIPALITY	GROUP			
	Note	2009	2008	2009	2008		
		R	R	R	R		
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts:		11 073 714 119	9 996 504 138	11 196 856 593	10 312 482 726		
Cash receipts from ratepayers, government and other		10 951 214 566	9 860 949 530	11 071 052 149	10 154 467 902		
Interest received		122 499 553	135 554 608	125 804 444	158 014 824		
Payments:		(9 129 780 284)	(8 277 978 310)	(9 393 558 407)	(8 620 302 812)		
Cash paid to suppliers and employees		(8 622 196 132)	(7 916 220 982)	(8 885 245 858)	(8 188 813 204)		
Interest paid		(507 584 152)	(361 757 328)	(508 312 549)	(431 489 608)		
NET CASH FROM OPERATING ACTIVITIES	31	1 943 933 835	1 718 525 828	1 803 298 185	1 692 179 914		
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of property, plant and equipment		(3 326 807 998)	(2 211 743 117)	(2 839 962 695)	(2 221 750 291)		
Gain: Change in fair value of livestock		(2 266 744)	(3 726 697)	(2 266 744)	(3 726 697)		
Proceeds on disposal of fixed assets		2 779 292	4 936 900	2 786 173	4 936 900		
Asset impairment		(6 901 250)	-	(6 901 250)	-		
Decrease/(increase) in non-current investments		(74 793 305)	(14 269 160)	(70 446 726)	(14 335 608)		
NET CASH FROM INVESTING ACTIVITIES		(3 407 990 005)	(2 224 802 074)	(2 916 791 242)	(2 234 875 696)		
CASH FLOWS FROM FINANCING ACTIVITIES							
Net borrowings		1 458 623 725	43 749 023	940 452 289	14 176 492		
Proceeds from borrowings		1 606 943 775	294 856 326	1 088 876 250	296 143 539		
Repayment of borrowings		(148 320 050)	(251 107 303)	(148 423 961)	(281 967 047)		
Net lease liabilities		5 217 784	52 469 549	(19 029 965)	78 795 420		
Proceeds from lease liabilities		142 287 330	147 884 381	142 287 330	147 884 381		
Repayment of lease liabilities		(137 069 546)	(95 414 832)	(161 317 295)	(69 088 961)		
NET CASH FROM FINANCING ACTIVITIES		1 463 841 509	96 218 572	921 422 324	92 971 912		
NET CASH FLOW		(214 661)	(410 057 674)	(192 070 733)	(449 723 870)		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(214 661)	(410 057 674)	(192 070 733)	(449 723 870)		
Cash and cash equivalents at the beginning of the year	32	171 963 954	582 021 628	380 317 794	830 041 664		
Cash and cash equivalents at the end of the year	32	171 749 293	171 963 954	188 247 061	380 317 794		

		MUNIC	IPALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
1	HOUSING DEVELOPMENT FUND					
	Housing Development Fund	128 849 720	128 919 887	128 849 721	128 919 887	
	Unappropriated surplus	197 856 184	197 926 350	197 856 184	197 926 350	
	Loans extinguished by Government on 1 April 1998	69 006 462	69 006 463	69 006 463	69 006 463	
	The Housing Development Fund is represented by the following assets and liabilities:					
	Housing selling scheme loans	66 750 728	108 239 423	66 750 728	108 239 423	
	Other debtors	17 996 084	12 687 578	17 996 084	12 687 578	
	Bank and cash	44 102 908	7 992 886	44 102 908	7 992 886	
	Total Housing Development Fund Assets and Liabilities	128 849 720	128 919 887	128 849 720	128 919 887	
•						
2	LONG-TERM LIABILITIES	278 484 334	318 161 284	278 484 334	318 161 284	
	Local Registered Stock Long-term loans:	4 058 483 882	2 560 183 206	4 063 157 914	3 083 028 674	
	Annuity loans	3 571 456 946	2 073 261 434	3 571 456 946	2 073 261 434	
	Term loans	487 026 936	486 921 772	491 407 968	1 009 767 240	
	Interest free Ioan	487 020 730	400 921 772	293 000	0 0 0 0 0 0	
		4 336 968 216	2 878 344 490	4 341 642 248	3 401 189 958	
	LESS: Current portion transferred to current liabilities	133 693 231	172 572 966	134 008 629	189 530 393	
	Local Registered Stock	0	42 227 760	0	42 227 760	
	Annuity loans	133 693 231	101 842 510	133 693 231	101 842 510	
	Term loans	0	28 502 696	315 398	45 460 123	
	icim loans		20 002 070		40 400 120	
	Total External Loans	4 203 274 985	2 705 771 524	4 207 633 619	3 211 659 565	
	Refer to Appendix A for more detail on long-term liabilities					
	Amount invested specifically for the repayment of long-term liabilities. (See note 33 for more detail.)	598 458 250	568 644 654	598 458 250	568 644 654	
	Maturity value of amount invested as security for long-term liabilities	788 466 682	815 559 792	788 466 682	815 559 792	
	Term loans: are secured by:-					
	1. A general notarial bond over the movable assets of the Trust. 2. Cession of the Temba Lease Agreement. 3. The Debt					
	Service Reserve Account, the Capital Reserve Account and the Operating Reserve Account. These loans are repayable 6 monthly					
	over 15 years.					
	Usersian Company Televine					
	Housing Company Isnwane					
	A secured loan bearing interest at 14 % per annum from National Housing Finance Corporation Ltd - repayable in the					
	remaining 177 monthly installments (initially 240 monthly installments). Secured by a mortgage bond over the investment					
	books, all risk insurance policies.					

Notes to the Consolidated Annual Financial Statements for the year ended 30 June 2009 (continued)

		MUNICI	PALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
-						
3	LEASE LIABILITIES					
3.1	Finance lease liabilities	295 412 611	100 000 10/	005 (10 (11	014 400 055	
	Gross liability Future finance charges on finance leases	(32 897 797)	190 233 106 67 063 924	295 412 611 (32 897 797)	214 480 855 67 063 924	
	Total finance lease liability	262 514 814	257 297 030	262 514 814	281 544 779	
		202 514 614	237 277 030	202 514 614	201 344 777	
	Non-current portion of finance lease liability					
	Gross liability	117 333 687	88 349 912	117 333 687	112 597 661	
	Future finance charges on finance leases	(30 527 572)	18 698 924	(30 527 572)	18 698 924	
		86 806 115	107 048 836	86 806 115	131 296 585	
	Current portion of finance lease liability					
	Gross liability	178 078 924	101 883 194	178 078 924	101 883 194	
	Future finance charges on finance leases	(2 370 225)	48 365 000	(2 370 225)	48 365 000	
		175 708 699	150 248 194	175 708 699	150 248 194	
	Finance lease liabilities - minimum future lease payments:					
	Not later than one year	178 078 924	101 883 194	178 078 924	101 883 194	
	Later than one year but not later than five years	117 333 687 0	88 349 912 0	117 333 687 0	89 311 594 23 286 067	
	Later than 5 years	295 412 611	190 233 106	295 412 611	214 480 855	
	Future finance charges on finance leases	(32 897 797)	67 063 924	(32 897 797)	67 063 924	
	Present value of finance lease liabilities	262 514 814	257 297 030	262 514 814	281 544 779	
	Refer to Appendix A for more detail on finance lease liabilities		237 277 000		201 344 ///	
	The present value of finance lease liabilities may be analysed as follows:					
	No later than one year	175 708 699	153 046 433	175 708 699	153 046 433	
	Later than one year but not later than five years	86 806 116	104 250 597	86 806 116	104 250 597	
		262 514 815	257 297 030	262 514 815	257 297 030	
	Fair value of loans (amortised cost i.e. PV)	262 514 814	257 297 030	262 514 814	257 297 030	
	Collateral held in terms of the above lease (Net book amount of leased assets) (See note 10.13) Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default	252 871 839	247 780 561	252 871 839	247 780 561	
	Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default					
3.2	Deferred lease liabilities					
0.2	Balance at the beginning of the year (brought in only from 2007/08)			2 078 122	1 873 039	
	Expense realised			(2 078 122)	205 083	
	Balance at the end of the year		_	0	2 078 122	
			_			
4	NON-CURRENT PROVISIONS					
4.1	CLEARING OF ALIEN VEGATATION					
	Opening balance at the beginning of the year	5 789 465	5 263 150	5 789 465	5 263 150	
	Contributions during the year	7 246 569	3 716 659	7 246 569	3 716 659	
	Expenditure during the year	(6 667 623)	(3 190 344)	(6 667 623)	(3 190 344)	
	Closing balance at the end of the year	6 368 411	5 789 465	6 368 411	5 789 465	
	In terms of the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983) the provision for the clearing of alien					
	vegatation was established in 2005/06 as a start to address the backlogs that exist. The provision will be phased in over a					
	period of time.					

		MUNICI	PALITY	GROUP	
	DESCRIPTION	2009	2008	2009	2008
		R	R	R	R
4.0					
4.2	REHABILITATION OF LANDFILL SITES				
	The provision for landfill sites have been established from the 2007/08 financial year only.	(0.0/0.000	<u>^</u>	(0.0/0.000	<u>_</u>
	Opening balance at the beginning of the year	63 360 000	0	63 360 000	0
	Contributions during the year	111 151 962	63 360 000 0	111 151 962	63 360 000
	Expenditure during the year	0		0	0
	Closing balance at the end of the year	174 511 962	63 360 000	174 511 962	63 360 000
4.3	REHABILITATION OF QUARRIES				
	The provision for quarries have been established from the 2007/08 financial year only.				
	Opening balance at the beginning of the year	18 061 984	0	18 061 984	0
	Contributions during the year	6 042 176	18 061 984	6 042 176	18 061 984
	Expenditure during the year	0	0	0	0
	Closing balance at the end of the year	24 104 160	18 061 984	24 104 160	18 061 984
4.4	Total non-current provisions				
	Opening balance at the beginning of the year	87 211 449	5 263 150	87 211 449	5 263 150
	Contributions during the year	124 440 707	85 138 643	124 440 707	85 138 643
	Expenditure during the year	(6 667 623)	(3 190 344)	(6 667 623)	(3 190 344)
	Closing balance at the end of the year	204 984 533	87 211 449	204 984 533	87 211 449
5	CURRENT PROVISIONS				
	Performance bonus		_	917 255	782 275
			_	917 255	782 275
5.1	RECONCILIATION OF CURRENT PROVISIONS				
5.1.1	Performance bonus:				
	Balance at the beginning of the year			782 275	2 318 467
	Contributions to provision			134 980	782 275
	Utlisation of provision		_	0	(2 318 467)
	Balance at the end of the year		_	917 255	782 275
6	CONSUMER DEPOSITS				
	and the second				
	Electricity and water	<u> </u>	<u>267 978 963</u> 128 909 639	<u>285 243 276</u> 143 634 350	269 510 010
	Guarantees held in lieu of Electricity and Water deposits	143 634 350	128 909 639	143 634 350	128 909 639
7	CREDITORS				
	Trade creditors	1 685 566 272	982 847 902	1 689 035 425	998 700 860
	Payments received in advance	66 841 273	3 873 614	129 656 975	58 127 847
	Retentions	142 689 724	96 661 285	142 689 724	103 699 574
	Staff Leave accrual	300 893 740	257 311 987	303 847 796	259 776 832
	Deposits	13 006 346	17 931 509	15 132 035	20 024 840
	Other creditors	447 935 944	397 079 629	460 985 057	406 765 197
	Total creditors	2 656 933 299	1 755 705 926	2 741 347 012	1 847 095 150

		MUNI	MUNICIPALITY GROU		
	DESCRIPTION	2009	2008	2009	2008
		R	R	R	R
	UNSPENT CONDITIONAL GRANTS AND RECEIPTS	410,000,455	210.1/4.000	410 000 455	
.1	Conditional Grants from other spheres of Government	410 882 455	318 164 899	410 882 455	318 164 899
	Municipal Infrastructure Grant (MIG)	34 572 314	37 952 350	34 572 314	37 952 350
	Housing projects	33 941 036	20 301 622	33 941 036	20 301 622
	Department of Water Affairs & Forestry (DWAF)	2 332 660	4 827 178	2 332 660	4 827 178
	Finance Management Grant (FMG)	1 515 238	1 304 688	1 515 238	1 304 688
	Municipal System Improvement Grant (MSIG)	498 400	498 400	498 400	498 400
	Restructuring Grant	41 106 512	86 786 106	41 106 512	86 786 106
	Department Sport and Recreation	38 279 649	45 242 563	38 279 649	45 242 563
	Transportation and Engineering	1 553 167	8 000 000	1 553 167	8 000 000
	Department Public Works	0	7 322 068	0	7 322 068
	2010 Host Cities	40 000 000	0	40 000 000	0
	Transport : World Cup Soccer	207 683 644	105 786 086	207 683 644	105 786 086
	Neighbourhood watch development	6 725 126	0	6 725 126	0
	ESKOM	0	12 953	0	12 953
	Provincial Local Economic Development Projects grant	2 674 709	130 885	2 674 709	130 885
2	Other conditional Receipts	9 037 883	10 595 333	22 716 316	14 878 285
-	National Electrification Fund	4 281 858	4 198 110	4 281 858	4 198 110
	Bontle ke Botho	1 563 400	1 457 223	1 563 400	1 457 223
	Gauteng Arts and Culture	574 936	0	574 936	0
	Gauteng: Agriculture, Conservation & Environment	6 250	440 000	6 250	440 000
	Stipends (DBSA)	54 000	0	54 000	440 000
	DPLG: Health	2 342 602	1 500 000	2 342 602	1 500 000
	Monument Golf Club	2 342 802	3 000 000	214 837	3 000 000
	Other: Sandspruit	0	0	13 678 433	4 282 952
	Other: Sandspruit	0	0	13 0/ 8 433	4 282 932
	Total Conditional Grants and Receipts (See Note 22 for reconciliation).	419 920 338	328 760 232	433 598 771	333 043 184
	VAT				
	VAT payable	164 585 154	104 380 809	167 620 490	113 720 301
	VAT payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS		104 300 007	107 020 470	113 / 20 301
	val is payable on the receipts basis. Only once payment is received from debiors is val paid over to saks				
)).1	PROPERTY, PLANT AND EQUIPMENT (Reconciliation of Carrying values) INFRASTRUCTURE				
	Carrying value at 1 July	6 737 266 620	5 407 435 097	6 746 027 866	5 415 753 097
	Cost	8 888 481 702	7 336 282 784	8 899 904 937	7 346 503 035
	Accumulated depreciation: Restatement - Zero value assets	0	71 605 445	0	71 605 445
	Accumulated depreciation	(2 151 215 082)	(2 000 453 132)	(2 153 877 071)	(2 002 355 383)
		(2131213082)	(2 000 430 132)	(2 100 077 071)	12 002 000 000)

		MUNIC		GROL	GROUP	
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
				I		
	Acquisitions	2 014 508 787	2 299 852 932	2 014 715 690	2 300 296 178	
	Additions	1 134 935 184	1 876 235 172	1 136 178 609	1 877 650 290	
	Additions: Capital under construction	825 183 264	639 207 766	825 183 264	639 207 766	
	Acquistions: Roodeplaat Temba Water Services Trust	435 062 480	0	435 062 480	0	
	Acquisitions: Capital under construction - Roodeplaat Temba Water Services Trust	2 247 888	0	2 247 888	0	
	Threshold assets transfer - cost	0	(107 017)	0	(107 017)	
	Depreciation: Threshold assets transfer	0	106 686	0	106 686	
	Accumulated depreciation: Roodeplaat Temba Water Services trust	(89 588 139)	0	(89 588 139)	0	
	Depreciation - based on cost	(293 331 890)	(215 589 675)	(294 368 412)	(216 561 547)	
	Carrying value of purification/transfers	(39 924 063)	(970 021 409)	(39 924 063)	(970 021 409)	
	Cost	0	(966 379 735)	0	(966 591 869)	
	Transfer Asset under construction (AUC) to assets	(39 924 063)		(39 924 063)	0	
	Restatement: Transfer asset classes - cost	0	3 010 795	0	3 010 795	
	Restatement: ICS Register - cost	0	231 937	0	231 937	
	Restatement: Transfer asset classes - depreciation	0	(424 924)	0	(424 924)	
	Restatement: ICS Register - depreciation	0	(9 042)	0	(9 042)	
	Restatement: zero value assets - depreciation correction	0	(8 063 915)	0	(8 063 915)	
	Accumulated depreciation	0	1 613 475	0	1 825 609	
		-	-			
	Carrying values at 30 June:	8 711 851 344	6 737 266 620	8 720 819 493	6 746 027 866	
	Cost	11 245 986 455	8 888 481 702	11 258 653 115	8 899 904 937	
	Accumulated depreciation	(2 534 135 111)	(2 151 215 082)	(2 537 833 622)	(2 153 877 071)	
10.2	COMMUNITY			/		
	Carrying value at 1 July	859 523 650	777 746 173	859 523 650	777 746 173	
	Cost	1 149 056 085	1 024 618 757	1 149 056 085	1 024 618 757	
	Accumulated depreciation: Restatement - zero value assets	0	9 424 591	0	9 424 591	
	Accumulated depreciation	(289 532 435)	(256 297 175)	(289 532 435)	(256 297 175)	
		0.40.050.000	110 000 500	0.40.050.000	110 000 500	
	Acquisitions	240 859 330	112 882 539	240 859 330	112 882 539	
	Additions	264 619 289	146 170 690	264 619 289	146 170 690	
	Capital under construction	19 848 542	8 353 798	19 848 542	8 353 798	
	Transfer: Threshold assets - cost	0	(200 589)	0	(200 589)	
	Transfer: Threshold assets - depreciation	0	10 446	0	10 446	
	Depreciation - based on cost	(43 608 501)	(41 451 806)	(43 608 501)	(41 451 806)	
	Correction value of purification /transform	26 484 153	(31 105 062)	26 484 153	(31 105 062)	
	Carrying value of purification/transfers Cost	20 484 153	(29 901 839)	20 484 153	(29 901 839)	
	Cost Transfer Asset under construction (AUC) to assets	26 484 153	(29 901 839)	26 484 153	(29 901 839)	
	Restatement: Transfer asset classes - cost	26 484 153	-	26 484 153	-	
		0	(10 334) 25 602	0	(10 334) 25 602	
	Restatement: ICS Register - cost		25 602 99 019	0		
	Restatement: Transfer asset classes - depreciation	0		0	99 019	
	Restatement: zero value assets - depreciation correction	0	(1 317 510)	U	(1 317 510)	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
	Carrying values at 30 June:	1 126 867 133	859 523 650	1 126 867 133	859 523 650	
	Cost	1 460 008 069	1 149 056 085	1 460 008 069	1 149 056 085	
	Accumulated depreciation	(333 140 936)	(289 532 435)	(333 140 936)	(289 532 435)	
		(333 140 730)	(287 332 433)	(555 140 750)	(207 332 433)	
10.3	HERITAGE					
	Carrying value at 1 July	3 695 147	3 733 422	3 695 147	3 733 422	
	Cost	3 814 388	3 813 988	3 814 388	3 813 988	
	Accumulated depreciation	(119 241)	(80 566)	(119 241)	(80 566)	
	Acquisitions	(38 716)	(38 675)	(38 716)	(38 675)	
	Additions	0	0	0	(00 07 0)	
	Depreciation - based on cost	(38 716)	(38 675)	(38 716)	(38 675)	
	Carrying value of purification/transfers	0	400	0	400	
	Cost	0	0	0	0	
	Restatement: Fair market value assets - cost	0	400	0	400	
	Accumulated depreciation	0	0	0	0	
	Carrying values at 30 June:	3 656 431	3 695 147	3 656 431	3 695 147	
	Cost	3 814 388	3 814 388	3 814 388	3 814 388	
	Accumulated depreciation	(157 957)	(119 241)	(157 957)	(119 241)	
10.4	HOUSING					
10.4	Carrying value at 1 July	184 570 006	201 740 869	184 570 006	201 740 869	
	Cost	184 626 436	234 965 906	184 626 436	234 965 906	
	Accumulated depreciation; Restatement - zero value assets	0	110 474	0	110 474	
	Accumulated depreciation	(56 430)	(33 335 511)	(56 430)	(33 335 511)	
	Acquisitions	35 955 311	84 530 648	35 955 311	84 530 648	
	Additions	36 040 717	81 746 559	36 040 717	81 746 559	
	Capital under construction	0	6 035 290	0	6 035 290	
	Depreciation - based on cost	(85 406)	(3 251 201)	(85 406)	(3 251 201)	
	Carrying value of purification/transfers	(1 571 781)	(101 701 511)	(1 571 781)	(101 701 511)	
	Cost	0	(132 579 480)	0	(132 579 480)	
	Transfer Asset under construction (AUC) to assets	(1 571 781)	0	(1 571 781)	0	
	Restatement: Transfer asset classes - cost	0	(5 541 839)	0	(5 541 839)	
	Restatement: ICS Register - cost	0	36 429 851	0	36 429 851	
	Restatement: zero value assets - depreciation correction	0	(10 043)	0	(10 043)	
	Carrying values at 30 June:	218 953 536	184 570 006	218 953 536	184 570 006	
	Cost	218 935 338	184 626 436	218 953 538	184 626 436	
	Cost Accumulated depreciation	(141 836)	(56 430)	(141 836)	(56 430)	
		(141 030)	(50 450)	(141.030)	(30 430)	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
10.5	STOCK	107 705	1 010 (00	107 705	1 010 (00	
	Carrying value at 1 July	407 735	1 019 408	407 735	1 019 408 1 142 732	
	Cost Accumulated depreciation	407 735	1 142 732 (123 324)	407 735	(123 324)	
			(120 024)		(120 024)	
	Acquisitions	0	0	0	0	
	Additions	0	0	0	0	
	Capital under construction	0	0	0	0	
	Depreciation - based on cost	0	0	0	0	
	Carrying value of purification/transfers	0	(611 673)	0	(611 673)	
	Cost	0	123 324	0	123 324	
	Accumulated depreciation - restatement	0	(734 997)	0	(734 997)	
					(****/	
	Carrying values at 30 June:	407 735	407 735	407 735	407 735	
	Cost	407 735	407 735	407 735	407 735	
	Accumulated depreciation	0	0	0	0	
10 (LAND					
10.6	Carrying value at 1 July	1 049 966 212	998 891 764	1 049 966 212	998 891 764	
	Cost	1 049 966 212	1 140 397 933	1 049 966 212	1 140 397 933	
	Accumulated depreciation	0	(141 506 169)	0	(141 506 169)	
					\ · · /	
	Acquisitions	21 458 188	1 104 434	21 458 188	1 104 434	
	Additions	21 458 188	1 104 434	21 458 188	1 104 434	
	Capital under construction	0	0	0	0	
	Depreciation - based on cost	0	0	0	0	
	Carrying value of purification/transfers	0	49 970 014	0	49 970 014	
	Cost	0	0	0	0	
	Restatement: Transfer asset classes - cost	0	(91 536 155)	0	(91 536 155)	
	Restatement: Transfer asset classes - depreciation	0	158 704	0	158 704	
	Accumulated depreciation - write back restatement	0	141 347 465	0	141 347 465	
	Carrying values at 30 June:	1 071 424 400	1 049 966 212	1 071 424 400	1 049 966 212	
	Cost	1 071 424 400	1 049 966 212	1 071 424 400	1 049 966 212	
	Accumulated depreciation	0	0	0	0	
10.7	BUILDINGS					
	Carrying value at 1 July	459 875 924	464 511 185	466 397 657	469 859 967	
		778 864 363	701 317 311	786 390 121	707 455 026	
	Accumulated depreciation: Restatement - zero value assets	0 (318 988 439)	47 370 104 (284 176 230)	(319 992 464)	47 370 104 (284 965 163)	
	Accumulated depreciation	(310 900 439)	(204 170 230)	(317 772 404)	(204 705 105)	
	Acquisitions	47 274 562	6 005 757	47 158 725	7 178 708	
	Additions	83 458 318	77 379 357	83 691 542	78 724 850	
	Capital under construction	0	0	0	0	
	Depreciation - based on cost	(36 183 756)	(71 373 600)	(36 532 817)	(71 546 142)	

		MUNICIPALITY		GROUP	
	DESCRIPTION	2009	2008	2009	2008
		R	R	R	R
	Carrying value of purification/transfers	16 341 709	(10 641 018)	16 341 709	(10 641 018)
	Cost	0	(67 846)	0	(25 296)
	Transfer asset under construction (AUC) to assets	16 341 709	0	16 341 709	0
	Restatement/Transfers: Asset classes - cost	0	235 541	0	235 541
	Restatement/Transfers: Asset classes - accumulated depreciation	0	(19 493)	0	(19 493)
	Restatement: zero value assets - depreciation corrections	0	(10 798 311)	0	(10 798 311)
	Accumulated depreciation	0	9 091	0	(33 459)
	Carrying values at 30 June:	523 492 195	459 875 924	529 898 091	466 397 657
	Cost	878 664 390	778 864 363	886 423 372	786 390 121
	Accumulated depreciation	(355 172 195)	(318 988 439)	(356 525 281)	(319 992 464)
10.8	OTHER				
	Carrying value at 1 July	695 252 942	408 880 526	698 386 889	820 662 221
	Cost	1 248 874 593	808 407 385	1 256 381 359	1 285 958 277
	Accumulated depreciation: Restatement - zero value assets	0	201 361	0	201 361
	Accumulated depreciation	(553 621 651)	(399 728 220)	(557 994 470)	(465 497 417)
	Acquisitions	385 429 067	9 184 029	384 946 395	(20 668 709)
	Additions	150 963 101	67 356 442	151 928 127	74 599 765
	Additions: Capital under construction	220 203 379	64 752 621	220 203 379	64 752 621
	Acquistions: Roodeplaat Temba Water Services Trust	37 732 103	0	37 732 103	0
	Accumulated depreciation: Roodeplaat Temba Water Services trust	(7 790 273)	0	(7 790 273)	0
	Transfer: Threshold assets - cost	0	(8 493 291)	0	(8 493 291)
	Transfer: Threshold assets - depreciatyion	0	1 513 405	0	1 513 405
	Depreciation	(15 679 243)	(115 945 148)	(17 126 941)	(153 041 209)
	Carrying value of purification/transfers/disposals	(78 548 908)	277 188 387	(78 629 596)	276 087 760
	Cost	0	(63 108 790)	(72 569)	(64 772 943)
	Transfer asset under construction (AUC) to assets	(50 035 394)	0	(50 035 394)	0
	Additions: Fair market values for zero value assets	3 720 450	0	3 720 450	0
	Restatement/Transfers: Asset classes - cost	0	94 581 337	0	94 581 337
	Restatement: ICS Register - cost	0	168 876 032	0	168 876 032
	Restatement: Dogs and horses -cost	0	517 600	0	517 600
	Restatement: Fair market value assets - cost	0	34 563 273	0	34 563 273
	Restatement: Rehabilitation provision assets	0	81 421 984	0	81 421 984
	Restatement: Transfer asset classes - depreciation	0	(36 243 793)	0	(36 243 793)
	Restatement: Prior year depreciation	0	71 773	0	71 773
	Restatement: ICS Register - depreciation	0	(12 519 023)	0	(12 519 023)
	Disposals - cost	(41 216 717)	0	(41 216 717)	0
	Impairment - cost	(43 246 577)	0	(43 246 577)	0
	Year end accural - cost	(13 552 424)	0	(13 552 424)	0
	Disposals - depreciation	28 384 955	0	28 384 955	0
	Impairment - depreciation	36 345 327	0	36 345 327	0
	Write-up: Depreciation	1 445 787	0	1 445 787	0
	Non-current assets held for sale - cost	(1 552 635)	0	(1 552 635)	0
	Non-current assets held for sale - depreciation	1 158 320	0	1 158 320	0
	Restatement: zero value assets - depreciation correction	0	(33 345)	0	(33 345)
	Accumulated depreciation	0	9 061 339	(8 119)	9 624 865

	MUNIC	IPALITY	GRO	OUP	
DESCRIPTION	2009	2008	2009	2008	
	R	R	R	R	
Carrying values at 30 June:	1 002 133 108	695 252 942	1 004 703 688	1 076 081 272	
Cost	1 511 889 879	1 248 874 593	1 520 289 102	1 732 004 655	
Accumulated depreciation	(509 756 778)	(553 621 651)	(515 585 414)	(655 923 383)	
10.9 TOTAL PROPERTY, PLANT AND EQUIPMENT					
Carrying value at 1 July	9 990 558 237	8 263 958 444	10 009 005 524	8 689 406 921	
Cost	13 304 091 515	11 250 946 796	13 331 128 098	11 744 855 654	
Accumulated depreciation: Restatement - zero value assets	0	128 711 975	0	128 711 975	
Accumulated Depreciation	(3 313 533 278)	(3 115 700 327)	(3 322 122 574)	(3 184 160 708)	
Acquisitions	2 745 446 529	2 513 521 664	2 745 054 923	2 485 285 123	
Additions	1 691 474 797	2 249 992 654	1 693 916 472	2 259 996 588	
Additions: Capital under construction	1 065 235 185	718 349 475	1 065 235 185	718 349 475	
Acquistions: Roodeplaat Temba Water Services Trust	472 794 583	0	472 794 583	0	
Acquisitions: Capital under construction - Roodeplaat Temba Water Services Trust	2 247 888	0	2 247 888	0	
Accumulated depreciation: Roodeplaat Temba Water Services trust	(97 378 412)	0	(97 378 412)	0	
Transfer: Threshold assets - cost	0	(8 800 897)	0	(8 800 897)	
Transfer: Threshold assets - depreciation	0	1 630 537	0	1 630 537	
Depreciation	(388 927 512)	(447 650 105)	(391 760 793)	(485 890 580)	
Carrying value of purification/transfers/disposals	(77 218 887)	(786 921 869)	(77 299 575)	(788 022 496)	
Cost	(77210007)	(1 192 037 690)	(72 569)	(1 193 871 427)	
Additions: Fair market value - zero value assets	3 720 450	0	3 720 450	(11/30/142/)	
Transfer asset under construction (AUC) to assets	(48 705 376)	0	(48 705 376)	0	
Restatement/Transfers: Asset classes - cost	(40 / 00 0 / 0)	4 349	(40 / 03 0 / 0)	4 349	
Restatement: ICS Register - cost	0	169 133 571	0	169 133 571	
Restatement: Dogs and horses -cost	0	517 600	0	517 600	
Restatement: Fair market value assets - cost	0	34 563 673	0	34 563 673	
Restatement: Rehabilitation provision assets	0	81 421 984	0	81 421 984	
Restatement: Transfer asset classes - depreciation	0	142 912	0	142 912	
Restatement: Prior year depreciation	0	(71 773)	0	(71 773)	
Restatement: ICS Register - depreciation	0	(12 528 065)	0	(12 528 065)	
Disposals - cost	(41 216 717)	0	(41 216 717)	(12 320 003)	
Impairment - cost	(43 246 577)	0	(43 246 577)	0	
Year end accural - cost	(13 552 424)	0	(13 552 424)	0	
Disposals - depreciation	28 384 958	0	28 384 958	0	
Impairment - depreciation	36 345 327	0	36 345 327	0	
Write-up: Depreciation	1 445 787	0	1 445 787	0	
Non-current assets held for sale - cost	(1 552 635)	0	(1 552 635)	0	
Non-current assets held for sale - depreciation	1 158 320	0	1 158 320	0	
Accumulated depreciation - cost write back restatement	1 100 020	141 470 789	0	141 470 789	
Restatement: zero value assets - depreciation correction	0	(20 223 124)	0	(20 223 124)	
Accumulated depreciation	0	10 683 905	(8 1 1 9)	11 417 015	
Carrying values at 30 June:	12 658 785 879	9 990 558 238	12 676 760 872	10 386 669 547	
, J					
Cost	16 391 290 689	13 304 091 515	16 420 696 378	13 806 170 570	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
10.10	INVESTMENT PROPERTY					
	Carrying value at 1 July	10 571 024	12 084 663	20 571 024	19 575 320	
	Cost	44 788 161	44 792 509	54 788 161	52 283 166	
	Accumulated depreciation: Restatement - zero value assets	0	133 898	0	133 898	
	Accumulated depreciation	(34 217 137)	(32 841 744)	(34 217 137)	(32 841 744)	
	Acquisitions	(2 543 863)	(1 497 613)	(2 543 863)	(1 497 613)	
	Additions	0	0	0	0	
	Capital under construction	0	0	0	0	
	Depreciation	(2 543 863)	(1 497 613)	(2 543 863)	(1 497 613)	
	Carrying value of purification/transfers/disposals	0	(16 026)	(400 000)	2 493 317	
	Cost	0	0	0	2 509 343	
	Restatement/Transfers: Asset classes - cost	0	(4 348)	(400 000)	(4 348)	
	Restatement/Transfers: Asset classes - accumulated depreciation	0	495	(400 000)	495	
	Restatement: zero value assets - depreciation correction	0	(12 173)	(400 000)	(12 173)	
			(/	I_	(
	Carrying values at 30 June:	8 027 161	10 571 024	17 627 161	20 571 024	
	Cost	44 788 161	44 788 161	54 388 161	54 788 161	
	Accumulated depreciation	(36 761 000)	(34 217 137)	(36 761 000)	(34 217 137)	
10.11	INTANGIBLE ASSETS					
10.11	Carrying value at 1 July	98 035 113	95 359 784	98 038 353	95 359 784	
	Cost	158 946 436	125 103 123	159 007 576	125 103 123	
	Accumulated depreciation	(60 911 323)	(29 743 339)	(60 969 223)	(29 743 339)	
	Acquisitions	9 450 261	2 675 188	9 448 641	2 663 953	
	Additions	37 045 201	33 843 313	37 045 201	33 846 553	
	Capital under construction	0	0	0	0	
	Depreciation	(27 594 940)	(31 168 125)	(27 596 560)	(31 182 600)	
	Carrying value of purification/transfers/disposals	48 705 375	141	48 705 375	14 616	
	Cost	48 705 375	0	48 705 375	14 475	
	Restatement/Transfers: Asset classes - cost	0	0	0	0	
	Restatement/Transfers: Asset classes - accumulated depreciation	0	141	0	141	
	Accumulated depreciation	0	0	0	0	
	Carrying values at 30 June:	156 190 749	98 035 113	156 192 369	98 038 353	
	Cost	244 697 012	158 946 436	244 758 152	159 007 576	
	Accumulated depreciation	(88 506 263)	(60 911 323)	(88 565 783)	(60 969 223)	
				· /		
10.12	GRAND TOTAL					
	Carrying value at 1 July	10 099 164 376	8 371 402 891	10 127 614 903	8 804 342 025	
	Cost	13 507 826 112	11 420 842 428	13 544 923 835	11 922 241 943	
	Accumulated depreciation: Restatement - zero value assets	0	128 845 873	0	128 845 873	
	Accumulated Depreciation	(3 408 661 736)	(3 178 285 410)	(3 417 308 932)	(3 246 745 791)	

	MUNICIPALITY		GROUP		
DESCRIPTION	2009	2008	2009	2008	
	R	R	R	R	
Acquisitions	2 752 352 924	2 514 699 239	2 751 959 698	2 486 451 463	
Additions	1 728 519 995	2 275 035 070	1 730 961 670	2 285 042 244	
Additions: Capital under construction	1 065 235 185	718 349 475	1 065 235 185	718 349 475	
Acquistions: Roodeplaat Temba Water Services Trust	472 794 583	0	472 794 583	0	
Acquisitions: Capital under construction - Roodeplaat Temba Water Services Trust	2 247 888	0	2 247 888	0	
Accumulated depreciation: Roodeplaat Temba Water Services trust	(97 378 412)	0	(97 378 412)	0	
Depreciation	(419 066 315)	(478 685 306)	(421 901 216)	(516 940 256)	
Carrying value of purification/transfers/disposals	(28 513 514)	(786 937 754)	(28 994 202)	(785 514 563)	
Cost	0	(1 192 037 690)	(72 569)	(1 191 304 184)	
Additions: Fair market value - zero value assets	3 720 450	0	3 720 450	0	
Restatement/Transfers: Asset classes - cost	0	0	0	0	
Restatement: ICS Register - cost	0	169 133 572	0	169 133 572	
Restatement: Dogs and horses -cost	0	517 600	0	517 600	
Restatement: Fair market value assets - cost	0	34 563 673	0	34 563 673	
Restatement: Rehabilitation provision assets	0	81 421 984	0	81 421 984	
Restatement: Transfer asset classes - depreciation	0	143 548	0	143 548	
Restatement: Prior year depreciation	0	(71 773)	0	(71 773)	
Restatement: ICS Register - depreciation	0	(12 528 065)	0	(12 528 065)	
Disposals - cost	(41 216 717)	0	(41 216 717)	0	
Impairment - cost	(43 246 577)	0	(43 246 577)	0	
Year end accural - cost	(13 552 424)	0	(13 552 424)	0	
Disposals - depreciation	28 384 955	0	28 384 955	0	
Impairment - depreciation	36 345 327	0	36 345 327	0	
Write-up: Depreciation	1 445 787	0	1 445 787	0	
Non-current assets held for sale - cost	(1 552 635)	0	(1 552 635)	0	
Non-current assets held for sale - depreciation	1 158 320	0	1 158 320	0	
Accumulated depreciation - cost write back restatement	0	141 470 789	0	141 470 789	
Restatement: zero value assets - depreciation correction	0	(20 235 297)	0	(20 235 297)	
Accumulated depreciation - cost	0	10 683 905	(408 119)	11 373 590	
Carrying values at 30 June:	12 823 003 786	10 099 164 373	12 850 580 399	10 505 278 922	
Cost	16 677 055 410	13 507 826 109	16 720 242 689	14 019 966 304	
Accumulated depreciation - cost	(3 854 051 624)	(3 408 661 736)	(3 869 662 290)	(3 514 687 382)	
Refer to Appendix B (for analysis per class) and Appendix C (for segmental analysis)			I L		
USEFUL LIVES The useful lives of the assets have been reviewed and adjusted to more accurtely relfect the actual expected life spans of the assets within the City of Tshwane. In a majority of the cases, the lives of the items have been extended considerably as the City of Tshwane has embarked on a campaign to ensure that assets are not unneccessarily replaced and that those items in use are properly taken care of and safe guarded					
IMPAIRMENT					
The City of Tshwane tested the assets falling under the property, plant and equipment category for impairment to ensure that the assets were reflected at a reasonable net book value. In order to do this, the following methodology was applied:					
• The assets were grouped into smaller categories and each item was given a fair market value of what the item would cost new as wel as what the item would cost on the second hand market. This exercise was done by and external expert.					
• This value was then tested against the existing values of the assets. Where the net book value of the item exceeded the fair market value by a factor of 300 % or more, these items were impaired to reflect the actual recoverable cost.					

			MUNICIPALITY		GROUP	
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
10.13	LEASED ASSETS					
	Carrying value at 1 July	247 780 561	197 234 792	247 780 561	212 108 487	
	Cost	375 411 746	267 593 177	375 411 746	285 232 242	
	Accumulated depreciation - cost	(127 631 185)	(70 358 385)	(127 631 185)	(73 123 755)	
		5 001 070		5 001 070	10 710 001	
	Acquisitions	5 091 279	50 545 769	5 091 279	49 743 994 107 818 569	
	Additions	12 671 545	107 818 569	12 671 545	107 818 569	
	Capital under construction	74 903 787	0	74 903 787	0	
	Redemption: fully depreciated assets	(82 484 053)	(57 272 800)	(82 484 053)	(58 074 575)	
	Depreciation - based on cost	(82 484 053)	(57 272 800)	(82 484 053)	(58 074 575)	
	Carrying value of purification/transfers/disposals	0	0	0	(308 104)	
	Cost	0	0	0	0	
	Accumulated depreciation - cost	0	0	0	(308 104)	
	Carrying values at 30 June:	252 871 839	247 780 561	252 871 839	261 544 379	
	Cost	388 083 291	375 411 746	388 083 291	393 050 813	
	Accumulated depreciation -cost	(135 211 452)	(127 631 185)	(135 211 452)	(131 506 434)	
	Accontolated depreciation -cost	(155 211 452)	(12/031103)	(135 211 452)	(131 300 434)	
11	BIOLOGICAL ASSETS: LIVESTOCK					
	Carrying amount at the beginning of the year	14 741 255	11 014 558	14 741 255	11 014 558	
	Gain: changes in fair value due to physical changes and price changes	2 266 744	3 726 697	2 266 744	3 726 697	
	Carrying amount at the end of the financial year	17 007 999	14 741 255	17 007 999	14 741 255	
	Biological assets are measured at their fair value less estimated point-of-sale-costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit.					
12	NON-CURRENT ASSETS HELD FOR SALE					
	Other movable assets - cost	1 552 635	0	1 552 635	0	
	Other movable assets - depreciation	(1158320)	0	(1 158 320)	0	
		394 315	0	394 315	0	
	The abovementioned groups of assets (mostly vehicles, bicycles and other smaller movable assets) have been marked for disposal and are in the auction yard at 30 June 2009					
13	INVESTMENTS					
13.1	HELD-TO-MATURITY INVESTMENTS					
	Unlisted:					
	Municipal stock	3 033 002	3 033 002	3 033 002	3 033 002	
		3 033 002	3 033 002	3 033 002	3 033 002	
	Financial instruments:					
	Fixed deposits	491 311 097	416 767 411	493 822 236	423 625 129	
	Assurance companies	6 002 276	5 752 656	6 002 276	5 752 656	
		497 313 373	422 520 067	499 824 512	429 377 785	
	Total Held-to-Maturity Investments	500 346 375	425 553 069	502 857 514	432 410 787	
13.2	AVAILABLE-FOR-SALE INVESTMENTS					
	Short-term deposits and Call deposits	177 605 393	235 135 631	187 814 191	272 462 172	
	TOTAL INVESTMENTS	677 951 768	660 688 700	690 671 705	704 872 959	

		MUNICI	PALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
	Market value of listed investments, and management's valuation of unlisted investments:					
	Unlisted investments	677 951 767	660 688 700	690 671 705	704 872 959	
	No impairment occurred during the financial year					
	Average rate of return on long-term investments :	14.10 %	14.10 %	14.10 %	14.10 %	
	Average rate of return on short-term investments :	10.44 %	10.43 %	10.44 %	10.43 %	
	The Municipal Financial Management Act, 2003 (Act 56 of 2003) requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds					
	against the investment at a penalty interest rate to meet commitments.					
14	LONG-TERM RECEIVABLES					
	Consumers: Arrangement debtors	245 372 310	202 597 529	245 372 310	202 597 529	
	Housing loans	57 556 328	59 092 140	57 556 328	59 092 140	
	Motor car loans	173 915	2 161 952	173 915	2 161 952	
	Loans to Sports Clubs	1 661 855	1 688 951	1 661 855	1 688 951	
	Study loans	5 293	13 930	5 293	13 930	
	Sale of land	79 405 336	65 779 894	79 405 336	65 779 894	
		384 175 037	331 334 396	384 175 037	331 334 396	
	Less: Current portion transferred to current receivables	123 832 808	103 377 148	123 832 808	103 377 148	
		260 342 229	227 957 248	260 342 229	227 957 248	
	Less: Provision for bad debt: Housing loans	23 420 606	38 194 441	23 420 606	38 194 441	
	Less: Impairment of 0 % interest charged on arrangement debtors	49 821 913 187 099 710	189 762 807	49 821 913 187 099 710	0 189 762 807	
	Total Long-term receivables (past due not impaired)	187 099 710	109 /02 00/	18/ 099 / 10	107 /02 00/	
	RECONCILIATION OF BAD DEBT PROVISION					
	Balance at the beginning of the year	38 194 441	36 202 047	38 194 441	36 202 047	
	Contributions to provision & impairment of 0 % interest	49 821 913	1 992 394	49 821 913	1 992 394	
	Write back of provision during the year	(14 773 835)	0	(14 773 835)	0	
	Balance at the end of the year	73 242 519	38 194 441	73 242 519	38 194 441	
	CONSUMER: ARRANGEMENT DEBTORS					
	A policy exists granting consumer debtors an opportunity to make arrangements to pay off their arrear debt over a certain					
	period. HOUSING LOANS					
	Housing loans are granted to qualifying individuals in terms of the Provincial Administration's Housing Programme. These					
	loans attract interest of 13,5% per annum and are repayable over periods of 20 and 30 years. These loans have various terms					
	applicable.					
	MOTOR CAR LOANS Senior staff were entitiled to motor car loans which attract interest at 8,5 % per annum and which are repayable over a					
	maximum period of 6 years. This practice has been terminated in terms of the MFMA and the last loan will be fully repaid in					
	October 2009.					
	LOANS TO SPORT CLUBS					
	Sport Clubs that do qualify, sign a 99 year lease hold agreement with the Municipality at a nominal amount and are provided with financial assistance from the Municipality to build or improve a facility of which the funds are repayable over a period and					
l .	the Club has no claim to the improvements after the expiration of the lease hold agreement.					

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
	STUDY LOANS					
	Emloyees were entitled to interest free study loans which were repayable over a period of one year after the completion of their studies. This practice has been terminated in terms of the MFMA. The last payment cannot be determined at present as some of					
	the employees are still studying.					
	Children of employees of the Municipality also qualified for study loans which attracted an interest rate applicable during the period of application as determined by the Municipality at the time of the application and the approval thereof. No more new study loans are issued by the Municipality.					
	SALE OF LAND DEBTORS					
	Vacant properties are sold through a process administered by Property Legal Services. Contracts are signed and advices for the opening of individual accounts, which indicates the amount of the deposit (10%) and VAT (14 %) are issued. The contract stipulates as from when interest is payable (immediately after signing the contract or after 12 months). The interest rate used is					
	the Municipality's mortgage bond rate which currently is 11 %. Interest is calculated monthly on the outstanding balance of the property.					
15	INVENTORY					
	General stores	187 088 025	195 290 338	205 666 699	211 606 629	
	Quarry	872 549	812 232	872 549	812 232	
	Coal (power stations)	49 779 922	16 287 079	49 779 922	16 287 079	
	Plants	101 882	55 127	101 882	55 127	
	Catering (Premos restaurant)	34 368	38 753	34 368	38 753	
	Wonderboom Airport	918 239	958 464	918 239	958 464	
	Bulk water	2 525 534	3 160 425	2 525 534	3 160 425	
	Net Inventory	241 320 519	216 602 418	259 899 193	232 918 709	
16	CONSUMER DEBTORS					
	The City of Tshwane (parent) has a consolidated account billing system. The division of debtors per service category is done on a pro rata basis based on the levies. The provision for bad debt is therefore also not available per income group.					
	a pro rata basis based on the revies. The provision for bad debits therefore also not available per income group. Service debtors	4 015 520 259	3 509 943 906	4 249 990 797	3 712 493 622	
	Rates	1 029 144 952	873 945 477	1 029 137 853	873 930 315	
	Electricity	1 679 844 699	1 420 106 081	1 679 792 477	1 420 017 104	
	Water	838 395 135	767 648 642	1 072 924 994	970 302 497	
	Sewerage	208 959 853	190 015 285	208 959 853	190 015 285	
	Refuse removal	259 175 620	258 228 421	259 175 620	258 228 421	
	Less: Arrangement debtors	245 372 310	202 597 529	245 372 310	202 597 529	
	-	3 770 147 949	3 307 346 377	4 004 618 487	3 509 896 093	
	Less: Provision for Bad debt	1 102 727 977	914 443 852	1 318 609 336	1 108 845 887	
	Consumer debtors per statement of financial position	2 667 419 972	2 392 902 525	2 686 009 151	2 401 050 206	
	An amount of R165 228 232 (R187 730 810 inclusive of VAT) was written off by the parent during 2008/09 (2007/08=					
	R100 732 978) in terms of a Council Resolution dated 29 August 2002 whereby the Chief Financial Officer have delegated					
	powers to write off amounts lower than R3 000 and a Council Resolution dated 31 March 2005 whereby the debt of Indigent					
	households are written off. This amount written off represents 1.33 % (2008: 0.99 %) of the total operating income for the year.					
	Ageing: Total					
	Current (0 - 30 days)	1 062 178 728	1 038 091 980	1 296 649 266	1 240 641 696	
	31 - 60 days	189 343 783	197 017 183	189 343 783	197 017 183	
	61 - 90 days	110 956 911	101 991 952	110 956 911	101 991 952	
	91 + days	2 653 040 837	2 172 842 791	2 653 040 837	2 172 842 791	
		4 015 520 259	3 509 943 906	4 249 990 797	3 712 493 622	

	MUNIC	PALITY	GROUP		
DESCRIPTION	2009	2008	2009	2008	
	R	R	R	R	
Rates: Ageing					
Current (0 - 30 days)	293 273 775	331 493 536	293 266 676	331 478 374	
31 - 60 days	72 523 184	43 852 936	72 523 184	43 852 936	
61 - 90 days	35 296 422	30 332 616	35 296 422	30 332 616	
91 + days	628 051 572	468 266 389	628 051 572	468 266 389	
	1 029 144 953	873 945 477	1 029 137 854	873 930 315	
Electricity: Ageing					
Current (0 - 30 days)	442 725 976	378 056 908	442 673 754	377 967 93	
31 - 60 days	121 578 451	133 732 668	121 578 451	133 732 66	
61 - 90 days	30 793 674	32 478 155	30 793 674	32 478 15	
91 + days	1 084 746 598	875 838 350	1 084 746 598	875 838 350	
	1 679 844 699	1 420 106 081	1 679 792 477	1 420 017 10	
Water: Ageing					
Current (0 - 30 days)	161 462 923	169 801 796	395 992 782	372 455 65	
31 - 60 days	50 572 413	53 091 401	50 572 413	53 091 40	
61 - 90 days	20 772 038	20 609 103	20 772 038	20 609 10	
91 + days	605 587 761	524 146 342	605 587 761	524 146 34	
71 - 64ys	838 395 135	767 648 642	1 072 924 994	970 302 49	
Sanitation: Ageing		707 040 042	10/2/24//4	//0 302 4/	
Current (0 - 30 days)	40 505 604	42 146 336	40 505 604	42 146 33	
31 - 60 days	12 384 120	12 606 297	12 384 120	12 606 29	
61 - 90 days	4 703 221	4 438 100	4 703 221	4 438 10	
91 + days	151 366 908	130 824 552	151 366 908	130 824 55	
	208 959 853	190 015 285	208 959 853	190 015 28	
Solid Waste: Ageing					
Current (0 - 30 days)	27 720 561	46 798 851	27 720 561	46 798 85	
31 - 60 days	14 304 273	10 505 708	14 304 273	10 505 70	
61 - 90 days	6 485 533	5 771 804	6 485 533	5 771 80	
91 + days	210 665 253	195 152 058	210 665 253	195 152 05	
	259 175 620	258 228 421	259 175 620	258 228 42	
Summary of consumer debtors by customer classification:					
Household	2 686 383 053	2 348 063 234	2 920 853 591	2 550 612 95	
Industrial/Commercial	762 948 849	666 940 567	762 948 849	666 940 56	
National and Provincial Government	56 217 284	49 142 989	56 217 284	49 142 98	
Other	509 971 073	445 797 116	509 971 073	445 797 11	
Total consumer debtors by customer classification	4 015 520 259	3 509 943 906	4 249 990 797	3 712 493 62	
RECONCILIATION OF BAD DEBT PROVISION					
	914 443 852	881 557 955	1 108 845 887	1 025 420 79	
Balance at the beginning of the year					
Contributions to provision	188 284 125	32 885 897	209 763 449	83 425 093	
Balance at the end of the year	1 102 727 977	914 443 852	1 318 609 336	1 108 845 887	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
17	OTHER DEBTORS					
	Housing debtors	17 996 084	12 687 579	44 997 445	31 267 286	
	Government subsidies	6 756 000	13 228 750	6 756 000	13 228 750	
	RSC levies debtor	0	200 675 211	0	200 675 211	
	Amounts paid in advance	0	0	0	14 873	
	Municipal Infrastructure Grant	53 274 515	0	53 274 515	0	
	Gauteng Province: Housing Grants	125 146 030	0	125 146 030	0	
	Other Current debtors	534 567 481	312 924 481	552 602 557	335 256 197	
		737 740 110	539 516 021	782 776 547	580 442 317	
	Less: Provision for Bad debt	32 724 885	246 003 159	47 220 043	260 915 197	
	Total Other Debtors	705 015 225	293 512 862	735 556 504	319 527 120	
	RECONCILIATION OF BAD DEBT PROVISION					
	Balance at the beginning of the year	246 003 159	100 967 058	260 915 197	100 967 058	
	Contributions to provision	0	145 036 101	0	159 948 139	
	Write back of provision during the year	(213 278 274)	0	(213 695 154)	0	
	Balance at the end of the year	32 724 885	246 003 159	47 220 043	260 915 197	
18	CALL INVESTMENT DEPOSITS					
	Other deposits/call investments					
	Other deposits of R677 951 767 (2008 = R425 553 069) are ring-fenced and attributable to the Capital replacement reserve of R361 254 474. Fixed deposits amounting to R598 458 250 (2008 = R568 644 654) have also been ring-fenced for the purposes of repaying long-term liabilities. Refer to Note 33	598 458 250	568 644 654	598 458 250	568 644 654	
19	BANK, CASH AND OVERDRAFT BALANCES					
17	The Municipality (parent) has the following bank accounts:-					
19.1	Current Account (Primary Bank account)					
17.1	STANDARD - Primary (Account nr 41 080 1453)					
	STANDARD - Frindry (Account in 41 080 1453) STANDARD - Cashier deposit (Account in 41 080 1569)					
	STANDARD - Cashier deposit (Account nr 41 080 1509) STANDARD - Wonderboom Airport (Account nr 41 080 1674)					
	STANDARD - Wonderboom Airpon (Account nr 41 080 1874) STANDARD - Collection (Account nr 41 080 1658)					
	STANDARD - Collection (Account nr 41 080 1656) STANDARD - 2010 (Account nr 410801682)					
	ABSA - Main (Account nr 4060 738 263)					
	ABSA - SAP collection (Account nr 4061 025 439)					
	ABSA - Old Main (Account nr 4053 381 912)					
	ABSA - GPMC Collection (Account nr 4048 828 191)					
	ABSA - Housing Collection (Account nr 4054 433 297)					
	ABSA - Wonderboom Airport (Account nr 4059 414 365)					
	FNB Main - Pretoria Branch (Account nr 5142 0107 207)					
	FNB - Pretoria Collection (Account nr 5142 0108 130)					
	FNB - Centurion Collection (Account nr 6202 7802 869)					
	FNB - Akasia Collection (Account nr 6202 7803 023)					
	FNB - Housing Collection (Account nr 5142 1127 486)					
	FNB - SAP Collection (Account nr 6207 4177 786)					
	FNB - Traffic Collection (Account nr 6206 7460 586)					

		MUNIC	PALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
	ABSA	12 781 873	15 413 275	12 781 873	15 413 275	
	Cash book balance at the beginning of the year Cash book balance at the end of the year	13 433 453	12 781 873	13 433 453	12 781 873	
			12 /01 0/3	10 400 400	12 /01 0/3	
	Bank statement balance at the beginning of the year	37 657 228	17 907 552	37 657 228	17 907 552	
	Bank statement balance at the end of the year	13 339 211	37 657 228	13 339 211	37 657 228	
	FNB					
	Cash book balance at the beginning of the year	8 630 642	(2 374)	8 630 642	(2 374)	
	Cash book balance at the end of the year	14 707 560	8 630 642	14 707 560	8 630 642	
	Bank statement balance at the beginning of the year	9 594 524	10 499 069	9 594 524	10 499 069	
	Bank statement balance at the end of the year	14 684 609	9 594 524	14 684 609	9 594 524	
	STANDARD					
	Cash book balance at the beginning of the year	(106 407 370)	(45 999 764)	(106 407 370)	(45 999 764)	
	Cash book balance at the end of the year - (overdrawn)	(95 416 694)	(106 407 370)	(95 416 694)	(106 407 370)	
			((,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(***********	
	Bank statement balance at the beginning of the year	11 907 106	38 863 430	11 907 106	38 863 430	
	Bank statement balance at the end of the year	34 003 014	11 907 106	34 003 014	11 907 106	
	STANDARD (2010 bank account - in use from 1 July 2008)					
	Cash book balance at the beginning of the year	0	0	0	0	
	Cash book balance at the end of the year - (overdrawn)	42 627 751	0	42 627 751	0	
	Bank statement balance at the beginning of the year	0	0	0	0	
	Bank statement balance at the end of the year	0	0	0	0	
	,					
19.2	Insurance Contingency					
	ABSA (Account nr: 4062593950)					
	Cash book balance at the beginning of the year	7 449 875	41 285 499	7 449 875	41 285 499	
	Cash book balance at the end of the year	148 524	7 449 875	148 524	7 449 875	
					,, 0,0	
	Bank statement balance at the beginning of the year	7 449 875	41 285 499	7 449 875	41 285 499	
	Bank statement balance at the end of the year	148 524	7 449 875	148 524	7 449 875	
19.3	Tshwane Market (Primary account)					
	First National Bank - Church Square Branch (Account nr: 51421161509)					
	Cash book balance at the beginning of the year	14 111 226	12 408 157	14 111 226	12 408 157	
	Cash book balance at the end of the year	18 370 481	14 111 226	18 370 481	14 111 226	
	Bank statement balance at the beginning of the year	14 801 812	12 604 882	14 801 812	12 604 882	
l l	Bank statement balance at the end of the year	18 813 633	14 801 812	18 813 633	14 801 812	
10.4	Datty each love flacts	272 825	262 077	282 547	270 993	
19.4	Petty cash/cashiers floats	2/2 825	202 0//	202 347	270 993	

		MUNI	CIPALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
9.5	BANK ACCOUNTS: MUNICIPAL ENTITIES					
9.5.1	Roodeplaat/Temba Water Services Trust					
	Absa - Current account (Account nr 4058159742)					
	Cash book balance at the beginning of the year			0	36 772 65	
	Cash book balance at the end of the year			0	27 932 97	
	Bank statement balance at the beginning of the year			0	36 772 65	
	Bank statement balance at the end of the year			0	27 932 97	
	Absa - Deposit account - Roodeplaat (Account nr 4059250408)					
	Cash book balance at the beginning of the year			0	13 150 2	
	Cash book balance at the end of the year			0		
	Bank statement balance at the beginning of the year			0	13 150 2	
	Bank statement balance at the end of the year			0		
	Absa - Debt Service Reserve account (Account nr 4058337269)					
	Cash book balance at the beginning of the year			0	97 790 7	
	Cash book balance at the end of the year			0	108 720 4	
	Bank statement balance at the beginning of the year			0	97 790 7	
	Bank statement balance at the end of the year			0	108 720 4	
	Alex Description Tech. (Association (05020005)					
	Absa - Deposit account - Temba (Account nr 405832325) Cash book balance at the beginning of the year			0	5 624 1	
	Cash book balance at the end of the year			0	5 024 1	
	Cash book balance at the end of the year					
	Bank statement balance at the beginning of the year			0	5 624 1	
	Bank statement balance at the end of the year			0		
	Absa - Operating Reserve account (Account nr 4058337073)					
	Cash book balance at the beginning of the year			0	543 0	
	Cash book balance at the end of the year			0	603 0	
	Bank statement balance at the beginning of the year			0	543 (
	Bank statement balance at the end of the year			0	603 0	
	Absa - Capital Reserve account (Account nr 4058337358)					
	Cash book balance at the beginning of the year			0	10 841 8	
	Cash book balance at the end of the year			0	12 052 5	
	Bank statement balance at the beginning of the year			0	10 841 8	
	Bank statement balance at the end of the year			0	12 052 5	

		MUNI	CIPALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
19.5.2	Trade Point Pretoria					
	Absa - Current account (Account nr 4054625800)					
	Cash book balance at the beginning of the year			50 670	112 278	
	Cash book balance at the end of the year			58 749	50 670	
	Bank statement balance at the beginning of the year			50 413	176 645	
	Bank statement balance at the end of the year			58 749	50 413	
19.5.3	Sandspruit Works Waste Water Treatment					
	Absa - Current account (Account nr 4051139634)					
	Cash book balance at the beginning of the year			482 713	7 030 146	
	Cash book balance at the end of the year			512 722	482 713	
	Bank statement balance at the beginning of the year			482 713	6 985 969	
	Bank statement balance at the end of the year			512 722	482 713	
19.5.4	Sandspruit Works ODI Water					
	Standard Bank - Current account (Account nr 032250738000)			0 771 (07	5 (70 410	
	Cash book balance at the beginning of the year			9 771 497	5 672 412 9 771 497	
	Cash book balance at the end of the year			942 177	9 771 497	
	Bank statement balance at the beginning of the year			10 205 841	0	
	Bank statement balance at the end of the year			11 864 123	10 205 841	
	Standard Bank - Current account (Account nr 031906842000)					
	Cash book balance at the beginning of the year			(271 149)	44 588	
	Cash book balance at the end of the year			76 580	(271 149)	
	Bank statement balance at the beginning of the year			97 226	0	
	Bank statement balance at the end of the year			76 845	97 226	
	Standard Bank - Call account (Account nr 738717959001)					
	Cash book balance at the beginning of the year			8 685 895	5 923 714	
	Cash book balance at the end of the year			950 146	8 685 895	
	Bank statement balance at the beginning of the year			8 685 895	0	
	Bank statement balance at the end of the year			950 146	8 685 895	
19.5.5	Civirelo Water					
	Absa - Current account (Account nr 4052561692 & 9078443130)			2 084 786	4 252 125	
	Cash book balance at the beginning of the year Cash book balance at the end of the year			3 543 269	2 084 786	
	Cash book balance at the effe of the year			J J4J 207	2 004 7 00	
	Bank statement balance at the beginning of the year			2 100 787	6 011 060	
	Bank statement balance at the end of the year			3 543 270	1 849 223	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
19.5.6	Usering Company Theorem					
19.5.0	Housing Company Tshwane Absa - Current account (Account nr 4057481879 and 4065722829)					
	Cash book balance at the beginning of the year			849 007	3 999 822	
	Cash book balance at the end of the year			139 691	849 007	
					047.007	
	Bank statement balance at the beginning of the year			787 871	3 709 294	
	Bank statement balance at the end of the year			787 871	787 871	
19.5.7	Tshwane Centre for Business Information and Support					
	Absa - Current account (Account nr 4050437263)					
	Cash book balance at the beginning of the year			94 686	94 686	
	Cash book balance at the end of the year			55 914	55 914	
	Bank statement balance at the beginning of the year			71 884	71 884	
	Bank statement balance at the end of the year			53 375	53 375	
	Dank sidement palance at the end of the year					
20	PROPERTY RATES					
	Actual Income: Gross	3 159 872 402	2 185 065 026	3 159 771 459	2 184 999 728	
	Less: Income foregone	860 248 454	0	860 248 454	0	
	Net income	2 299 623 948	2 185 065 026	2 299 523 005	2 184 999 728	
	Site Values as at 1 July:					
	Residential	198 721 218 868	12 252 913 893	198 721 218 868	12 252 913 893	
	Other	85 434 514 445	7 213 092 116	85 434 514 445	7 213 092 116	
	Total property valuation	284 155 733 313	19 466 006 009	284 155 733 313	19 466 006 009	
	The site value was changed to market value according to the MPRA that came into effect on 1 July 2008. The increase in					
	valuation is due to the fact that the full market value of a property is now the basis of levying rates and not the land value					
	anymore.	Various	14.43c/Rand			
	No differentiation is made between land value and improvement value and only market value appers on the valuation roll. Applicable tariff (with the implementation of the MPRA categories of properties are levied at different tariffs with different rebates					
	applicable Persons of 60 years or older, and physically or mentally handicapped persons who can substantiate receipt of a social pension,					
	and persons of 60 years or older, and physically or mentally handicapped persons who can substantiate receipt of a social pension, and persons certified by the Medical Officer of Health as physically or mentally handicapped, can qualify for a rebate, subject to					
	certain other conditions.					
21	SERVICE CHARGES	2////0/532	2 02 4 077 007	2 / / / 0 10 000	2 0 2 2 4 5 2	
	Sale of electricity	3 666 606 519	3 034 977 097	3 666 240 829	3 033 671 453	
	Sale of water Refuse removal	1 325 320 612 318 005 383	1 232 886 383 267 689 295	1 427 213 631 318 005 383	1 320 258 384	
	Refuse removal Sewerage and sanitation charges	318 005 383 337 752 827	267 689 295 303 405 995	318 005 383	267 689 295 303 405 995	
	Total service charges	5 647 685 341	4 838 958 770	5 749 212 670	4 925 025 127	
		5 047 005 341	4 030 730 770	5747212070	4 723 023 127	

		MUNICI	PALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
22	GOVERNMENT GRANTS AND SUBSIDIES					
	Equitable share	1 335 550 431	1 101 416 093	1 335 550 431	1 101 416 093	
	Housing: City of Tshwane Financial assistance	0	0	0	0	
	Magalies Water	0	0	0	0	
	Sandspruit: Department Water Affairs & Forestry	0	0	(944 965)	2 273 220	
	Provincial Health subsidies	22 554 360	22 669 000	22 554 360	22 669 000	
	Provincial Ambulance subsidy	38 377 250	36 004 533	38 377 250	36 004 533	
	Provincial motor vehicle licences refund	71 774 940	66 191 344	71 774 940	66 191 344	
	Opex: grants & donations	97 020 907	28 560 545	97 020 907	28 560 545	
	Finance Management grant	539 449	698 715	539 449	698 715	
	Restructuring grant	45 679 594	52 227 861	45 679 594	52 227 861	
	Municipal Systems Infrastructure grant	0	2 501 600	0	2 501 600	
	DWAF Grant (parent)	13 169 188	13 962 645	13 169 188	13 962 645	
	Topstructure grants	0	125 601 978	0	125 601 978	
	Stipends (DBSA)	54 000	0	54 000	0	
	unperiod celosi y	0	0	0	0	
	SEDA	0	0	0	0	
	Subtotal: Opex Grants and subsidies	1 624 720 119	1 449 834 314	1 623 775 154	1 452 107 534	
	Capex: grants & donations	650 643 403	474 450 698	650 643 403	474 450 698	
	Total Government grants and subsidies	2 275 363 522	1 924 285 012	2 274 418 557	1 926 558 232	
22.1	Equitable share					
	In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All					
	registered indigents receive a monthly subsidy which is funded from this grant.	1 225 550 421	1 101 414 000	1 005 550 401	1 101 414 000	
	Total amount of equitable share received	1 335 550 431	1 101 416 093	1 335 550 431	1 101 416 093	
	Monthly grant received by all registered indigents	173	148	173	148	
22.2	Provincial Health Subsidies					
	Balance unspent at beginning of year	0	0	0	0	
	Current year receipts - included in public health vote	22 554 360	22 669 000	22 554 360	22 669 000	
	Conditions met - transferred to revenue	(22 554 360)	(22 669 000)	(22 554 360)	(22 669 000)	
	Conditions still to be met - transferred to liabilities (see note 8)	0	0	0	0	
	The Municipality renders health services on behalf of the Provincial Government This grant has been used exclusively to fund clinic services (included in the Social Development vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.					
	Percentage of expenditure incurred refunded	15.25 %	14.94 %	15.25 %	14.94 %	
22.3	Provincial Ambulance Subsidy					
22.0	Balance unspent at beginning of year	0	0	0	0	
	Current year receipts - included in emergency medical services vote	38 377 250	36 004 533	38 377 250	36 004 533	
	Conditions met - transferred to revenue	(38 377 250)	(36 004 533)	(38 377 250)	(36 004 533)	
	Conditions still to be met - transferred to liabilities (see note 8)	0	0	0000772007	000004000	
	The Municipality renders ambulance services on behalf of the provincial government and is reimbursed. This grant has been used exclusively to fund the rendering of ambulance services (included in the Emergency Medical Services vote in Appendix D).					
	The conditions of the grant have been met. There was no delay or withholding of the subsidy. Percentage of expenditure incurred refunded	69.51 %	64.08 %	69.51 %	64.08 %	

			PALITY	GROUP	
	DESCRIPTION	2009	2008	2009	2008
		R	R	R	R
22.4	MIG				
	Balance unspent at beginning of year	37 952 351	19 794 905	37 952 351	19 794 905
	Transfers	(2 960 564)	0	(2 960 564)	0
	Current year receipts	286 876 515	236 438 749	286 876 515	236 438 749
	Conditions met - transferred to revenue	(287 295 988)	(218 281 303)	(287 295 988)	(218 281 303)
	Conditions still to be met - transferred to liabilities (see note 8) This grant is used to construct roads and sewerage infrastructure as part of the capital expenditure (included in the roads and sewerage votes in Appendix D). No funds have been withheld.	34 572 314	37 952 351	34 572 314	37 952 351
22.5	FINANCE MANAGEMENT GRANT				
	Balance unspent at beginning of year	1 304 687	1 503 403	1 304 687	1 503 403
	Current year receipts	750 000	500 000	750 000	500 000
	Conditions met - transferred to revenue	(539 449)	(698 716)	(539 449)	(698 716)
	Conditions still to be met - transferred to liabilities (see note 8)	1 515 238	1 304 687	1 515 238	1 304 687
	This grant is funded by National Treasury to assist Local Government Pilot Municipalities with Financial Management and Budget Reforms, as part of the National Reform program. No funds have been withheld.				
22.6	MUNICIPAL SYSTEM IMPROVEMENT GRANT				
	Balance unspent at beginning of year	498 400	3 000 000	498 400	3 000 000
	Current year receipts	0	0	0	0
	Conditions met - transferred to revenue	0	(2 501 600)	0	(2 501 600)
	Conditions still to be met - transferred to liabilities (see note 8)	498 400	498 400	498 400	498 400
	This grant is used to assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Local Government Municipal Systems Act of 2000. No funds have been withheld.				
22.7	RESTRUCTURING GRANT				
	Balance unspent at beginning of year	86 786 106	78 921 695	86 786 106	78 921 695
	Current year receipts	0	150 000 000	0	150 000 000
	Conditions met - transferred to revenue	(45 679 594)	(142 135 589)	(45 679 594)	(142 135 589)
	Conditions still to be met - transferred to liabilities (see note 8) This grant is funded by National Treasury to assit Local Government Pilot Municipalities with Institutional, Financial and Economic restructuring in line with the City Development Strategy, which is aligned to the National Government's Development Strategy. No funds were withheld.	41 106 512	86 786 106	41 106 512	86 786 106
22.8	DEPARTMENT OF WATER AFFAIRS AND FORESTRY				
	Balance unspent at beginning of year	4 827 178	22 391 328	4 827 178	22 391 328
	Transfers	(7 326 978)	0	(7 326 978)	0
	Current year receipts	20 251 750	21 092 500	20 251 750	21 092 500
	Conditions met - transferred to revenue	(15 419 290)	(38 656 650)	(15 419 290)	(38 656 650)
	Conditions still to be met - transferred to liabilities (see note 8)	2 332 660	4 827 178	2 332 660	4 827 178
	This grant was received for the supply of water services for community upliftment.				
22.9	PUBLIC TRANSPORT INFRASTRUCTURE SYSTEM GRANT				
	Balance unspent at beginning of year	115 762 425	0	115 762 425	0
	Current year receipts	260 000 000	129 294 495	260 000 000	129 294 495
	Conditions met - transferred to revenue	(168 078 781)	(13 532 070)	(168 078 781)	(13 532 070)
	Conditions still to be met - transferred to liabilities (see note 8) This grant was received for infrastructure iro roads and transport for the 2010 Soccer World Cup. R120 million was withheld due to under performance	207 683 644	115 762 425	207 683 644	115 762 425

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
22.10	CITY OF TSHWANE METROPOLITAN MUNICIPALITY (HOUSING COMPANY)					
	Balance unspent at beginning of year			0	0	
	Current year receipts			8 357 791	117 439	
	Conditions met - transferred to revenue		-	(8 357 791)	(117 439)	
	Conditions still to be met - transferred to liabilities (see note 8)		=	0	0	
	This grant was received for the administration and operation of the Housing Company Tshwane as financial assistance.					
22.11	SANDSPRUIT: DEPARTMENT OF WATER AFFAIRS AND FORESTRY					
	Balance unspent at beginning of year			0	0	
	Current year receipts			10 774 749	2 273 220	
	Conditions met - transferred to revenue			(10 774 749)	(2 273 220)	
	Conditions still to be met - transferred to liabilities (see note 8)		-	0	0	
	This grant was received for the refurbishment at Klipgat and Temba Waste Water Treatment plants.		-			
22.12	Changes in levels of government grants Based on the allocations set out in the Division of Revenue Act (Act 1 of 2007), no significant changes in the level of government					
	arant funding are expected over the forhcoming 3 financial years.					
23	OTHER INCOME					
23	Drain cleaning fees	996 345	1 211 910	996 345	1 211 910	
	Reconnections fees	101 284 390	64 805 089	101 284 390	64 805 089	
	Sewerage fees: Industrial effluent	21 555 862	19 763 957	21 555 862	19 763 957	
	Interest on property sales	4 902 337	5 107 253	4 902 337	5 107 253	
	Reminder fees	15 284 440	9 400 900	15 284 440	9 400 900	
	Ambulance fees	3 840 703	5 594 646	3 840 703	5 594 646	
	Airside income	3 140 399	3 154 100	3 140 399	3 154 100	
	Connection fees: Urban areas	5 874 720	8 164 438	5 874 720	8 164 438	
	Cemetery fees	4 710 670	5 016 915	4 710 670	5 016 915	
	Fees for relaxation of building line	1 270 805	1 641 185	1 270 805	1 641 185	
	Building plan fees	25 166 701	34 139 148	25 166 701	34 139 148	
	Restaur, print soles	1 041 029	1 164 367	1 041 029	1 164 367	
	Sundry fees	4 549 985	4 517 334	4 549 985	4 517 334	
	Sundry services	11 022 117	12 659 014	11 022 117	12 659 014	
	Income from grave services	3 981 017	4 266 198	3 981 017	4 266 198	
	Application fees	2 663 426	3 927 229	2 663 426	3 927 229	
	Connection fees	11 075 821	16 220 728	11 075 821	16 220 728	
	Approval fees: advertisements	23 322 452	24 761 792	23 322 452	24 761 792	
	Discount on promp payments	9 171 594	14 195 991	9 171 594	14 195 991	
	Market fees	79 070 161	70 793 414	79 070 161	70 793 414	
	Lodging fees	1 178 102	1 145 624	1 178 102	1 145 624	
ł	Parking fees: vehicles	2 991 065	2 914 839	2 991 065	2 914 839	
	Training fees recovered	12 241 123	7 622 163	12 241 123	7 622 163	
l	Dumping fees	11 957 349	13 995 089	11 957 349	13 995 089	
l	Income from bulk containers	28 342 250	24 007 366	28 342 250	24 007 366	
	Sale of livestock	118 755	2 891	118 755	2 891	
	Sale of stone	7 529 846	6 685 746	7 529 846	6 685 746	
	Sale unusable stock	5 188 978	3 953 857	5 188 978	3 953 857	
	Sales: Aeroplane fuel	30 361 934	29 155 543	30 361 934	29 155 543	
ļ	Sales: Aeropiane luei	00 001 / 01	27 100 0 10	00 001 704	27 100 040	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
	Capital income recovered insurance claims	8 846 911	2 347 901	8 846 911	2 347 901	
	Claims recovered compensation commisioner	12 735 987	13 553 858	12 735 987	13 553 858	
	Bad debt recovered	34 953 204	23 248 755	34 953 204	23 248 755	
	Land sales	13 381 269	3 135 084	13 381 269	3 135 084	
	Gain: Review useful life/fair value	3 720 450	0	3 720 450	0	
	Miscellaneous	49 470 796	53 535 300	27 437 419	202 219 395	
	Total other income	612 705 674	541 766 130	590 672 297	690 450 225	
24	EMPLOYEE RELATED COSTS					
	Salaries and wages	1 920 131 319	1 672 674 723	1 972 874 001	1 717 065 536	
	Contributions to UIF, pensions and medical aids	543 012 692	495 024 195	543 012 692	495 024 195	
	Overtime payments	202 819 639	148 420 027	202 819 639	148 420 027	
	Long-service awards	7 838 972	7 773 287	7 838 972	7 773 287	
	Travel allowance	185 224 896	178 255 582	185 224 896	178 255 582	
	Housing benefits and allowance	29 397 905	24 863 274	29 397 905	24 863 274	
	Performance bonus	334 149	424 329	334 149	424 329	
	Other allowances	120 351 733	93 567 426	120 351 733	93 567 426	
	Total employee related cost	3 009 111 305	2 621 002 843	3 061 853 987	2 665 393 656	
	REMUNERATION OF THE MUNICIPAL MANAGER					
	(The performance bonus paid out in 2008/09 relates to 2006/07)					
	Annual remuneration	1 033 104	891 165	1 033 104	891 165	
	Performance bonuses	17 636	0	17 636	0	
	Car allowance	128 400	128 400	128 400	128 400	
	Cell phone allowance	12 000	12 000	12 000	12 000	
	Medical and pension fund contributions	0	0	0	0	
	Total	1 191 140	1 031 565	1 191 140	1 031 565	
	REMUNERATION OF THE CHIEF FINANCIAL OFFICER					
	Annual remuneration	848 742	681 561	848 742	681 561	
	Performance bonuses	0	0	0	0	
	Car allowance	132 000	132 000	132 000	132 000	
	Cell phone allowance	10 800	0	10 800	0	
	Medical and pension fund contributions	18 510	20 316	18 510	20 316	
	Total	1 010 052	833 877	1 010 052	833 877	
	REMUNERATION OF STRATEGIC EXECUTIVE DIRECTORS					
	Annual remuneration:					
	Technical services	825 550	775 056	825 550	775 056	
	Corporate services	2 947 710	2 610 872	2 947 710	2 610 872	
	Community services	4 870 670	2 255 382	4 870 670	2 255 382	
	Performance bonuses:					
	Technical services	171 113	0	171 113	0	
	Corporate services	109 817	0	109 817	0	
	Community services	0	0	0	0	
	Car allowance:		-	-	5	
	Technical services	102 000	90 000	102 000	90 000	
	Corporate services	588 000	484 000	588 000	484 000	
	Community services	514 800	253 914	514 800	253 914	

	MUNICIPALITY		GROUP		
DESCRIPTION	2009	2008	2009	2008	
	R	R	R	R	
Cell phone allowance					
Technical services	9 600	9 600	9 600	9 600	
Corporate services	30 000	21 600	30 000	21 600	
Community servies	62 400	56 000	62 400	56 000	
Medical and pension fund contributions:					
Technical services	24 878	0	24 878	0	
Corporate services	18 510	20 316	18 510	20 316	
Community servies	201 097	38 272	201 097	38 272	
	10 476 145	6 615 012	10 476 145	6 615 012	
Total:					
Technical services	1 133 141	874 656	1 133 141	874 656	
Corporate services	3 694 037	3 136 788	3 694 037	3 136 788	
Community servies	5 648 967	2 603 568	5 648 967	2 603 568	
Total remuneration of strategic executive directors	10 476 145	6 615 012	10 476 145	6 615 012	
REMUNERATION OF COUNCILLORS					
Mayor's allowance	28 721	370 044	28 721	370 044	
Councillor's allowances	35 393 170	27 806 355	35 393 170	27 806 355	
Councillor's pension contributions	3 655 173	2 931 804	3 655 173	2 931 804	
Travelling allowance	13 209 916	10 633 608	13 209 916	10 633 608	
Councillor's medical contributions	993 645	810 628	993 645	810 628	
Councillor's housing allowances	2 070 178	1 648 920	2 070 178	1 648 920	
Total remuneration of councillors	55 350 803	44 201 359	55 350 803	44 201 359	
In-kind Benefits					
The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial					
support at the cost of the Municipality. According to the organisational structure of the parent the Sub-section Executive Mayor Protection has 7 staff members of which 5 are VIP protection officers.					
DEPRECIATION CHARGES					
Depreciation: Property, plant and equipment	400 806 612	511 275 793	403 641 510	550 332 518	
Depreciation: Leased assets	82 484 053	63 630 859	82 484 053	63 630 859	
Depreciation: Rehabilitation assets	16 813 874	0	16 813 874	0	
Total depreciation charges per Statement of Financial Performance	500 104 539	574 906 652	502 939 437	613 963 377	
Note: The depreciation per Appendix B includes the accumulated depreciation of Roodeplaat Temba Water Services Trust to the value of R97 378 412 and excludes the depreciation in respect of Leased assets to the value of R82 484 053.					
INTEREST PAID					
Long-term liabilities	439 907 189	329 835 287	440 606 509	399 560 180	
Leases	36 594 289	29 131 466	36 594 289	29 131 466	
Amortisation: provisions	20 566 053	0	20 566 053	0	
Bank overdrafts	10 516 621	2 790 579	10 545 698	2 797 966	
Total Interest paid per Statement of Financial Performance	507 584 152	361 757 332	508 312 549	431 489 612	
iou meresi pud per sidemeni or munciu renomidice	507 504 152	301737332	500 512 547	431 407 0	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
28	BULK PURCHASES					
	Electricity	2 099 127 336	1 540 732 190	2 099 493 026	1 541 157 374	
	Water	619 058 616	666 086 020	735 780 591	673 036 319	
	Total Bulk Purchases per Statement of Financial Performance	2 718 185 952	2 206 818 210	2 835 273 617	2 214 193 693	
29	GRANTS AND SUBSIDIES PAID					
	Grants-in-aid	1 000 000	1 094 524	1 000 000	1 094 524	
	Grants-in-aid: Assessment rates	8 833 837	10 490 155	8 833 837	10 490 155	
	Total Grants and Subsidies Paid	9 833 837	11 584 679	9 833 837	11 584 679	
	The grant in aid is in respect of the funding of Non-Governmental Organisations involved in empowerment programmes for the following vulnerable groups: youth, children, women, people with disabilities and the elderly.					
	The Municipality has by way of majority decision awarded a grant-in-aid on the assessment rates of rateble properties on the classes referred to in Section 32A of the Local Authorities Rating Ordinance, 1977 (Ordinance 11 of 1977), after the owner of such property has applied to the Municipality in writing, for such grant-in-aid.					
30	GENERAL EXPENSES					
	Included in General expenses are the following amounts above R40 million					
	Project Linked Housing: Top structures	135 002 463	125 601 978	135 002 463	125 601 978	
	Soccer World Cup 2010 related expenses	75 386 212	12 141 402	75 386 212	12 141 402	
	Advertising and marketing	57 956 449	10 967 005	57 956 449	10 967 005	
	Rental of property, plant and equipment	189 633 002	158 269 883	189 633 002	158 269 883	
	Household refuse removal	75 545 094	51 225 642	75 545 094	51 225 642	
	Electricity disconnections	47 994 896	41 664 038	47 994 896	41 664 038	
	Service providers	100 382 562	74 036 441	100 382 562	74 036 441	
	Insurance premiums and excesses	96 718 227	50 992 065	96 718 227	50 992 065	
	Tellecommunication	51 513 464	67 798 767	51 513 464	67 798 767	
	Private sector labour	56 910 704	89 007 286	56 910 704	89 007 286	
	Special projects	57 954 081	57 324 522	57 954 081	57 324 522	
	Restructuring/Transformation	47 334 342	53 088 532	47 334 342	53 088 532	
	Rental of property	80 009 959	70 359 518	80 009 959	70 359 518	
	Watchmen services	107 365 634	80 157 450	107 365 634	80 157 450	
	Implementation: OITPS	42 286 005	43 965 459	42 286 005	43 965 459	
	Consultant fees	49 726 108	30 712 841	49 726 108	30 712 841	
	Employment benefit provision expense	165 303 000	838 893 000	165 303 000	838 893 000	
	Other (individual amounts below R40 million)	1 091 279 306	901 327 180	991 790 405	1 012 118 958	
	Total general expenses	2 528 301 508	2 757 533 009	2 428 812 607	2 868 324 787	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
31	CASH GENERATED BY OPERATIONS					
	Net surplus for the year	720 410 440	338 977 001	700 738 737	295 360 547	
	Adjustment for:-					
	Prior year adjustments	0	(19 652 442)	(4 307 537)	(18 416 182)	
	Deferred operating lease liability: Roodeplaat Temba on disestablishement	0	0	(2 078 122)		
	Depreciation	500 104 539	574 906 652	502 939 437	613 963 377	
	Asset impairment	6 901 250	0	6 901 250	0	
	Depreciation corrections	0	0	0	1 425 219	
	Gain on disposal of property, plant and equipment	(2 779 292)	(4 936 900)	(2 786 173)	(4 936 900)	
	Contribution to Provision for rehabilitatiion of quarries	0	18 061 985	0	18 061 985	
	Contribution to Provision for rehabilitatiion landfill sites	0	63 360 000	0	63 360 000	
	Contribution to Provision for Clearing up Alien Vegetation	578 947	526 315	578 947	526 315	
	Contribution to non-current provisions	117 194 138	0	117 194 138	0	
	Roodeplaat Temba accumulated depreciation	97 378 452	0	0	0	
	Employment benefit provision	165 303 000	838 893 000	165 303 000	838 893 000	
	Adjustment Cashbook balance: prior year Housing Company Tshwane	0	0	0	0	
	Contribution to bad debt provision	188 284 125	179 914 389	209 763 449	237 195 408	
	Contribution to bad debt provision - housing	(14 773 835)	0	(14 773 835)	0	
	Contribution to bad debt provision - other debtors	(163 456 360)	0	(163 873 240)	0	
	Operating surplus before working capital changes:	1 615 145 404	1 990 050 002	1 515 600 051	2 045 432 769	
	Decrease/(Increase) in inventories	(24 718 102)	(50 658 223)	(26 980 482)	(23 180 927)	
	(Increase)/decrease in consumer debtors	(462 801 572)	(381 401 725)	(479 883 593)	(437 463 478)	
	(Increase)/decrease in other debtors	(198 224 092)	(3 880 029)	(227 807 424)	(14 818 200)	
	(increase)/decrease in non-current loans (long-term receivables)	(52 840 642)	54 734 651	(52 840 642)	56 240 702	
	(Decrease)/increase in conditional grants and receipts	91 160 106	117 769 301	100 555 587	122 052 253	
	Increase/(Decrease) in provisions	0	0	134 980	(1 536 192	
	Increase/(decrease) in creditors	901 227 374	(64 654 388)	904 886 253	(118 928 013	
	Increase/(decrease) in consumer deposits	14 781 014	10 399 873	15 733 266	11 930 920	
	Increase/ (Decrease) in VAT	60 204 345	46 166 365	53 900 189	52 450 080	
	Cash generated from operations	1 943 933 835	1 718 525 827	1 803 298 185	1 692 179 914	
32	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	89 560 594	43 235 693	95 849 564	214 534 141	
	Call investment deposits	177 605 393	235 135 631	187 814 191	272 462 172	
	Bank overdraft	(95 416 694)	(106 407 370)	(95 416 694)	(106 678 519	
	Total cash and cash equivalents	171 749 293	171 963 954	188 247 061	380 317 794	

		MUNIC	ΙΡΔΙ ΙΤΥ	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
			· · · · ·			
33	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION					
	Long-term liabilities (see Note 2)	4 336 968 216	2 878 344 490	4 341 642 248	3 401 189 958	
	Used to finance property, plant & equipment - at cost	5 832 746 578	3 474 287 272	5 832 746 578	3 474 287 272	
	Sub Total	(1 495 778 362)	(595 942 782)	(1 491 104 330)	(73 097 314)	
		500 (50 050	5/0////5/	500 450 050	540 444 454	
	Cash set aside for the repayment of long-term liabilities Cash invested for repayment of long-term liabilities (see Note 18)	598 458 250 (2 094 236 612)	<u>568 644 654</u> (1 164 587 436)	<u> </u>	568 644 654 (641 741 968)	
	Long-term liabilities have been utlised in accordance with the Municipal Finance Management Act. Sufficient cash has been set	(2 094 230 012)	(1 104 367 430)	(2 089 582 580)	(041 / 41 900)	
	aside to ensure that long-term liabilities can be repaid on redemption date.					
	Included in the amount used to finance PPE (2009 = R5 832 746 578; 2008 = R3 474 287 272) is temporary advances					
	(2009 = R1 148 180 881; 2008 = R761 199 084) which were temporarily financed out of revenue in exectation of the receipt					
	of external loans over the year end.					
34	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT					
34.1	Contributions to organized local government					
	Opening balance	0	78 729	0	78 729	
		1 341 856	1 006 419	1 341 856	1 006 419	
	Amount paid - current year	(1 341 856)	(1 006 419)	(1 341 856)	(1 006 419)	
	Amount paid - previous years	0	(78 729)	0	(78 729)	
	Balance unpaid (included in creditors)	0	0	0	0	
34.2	Audit fees					
	Opening balance	1 863 140	1 811 162	1 863 140	1 886 162	
	Current year audit fee	7 700 775	8 381 197	8 871 161	8 693 672	
	Amount paid - current year	(7 700 775)	(6 518 057)	(8 871 161)	(6 830 532)	
	Amount paid - previous years	(1 863 140)	(1 811 162)	(1 863 140)	(1 886 162)	
	Balance unpaid (included in creditors)	0	1 863 140	0	1 863 140	
	The balance is with regard to the previous financial year and was paid in the next financial year.					
34.3	VAT					
	VAT inputs receivables and VAT outputs receivables are shown in note 9					
	All VAT returns have been submitted by the due date throughout the financial year.					
34.4	PAYE AND UIF					
	Opening balance	29 995 590	28 010 798	30 158 100	28 012 016	
	Current year payroll deductions	401 350 501	355 353 962	406 825 528	360 353 795	
	Amount paid - current year	(367 602 339)	(325 358 372)	(372 686 901)	(330 195 695)	
	Amount paid - previous years	(29 995 590)	(28 010 795)	(30 158 100)	(28 012 013)	
	Balance unpaid (included in creditors)	33 748 162	29 995 593	34 138 627	30 158 103	
34.5	Pension and Medical aid deductions					
	Opening balance	0	0	0	0	
	Current year payroll deductions and council contributions	766 356 276	698 773 018	766 356 276	698 773 018	
	Amount paid - current year	(766 356 276)	(698 773 018)	(766 356 276)	(698 773 018)	
	Amount paid - previous years	(, 00 000 2, 0)	(0,0,7,0,0,0,0)	(, 00 000 2, 0)	(0/0//0000)	
	Balance unpaid (included in creditors)	0	0	0	0	
					-	

		MUNICIP		GROUP	
	DESCRIPTION	2009	2008	2009	2008
		R	R	R	R
4.6	Councillor's arrear consumer accounts				
	Amounts outstanding for more than 90 days at year end: COUNCILLORS WITHOUT PAYOFF ARRANGEMENTS:				
	Blaauw M P	624	0	624	0
	Buthelezi F K & N L E	11 178	0	11 178	0
	Buthelezi M M	0	59 636	0	59 636
	Dzumba K Y	0	11 466	0	11 466
	Dichabe M M	0	112	0	11:
	Dlamini S S	0	274	0	27
	Engelbrecht J	668	0	668	
	Hoseka N P	0	2 882	0	2 88
	Huma S E	0	1 546	0	1 54
	Kekana C	227	0	227	
	Kekana M H & M A	2 657	0	2 657	
	Ledwaba D C	0	5 278	0	5 27
	Lehobye M J	0	315	0	31
	Lesomo N A	748	0	748	
	Linde E	0	921	0	92
	Majeng M J	0	288	0	28
	Maluleka E M & H W	0	1 295	0	1 29
	Mathekga C M	9 778	0	9 778	
	Moagi T S	0	1 772	0	1 77
	Modumaela B E	0	4 342	0	4 34
	Mogaladi M J	0	103	0	10
	Morudi M S	0	21 936	0	21 93
	Naiker S S	0	1 1 4 4	0	1 14
	Nkwashu C S	0	1 754	0	1 75
	Phala P M	210	0	210	
	Segabutla L O	0	112	0	11
	Wannenberg D G	635	<u> </u>		115 17
	Total	26 725	1151/6	26 / 25	11517
	COUNCILLORS WITH PAYOFF ARRANGEMENTS:				
	Buthelezi M M	39 839	0	39 839	
	Gumede K K & D F	5 031	0	5 031	
	Hoseka N P	2 270	0	2 270	
	Kgashane S	17 447	0	17 447	
	Ledwaba D C	2 809	0	2 809	
	Lepati M A	0	9 276	0	9 27
	Mamabolo C S	0	5 596	0	5 59
	Mogashoa B	1 991	0	1 991	
	Mokgalapa S & B P	0	2 729	0	2 72
	Mthetwa D	9 410	10 000	9 410	10 00
	Rambau T V	2 492	4 900	2 492	4 90
	Seoketsa G	36 953	30 914	36 953	30 91
	Swarts A P	0	2 575	0	2 57
	Thipe J	0	2 312	0	2 31
	Wannenburg B J	4 401	0	4 401	
	Total	122 643	68 302	122 643	68 30

	MUNICI	MUNICIPALITY		GROUP		
DESCRIPTION	2009	2008	2009	2008		
	R	R	R	R		
TOTAL AMOUNT OUTSTANDING:						
Blaauw M P	624	0	624	0		
Buthelezi F K & N L E	11 178	0	11 178	0		
Buthelezi M M	39 839	59 636	39 839	59 636		
Dlamini S S	0	274	0	274		
Dichabe M M	0	112	0	112		
Dzumba K Y	0	11 466	0	11 466		
Engelbrecht J	668	0	668	0		
Gumede K K & D F	5 031	0	5 031	0		
Hoseka N P	2 270	2 882	2 270	2 882		
Huma S E	0	1 546	0	1 546		
Kekana C	227	0	227	0		
Kekana M H & M A	2 657	0	2 657	0		
Kgashane S	17 447	0	17 447	0		
Ledwaba DC	2 809	5 278	2 809	5 278		
Lehobye M J	0	315	0	315		
Lepati M A	0	9 276	0	9 276		
Lesomo N A	748	0	748	0		
Linde E	0	921	0	921		
Majeng M J	0	288	0	288		
Maluleka E M & H W	0	1 295	0	1 295		
Mathekga C M	9 778	0	9 778	0		
MoagiTS	0	1 772	0	1 772		
Modumaela B E	0	4 342	0	4 342		
Mogaladi M J	0	103	0	103		
Mogashoa B	1 991	0	1 991	0		
Morudi M S	0	21 936	0	21 936		
Mamabolo C S	0	5 596	0	5 596		
Mokgalapa S & B P	0	2 729	0	2 729		
Mthewa D	9 410	10 000	9 410	10 000		
Naiker S S	0	1 144	0	1 1 4 4		
Nkwashu C T	0	1 754	0	1 754		
Phala P M	210	0	210	0		
Rambau T V	2 492	4 900	2 492	4 900		
Ramokgopa K D	0	112	0	112		
Seoketsa G	36 953	0	36 953	0		
Seoketsa G	0	30 914	0	30 914		
Swarts A P	0	2 575	0	2 575		
Thipe J	0	2 312	0	2 312		
Wannenberg D G	635	0	635	0		
Wannenberg D G Wannenburg B J	4 401	0	4 401	0		
Total arrear councillor consumer accounts	149 368	183 478	149 368	183 478		
		103 47 0	147 300	103 470		

		MUNICIPALITY		GROUP	
	DESCRIPTION	2009	2008	2009	2008
		R	R	R	R
34.7	Non-compliance with applicable legislation (MFMA)				
34.7.1	Section 74(1)				
	The Municipality failed to submit electronic and signed returns on Conditional Grants spending for the period ended 30 June 2009 within the timeframes of the act. Furthermore, the Municipality also did nog sign off on the verification of the Section 71				
	Report for the period ended 30 June 2009 within the timeframe of the act.				
34.7.2	Section 167				
	The provision of housing for the Executive Mayor does not fall within the framework of the Public Office-Bearers Act				
34.7.3	Section 65(e)				
54.7.5	All invoices are not paid within 30 days as required by section 65(e), although an accrual is done at year end to rectify this				
	transgression				
34.7.4	Section 126(2)				
34.7.4	No financial statements was submitted to the Office of the Auditor-General by Tshwane Centre for Business Information and				
	Support (CENBIS) a municipal entity of the City of Tshwane. A Council resolution was taken on 25 November 2004 to wind up				
	this entity. The entity has been dormant since 2007.				
34.7.5	Section 62 and 95				
041710	The Municipality did not have an effective risk management policy and framework as required. The risk committee was not				
	established during the financial year under review. This resulted in adequate measures not being in place to adequately identify,				
	assess and manage these risks to ensure that it is mitigated.				
35	CAPITAL COMMITMENTS				
	Commitments in respect of capital expenditure (budgeted amounts next financial year):				
	Annual and contracted for	3 460 300 014	0 400 400 100	3 460 300 014	0 400 400 100
	- Approved and contracted for Infrastructure	2 905 065 110	2 489 482 188 2 015 657 358	2 905 065 110	2 489 482 188 2 015 657 358
	Community	152 790 000	253 603 000	152 790 000	253 603 000
	Other	211 344 904	147 150 000	211 344 904	147 150 000
	Housing	191 100 000	73 071 830	191 100 000	73 071 830
	······································				
	- Approved but not contracted for	87 208 100	672 282 990	87 208 100	672 282 990
	Infrastructure	62 727 200	454 306 800	62 727 200	454 306 800
	Community	17 980 900	22 045 400	17 980 900	22 045 400
	Other	6 500 000	175 930 790	6 500 000	175 930 790
	Investment property	0	0	0	0
	Housing	0	20 000 000	0	20 000 000
		3 547 508 114	3 161 765 178	3 547 508 114	3 161 765 178
	This expenditure will be financed from:				
	- Council Own Funding (External loans and/or Capital replacement reserve)	2 158 620 900	2 138 968 400	2 158 620 900	2 138 968 400
	- Capital replacement reserve	38 469 778 6 825 126	61 315 790 26 070 000	38 469 778 6 825 126	61 315 790 26 070 000
	- Provincial grants - Government Housing	255 481 230	84 321 988	255 481 230	84 321 988
	- PTIS	693 254 080	501 654 000	693 254 080	501 654 000
	- MIG	342 079 000	288 935 000	342 079 000	288 935 000
	- National Electrification Fund	52 778 000	60 500 000	52 778 000	60 500 000
		3 547 508 114	3 161 765 178	3 547 508 114	3 161 765 178
		-			

		MUNI	CIPALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
36	RETIREMENT BENEFIT INFORMATION					
36.1	PENSION FUNDS					
	Most employees of the Municipality are members of one of the following funds and those who are not, are paid a lump-sum gratuity at retirement age. The Municipality's contributions to these funds are reflected as a charge against income in the					
	gratuity at retirement age. The Municipality's contributions to these funds are reflected as a charge against income in the financial statements.					
	indicial subinents.					
36.1.1	DEFINED CONTRIBUTION PLANS (AS CLASSIFIED BY THE RELEVANT FUND):					
	The Municipality contributes to the following defined contribution plans, which are governed by the Pension Fund Act of 1956.	292 671 010	263 505 343	292 671 010	263 505 343	
	The total contributions are included under Employee related costs, Note 24) Tshwane Municipal Provident Fund. 2584 (21,92%) of the Municipality's employees are members of this fund.	99 739 562	87 684 898	99 739 562	87 684 898	
	Pension Fund for Municipal Councillors: The Councillors of the City of Tshwane Metropolitan Municipality are members of this	6 894 592	5 531 174	6 894 592	5 531 174	
	fund . 105 (0,89 %) of the Municipality's employees are members of this fund.					
	National Fund for Municipal Workers. 3 318 (28,14 %) of the Municipality's employees are members of this fund.	155 494 094	143 286 240	155 494 094	143 286 240	
	SALA Provident Fund. 89 (0,76 %) of the Municipality's employees are members of this fund.	1 028 986	990 670	1 028 986	990 670	
	SAMWU National Pension Fund. 18 (0.15 %) of the Municipality's employees are members of this fund.	604 816	72 175 24 610 448	604 816 27 543 006	72 175 24 610 448	
	SAMWU National Provident Fund. 1001 (8.49 %) of the Municipality's employees are members of this fund. Germiston Municipal Retirement Fund . 1 (0,00 %) of the Municipality's employees are members of this fund.	27 543 006 50 683	63 513	50 683	63 513	
	Meshawu National Local Authorities Retirement Fund. 56 (0,47 %) of the Municipality's employees are members of this fund.	1 315 271	1 266 225	1 315 271	1 266 225	
		1 313 271	1 200 223	1 313 271	1 200 223	
36.1.2	DEFINED BENEFIT PLANS (AS CLASSIFIED BY THE RELEVANT FUNDS):					
	TSHWANE MUNICIPAL PENSION FUND					
	The Consulting Actuaries reported that the Fund was in a sound financial position with a funding level of 100 % .					
	401 (3,40%) of the Municipality's employees are members of this fund.					
	Included in general expenses are:- Current service cost	24 410 000	24 338 000	24 410 000	24 338 000	
	Interest cost	81 379 000	54 774 000	81 379 000	54 774 000	
	Expected return on assets	(70 947 000)	(54 645 000)	(70 947 000)	(54 645 000)	
	Recognised Net (Gain)/Loss	95 968 000	74 846 000	95 968 000	74 846 000	
	Defined benefit expense	130 810 000	99 313 000	130 810 000	99 313 000	
	Post-employment benefit liability (funded status)					
	Present value of the obligation	(770 600 000)	(740 349 000)	(770 600 000)	(740 349 000)	
	Fair value of plan assets	521 099 000	605 706 000	521 099 000	605 706 000	
	Recognised actuarial gains	0	0	0	0	
	Reecognised past service cost	0	0	0	0	
	Liability recognised in statement of financial position	(249 501 000)	(134 643 000)	(249 501 000)	(134 643 000)	
	Reconciliation of defined benefit obligation:	7 40 0 40 000	(1 (001 000	7 10 0 10 000	(1 (001 000	
	Present value of obligation at beginning of year	740 349 000	616 031 000	740 349 000	616 031 000	
	Interest cost Current service cost	81 379 000 24 410 000	54 774 000	81 379 000 24 410 000	54 774 000	
	Current service cost Member contributions	24 410 000 6 367 000	24 338 000 5 992 000	6 367 000	24 338 000 5 992 000	
	Risk premiums	(2 086 000)	(1 963 000)	(2 086 000)	(1 963 000)	
	Benefits paid	(2 088 000)	(1 903 000)	(2 088 000)	(1 983 666)	
	Actuarial (gain)/loss on obligation	(55 775 000)	41 177 000	(55 775 000)	41 177 000	
	Present value of obligation at end of year	770 600 000	740 349 000	770 600 000	740 349 000	

	MUNICIPALITY		GROUP		
DESCRIPTION	2009	2008	2009	2008	
	R	R	R	R	
Reconciliation of plan assets (None of the Municipality's own financial instruments or property are included in the fair value of plan assets)					
Fair value of plan assets at beginning of year	605 706 000	565 687 000	605 706 000	565 687 000	
Expected return on plan assets	70 947 000	54 645 000	70 947 000	54 645 000	
Contributions	22 319 000	21 006 000	22 319 000	21 006 000	
Risk premiums	(2 086 000)	(1 963 000)	(2 086 000)	(1 963 000)	
Benefits paid	(24 044 000)	0	(24 044 000)	0	
Actuarial (gain)/loss on obligation	(151 743 000)	(33 669 000)	(151 743 000)	(33 669 000)	
Fair value of plan assets at end of year	521 099 000	605 706 000	521 099 000	605 706 000	
Composition of plan assets:					
Cash	13.71 %	10.17 %	13.71 %	10.17 %	
Equity	52.98 %	58.12 %	52.98 %	58.12 %	
Bonds	20.60 %	15.94 %	20.60 %	15.94 %	
Property	0.08 %	0.00 %	0.08 %	0.00 %	
Other	0.00 %	0.00 %	0.00 %	0.00 %	
International	12.63 %	15.77 %	12.63 %	15.77 %	
Total	100.00 %	100.00 %	100.00 %	100.00 %	
Actual return on plan assets	80 796 000	20 976 000	80 796 000	20 976 000	
Estimated contributions to be paid to the Tshwane Pension fund in the next financial period	21 650 000	20 233 000	21 650 000	20 233 000	
MUNICIPAL GRATUITY FUND Actuarial valuations are carried out every 2 years. 1 413 (11.98%) of the Municipality's employees are members of this fund. No specific plan assets are set aside for the Gratuity Fund Included in general expenses are:-					
Current service cost	3 005 000	2 830 000	3 005 000	2 830 000	
Interest cost	9 171 000	6 467 000	9 171 000	6 467 000	
Expected return on assets	0	0	0	0	
Recognised Net (Gain)/Loss	(2 345 000)	(240 000)	(2 345 000)	(240 000)	
Defined benefit expense	9 831 000	9 057 000	9 831 000	9 057 000	
Post-employment benefit liability (funded status)					
Present value of the obligation	(82 304 000)	(73 247 000)	(82 304 000)	(73 247 000)	
Net (expense)/income recognised in Statement of financial performance	(9 831 000)	(9 057 000)	(9 831 000)	(9 057 000)	
Recognised actuarial gains	0	0	0	0	
Unrecognised past service cost	0	0	0	0	
Liability recognised in statement of financial position	(92 135 000)	(82 304 000)	(92 135 000)	(82 304 000)	
Reconciliation of defined benefit obligation:					
Present value of obligation at beginning of year	82 304 000	73 247 000	82 304 000	73 247 000	
Interest cost	9 171 000	6 467 000	9 171 000	6 467 000	
Current service cost	3 005 000	2 830 000	3 005 000	2 830 000	
Benefits paid	0	0	0	0	
Actuarial (gain)/loss on obligation	(2 345 000)	(240 000)	(2 345 000)	(240 000)	
Present value of obligation at end of year	92 135 000	82 304 000	92 135 000	82 304 000	
Estimated howefit permanents to be paid in Contrition in the word firm and words d	16 557 000		16 557 000	0	
Estimated benefit payments to be paid iro Gratuities in the next financial period	10 557 000	·	10 337 000	U	

		MUNIC	CIPALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
36.1.3	MULTI-EMPLOYER FUNDS					
	The Municipality contributes to the following defined benefit plans, which are governed by the Pension Fund Act of 1956. The total contributions are included under Employee remuneration, Note 24). Due to the nature of these funds, the lack of information and the fact that assets are not specifically associated to meet the obligations in respect of individual employers, these funds are accounted for as defined contribution funds in terms of paragraph 30 of IAS 19. The total contributions are included in Employee related costs, Note 24)	78 936 187	76 322 514	78 936 187	76 322 514	
	SALA Pension Fund. The actuarial valuation is carried annually since 1 July 1998. The actuarial valuation performed on 1 July 2004 showed an unfunded liability of R516,62 million (81,9 % funding level). The Municipality's employees make up approximately 5,4 % of the total membership and therefore the Municipality's possible liability with regard to the unfunded liability is calculated at R28 104 128. 911 (7,73 %) of the Municipality's employees are members of this fund.	26 961 721	25 698 482	26 961 721	25 698 482	
	The Government Employees Pension Fund. Actuarial valuations are performed every 3 years. The actuarial valuation performed on 31 March 2004 reported the fund to be in a sound financial position with a funding level of 96,5 %. 14 (0,12 %) of the Municipality's employees are members of this fund.	347 995	5 042 778	347 995	5 042 778	
	Joint Municipal Pension Fund. Actuarial valuations are performed every 3 years. The actuarial valuation performed on 31 December 2005 reported a funding level of 97,7 % resulting in a shortfall of R44,237 million. The Municipality's employees make up approximately 1,78 % of the total membership. The Municipality's possible liability with regard to unfunded benefits is calculated to be R4 737 363. 54 (0,45 %) of the Municipality's enployees are members of this fund. Municipal Employees Pension Fund. The actuarial valuation performed on 28 February 2005 reported the fund to be in a sound financial position with a funding level of 106,9 %. 1 823 (15,46%) of the Municipality's employees are members of this fund.	3 175 481 48 450 990	3 171 218	3 175 481 48 450 990	3 171 218 42 410 036	
36.2	MEDICAL AID FUNDS					
	Included in general expenses are:-					
	Current service cost	14 321 000	13 078 000	14 321 000	13 078 000	
	Interest cost	57 523 000	54 012 000	57 523 000	54 012 000	
	Expected Employer Benefit Payments	(31 230 000)	(28 917 000)	(31 230 000)	(28 917 000)	
	Recognised Net (Gain)/Loss	0	0	0	0	
	Defined benefit expense	40 614 000	38 173 000	40 614 000	38 173 000	
	Post-employment benefit liability (funded status)					
	Present value of the unfunded obligation	(621 946 000)	(583 773 000)	(621 946 000)	(583 773 000)	
	Recognised actuarial gains	(40 614 000)	(38 173 000)	(40 614 000)	(38 173 000)	
	Unrecognised past service cost	(()	0	()	
	Liability recognised in statement of financial position	(662 560 000)	(621 946 000)	(662 560 000)	(621 946 000)	
	Reconciliation of defined benefit obligation:					
	Present value of unfunded obligation at beginning of year	621 946 000	583 773 000	621 946 000	583 773 000	
	Interest cost	57 523 000	54 012 000	57 523 000	54 012 000	
	Current service cost	14 321 000	13 078 000	14 321 000	13 078 000	
	Employer contributions	(31 230 000)	(28 917 000)	(31 230 000)	(28 917 000)	
	Present value of obligation at end of year	662 560 000	621 946 000	662 560 000	621 946 000	
	Actuarial (gains)/losses recognised in other comprehensive income:					
	Tshwane Pension Fund	95 968 000	74 846 000	95 968 000	74 846 000	
	Gratuities	(2 345 000)	(240 000)	(2 345 000)	(240 000)	
	Medical aid funds	()	()	0	(_ · · · · · · /)	
	Total amount of actuarial (gains)/losses recognised	93 623 000	74 606 000	93 623 000	74 606 000	
	Estimated employer benefit payments to be paid iro Medical aid funds in the next financial period	33 729 000	31 230 000	33 729 000	31 230 000	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
	Sensitivity Results					
	The effect of an increase and decrease of one percentage point in the assumed medical cost trend rates on is the following:					
	Subsidy Increase rate:					
	Accrued liability 30 June	662 560 000	621 946 000	662 560 000	621 946 000	
	Decrease of 1 %	596 537 000	562 936 000	596 537 000	562 936 000	
	% change	(10.0 %)	(9.5 %0	(10.0 %)	(9.5 %0	
	Increase of 1 %	740 047000	691 204 000	740 047000	691 204 000	
	% change	11.7 %	0	11.7 %	0	
	Discount rate:					
	Accrued liability 30 June	662 560 000	621 946 000	662 560 000	621 946 000	
	Decrease of 1 %	782 494 000	728 054 000	596 537 000	728 054 000	
	% chanae	18.1 %	0	(10.0 %)	0	
	Increase of 1 %	569 843 000	539 778 000	740 047000	539 778 000	
	% change	(14.0 %)	(13.2 %)	11.7 %	(13.2 %)	
36.3	ACTUARIAL ASSUMPTIONS					
30.3	A summary of the assumptions used in the valuation, together with a short description on each is given below:					
26.2.1						
36.3.1	Economic assumptions (pension fund and gratuities): Discount rate	9.50 %	10.75 %	9.50 %	10.75 %	
	Inflation rate	9.30 % 6.00 %	8.00 %	6.00 %	8.00 %	
	Salary Increase rate	7.00 %	9.00 %	7.00 %	9.00 %	
	Expected rate of return on assets	10.25 %	11.75 %	10.25 %	11.75 %	
	Pension increase allowance	5.54 %	6.75 %	5.54 %	6.75 %	
	Health Care Cost Inflation	8.00 %	8.00 %	8.00 %	8.00 %	
	Discount rate (pension fund and gratuities): The rate to discount post-employment benefit obligtions should be determined by reference to market yields at the date of the statement of financial position on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds should be used. In our opinion, there is no deep market in Corporate bonds in South Africa and as such we have set our recommended assumption with reference to the yield on South African Government Bonds of medium duration. This converts into an effective yield of 9.50 % as at 30 June 2009. In terms of the accounting standards,					
	Inflation rate (pension fund and gratuities): While not used explicitly in the valuation, we have assumed the underlying future rate of consumer price inflation (CPI) to be 6.00 % per annum. This assumption has been based on the relationship between current conventional bond yields and current index-linked bond yields. This assumption is in line with the SA Government's Monetary Policy target of 3 % to 6 % per annum.					
	Salary increase: We have assumed tht the level of salary increased to be awarded in the long-term will, on average be equal to inflation plus 1.0 % (pension funds) and 1.50 % (gratuities) plus a merit increase based on the age-related table below:					
	Age Merit Increase					
	20 13.5 %					
	25 9.0 %					
	30 5.5 %					
	35 3.0 %					
	40 1.5 %					
	45 1.0 %					

		MUNI	CIPALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
	 Expected return on assets: The Fund's expected long-term return is a function of the expected long-term returns on equities, cash and bonds. In setting these assumptions we made use of the asset spoit as at 30 June 2009. The expected long-term rate of return on bonds was set at the same level as the discount rate. This implies a yield on government bonds of 9.50 % per annum. The expected long-term rate of return on cash was set at a level of 2 % below the bond rate. Adjustments were made to reflect the effect of expenses. Pension rate increase: We have made use of a post-retirement discount rate of 3.75 % per annum which drives the pension increase policy of the Trustees. This implies a pension increase rate of 5.54 % per annum. Health Care Cost Inflation: We have assumed that the current contribution table(s) of the medical scheme(s) would continue to apply in the future, with allowance for inflationary increases of 8.00 % per annum. We have assumed that health care cost inflation exceeds CPI inflation by an average of 2.00 % per annum over the long-term. 					
37	CONTINGENT LIABILITIES					
37.1	HOUSING LOANS					
	Guarantees for housing loans to employees at financial institutions With the implementation of the MFMA no new guarantees are issued, the liability will therefore decrease in future. The property is used as collateral in cases of default on payments	1 815 627	2 023 797	1 815 627	2 023 797	
37.2	INDEMNIFICATION					
	Value of investments ceded to the Workmen's Compensation Commissioner in compliance with the requirements of the Compensation for Occupational Injuries and Diseases Act, 1993.	41 303 607	32 996 015	41 303 607	32 996 015	
	The capitalised value as at 31 December as calculated by the Department of Labour amounted to	41 303 607	32 996 015	41 303 607	32 996 015	
	Consistent with prior years the amendment to the cession will be addressed in the following financial year					
37.3						
07.0	Pending claims against the Municipality in respect of vehicle accidents and Public Liabilities which originated before 30 June.	66 342 062	57 139 428	67 904 121	58 525 718	
	The payment of claims against the City of Tshwane is provided for in the Self Insurance Reserve, which has a balance of R190,686 million (2007/08 = R228,951 million)					
	Civirelo Water has an unresolved legal matter to the value of R500 000. The Municipal Entity's attorneys are still in mediation with the plaintiff's attorneys. It was agreed to enter in a mediation process.					
37.4	RETIREMENT OF REDUNDANT EMPLOYEES					
	The retirement of redundant employees resulted in the following estimated long term liabilities (these liabilities are budgeted for annually):					
	*Pension fund contribution with regard to all employees who received packages and who qualify for a monthly pension up to the	52 309 000	63 603 000	52 309 000	63 603 000	
	approved age of retirement. *Sick fund contribution payable to Pretmed with regard to all employees who received packages and who are deemed to be full	46 719 000	46 102 000	46 719 000	46 102 000	
	members of the fund up to the approved age of retirement.				40 102 000	
37.5	GUARANTEES					
	Guarantees issued in favour of Eskom	213 500	213 500	213 500	213 500	
38	IN-KIND DONATIONS AND ASSISTANCE					
	The Municipality received the following in-kind donations and assistance					
	Description : Secondment of two (2) representatives from SAICA					

		MUNI	CIPALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
39	EVENTS AFTER THE REPORTING PERIOD					
	No material events occurred with respect to the 2008/09 financial year since year end and the date of the					
	Statement of financial position					
39.1	External loans					
	DBSA: Loan at 11,315 % over 20 years		200 000 000		200 000 000	
	DBSA: Loan at 6,25 % over 20 years	None	50 000 000	None	50 000 000	
	Total		250 000 000	_	250 000 000	
39.2	Investments					
	ABSA Call investment @ 11,55 %		49 000 000		49 000 000	
	Investec Call investment @ 11,50 %		49 000 000		49 000 000	
	Nedcor Call investment @ 11,65 %		49 000 000		49 000 000	
	RMB Call investment @ 11,50 % to 11,00 %		49 000 000	None	49 000 000	
	Stanlib call investment in respect of Contingency Insurance Fund		169 020 600		169 020 600	
			365 020 600		365 020 600	
39.3	Short-term Ioan			_		
	ABSA short-term loan @ 13,85 %	None	84 000 000	None	84 000 000	
89.4	Roodeplaat/Temba Water Services Trust (RTWST)					
	Loans taken over from 1 July 2008 with the disestablishment of the trust	Not applicable	518 067 525	Not applicable	518 067 525	
				_		
40	COMPARISON WITH THE BUDGET					
	The comparison of the actual financial performance with that budgeted is set out in Appendices E, F and G					
41	DIRECTORS EMOLUMENTS					
41.1	Municipal Entities					
	Paid by company for services as directors		=	2 092 208	2 094 162	
42	RELATED PARTY DISCLOSURES					
	Parent					
	The following municipal entities were under the control of the erstwhile/disestablished municipalities. The City of Tshwane					
	Metropolitan Municipality became the parent municipality on 5 December 2000 as a result of the successor in law principle.					
	Transactions between related parties are as follows:					
42.1	Civirelo Water:					
	Gauteng Housing via CoT (General expenses)	28 917 630	975 800	28 917 630	975 80	
	Creditors	11 637 757	20 000	11 637 757	20 00	
42.2	Housing Company Tshwane:					
	Sundry debtors (un-paid reimbursement budgeted amounts)	0	128 604	0	128 60	
	Received Electricity and Water sales and rates and taxes	466 633	490 482	466 633	490 482	
	Paid General Expenses	8 357 791	117 439	8 357 791	117 439	
	Sundry creditors (i.r.o water & electricity & rates)	59 321	104 339	59 321	104 339	

		MUNI	CIPALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
42.3	Roodeplaat Temba Water Services Trust:					
	Paid Water (water sales to CoT)		101 413 208		101 413 208	
	Beneficiary distribution		0		0	
	Interest - finance lease		3 283 804		3 283 804	
	Lease charges		704 630		704 630	
	Accounts receivable		14 120 965		14 120 965	
	Accounts payable		0		0	
	Deferred operating lease liabilities		2 078 122		2 078 122	
	Finance lease liabilities This entity was disestablished on 30 June 2008. All transactions, assets and liabilities were taken over by City of		25 976 434		25 976 434	
	Tshwane on 1 July 2008. A summary of the transactions is as follows:					
	External loans	(518 067 525)		(518 067 525)		
	Interest received	(3847947)		(3 847 947)		
	Property, plant & equipment - Accumulated depreciation	(97 378 452)		(97 378 452)		
	Interest repayment external loans	(13 064)		(13 064)		
	Sundry debtor	14 873		14 873		
	Cash/bank balance	167 251 450		167 251 450		
	Property, plant & equipment - Cost	475 042 472		475 042 472		
	Bank charges	1 098		1 098		
	Gain on disestablishment (refer to Statement of Financial Performance)	23 002 905		23 002 905		
42.4	Sandspruit Works Association:					
	Outstanding payments i.r.o. water & electricity/authority billing	796 501	0	796 501	0	
	Water purchases from CoT	214 011	88 009	214 011	88 009	
	Subsidy received from CoT	35 278 819	29 650 262	35 278 819	29 650 262	
	DWAF subsidy (creditor)	811 205	0	811 205	0	
	DWAF subsidy paid to Sandspruit (ODI) (creditor)	11 719 714	0	11 719 714	0	
	Paid Water/Sales to CoT	133 284 870	113 534 868	133 284 870	113 534 868	
	Waste water (creditor)	5 346 128	0	5 346 128	0	
	Sanitation operational deficit (debtor)	47 000 805	34 675 380	47 000 805	34 675 380	
	Operating loss account (creditor)	15 507 901	3 001 199	15 507 901	3 001 199	
42.5	Trade Point Pretoria: No related party transactions occurred	Under liquidation	Under liquidation	Under liquidation	Under liquidation	
42.6	Tshwane Cenbtre for Business Information and Support (Cenbis) No related party transactions occurred	Under liquidation	Under liquidation	Under liquidation	Under liquidation	
43	PRIOR YEAR ADJUSTMENTS (Refer to Statement of Changes of Parent)					
43.1	Expenditure of the 2006/07 financial year was restated in respect of:					
40.1	Reclassification of operating leases to finance leases (first time accounting for leases and restating retrospectively)		(99 848 247)		(99 848 247)	
	Write back of interest on long-term debtors (as a result of in-duplum rule)		35 821 377		35 821 377	
	Prepaid electricity sales iro 2006/07 posted in 2007/08		(9872540)		(9872540)	
	Depreciation of leased assets (first time accounting for leases and restating retrospectively)		70 358 385		70 358 385	
	Interest on lease liabilities (first time accounting for leases and restating retrospectively)		37 082 548		37 082 548	
	Restatement of threshold assets (net of depreciation and reversal of expense to assets)		(7 170 357)		(7170357)	
	Municipal entities: audit adjustments		(7170337)		3 776 566	
	Total prior year adjustment iro 2006/07		26 371 166		30 147 732	
			20 07 1 100		0014,702	

		MUNICIE	PALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
3.2	Restatement of Statement of financial position of 2006/07					
	Accounting for lease assets (brought in for first time in 2007/08 but restated 2006/07)	-	261 396 192	_	261 396 19	
3.3	Restatement of expenditure iro 2007/08 during 2008/09					
	Grant expenditure (expenditure of 2008/09 accrued incorrectly in 2007/08)	(5 280)		(5 280)		
	Depreciation: ICS register brought in on asset register (ICS Register was formerly not part of Fixed Asset Register)	12 283 419		12 283 419		
	Assets brought in at fair value (assets found during verification process which were not on asset register)	(35 081 273)		(35 081 273)		
	ICS Register brought in on asset register - Cost (ICS Register was formerly not part of Fixed Asset Register)	(169 133 571)		(169 133 571)		
	Interest on leases (correction of calculation error during 2007/08)	(392 339)		(392339)		
	Depreciation: Zero value assets (correction)	20 235 296		20 235 296		
3.4	Restatement of revenue iro 2007/08 during 2008/09					
	Grant revenue recognised (various grant revenue recognised in 2007/08 which related to 2008/09)	(6 131 900)		(6131900)		
	Ambulance subsidy (accrual done in 2007/08 was too high)	(925 250)		(925 250)		
	Property rates revenue	4 047 335		4 047 335		
	Revenue i.r.o. rezoning	55 806 593		55 806 593		
3.5	Restatement of reserves and provisions iro 2007/08 during 2008/09					
	Government grant reserve (upload of New Asset Register of 2007/08 on SAP difference corrected between reserve and asset	56 429		56 429		
	register)					
	Insurance reserve (correction of balance of Insurance Reserve to correspond with Cashbacking investment)	214 398 004		214 398 004		
	Rehabilitation provisions (provision was expensed in stead of capitalised in 2007/08)	(81 421 984)		(81 421 984)		
	Employment benefit provision expense and liability created (First time implementation of IAS 19: Employment Benefits)	838 893 000		838 893 000		
	Capitalisation reserve: correction zero value assets	14 402 212	-	14 402 212		
	Total restatements iro 2007/08 done in 2008/09	867 030 691	-	867 030 691		
3.6	Restatement of accumulated surplus prior to 2007/08					
	Amounts reimbursed by IEC incorrectly allocated to public contributions during 2004/05	(15 335 500)		(15 335 500)		
	Write back of accumulated depreciation on land - incorrectly calculation during 2004/05	141 347 465		141 347 465		
	Write back of accumulated depreciation on undeveloped land - incorrectly calculation during 2004/05	123 324		123 324		
	Property rates revenue corrections	(4316941)		(4316941)		
	Depreciation correction: zero value assets	128 845 874		128 845 874		
	Total restatement of accumulated surplus prior to 2007/08	250 664 222	-	250 664 222		
3.7	Restatement of reserves prior to 2007/08 during 2008/09					
	Capitalisation reserve: Write back on zero value assets depreciation	139 469 413		139 469 413		
	Government grant reserve: Write back on zero value assets depreciation	7 553 936		7 553 936		
	Total restatement of reserves prior to 2007/08 during 2008/09	147 023 349	-	147 023 349		
3.8	Prior year adjustments i.r,o Municipal entities					
	Housing Company Tshwane			5 677 531	11 626 42	
	Civirelo			5 502	(11017)	
	Roodeplaat Temba Water Services Trust			(9 989 370)	(7 809 76	
	Sandspruit Works Association			0	, 70 07	
	Total restatements iro Municipal Entities		-	(4 306 337)	3 776 56	

		MUNI	CIPALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
44	OPERATING LEASES					
44.1	NON-CANCELLABLE					
	Amounts of minimum lease payments under non-cancellable operating leases in respect of photocopier equipment are as					
	follows for: * The next year	1 835 793	5 497 215	1 835 793	5 497 215	
	* Years 2 through 5 combined	1 311 049	3 078 233	1 311 049	3 078 233	
	* Beyond 5 years	0	0	0	0	
	Total	3 146 842	8 575 448	3 146 842	8 575 448	
		5 140 642	0 37 3 440	5 140 042	8 57 5 448	
44.2	CANCELLABLE					
	Amounts of minimum lease payments under cancellable operating leases in respect of photocopier equipment are as follows for:					
	* The next year	1 516 364	1 497 586	5 644 991	3 162 353	
	* Years 2 through 5 combined	957 365	2 440 867	10 742 228	7 001 313	
	* Beyond 5 years	0	0	0	0	
	Total	2 473 729	3 938 453	16 387 219	10 163 666	
45	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE					
45.1	Unauthorised expenditure					
	Reconciliation of unauthorised expenditure:	51.175	0	51.175	<u>_</u>	
	Opening balance	51 175	0	51 175	0	
	Unauthorised expenditure in current year	74 962 306	51 175	74 962 306	51 175	
	Approved by Council/condoned	(36 000)	0	(36 000)	0	
	Unauthorised expenditure awaiting authorisation 2008: Incident 1: Unapproved travelling to Swaziland during November 2007.	74 977 481	51 175	74 977 481	51 175	
	2008: Incident 1: Unapproved travelling to Swaziland during November 2007. Disciplinary steps: A report to obtain approval has been submitted to the City Manager					
	2008: Incident 2: Insurance claims not reported timeously and repudiated claims not compliant with procedural deadlines					
	Disciplinary steps: Disciplinary actions taken against relevant employee 2009: Incident 1: R14 012 470 expenditure on Municipal rates & services not budgeted for (costs should have been for					
	2007: Incidenti 1: K14012470 expenditore on Monicipal rates & services not budgeted for (costs should have been for tenants account for Housing & Sustainable Development					
	tenants account) for Housing & Sustainable Development 2009: Incident 2: R57 023 820 application for funds transfer in adjustments budget not approved for Economic Development:					
	Bus Service 2009: Incident 3: R2 800 000 No budget for contract employees from labour brokers (Electricity & Energy Department)					
	2009: Incident 3: K2 800 000 rob budge for contract employees from tabout prokers [Liectnicity & Energy Department] 2009: Incident 4: K589 915 Cable theft combat - expense to be recovered from claims (Electricity & Energy Department)					
	2009: Incident 5: End user support (IMD) no authorisation from cost centre owner for debiting of costs (Electricity & Energy					
	Department)					
45.2	Fruitless and wasteful expenditure					
	Reconciliation of fruitless and wasteful expenditure:					
	Opening balance	1 242 964	0	1 242 964	0	
	Fruitless and wasteful expenditure in current year	404 576	1 242 964	404 576	1 242 964	
	Approved by Council/condoned/repayed/written of	(82 370)	0	(82 370)	0	
	Fruitless and wasteful expenditure awaiting condonement/repayment	1 565 170	1 242 964	1 565 170	1 242 964	
	2008: Incident 1: Theft of laptop which an employee failed to register as an insurance claim to the amount of R24 200.					
	Disciplinary steps - Departmental hearing was held on 27 June 2008. Employee signed admission of guilt and amount will be					
	deducted from his salary.					
	2008: Incident 2: Petty Cash - late A Baduza to the amount of R756. Awaiting approval of report to Strategic Executive Director to write off this expenditure. Expenditure was written off during 2008/09					
	2008: Incident 3: Unauthorised trip to Namibia by Dr M Kruger in the Office of the City Manager, Disciplinary steps - Awaiting					
	authorisation. Authorisation given during 2008/09 (R57 414,00)					
	2008: Incident 4: Supply of fuel to contractor by Housing & Sustainable Human Settlement Development. Disciplinary steps -					
	Investigation underway (R1 160 594.00)					
	2009: Incident 1 : Electricity & Energy Department (R404 576) claims repudiated due to outstanding case numbers from Cost					
	centre. No Disciplinary steps taken					

		MUNICI	PALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
5.3	Irregular expenditure					
1010	Reconciliation of irregular expenditure:					
	Opening balance	6 980	0	6 980	C	
	Irregular expenditure in current year	815 966	6 980	815 966	6 980	
	Approval/repayment during the current year	(6 980)	0	(6 980)	0,00	
	Irregular expenditure awaiting condonement	815 966	6 980	815 966	6 980	
	2008: Incident: Cash shortage at Premos restaurant. Action/Steps: Manager undertook in writing to replace cash shortage (R6 980)					
	2009: Incident 1: Corporate & Shared Services - fraudulent payment of salaries. SAPS Case nr 182/10/2008. Reported in October 2008 (R150 336.66)					
	2009: Incident 2: Sport, Recreation, Ars & Culture - New year celebration - Implementation of City Manager Report recommendation R553 360.00)					
	2009: Incident 3: Electricity & Energy - Issuing of Gas stoves cost centre 109 30.					
5.4	Unauthorised expenditure due to late approval of deviation report (not approved before 31 August)					
	General Assessments	277 891 177	212 146 820	277 891 177	212 146 82	
	Corporate and Shared Services	0	43 028 671	0	43 028 67	
	Economic Development	0	2 218 079	0	2 218 079	
	Agriculture and Environmental Management	199 207 792	202 865 365	199 207 792	202 865 365	
	Total (Refer to Appendix F for reasons for deviations)	477 098 969	460 258 935	477 098 969	460 258 935	
45.5	Expenditure not budgeted for due to first time implementation of accounting Standard IAS 19: Employment Benefits					
	Employment benefit provision expense	165 303 000	838 893 000	165 303 000	838 893 000	
46	PUBLIC PRIVATE PARTNERSHIPS & JOINT VENTURES					
46.1	Public Private partnerships					
	The City of Tshwane is isvolved in the following PPP's (only co-operative relationships) (existing contracts/agreements) * Health & Social Development with Foundation for Professional Development iro					
	Multi Sectorial AIDS Management					
	 * Health & Social Development with City of Delft on Youth development life skills * Health Care Service with Elisabeth Glaser Paediatric Aids Foundation - prevention 					
	of AIDS transmission from mother to child					
16.2	Joint Ventures					
	The City of Tshwane is involved in the following Joint Ventures - the parties however					
	act independently (existing agreements) * Health Department with Maasmechelen Municipality for capacity building in respect					
	of Community Structures (Working together as local authorities)					
	* Health & Social Development with HSRC iro prevention strategy targeting					
	commercial sex workers					

		MUNIC	CIPALITY	GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
47	DEVIATIONS FROM SUPPLY CHAIN MANAGEMENT PROCEDURES					
	In terms of section 36(1)(a) of the Supply Chain Management Regulations, the accounting officer may dispense with the official procurement processes in the following instances: * in an emergency * if such goods or services are produced or available form a single provider only * for the acquisition of special works of art or historical objects where specifications are difficult to compile * acquisition of animals for zoos and/or nature and game reserves * in any other exceptional case where it is impractical or impossible to follow the official procurement processes					
	Deviations from the official procurement process during the financial year was approved in terms of the delegations as stipulated in the Supply Chain Management					
	Policy and amounted to approximately the following:					
	Deviations from tender process (amounts above R200 000 or projects spanning more than one year)	346 346 352	310 823 704	346 346 352	310 823 704	
	Deviations from quotation process (amounts below R200 000)	4 939 171	5 767 340	4 939 717	5 676 340	
48	CHANGE IN ESTIMATE					
	The useful lives of certain asset classes have been reviewed and adjusted to more accurately reflect the life spans of the assets. In a majority of the cases the lives of the items have been extended considerably . The effect of this revision has decreased the depreciation charges for the current and future periods by:-					
	Other and infrastructure assets	210 451 991	0	210 451 991	C	
9	FINANCIAL INSTRUMENTS (ONLY IN RESPECT OF PARENT)					
49.1	Risks					

In the course of the Municipality's business operations it is exposed to interest rate, credit, liquidity and market risk. The Municipality has developed a comprehensive risk management process to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

49.1.1 Interest rate risk

The Municipality manages its interest rate risk by maintaining an appropriate mix between fixed and floating interest rate borrowings and investments, as well as by entering into interest rate swap contracts on outstanding borrowings. The Municipality's exposure to interest rate risk and the effective interest rates on financial instruments at statement of financial position date are as follows:

			Fixed rate	Non-inte	rest bearing		
Description	Floating rate	Amount	Weighted average effective interest rate	Weighted average period for which rate is fixed	Amount	Weighted average period until maturity	Total
	R	R	%	Years	R	Years	R
YEAR ENDED 30 JUNE 2009							
Assets:							
Investments	201 227 196	476 724 571	13.97	13.62			677 951 767
Long-term receivables:							
Housing loans		57 556 328	13.87	30			57 556 328
Motor car loans		173 915	8.66	6			173 915
Loans to sport clubs		1 661 855	11.99	10			1 661 855
Study Ioans					5 293		5 293
Sale of Land		79 405 336	11.09	5			79 405 336
Arrangement debtors		58 243 480	15		187 128 830		245 372 310
Trade receivables:							
Consumer		2 895 098 051	15.00	1	875 049 898		3 770 147 949
Other					737 740 110		737 740 110
Cash	89 560 594						89 560 594
Total financial assets	290 787 790	3 568 863 536			1 799 924 131		5 659 575 457
<u>Liabilities</u>							
Interest bearing borrowings	162 331 528	3 946 687 331	11.24	15.93			4 109 018 859
Interest rate swaps		227 866 133	20.51	17.79			227 866 133
Lease liabilities	262 514 815						262 514 815
Trade payables:							
Creditors					2 514 243 575	0.08	2 514 243 575
Retention					142 689 724	1	142 689 724
Consumer deposits					282 759 977	0.08	282 759 977
Unspent grants and receipts					419 920 338	0.08	419 920 338
VAT					164 585 154	0.08	164 585 154
Bank overdrafts	95 416 694						95 416 694
Total financial liabilities	520 263 037	4 174 553 464			3 524 198 768		8 219 015 269
	(229 475 247)	(605 689 928)			(1 724 274 637)		(2 559 439 812)
YEAR ENDED 30 JUNE 2008							
Assets:							
Investments	197 926 170	462 762 530	14.21	14.03			660 688 700
Long-term receivables:							
Housing loans		59 092 140	13.87	30			59 092 140
Motor car loans		2 161 952	8.66	6			2 161 952
Loans to sport clubs		1 689 951	11.99	10			1 689 951
Study loans				_	13 930		13 930
Sale of Land		65 779 894	11.09	5			65 779 894
Arrangement debtors		48 096 653			154 500 876		202 597 529
Trade receivables:							
Consumer		2 423 755 273	14.5	1	883 591 104		3 307 346 377
Other					539 516 021		539 516 021
Cash	43 235 693	2 0/0 000 000			1		43 235 693
Total financial assets	241 161 863	3 063 338 393			1 577 621 931		4 882 122 187
Liabilities		0 400 144 000					0 / 50 / 70 6
Interest bearing borrowings	162 331 528	2 488 146 829	11.00	15.48			2 650 478 357
Interest rate swaps	0.57.007.005	227 866 133	20.51	17.79			227 866 133
Lease liabilities	257 297 030						257 297 030
Trade payables:					1 (50 0 ())		1 (50 0 ()))
Creditors					1 659 044 641	0.08	1 659 044 641
Retention					96 661 285	1	96 661 285
Consumer deposits					267 978 963	0.08	267 978 963
Unspent grants and receipts					328 760 232	0.08	328 760 232
VAT					104 380 809	0.08	104 380 809
Bank overdrafts	106 407 370						106 407 370
Total financial liabilities	526 035 928	2 716 012 962			2 456 825 930		5 698 874 820
	(284 874 065)	347 325 431			(879 203 999)		(816 752 633)

Interest rate swaps

The Municipality has entered into interest rate swap contracts that entitle it to receive interest at fixed rates/floating rates on notional principal amounts and that oblige it to pay interest at variable rates/fixed rates on the same amounts. The interest rate swaps allow the Municipality to raise long-term borrowings at fixed rates/floating rates and effectively swap them into variable rates/fixed rates in terms of the structured finance contractual requirements.

The estimated fair value gain/(loss) indicated below was determined by comparing the interest rate swap contracted values (fixed rate) with the variable rate paid.

At the statement of financial position date the Municipality had entered into the following interest rate swaps relating to specific statement of financial position items:

	Date	Fixed rate	Fair value	Estimated fair value gain/ (loss)
	Date	%	R	R
Year ended 30 June 2008	19 January 1994	19	200 000 000	(15 660 192)
			200 000 000	(15 660 192)
Year ended 30 June 2009	19 January 1994	19	200 000 000	(12 329 578)
			200 000 000	(12 329 578)

49.1.2 Currency risk

The Municipality undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations might arise. The Municipality, however, manages this risk by entering into contracts where the risk is carried by the service provider.

49.1.3 Credit risk

Financial assets, which potentially subject the Municipality to the risk of non-performance by counter-parties and thereby subject the Municipality to concentrations of credit risk, consist mainly of trade receivables. Credit risk is controlled through the application of a credit control policy and monitoring procedures. Where necessary, the Municipality obtains appropriate deposits and guarantees from debtors to mitigate risk. The Municipality's cash and cash equivalents and short-term deposits are placed with high credit quality financial institutions.

The Municipality limits its treasury counter-party exposure arising from money market by only dealing with well established financial institutions confirmed by the rating agency appointed by the Chief Financial Officer. The Municipality only deals with financial institutions with a short term credit rating of A+ and long-term credit rating of AA- and higher at an International accredited credit-rating agency. The Municipality's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst different types of approved investments and institutions.

Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Municipality's customer base and their dispersion across different industries and geographical areas. The Municipality does not have any significant exposure to any individual customer or counter-party. Accordingly, the Municipality does not consider there to be any significant concentration of credit risk, which had not been adequately provided for. Trade receivables are presented net of the allowance for impairment.

Maximum exposure to credit risk: There has been no significant change during the financial year, or since the end of the financial year, to the municipality's exposure to credit risk, the approach of measurement or the objectives, policies and processes for managing this risk. The carrying amount of financial asses recorded in the financial statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking into account the value of any collateral obtained.

The major concentrations of credit risk that arise from the Municipality's receivables in relation to customer classification are as follows:

30 June 2009	30 June 2008
%	%
58	59
17	17
1	1
11	11
0	0
0	0
0	5
0	0
13	6
100	100
	% 58 17 1 11 11 0 0 0 0 0 0 13

49.1.4 Liquidity risk

The Municipality manages liquidity risk through proper management of working capital, capital expenditure and actual versus forecasted cash flows. Adequate reserves, liquid resources and unutilised borrowing facilities are also maintained. In terms of its borrowing requirements, the municipality ensures that adequate funds are available to meet its expected and unexpected financial commitments. In terms of its long-term liquidity risk, a reasonable blance is maintained between the period over which assets generate funds and the period over which the respective assets are funded. Capital expenditure, budgeted and forecast cash flow calculations are funded as follows from the capital market:

	30 June 2009	30 June 2010	30 June 2011
	R	R	R
External funding: capital expenditure	822 000 000	800 000 000	650 000 000

49.1.5 Market risk

The Municipality is exposed to fluctuating market prices inherent in the purchasing of electricity, water and coal used in the delivery of electricity and water services. The Municipality manages this risk by giving any price increases through to the consumers on an annual basis. An agreement has been entered into with both Eskom and Rand Water that tariff increases occur only once a year.

Interest rate risk management: The Municipality's interest rate profile consists of fixed and floating rate loans and bank balances which exposes the municipality to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:

Financial assets/liabilities:

Trade and other receivables/payables: At a fixed rate of interest.

Management manages interest rate risk by negotiating beneficial rates on floating rate loans and where possible using fixed rate loans. Management also has a policy of balancing the interest on asset loans with the intrest payable on liabilities

49.2 Fair values

The Municipality's financial instruments consist mainly of cash and cash equivalents, trade receivables, investments, trade payables, long-term debt and derivative instruments (interet rate swaps).

No financial asset was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial assets that are available-for-sale or held-for-trading.

The following methods and assumptions are used to determine the fair value of each class of financial instrument:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets and financial liabilities

Trade receivables (debtors)

The carrying amount of trade receivables, net of provision for impairment (provision for bad debt) approximates fair value due to the relatively short-term maturity of these financial assets.

Investments

Investments are carried at their original cost in the statement of financial position, except for those where the interest received semi annually are capitalised. The fair value of publicly traded instruments is based on quoted market prices for those investments.

Trade payables

The carrying amount of trade payables approximates fair value due to the relatively short-term maturity of this financial liability.

Interest bearing borrowings

Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Financial Performance over the period of the borrowings on an effective interest basis. The fair value of interest bearing borrowings with variable interest rates approximates their carrying amounts.

Derivatives (interest rate swaps)

Derivative financial instruments (interest rate swaps) are initially measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates. The fair value of financial liabilities at statement of financial position date are as follows:

Year ended	Fair value	Carrying amount
	R	R
30 June 2009 <u>Liabilities</u> Interest rate swaps	200 000 000	200 000 000
30 June 2008 <u>Liabilities</u> Interest rate swaps	200 000 000	200 000 000

49.3

Hedging Hedging is not allowed

49.4

Maturity profile The maturity profiles of financial assets and liabilities at statement of financial position date are as follows:

	1 Year or less	1 to 5 years	Over 5 years	Total
	R	R	R	R
YEAR ENDED 30 JUNE 2009				
Assets: Investments	177 605 394	496 689 319	3 657 054	677 951 767
Long-term receivables:	177 805 394	490 009 319	3 657 054	0// 951 /0/
Housing loans			57 556 328	57 556 328
	173 915		57 550 328	173 915
Motor car loans	1/3 915		1 ((1 055	
Loans to sport clubs	5 293		1 661 855	1 661 855 5 293
Study loans	5 293	70,405,004		5 293 79 405 336
Sale of Land	110.010.0(0	79 405 336		
Arrangement debtors	118 219 963	127 152 347		245 372 310
Trade receivables:	2 770 1 47 0 40			2 770 1 17 0 10
Consumer	3 770 147 949			3 770 147 949
Other	737 740 110			737 740 110
Cash	89 560 594			89 560 594
Total financial assets	4 893 453 218	703 247 002	62 875 237	5 659 575 457
Liabilities				
Interest bearing borrowings	5 812	419 554 525	3 689 458 522	4 109 018 859
Interest rate swaps		227 949 356		227 949 356
Lease liabilities	157 392 134	105 122 680		262 514 814
Trade payables:				
Creditors	2 514 243 575			2 514 243 575
Retention	142 689 724			142 689 724
Consumer deposits	282 759 977			282 759 977
Unspent grants and receipts	419 920 338			419 920 338
VAT	164 585 154			164 585 154
Bank overdrafts	95 416 694			95 416 694
Total financial liabilities	3 777 013 408	752 626 561	3 689 458 522	8 219 098 491
YEAR ENDED 30 JUNE 2008				
Assets:				
Investments	235 135 271	354 801 402	70 752 027	660 688 700
Long-term receivables:				
Housing loans			59 092 140	59 092 140
Motor car loans		2 161 952		2 161 952
Loans to sport clubs			1 689 951	1 689 951
Study loans	13 930			13 930
Sale of Land		65 779 894		65 779 894
Arrangement debtors	92 872 599	109 724 930		202 597 529
Trade receivables:				
Consumer	3 307 346 377			3 307 346 377
Other	539 516 021			539 516 021
Cash	43 235 693			43 235 693
Total financial assets	4 218 119 891	532 468 178	131 534 118	4 882 122 187
Liabilities				
Interest bearing borrowings	40 635 125	353 495 677	2 284 213 688	2 678 344 490
Interest rate swaps		200 000 000		200 000 000
Lease liabilities	150 248 193	107 048 837		257 297 030
Trade payables:				
Creditors	1 659 044 641			1 659 044 641
Retention	96 661 285			96 661 285
Consumer deposits	267 978 963			267 978 963
Unspent grants and receipts	328 760 232			328 760 232
VAT	104 380 809			104 380 809
Bank overdrafts	104 380 807			106 407 370
Total financial liabilities	2 754 116 618	660 544 514	2 284 213 688	5 698 874 820
	2754110010	000 344 314	2 204 210 000	5 676 674 620

				Opening balance	Received during the year	Redeemed during the year	Amortised value	Closing balance	Carrying value of Property, Plant & Equipment
				R	R	R	R	R	R
EXTERNAL LOANS:									
LOCAL REGISTERED STOCK:	Logn	Interest rate							
Issued	number	(%)	Redeemable						
1997	105	16.65	2014.06.30	95 524 901	0	0	496 349	96 021 250	126 551 75
1993	104	14.15	2008.09.30	40 629 329	0	40 000 000	(629 329)	0	
1984	43	16.25	2004.04.30	5 812	0	0	Ó	5 812	7 66
1990	55	16.40	2011.06.30	14 670 620	0	0	(61478)	14 609 142	19 254 20
1992	62	13.50	2011.06.30	21 414 122	0	0	(273 460)	21 140 662	27 862 45
1993	63	14.00	2011.06.30	36 916 500	0	0	790 967	37 707 467	49 696 77
1997	65	15.75	2011.06.30	50 000 000	0	0	0	50 000 000	65 897 78
2000	66	16.50	2011.06.30	59 000 000	0	0	0	59 000 000	77 759 38
OTAL LOCAL REGISTERED STOCK				318 161 284	0	40 000 000	323 049	278 484 333	367 030 02
ERM LOANS:			-					2/0101000	
BSA: Bullet portion		13.50	2018.04.30	51 724 111	0	0	21 941	51 746 052	68 199 00
BSA: Floating rate		Variable	2019.10.31	78 331 528	0	0	0	78 331 528	103 237 48
BSA Bank loan B3		Variable	2011.06.30	84 000 000	Ő	0	Ő	84 000 000	110 708 28
NCA loan		17.15	2011.06.30	45 000 000	0	0	0	45 000 000	59 308 00
BSA Bank Arbitrage		19.13	2011.10.31	227 866 133	Ő	0	83 223	227 949 356	300 427 15
OTAL TERM LOANS		17.10		486 921 772	0	0	105 164	487 026 936	641 879 93
NNUITY LOANS:			-	400 721 772	0	0	105 104	487 020 730	041 877 73
INNOTT LOANS:		13.5	2018.04.30	239 307 959	0	10 988 969	(274 584)	228 044 406	300 552 43
IBSA Local Authorities		13.5	2018.04.30	14 628 304	0	2 552 300	(274 364)	12 076 004	15 915 63
		10.87	2012.12.31		0		0		
BSA (Restructuring)				235 954 085	0	12 866 562		223 087 523	294 019 4
NCA		11.66	2019.06.30	17 435 996		875 935	0	16 560 061	21 825 42
NCA		9.52	2020.03.31	203 496 005	0	9 441 121	(107 605)	193 947 279	255 613 92
NCA		11.01	2020.06.30	45 254 380	0	1 956 705	0	43 297 675	57 064 41
BSA		9.36	2020.12.31	250 938 884	0	11 260 822	0	239 678 062	315 885 07
NCA		10.92	2020.12.31	92 220 052	0	3 728 357	0	88 491 695	116 628 13
NCA		10.81	2021.06.30	75 143 954	0	2 850 183	0	72 293 771	95 279 98
BSA		5.0	2021.12.31	90 139 493	0	5 070 687	0	85 068 806	112 116 92
BSA		9.835	2021.12.31	369 274 910	0	15 000 273	0	354 274 637	466 918 28
ruzi		13.5	2021.12.31	189 467 412	0	7 788 818	0	181 678 594	239 444 34
BSA		6.25	2028.06.30	50 000 000	50 000 000	2 880 175	0	97 119 825	127 999 62
BSA		12.81	2028.06.30	200 000 000	0	2 435 260	0	197 564 740	260 381 58
BSA		11.32	2028.06.30	0	200 000 000	1 504 949	0	198 495 051	261 607 68
BSA Roodeplaat Temba		12.5	2021.03.31	0	234 799 996	7 705 080	7 709 350	234 804 266	309 461 62
BSA Roodeplaat Temba		11.99	2021.03.31	0	121 842 531	4 170 002	3 854 981	121 527 510	160 167 83
edbank Roodeplaat Temba		12.51	2021.03.31	0	161 424 998	5 243 852	5 265 896	161 447 042	212 780 05
IBSA TIP		6.75	2029.06.30	0	150 000 000	0	0	150 000 000	197 693 35
BSA IIP		10.84	2029.06.30	0	672 000 000	0	0	672 000 000	885 666 24
OTAL ANNUITY LOANS			_	2 073 261 434	1 590 067 525	108 320 050	16 448 038	3 571 456 947	2 679 645 28
OTAL EXTERNAL LOANS			-	2 878 344 490	1 590 067 525	148 320 050	16 876 251	4 336 968 216	5 715 932 09
NANCE LEASES:			-						
BSA		Variable *		13 515 052	8 480 433	6 558 276	0	15 437 209	14 591 2
MASONDO		Variable *		73 449 180	8 108 224	33 680 418	0	47 876 986	44 921 9
ATACENTRIX		Variable *		17 678 334	28 500 175	15 635 122	0	30 543 387	28 567 20
EBIS FLEET MANAGEMENT		Variable *		12 740 356	1 330 128	5 641 137	0	8 429 347	8 134 6
LEET AFRICA		Variable *		12 940 573	2 414 434	10 848 250	0	4 506 757	4 399 8
/PERIAL		Variable *		9 173 208	1 119 752	2 682 929	0	7 610 031	7 366 3
IAN FINANCIAL SERVICES		Variable *		0	79 947 995	10 224 362	Ő	69 723 633	68 976 4
IANDARD BANK		Variable *		28 126 576	3 027 042	9 551 045	Ő	21 602 573	21 125 5
TANNIC		Variable *		487 470	44 142	465 945	Ő	65 667	49 3
SHWANE AUTO LEASING		Variable *		13 989 709	1 637 766	6 403 232	0	9 224 243	9 054 5
IAMAX		Variable *		65 470 381	6 867 721	30 755 505	0	41 582 597	39 931 0
USWA		Variable *		9 726 192	809 518	4 623 325	0	5 912 385	5 753 8
		, anabie	-	257 297 031	142 287 330	137 069 546	0	262 514 815	252 871 83
STALL HARVELEAJEJ			-	237 277 031	172 207 330	137 007 340	0	202 514 615	232 07 1 00

				Opening balance	Received during the year	Redeemed during the year	Amortised value	Closing balance	Carrying value of Property, Plant & Equipment
				R	R	R	R	R	R
EXTERNAL LOANS: LOCAL REGISTERED STOCK: Issued	Loan number	Interest rate (%)	Redeemable						
1997	105	16.65	2014.06.30	95 524 901	0		496 349	96 021 250	126 551 756
1993	104	14.15	2008.09.30	40 629 329	0	40 000 000	(629 329)	90 021 230	120 331 730
1984	43	16.25	2004.04.30	5 812	0	0	Ó	5 812	7 660
1990	55	16.40	2011.06.30	14 670 620	0	0	(61478)	14 609 142	19 254 202
1992 1993	62 63	13.50 14.00	2011.06.30 2011.06.30	21 414 122 36 916 500	0	0	(273 460) 790 967	21 140 662 37 707 467	27 862 457 49 696 772
1997	65	15.75	2011.06.30	50 000 000	0	0	0	50 000 000	65 897 786
2000	66	16.50	2011.06.30	59 000 000	Ő	0	Ő	59 000 000	77 759 388
TOTAL LOCAL REGISTERED STOCK				318 161 284	0	40 000 000	323 049	278 484 333	367 030 021
TERM LOANS:									
DBSA: Bullet portion		13.50	2018.04.30	51 724 111	0	0	21 941	51 746 052	68 199 006
DBSA: Floating rate ABSA Bank Ioan B3		Variable Variable	2019.10.31 2011.06.30	78 331 528 84 000 000	0	0	0	78 331 528 84 000 000	103 237 486 110 708 281
National Housing Finance Corp		14.00	2011.00.30	4 484 943	0	103 911	0	4 381 032	4 381 032
Gauteng Partnership Fund		0.00		293 000	0	0	0	293 000	293 000
INCA loan		17.15	2011.06.30	45 000 000	0	0	0	45 000 000	59 308 008
ABSA Bank Arbitrage		19.13	2011.10.31	227 866 133	0	0	83 223	227 949 356	300 427 159
TOTAL TERM LOANS				491 699 715	0	103 911	105 164	491 700 968	646 553 972
ANNUITY LOANS:									
DBSA		13.5 13.5	2018.04.30	239 307 959	0	10 988 969	(274 584)	228 044 406	300 552 432 15 915 639
DBSA Local Authorities DBSA (Restructuring)		10.87	2012.12.31 2018.12.31	14 628 304 235 954 085	0	2 552 300 12 866 562	0	12 076 004 223 087 523	294 019 478
INCA		11.66	2019.06.30	17 435 996	0	875 935	0	16 560 061	21 825 427
INCA		9.52	2020.03.31	203 496 005	0	9 441 121	(107 605)	193 947 279	255 613 927
INCA		11.01	2020.06.30	45 254 380	0	1 956 705	Ó	43 297 675	57 064 419
DBSA		9.36	2020.12.31	250 938 884	0	11 260 822	0	239 678 062	315 885 074
INCA INCA		10.92 10.81	2020.12.31 2021.06.30	92 220 052 75 143 954	0	3 728 357 2 850 183	0	88 491 695 72 293 771	116 628 136 95 279 989
DBSA		5.0	2021.08.30	90 139 493	0	5 070 687	0	85 068 806	112 116 920
DBSA		9.835	2021.12.31	369 274 910	0	15 000 273	0	354 274 637	466 918 286
lvuzi		13.5	2021.12.31	189 467 412	0	7 788 818	0	181 678 594	239 444 343
DBSA		6.25	2028.06.30	50 000 000	50 000 000	2 880 175	0	97 119 825	127 999 629
DBSA		12.81	2028.06.30	200 000 000	0	2 435 260	0	197 564 740	260 381 580
DBSA ABSA (Roodeplaat/Temba Trust)		11.32 12.50	2028.06.30 2021.03.31	234 799 996	200 000 000	1 504 949 7 705 080	7 709 350	198 495 051 234 804 266	261 607 689 309 461 627
DBSA (Roodeplaat/Temba Trust)		11.99	2021.03.31	121 842 531	0	4 170 002	3 854 981	121 527 510	160 167 878
Nedbank (Roodeplaat/Temba Trust)		12.51	2021.03.31	161 424 998	0	5 243 852	5 265 896	161 447 042	212 780 053
DBSA TIP		6.75	2029.06.30	0	150 000 000	0	0	150 000 000	197 693 359
DBSA IIP TOTAL ANNUITY LOANS		10.84	2029.06.30	0 2 591 328 959	672 000 000 1 072 000 000	0 108 320 050	0 16 448 038	672 000 000 3 571 456 947	885 666 248 4 707 022 133
TOTAL EXTERNAL LOANS				3 401 189 958	1 072 000 000	148 423 961	16 876 251	4 341 642 248	5 720 606 126
FINANCE LEASES:		N/ 11 *		10	a .aa		-		
ABSA		Variable * Variable *		13 515 052 73 449 180	8 480 433 8 108 224	6 558 276 33 680 418	0	15 437 209 47 876 986	14 591 213 44 921 910
AMASONDO DATACENTRIX		Variable *		17 678 334	28 500 175	15 635 122	0	47 876 986 30 543 387	28 567 205
DEBIS FLEET MANAGEMENT		Variable *		12 740 356	1 330 128	5 641 137	0	8 429 347	8 134 618
FLEET AFRICA		Variable *		12 940 573	2 414 434	10 848 250	0	4 506 757	4 399 812
		Variable *		9 173 208	1 119 752	2 682 929	0	7 610 031	7 366 340
MAN FINANCIAL SERVICES		Variable * Variable *		0	79 947 995 3 027 042	10 224 362 9 551 045	0	69 723 633 21 602 573	68 976 454 21 125 518
standard bank stannic		Variable *		28 126 576 487 470	3 027 042 44 142	465 945	0	65 667	49 348
TSHWANE AUTO LEASING		Variable *		13 989 709	1 637 766	6 403 232	0	9 224 243	9 054 576
VIAMAX		Variable *		65 470 381	6 867 721	30 755 505	0	41 582 597	39 931 008
VUSWA 60 MONTHS		Variable *		9 726 192	809 518	4 623 325	0	5 912 385	5 753 837
LEASE LIABILITY (Roodeplaat/TembaTrust)				24 247 749 281 544 780	0 142 287 330	<u>24 247 749</u> 161 317 295	0	0 262 514 815	0 252 871 839
TOTAL FINACE LEASES									

			Ca	ost/Revaluation				Accumulated	Depreciation		
Asset class	Note	Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Additions	Disposals, Transfers & adjustments	Closing balance	Carrying Vaule
		R	R	R	R	R	R	R	R	R	R
INFRASTRUCTURE	10.1										
Assets under construction		1 053 819 662	827 431 152	0	(503 563 002)	1 377 687 812	0	0	0	0	1 377 687 812
Electricity		2 352 785 606	309 151 313	0	39 923 441	2 701 860 360	638 326 087	54 341 498	0	692 667 585	2 009 192 775
General		59 019 883	4 727 163	0	2 579 005	66 326 051	23 875 206	8 061 984	0	31 937 190	34 388 861
Roads		3 122 029 011	519 629 697	0	124 343 212	3 766 001 920	912 428 632	138 355 186	0	1 050 783 818	2 715 218 102
Water and sanitation		2 300 827 540	736 489 490	0	296 793 282	3 334 110 312	576 585 157	182 161 361	0	758 746 518	2 575 363 794
		8 888 481 702	2 397 428 815	0	(39 924 062)	11 245 986 455	2 151 215 082	382 920 029	0	2 534 135 111	8 711 851 344
COMMUNITY ASSETS	10.2										
General		1 134 605 474	264 619 289	0	35 533 476	1 434 758 239	289 532 435	43 608 501	0	333 140 936	1 101 617 303
Assets under construction	ļ	14 450 611	19 848 542	0	(9 049 323)	25 249 830	0	0	0	0	25 249 830
		1 149 056 085	284 467 831	0	26 484 153	1 460 008 069	289 532 435	43 608 501	0	333 140 936	1 126 867 133
HERITAGE ASSETS	10.3										
General		3 814 388	0	0	0	3 814 388	119 241	38 716	0	157 957	3 656 431
		3 814 388	0	0	0	3 814 388	119 241	38 716	0	157 957	3 656 431
HOUSING	10.4										
Housing assets		174 017 709	36 040 716	0	5 370 612	215 429 037	56 430	85 406	0	141 836	215 287 201
Assets under construction		10 608 727	0	0	(6 942 393)	3 666 334	0	0	0	0	3 666 334
CTOCK	10.5	184 626 436	36 040 716	0	(1571781)	219 095 371	56 430	85 406	0	141 836	218 953 535
STOCK	10.5	407 735	0	0	0	407 735	0	0	0	0	407 735
Stock		407 735	0	0	0	407 735	0	0	0	0	407 735
Land	10.6	407 733	0		v	407 733	v	0	U	U	407 733
Land	10.0	1 049 966 212	21 458 188	0	0	1 071 424 400	0	0	0	0	1 071 424 400
Land		1 049 966 212	21 458 188	0	0	1 071 424 400	0	0	0	0	1 071 424 400
BUILDINGS	10.7										
Buildings		778 864 363	83 458 318	0	16 341 709	878 664 390	318 988 439	36 183 756	0	355 172 195	523 492 195
		778 864 363	83 458 318	0	16 341 709	878 664 390	318 988 439	36 183 756	0	355 172 195	523 492 195
OTHER	10.8										
General		1 093 878 603	95 787 571	(98 015 719)	7 547 441	1 099 197 896	553 621 649	5 209 854	(64 730 285)	494 101 218	605 096 678
Rehabilitation assets		81 421 984	96 628 085	0	0	178 050 069	0	16 813 874	0	16 813 874	161 236 195
Assets under construction		73 574 006	220 203 379	0	(57 582 835)	236 194 550	0	0	0	0	236 194 550
Non-current assets held for sale (transfer)		0	0	0	(1 552 635)	(1 552 635)	0	0	(1158320)	(1158320)	(394 315)
		1 248 874 593	412 619 035	(98 015 719)	(51 588 029)	1 511 889 880	553 621 649	22 023 728	(65 888 605)	509 756 772	1 002 133 108
TOTAL PROPERTY, PLANT AND EQUIPMENT	10.9	13 304 091 514	3 235 472 903	(98 015 719)	(50 258 010)	16 391 290 688	3 313 533 276	484 860 136	(65 888 605)	3 732 504 807	12 658 785 881
INVESTMENT PROPERTY	10.10		_	-	_		0.1.017.1.05	0 - 10 - 11	_	0/ =/- 0/-	
Investment assets		44 788 161	0	0	0	44 788 161	34 217 137	2 543 862	0	36 760 999	8 027 162
	10.11	44 788 161	0	0	0	44 788 161	34 217 137	2 543 862	0	36 760 999	8 027 162
	10.11	158 946 434	37 045 202	0	48 705 375	244 697 011	60 911 323	27 594 940	0	88 506 263	156 190 748
Computer software		158 946 434 158 946 434	37 045 202 37 045 202	0	48 705 375 48 705 375	244 697 011 244 697 011	60 911 323	27 594 940 27 594 940	0	88 506 263 88 506 263	156 190 748
		130 740 434	37 043 202	U	40703373	244 077 011	00 711 323	27 374 740	•	00 300 203	130 170 748

			Co	ost/Revaluation				Accumulated	Depreciation		
Asset class	Note	Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Additions	Disposals, Transfers & adjustments	Closing balance	Carrying Vaule
		R	R	R	R	R	R	R	R	R	R
INFRASTRUCTURE	10.1										
Assets under construction		1 053 819 662	827 431 152		(503 563 002)	1 377 687 812	0	0	0	0	1 377 687 812
Electricity		2 352 785 606	309 151 313	0	39 923 441	2 701 860 360	638 326 087	54 341 498	0	692 667 585	2 009 192 775
General		59 019 883	4 727 163	0	2 579 005	66 326 051	23 875 206	8 061 984	0	31 937 190	34 388 861
Roads		3 122 029 011	519 629 697	0	124 343 212	3 766 001 920	912 428 632	138 355 186	0	1 050 783 818	2 715 218 102
Water and sanitation		2 300 827 540	736 489 490	0	296 793 282	3 334 110 312	576 585 157	182 161 361	0	758 746 518	2 575 363 794
Sandspruit Works Association		11 423 235	1 243 425	0	0	12 666 660	2 661 989	1 036 522	0	3 698 511	8 968 149
COMMUNITY ASSETS	10.2	8 899 904 937	2 398 672 240	0	(39 924 062)	11 258 653 115	2 153 877 071	383 956 551	0	2 537 833 622	8 720 819 493
	10.2	1 104 (05 474	0/4/10 000	0	25 522 474	1 424 750 020	000 500 405	42 409 501	0	222.140.024	1 101 (17 202
General		1 134 605 474	264 619 289	0	35 533 476	1 434 758 239	289 532 435	43 608 501 0	0	333 140 936 0	1 101 617 303
Assets under construction		14 450 611	19 848 542 284 467 831	0	(9049323)	25 249 830	0	-	0	333 140 936	25 249 830
	10.2	1 149 056 085	204 407 831	0	26 484 153	1 460 008 069	289 532 435	43 608 501	0	333 140 936	1 126 867 133
HERITAGE ASSETS	10.3	0.014.000	~		_	2 01 4 000	110.071	00.71/	^	157.057	0 / 5 / 703
General		3 814 388	0		0	3 814 388	119 241	38 716	0	157 957	3 656 431
HOUSING	10.4	3 814 388	0	0	0	3 814 388	119 241	38 716	0	157 957	3 656 431
HOUSING	10.4										
Housing assets		174 017 709	36 040 716	0	5 370 612	215 429 037	56 430	85 406	0	141 836	215 287 201
Assets under construction		10 608 727	0	0	(6 942 393)	3 666 334	0	0	0	0	3 666 334
		184 626 436	36 040 716	0	(1 571 781)	219 095 371	56 430	85 406	0	141 836	218 953 535
STOCK	10.5										
Stock		407 735	0	0	0	407 735	0	0	0	0	407 735
		407 735	0	0	0	407 735	0	0	0	0	407 735
Land	10.6										
Land		1 049 966 212	21 458 188	0	0	1 071 424 400	0	0	0	0	1 071 424 400
		1 049 966 212	21 458 188	0	0	1 071 424 400	0	0	0	0	1 071 424 400
BUILDINGS	10.7										
Buildings		778 864 363	83 458 318	0	16 341 709	878 664 390	318 988 439	36 183 756	0	355 172 195	523 492 195
Sandspruit: Land and buildings		7 525 758	233 224	0	0	7 758 982	1 004 025	349 061		1 353 086	6 405 896
		786 390 121	83 691 542	0	16 341 709	886 423 372	319 992 464	36 532 817	0	356 525 281	529 898 091
OTHER	10.8										
General		1 093 878 603	95 787 571	(98 015 719)	7 547 441	1 099 197 896	553 621 649	5 209 854	(64 730 285)	494 101 218	605 096 678
Rehabilitation assets		81 421 984	96 628 085	0	0	178 050 069	0	16 813 874	0	16 813 874	161 236 195
Assets under construction		73 574 006	220 203 379	0	(57 582 835)	236 194 550	0	0	0	0	236 194 550
Non-current assets held for sale (transfer)		0	0	0	(1 552 635)	(1 552 635)	0	0	(1158320)	(1158320)	(394315)
Cenbis: Furniture and equipment		580 824				580 824	550 463			550 463	30 361
Housing Company: equipment and furniture		404 193	69 977	0	(83 537)	390 633	224 440	64 554	(10 968)	278 026	112 607
Sandspruit: Other equipment		7 023 960	872 830	0		7 896 790	4 116 841	1 369 183	8 119	5 494 143	2 402 647
Civirelo: Office, IT equipment & software		78 613	22 219	0	0	100 832	31 538	13 961	0	45 499	55 333
Roodeplaat Temba: Work in progress		475 042 472			(475 042 472)	0	97 378 450		(97 378 450)	0	0
		1 732 004 655	413 584 061	(98 015 719)	(526 714 038)	1 520 858 959	655 923 381	23 471 426	(163 269 904)	516 124 903	1 004 734 056
TOTAL PROPERTY, PLANT AND EQUIPMENT	10.9	13 806 170 569	3 237 914 578	(98 015 719)	(525 384 019)	16 420 685 409	3 419 501 022	487 693 417	(163 269 904)	3 743 924 535	12 676 760 874
INVESTMENT PROPERTY	10.10										
Investment assets		44 788 161	0	0	0	44 788 161	34 217 137	2 543 862	0	36 760 999	8 027 162
Housing Company: Investment property		10 000 000		0	(400 000)	9 600 000	0			0	9 600 000
		54 788 161	0	0	(400 000)	54 388 161	34 217 137	2 543 862	0	36 760 999	17 627 162
INTANGIBLE ASSETS	10.11										
Computer software		158 946 434	37 045 202	0	48 705 375	244 697 011	60 911 323	27 594 940	0	88 506 263	156 190 747
Civirelo: Intangible assets		61 140	0		0	61 140	57 900	1 620	0	59 520	1 620
		159 007 574	37 045 202	0	48 705 375	244 758 151	60 969 223	27 596 560	0	88 565 783	156 192 367
TOTAL	10.12	14 019 966 304	3 274 959 780	(98 015 719)	(477 078 644)	16 719 831 721	3 514 687 382	517 833 839	(163 269 904)	3 869 251 317	12 850 580 403

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Appendix C: Segmental Analysis of Property, Plant and Equipment as at 30 June 2009- Parent

		c	ost/Revaluation				Accumulated	Depreciation		
Service	Opening balance	Additions	Disposals & adjustments	Transfers & adjustments	Closing balance	Opening balance	Additions	Disposals, transfers& adjustments	Closing balance	Carrying Value
	R	R	R	R	R	R	R	R	R	R
Office of Executive Mayor and Municpal Manager	122 919 362	604 115	(1948769)	(9 362)	121 565 346	12 711 686	3 933 373	(1 598 941)	15 046 118	106 519 228
Financial Services	73 499 756	3 899 727	(5 053 684)	(38 861)	72 306 938	32 610 781	2 358 510	(3 933 301)	31 035 990	41 270 948
General Assessments	47 277 352	43 142 929	(13 578 688)	(1675)	76 839 918	13 964 083	(3 953 224)	(33 847)	9 977 012	66 862 906
Corporate and Shared Servcies	1 789 090 971	78 693 492	(28 388 938)	(212 810)	1 839 182 715	393 776 591	51 856 709	(20 650 583)	424 982 717	1 414 199 998
Community Safety	361 321 682	40 815 005	(13 571 267)	(146 213)	388 419 207	171 167 171	(7113925)	(11 044 813)	153 008 433	235 410 774
Economic Development	282 096 602	41 551 784	(1 265 759)	(615 655)	321 766 972	121 455 580	(17 493 822)	(1 404 694)	102 557 064	219 209 908
Health and Social Development	142 203 629	9 314 485	(3 247 592)	(59 206)	148 211 316	36 575 833	9 596 003	(2 865 229)	43 306 607	104 904 709
City Planning and Regional Services	49 891 473	12 434 603	(3 283 710)	(249 543)	58 792 823	16 710 828	3 603 197	(2 452 936)	17 861 089	40 931 734
Sport and Recreation	1 822 078 071	401 811 894	(5119284)	(266 241)	2 218 504 440	197 401 556	58 679 509	(4 319 376)	251 761 689	1 966 742 751
Housing and Sustainable Human Settlement Development	293 937 600	150 640 337	(766 539)	0	443 811 398	19 508 528	25 210 198	(668 058)	44 050 668	399 760 730
Agriculture & Environmental Management	400 840 695	80 672 644	(3 667 552)	0	477 845 787	99 185 319	13 118 854	(2 759 273)	109 544 900	368 300 887
Public Works:	8 122 668 918	2 408 937 091	(18 123 937)	46 931	10 513 529 003	2 293 593 780	375 203 557	(14 157 554)	2 654 639 783	7 858 889 217
Transport	145 270 106	220 472 612	(701 803)	0	365 040 915	19 023 280	4 627 897	(591 752)	23 059 425	341 981 490
Roads and Storm water	2 854 462 708	562 655 823	(1669569)	150 810	3 415 599 772	907 148 249	123 354 273	(1 225 383)	1 029 277 139	2 386 322 633
Water and Sanitation	2 434 939 583	1 176 339 977	(2 262 413)	0	3 609 017 147	617 103 216	193 671 617	(1889205)	808 885 628	2 800 131 519
Electricity	2 687 996 521	449 468 679	(13 490 152)	(103 879)	3 123 871 169	750 319 035	53 549 770	(10 451 214)	793 417 591	2 330 453 578
]										
TOTAL	13 507 826 109	3 272 518 106	(98 015 719)	(1552635)	16 680 775 861	3 408 661 735	514 998 940	(65 888 605)	3 857 772 071	12 823 003 790

Appendix C: Segmental Analysis of Property, Plant and Equipment as at 30 June 2009- Group

			Cost/Revaluatior	ı			Accumulate	Accumulated Depreciation						
Service	Opening balance	Additions	Disposals & adjustments	Transfers & adjustments	Closing balance	Opening balance	Additions	Disposals, transfers& adjustments	Closing balance	Carrying Value				
	R	R	R	R	R	R	R	R	R	R				
Office of Executive Mayor and Municpal Manager	122 919 362	604 115	(1948769)	(9 362)	121 565 346	12 711 686	3 933 373	(1 598 941)	15 046 118	106 519 228				
Financial Services	73 499 756	3 899 727	(5 053 684)	(38 861)	72 306 938	32 610 781	2 358 510	(3 933 301)	31 035 990	41 270 948				
General Assessments	47 277 352	43 142 929	(12,570,(00)	(1(75)	76 839 918	13 964 083	(2.052.024)	(22 0 47)	9 977 012	66 862 906				
General Assessments	47 277 352	43 142 929	(13 578 688)	(1675)	/0 039 910	13 964 083	(3 953 224)	(33 847)	9 977 012	00 802 900				
Corporate and Shared Servcies	1 789 090 971	78 693 492	(28 388 938)	(212 810)	1 839 182 715	393 776 591	51 856 709	(20 650 583)	424 982 717	1 414 199 998				
			(,	(= · = = · -)				(/						
Community Safety	361 321 682	40 815 005	(13 571 267)	(146 213)	388 419 207	171 167 171	(7113925)	(11 044 813)	153 008 433	235 410 774				
Economic Development	282 677 426	41 551 784	(1265759)	(615 655)	322 347 796	122 006 043	(17 493 822)	(1 404 694)	103 107 527	219 240 269				
	1 40 000 400	0.014.405	(2 2 47 500)	(50.00()	140.011.01/	0/ 575 000	0.50/.000	(0.0(5.000)	12 204 407	104 004 700				
Health and Social Development	142 203 629	9 314 485	(3247592)	(59 206)	148 211 316	36 575 833	9 596 003	(2865229)	43 306 607	104 904 709				
City Planning and Regional Services	49 891 473	12 434 603	(3283710)	(249 543)	58 792 823	16 710 828	3 603 197	(2 452 936)	17 861 089	40 931 734				
	., .,		((=				(= ···· / ···/						
Sport and Recreation	1 822 078 071	401 811 894	(5119284)	(266 241)	2 218 504 440	197 401 556	58 679 509	(4 319 376)	251 761 689	1 966 742 751				
Housing and Sustainable Human Settlement Development	304 341 793	150 710 314	(766 539)	(483 537)	453 802 031	19 732 968	25 274 752	(679 026)	44 328 694	409 473 337				
Agriculture & Environmental Management	400 840 695	80 672 644	(3 667 552)	0	477 845 787	99 185 319	13 118 854	(2759273)	109 544 900	368 300 887				
	0 (00 00 (00 (0 411 000 700	(10,100,007)	(474 005 5 41)	10 540 010 407	0.000.044.500	077 070 000	(111,507,005)	0 / / 5 000 5 11	7 07 / 700 0 / 0				
Public Works: Transport	8 623 824 096 145 270 106	2 411 308 789 220 472 612	(18 123 937) (701 803)	(474 995 541)	10 542 013 407 365 040 915	2 398 844 523 19 023 280	377 973 903 4 627 897	(111 527 885)	2 665 290 541 23 059 425	7 876 722 863 341 981 490				
Roads and Storm water	2 854 462 708	562 655 823	(1 669 569)	150 810	3 415 599 772	907 148 249	123 354 273	(591752) (1225383)	1 029 277 139	2 386 322 633				
Water and Sanitation	2 936 094 761	1 178 711 675	(2 262 413)	(475 042 472)	3 637 501 551	722 353 959	125 334 273	(99 259 536)	819 536 386	2 817 965 165				
Electricity	2 687 996 521	449 468 679	(13 490 152)	(103 879)	3 123 871 169	750 319 035	53 549 770	(10 451 214)	793 417 591	2 330 453 578				
TOTAL	14 019 966 304	3 274 959 780	(98 015 720)	(477 078 644)	16 719 831 721	3 514 687 382	517 833 841	(163 269 904)	3 869 251 319	12 850 580 403				

Appendix D: Consolidated Segmental Statement of Performance as at June 2009

				MUNICIPALITY							GROUP			
		20	09			2008			200)9			2008	
SERVICE	Actual Income	Actual Expen- diture	Surplus/ (Deficit)	Adjustment Budget Surplus/ (Deficit)	Actual Income	Actual Expen- diture	Surplus/ (Deficit)	Actual Income	Actual Expen- diture	Surplus/ (Deficit)	Adjustment Budget Surplus/ (Deficit)	Actual Income	Actual Expen- diture	Surplus/ (Deficit)
	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Difice of Executive Mayor and Aunicipal Manager	75 634 682	382 857 503	(307 222 821)	(448 370 013)	21 010 145	213 886 730	(192 876 585)	75 634 682	382 857 503	(307 222 821)	(448 370 013)	21 010 145	213 886 730	(192 876 58
Corporate and Shared Services	51 222 357	819 496 216	(768 273 859)	(875 630 564)	44 694 749	827 909 982	(783 215 233)	51 222 357	819 496 216	(768 273 859)	(875 630 564)	44 694 749	827 909 982	(783 215 23
conomic Development	173 765 343	306 701 466	(132 936 123)	(156 788 395)	144 541 237	253 129 203	(108 587 966)	173 774 646	306 702 690	(132 928 044)	(156 788 395)	144 541 237	253 129 203	(108 587 96
inancial Services	118 197 337	531 061 493	(412 864 156)	(458 577 151)	63 067 055	398 306 087	(335 239 032)	118 197 337	531 061 493	(412 864 156)	(458 577 151)	63 067 055	398 306 087	(335 239 03
General Assessments	3 987 548 837	474 925 955	3 512 622 882	3 960 028 722	3 837 436 015	1 294 832 825	2 542 603 190	3 987 548 837	474 925 955	3 512 622 882	3 960 028 722	3 837 436 015	1 294 832 825	2 542 603 1
lousing and Sustainable Human ettlement Development	148 132 525	363 521 729	(215 389 204)	(20 424 031)	199 358 970	216 619 281	(17 260 311)	158 993 621	373 284 434	(214 290 813)	(20 424 031)	215 857 142	242 712 254	(26 855 11
port and Recreation	38 456 085	184 798 970	(146 342 885)	(165 067 595)	39 610 992	143 362 724	(103 751 732)	38 456 085	184 798 970	(146 342 885)	(165 067 595)	39 610 992	143 362 724	(103 751 73
Community Safety	141 428 442	750 413 498	(608 985 056)	(674 703 767)	146 452 724	694 193 962	(547 741 238)	141 428 442	750 413 498	(608 985 056)	(674 703 767)	146 452 724	694 193 962	(547 741 23
griculture and Environmental Nanagement	393 864 150	942 350 479	(548 486 329)	(315 241 095)	338 760 687	852 686 963	(513 926 276)	393 864 150	942 350 479	(548 486 329)	(315 241 095)	338 760 687	852 686 963	(513 926 27
lealth and Social Development	68 136 439	270 428 274	(202 291 835)	(243 318 179)	72 996 348	226 519 386	(153 523 038)	68 136 439	270 428 274	(202 291 835)	(243 318 179)	72 996 348	226 519 386	(153 523 03
City Planning and Regional Services	154 704 089	161 072 538	(6 368 449)	(42 361 401)	68 470 615	127 837 863	(59 367 248)	154 704 089	161 072 538	(6 368 449)	(42 361 401)	68 470 615	127 837 863	(59 367 24
ublic Works:	6 287 904 980	5 730 956 705	556 948 275	621 125 286	5 211 305 378	4 599 442 908	611 862 470	6 389 370 148	5 853 200 046	536 170 102	621 125 286	5 476 056 211	4 898 215 394	577 840 8
Roads & Stormwater	214 284 187	624 070 329	(409 786 142)	(399 842 104)	199 339 151	467 443 734	(268 104 583)	214 284 187	624 070 329	(409 786 142)	(399 842 104)	199 339 151	467 443 734	(268 104 5
Transport	111 667 158	107 643 110	4 024 048	82 967 667	54 603 935	94 988 363	(40 384 428)	111 667 158	107 643 110	4 024 048	82 967 667	54 603 935	94 988 363	(40 384 42
Electricity	3 982 192 620	3 576 396 443	405 796 177	441 037 980	3 191 679 242	2 709 767 919	481 911 323	3 982 192 620	3 576 396 443	405 796 177	441 037 980	3 191 679 242	2 709 767 919	481 911 3
Water and sanitation	1 979 761 015	1 422 846 823	556 914 192	496 961 743	1 765 683 050	1 327 242 892	438 440 158	2 081 226 183	1 545 090 164	536 136 019	496 961 743	2 030 433 883	1 626 015 378	404 418 5
JRPLUS FOR THE YEAR	11 638 995 266	10 918 584 826	720 410 440	1 180 671 817	10 187 704 915	9 848 727 914	338 977 001	11 751 330 833	11 050 592 096	700 738 737	1 180 671 817	10 468 953 920	10 173 593 373	295 360 5

Appendix E: Consolidated Actual Operating Revenue and Expenditure Per Type vs Budget for the year ended 30 June 2009

DESCRIPTION	Actual	Budget	Variance	Variance	Explanation of significant Variances (greater than 10%) versus Budget
	R	R	R	%	
REVENUE	2 299 523 005	2 530 500 000	(230 976 995)	(9.13)	
Property rates			(,,,,_,,_,,	(***=)	Insufficient budget provision for income foregone actual realised higher than anticipated. Matching between PRO-V and SAP not completed in time
Service Charges	5 749 212 670	5 948 707 000	(199 494 330)	(3.35)	
Rental of facilities and equipment	98 877 333	71 756 960	27 120 373	37.79	Decrease in public demand owing to economic recession
nterest earned – external investments	125 804 444	120 441 000	5 363 444	4.45	
nterest earned – outstanding debtors	298 653 352	173 624 000	125 029 352	72.01	An increase in arrear debtors owing to economic recession, resulting in an increase in levies for interest on
ines	31 241 834	55 160 221	(23 918 387)	(43.36)	arrears The implementation of AARTO, linked with the recession had a serious impact on income from fines
	28 423 732	24 930 991	3 492 741	14.01	Major contributor is motor vehicles: economic climate indicated a decline in motor sales over the past
icences and permits					months
	2 274 418 557	2 667 416 951	(392 998 394)	(14.73)	Deduction of R3,8 m from Healty subsidy for VAT owing to a SARS audit query. Other Opex grants
					variance of R13,5 m relating to finalising of 2010 SWC rebuilding projects; Top Structure grants R134,5 m
Government grants and subsidies					budget - no transfer received; PTIS fund (R120 m); report to NT in June with regard to amount withheld an proposed revised project plans for 2009/10 onward (BRT projects) urgent meeting between CoT and NT to
Sovernment grants and subsidies					finalize issues; NDPG:R7 m withheld by NT owing to non-spending & problems experienced with National
					Departmetrn of Public Works Service Provider; Housing R46 m not spent - funding withdrawn by Gauteng
					Housing & Mamelodi Hostels R4,5 m under spent
Other income	590 672 297	672 386 146	(81 713 849)	(12.15)	
Public contributions	226 447 787	138 000 000	88 447 787	64.09	
Gains on disposal of property, plant and equipment	2 786 173	41 301 938	(38 515 765)	(93.25)	Uncertain income and dependant on asset cleanup and disposal of obsolete assets
Gain: Change in fair value of livestock	2 266 744	0	2 266 744	100.00	Re-valuation of livestock at year end culminated in a gain
Gain: Disestablishment of municipal entity	23 002 905	0	23 002 905	100.00	Actual reaslised upon the disestablishment of the Municipal entity Roodeplaat Temba Water Services Trust
Total Revenue	11 751 330 833	12 444 225 207	(692 894 374)	(5.57)	
EXPENDITURE					
Employee related costs	3 061 853 987	3 281 323 070	(219 469 083)	(6.69)	
	55 350 803	73 992 387	(18 641 584)	(25.19)	Decrease in remuneration package as promulgated - Gazette for Remuneration was not finalized during
Remuneration of Councillors			. / /		adjustment budget
Bad debts: contribution	238 917 368	71 359 812	167 557 556	234.81	Conservative amount budgeted. Calculation of provision processed at year end only
Bad debts: written off	193 630 109	60 414 000	133 216 109	220.51	More indigent households were registered which lead to a larger amount being written off
Collection Costs	72 511 251 502 939 437	72 780 752	(269 501)	(0.37)	
Depreciation	6 901 250	862 988 273 0	(360 048 836) 6 901 250	(41.72)	Decrease due to review of useful lives
Asset impairment	508 312 549	411 961 352	96 351 197	100.00 23.39	Impairment due to condition assessment of assets
nterest paid	2 835 273 617	2 789 472 300	45 801 317	1.64	Increase due to more external loans taken up during the financial year
Bulk purchases	1 127 185 923	2 789 472 300 942 539 899	184 646 024	1.04	
Repairs and maintenance	1 127 105 725	772 337 079	104 040 024	17.37	Insufficient budget provision and an increase in costs in repair of vehicles by Waste Management; increase in the repairs of Electricity Reticulation
Grants and subsidies paid	9 833 837	12 953 000	(3119163)	(24.08)	Decrease in applications submitted by ratepayers and organisations
Loss on disposal of property, plant and equipment	9 069 358	11 000	9 058 358	82 348.71	Uncertain expenditure. Only nominal amount budgeted
General expenses – other	2 428 812 607	2 683 757 545	(254 944 938)	(9.50)	encentain expenditore. Only nominal antooni bodgoloa
Total Expenditure	11 050 592 096	11 263 553 390	(212 961 294)	(1.89)	
NET SURPLUS FOR THE YEAR	700 738 737	1 180 671 817	(479 933 080)	(40.65)	

Appendix F: Consolidated Segmental Actual Operating Revenue and Expenditure Per Strategic Unit vs Budget for the year ended 30 June 2009

DECODIDION	Actual	Budget	Variance	Variance	
DESCRIPTION	R	R	R	%	Explanation of significant Variances (greater than 10%) versus Budget
REVENUE		I			
Office of Executive Mayor and Municipal Manager	75 634 682	91 978 327	(16 343 645)	(17.77)	Under recognition of revenue on Opex grants (SWC 010 due to underspending on projects); Decline in revenue from rental & facilities due to economic climate
Corporate and Shared Services	51 222 357	57 160 556	(5 938 199)	(10.39)	Gains on disposal of PPE decreased as autions were not held by Disposal Management
Economic Development	173 774 646	171 253 875	2 520 771	1.47	
Financial Services	118 197 337	154 282 000	(36 084 663)	(23.39)	Decline in interest earned due to cash flow situation
General Assessments	3 987 548 837	4 157 063 500	(169 514 663)	(4.08)	
Housing and Sustainable Human Settlement Development	158 993 621	354 383 613	(195 389 992)	(55.14)	Topstructure grants not paid over by Gauteng Housing
Sport and Recreation	38 456 085	39 110 820	(654735)	(1.67)	
Community Safety	141 428 442	153 824 792	(12 396 350)	(8.06)	
Agriculture and Environment Management	393 864 150	427 901 592	(34 037 442)	(7.95)	
Health and Social Development	68 136 439	70 282 183	(2145744)	(3.05)	
City Planning and Regional Services	154 704 089	126 335 001	28 369 088	22.46	Withdrawal of NT capex grant; 30-40% less land use & development applications received due to market forces and economic down-turn
Public Works	6 389 370 148	6 640 648 948	(251 278 800)	(3.78)	,
Roads & Stormwater	214 284 187	258 567 916	(44 283 729)	(17.13)	Slower rate of township develoopment due to economic down-turn
Transport	111 667 158	244 850 873	(133 183 715)	(54.39)	Capex grants not received (PTIS 2010 related projects) due to revised plans
Electricity	3 982 192 620	4 059 712 501	(77 519 881)	(1.91)	
Water and Sanitation	2 081 226 183	2 077 517 658	3 708 525	0.18	
Total Revenue	11 751 330 833	12 444 225 207	(692 894 374)	(5.57)	-
EXPENDITURE					
Office of Executive Mayor and Municipal Manager	382 857 503	540 348 340	(157 490 837)	(29.15)	Savings in remuneration costs
Corporate and Shared Services	819 496 216	932 791 120	(113 294 904)	(12.15)	Due to compulsory saving of 10% in expenditure
Economic Development	306 702 690	328 042 270	(21 339 580)	(6.51)	
Financial Services	531 061 493	612 859 151	(81 797 658)	(13.35)	Due to compulsory saving of 10% in expenditure
General Assessments	474 925 955	197 034 778	277 891 177	141.04	Provision expense for Employment Benefit ito IAS 19 and additional provision for bad debt and
Housing and Sustainable Human Settlement Development	373 284 434	374 807 644	(1 523 210)	(0.41)	interest on finance leases not budgeted for.
Sport and Recreation	184 798 970	204 178 415	(19 379 445)	(9.49)	
Community Safety	750 413 498	828 528 559	(78 115 061)	(9.43)	
Agriculture and Environment Management	942 350 479	743 142 687	199 207 792	26.81	Shortfalls on allocated budgets of vehicles and equipment, sites and grounds; Increaing workload; Absorption of Labour Brokers staff into CoT
Health and Social Development	270 428 274	313 600 362	(43 172 088)	(13.77)	Due to compulsory saving of 10% in expenditure
City Planning and Regional Services	161 072 538	168 696 402	(7 623 864)	(4.52)	
Public Wiorks	5 853 200 046	6 019 523 662	(166 323 616)	(2.76)	
Roads & Stormwater	624 070 329	658 410 020	(34 339 691)	(5.22)	n 1
Transport	107 643 110	161 883 206	(54 240 096)	(33.51)	Due to compulsory saving of 10% in expenditure
Electricity	3 576 396 443	3 618 674 520	(42 278 077)	(1.17)	
Water and sanitation	1 545 090 164	1 580 555 916	(35 465 752)	(2.24)	
Nett Expenditure	11 050 592 096	11 263 553 390	(212 961 294)	(1.89)	-

Appendix G: Actual Capital Expenditure vs Budget for the year ended 30 June 2009 - Parent Only

	Actual	Budget	Variance	Variance	
SERVICE	R	R	R	%	Explanation of Significant Variances (greater than 5%) versus Budget
Office of the Executive Mayor and City Manager	242 411	2 998 201	2 755 790	91.91	Delay in 2010 Soccer World Cup projects - carried over to 2009/10
Corporate and Shared services	79 941 004	127 673 597	48 277 721	37.81	Several IT tenders not approved and insufficient funds for call centre establishment
Economic Development	40 389 808	47 459 230	2 705 143	5.70	Delay in approval of bus project. Delay in upgrading buildings owing to contractor in breach of contract. Savings on projects due to lower tender amounts
Financial Services	11 837 608	21 025 135	9 026 037	42.93	Tender process started late in financial year for upgrading of pay points. Insurance replacement projects are dependant on claims
Housing and Sustainable Human Settlement Development	273 037 435	349 737 035	65 883 576	18.84	Non-implementation of projects due to funds not approved/received from Province. Non- implementation of upgrading of Schubart Park and Kruger Park blocks
Sport and recreation	178 186 940	192 378 000	14 261 827	7.41	Nellmapius Community Centre project could not be implemented - will be re-prioritised in the future years
Community Safety	33 610 923	71 068 805	36 912 751	51.94	Delay in delivery of vehicles
Agriculture and Environmental management	80 396 088	81 578 000	1 181 912	1.45	Dispute resolution regarding the outsourcing of refuse removal eminated in delays
Health and Social development	8 774 561	33 198 826	24 353 558	73.36	Delay in approval of tenders
City Planning and regional services	22 005 521	19 392 100	8 202 60	42.30	Delay in phase 2 - to continue in July 2009
Public Works:	1 957 088 867	2 104 489 317	151 764 729	7.21	
Roads & Stormwater	561 732 384	618 503 392	56 771 008	9.18	Delay in EIA studies
Transport	224 574 667	301 142 600	80 932 212	26.88	Delays in procurement process and MIG funding awaiting business plan approval. Delay in PTIS funded projects (BRT)
Electricity	469 907 238	459 364 171	(10 543 067)	(2.30)	Late posting of reservations caused a variation in contractor payments as a result of escalation in material prices
Water and sanitation	700 874 578	725 479 154	24 604 576	3.39	Consultant used incorrect data to calculate escalation which resulted in lower compensation. Closing of sites. Inefficient management of resources by contractor
Nett Expenditure	2 685 511 166	3 050 998 246	365 325 645	11.97	-

Appendix H: Disclosure of Grants and Subsidies in terms of Section 123 of the MFMA (Act 56 of 2003) Grants and Subsidies Recieved During the Finanacial year ended 30 June 2009

Name of Grant	Name of Organ of state or municipal entity	Opening balance	Correction of prior years	Transfers		Quarterly	Receipts			Expenditure	Closing balance	Grants and Subsidies delayed/ withheld	Reason for delay/ withholding of funds	Compliant with the grant conditions in terms of grant framework	Reasor for nor com- pliance
			P		Sept	Dec	March R	June	Total	June R	R	July to June		in the latest DoRA	
Capital Grants:		R	ĸ	K	ĸ	K	K	ĸ	ĸ	K	K				
Economic Development National Electricity Fund	Gauteng: Sport, Recreation National Electricity Regulator	1 115 401 4 198 110	(4 188 662) 0	5 714 374 0	0 0	0 20 000 000	0 40 500 000	1 500 000 0	1 500 000 60 500 000	1 466 404 60 416 253	2 674 709 4 281 858	None None	None None	Yes Yes	n/a n/a
Gauteng Project Linked Housing	Gauteng: Housing Department	888 441	(576 492)	23 786 387	576 493	0	1 500 000	134 090 776	136 167 269	129 596 252	30 669 353	R134,5 m Topstructure & R46.0 m other	Under performance	Yes	n/a
North West: Project Linked Housing	North West: Housing	1 922 450	0	(1 922 450)	0	0	0	0	0	0	0	None	None	Yes	n/a
Municipal Infrastructure Grant (MIG)	Department: Provincial and Local Government	35 892 625	2 059 725	(2 960 564)	85 000 000	60 000 000	88 602 000	53 274 516	286 876 516	287 295 989	34 572 313	None	None	Yes	n/a
Gautrans Job Creation	Gautrans	5 000 000	0	(5 000 000)	0	0	0	0	0	0	0	None	None	Yes	n/a
Water & Sanitation	Department Water Affairs and Forestry Gauteng Department Transportation	0	4 326 978	(6 826 778)	0	0	0	4 750 000	4 750 000	2 250 100	100	None	None	Yes	n/a
Transportation	Engineering	3 000 000	0	(3 000 000)	0	0	0	0	0	0	0	None	None	Yes	n/a
ESKOM	eskom	12 953	0	(12 953)	0	0	0	0	0	0	0	None	None	Yes	n/a
World Cup Soccer 2010: Roads	Gauteng Department Transportation Engineering Gauteng Department Transportation	19714916	0	22 174 683	132 000 000	0	0	0	132 000 000	98 171 247	75 718 352	R120,0 m PTIS funds	Under performance	Yes	n/a
World Cup Soccer 2010: Transport	Engineering	48 431 252	0	(/	128 000 000	0	0	0	128 000 000	61 135 957	66 864 043			Yes	n/a
Restructuring Grant Unforseen water problems	National Treasury Gauteng: Department of Public Works	92 272 7 322 068	0	(92 272) (2 482 275)	0	0	0 2 686 245	0	0 2 686 245	0 7 526 038	0	None None	None None	Yes Yes	n/a n/a
Monument Gholf club	Monument Gholf club	/ 322 000	0	3 000 000	0	0	2 000 243	0	2 000 243	2 785 163	214 837	None	None	Yes	n/a
Neighbourhood Watch Development	National Treasury	0	0	0	0	0	0	6 725 126	6 725 126	0	6 725 126	None	None	Yes	n/a
Sandspruit Works Association	Various spheres of Government	4 282 952 131 873 440	1 (21 5 40	(16 053 100)	245 576 402	80 000 000	133 288 245	10 340 446	10 340 446 769 545 602	(944 965) 649 698 438	13 678 433 235 399 124	None	None	Yes	n/a
Operational grants/subsidies:		131 873 440	1 021 349	(10 053 100)	343 370 493	80 000 000	133 200 243	210 080 804	709 545 602	049 090 430	235 399 124				
Health: HIV/AIDS	National Department of Health	1 500 000	0	0	1 500 000	0	0	1 500 000	3 000 000	2 157 398	2 342 602	None	None	Yes	n/a
Heath Subsidy	National Department of Health	0	0	0	5 581 400	5 581 400	5 581 400	5 810 160	22 554 360	22 554 360	0	None	None	Yes	n/a
Ambulance subsidy Top Structures: Project Linked	Provincial Department of Health	0	0	0	9 475 750	9 475 750	9 475 750	9 950 000	38 377 250	38 377 250	0	None	None	Yes	n/a
Housing	North West Housing	13 385 058	1 410 483	(14 795 541)	0	0	0	0	0	0	0	None	None	Yes	n/a
Finance Management Grant Restructurina Grant	National Treasury National Treasury	1 304 687 86 693 834	0	0 92 272	750 000 0	0	0	0	750 000 0	539 449 45 679 594	1 515 238 41 106 512	None None	None None	Yes Yes	n/a n/a
Municipal System Improvement	7		0	92 2/2	0	0	0	0	0	43 079 394					
Grant	National Treasury Department: Provincial and Local	498 400	0	0	0	0	0	0	0	0	498 400	None	None	Yes	n/a
Equitable share	Government	0	0	0	434 354 708	325 766 031	575 429 692	0	1 335 550 431	1 335 550 431	0	None	None	Yes	n/a
Transportation & Engineering	Department of Transport	0	0	8 000 000	0	0	0	0	0	6 446 833	1 553 167	None	None	Yes	n/a
Refurbishment of Temba Works	Department of Water Affairs and	0	500 200	(500 200)	502 250	740 250	512 250	380 000	2 134 750	2 082 188	52 562	None	None	Yes	n/a
Department of Water Affiars	Forestry Department of Water Affairs and	0	0	0	3 188 000	2 877 000	5 167 000	2 135 000	13 367 000	11 087 000	2 280 000	None	None	Yes	n/a
Housing Accreditation	Forestry Gauteng Housing Department	2 936 807	334 876	0	0	0	0	0	0 000	0	3 271 683	None	None	Yes	n/a
Bontle Ke Botho	Gauteng: Agriculture, Conservation	1 457 223	0	0	0	0	500 000	0	500 000	393 823	1 563 400	None	None	Yes	n/a
	and Evironment	1 437 223	-	-	0	4 000 000	500 000	0		3 4 2 5 0 6 5	574 935			Yes	., -
Arts and Culture Loftus Upgrade 2010	Gauteng: Sport, Recreation Gauteng Department of Transport	0 48 446 709	0 (9 976 340)	0	0 830 473	4 000 000 46 515 253	0 26 450 969	1 398 796	4 000 000 75 195 491	3 425 065 75 386 212		None None	None None	Yes Yes	n/a n/a
2010 Host Cities	National Treasury	0 1010707	0 0	0	000470	40 0 10 200	20430707	40 000 000	40 000 000	0 000 212	40 000 000	None	None	Yes	n/a
Agriculture	Gauteng Department of Agriculture,	440 000	0	6 250	0	0	0	0	0	440 000	6 250	None	None	Yes	n/a
0	Conservation Gauteng Department of Transport	0	0	0	0	0	0	71 774 940	71 774 940	71 774 940	0	None	None	Yes	n/a
Motor vehicle licences refund			(00 / / 0)	1 091 568	0	0	0	0	0	5 163 330	144 496	None	None	Yes	n/a
Motor vehicle licences retund World Cup Soccer: Roads	Gauteng Department Transportation	4 238 926	(22 668)	10/1000											
	Engineering Gauteng Department Transportation	4 238 926 43 400 000	(22 008)	25 165 000	0	0	0	0	0	3 608 246	64 956 754	None	None	Yes	n/a
World Cup Soccer: Roads World Cup soccer : Transport			(<i>i</i>		0	0	0	-	0 108 000		64 956 754 54 000				,
World Cup Soccer: Roads	Engineering Gauteng Department Transportation Engineering	43 400 000 0 3 000 000	0	25 165 000 0 (3 000 000)	0	0	0	108 000 0	108 000 0	54 000 0	54 000 0	None None None	None None None	Yes Yes Yes	n/a n/a n/a
World Cup Soccer: Roads World Cup soccer : Transport Stipends	Engineering Gauteng Department Transportation Engineering DBSA Monument Gholf Club	43 400 000 0	0	25 165 000 0 (3 000 000)	0	0	0	108 000 0	108 000 0		54 000 0	None	None	Yes	n/a

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CITY OF TSHWANE

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2009 (After audit adjustments – 7 December 2009)

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APPROVAL OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these consolidated annual financial statements, which are set out on pages 1 to 85 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 Councilors as disclosed in Note 25 of these consolidated annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

DR N. LUKHWARENI Acting CITY MANAGER

30 September 2009

GENERAL INFORMATION:

MEMBERS OF THE COUNCIL:

Ramokgopa, Gwen (Dr)	Executive Mayor
Dau, K J (Khorombi)	Speaker
Skosana, Vusi	Chief Whip
Komane (Ms) Tebogo	MMC: Economic Development
Ditshoke, A M	MMC: Housing (Sustainable Human Settlement Development)
Ernest, T (Ms)	MMC: Agriculture and Environmental Management
Lehobye, Kideledi	MMC: Community Safety and Emergency Services
Mahlangu, B W	MMC: Finance
Masondo, Z L (Ms)	MMC: Sports, Recreation, Arts and Culture
Makoena, Naldo	MMC: City Planning and Development
Pillay, Subesh	MMC: Public Works and Infrastructure Development
Thipe, S S (Ms)	MMC: Health and Social Development
Twala, Gabriel	MMC: Corporate and Shared Services

City Manager

Kekana, Kiba D Telephone: 012 – 358 4901 E-mail: <u>KibaKe@tshwane.gov.za</u> Chief Financial Officer Makhari, Ndanduleni (Ms) Telephone: 012 – 358 8100 E-mail: <u>NdanduleniM@tshwane.gov.za</u>

Grading of local authority:	Metro
Auditors:	Auditor-General
Bankers:	Standard Bank, Van der Walt Street, PRETORIA
Registered Office: City Manager 9 TH Floor, Munitoria, Van der Walt Street, PRETORIA 0002	P O Box 440 PRETORIA 0001

Registered Office: Chief Financial Officer

373 Pretorius Street	P O Box 408
PRETORIA	PRETORIA
0002	0001

Legislation governing the municipality's operations:

Local Government: Municipal Finance Management Act (Act 56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Housing Act (Act 107 of 1997) Constitution of the Republic of South Africa (Act 108 of 1996) Property rates Act, 2004 (Act 6 of 2004) Division of Revenue Act, 2007 (Act 1 of 2007)

Entities Consolidated

Consistent with the prior financial year the following Municipal Entities were included in the Consolidated Annual Financial Statements:

- Housing Company Tshwane
- Sandspruit Works Association (ODI Water and Waste Water)
- Civirelo Water
- Tradepoint Pretoria (liquidation underway)

Entities disestablished

The Roodeplaat Temba Water Services Trust which was included in the consolidated financial statements of 2007/08 was disestablished on 1 July 2008 and the statement of financial position was incorporated into the records of the City of Tshwane with effect from 1 July 2008.

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE GROUP FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE CITY OF TSHWANE METROPOLITAN MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying group financial statements of the City of Tshwane Metropolitan Municipality (CoT) which comprise the consolidated and separate statement of financial position as at 30 June 2009, and the consolidated and separate statement of financial performance, the consolidated and separate statement of changes in net assets and the consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [xx] to [xx].

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

- 3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126 of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
- 4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 6. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1, Presentation of Financial Statements requires that financial reporting by

entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the CoT in this respect will be limited to reporting on non-compliance with this disclosure requirement.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

Property rates and consumer debtors

8. I could not satisfy myself as to the occurrence, completeness and cut off of the amounts (current and corresponding figures) disclosed as property rates of R2, 299 billion (2008: R2, 185 billion) in the statements of financial performance and as to the correct valuation and allocation of consumer debtors of R2, 667 billion (2008: R2, 393 billion) in the statement of financial position, as sufficient and appropriate information could not be provided for audit purposes in respect of the correcting journals processed during the year as well as after year-end, for the correct allocation of revenue to the current and prior financial years.

Qualified opinion

9. In my opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the consolidated and separate financial position of the City of Tshwane Metropolitan Municipality as at 30 June 2009 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended, in accordance with GRAP and in the manner required by the MFMA.

Emphasis of matters

I draw attention to the following matters on which I do not express a qualified opinion:

Going concern/Financial sustainability

- 10. While the municipality has prepared financial statements on a going concern basis, there are a number of indicators that its financial sustainability is under threat, as indicated in paragraph 8.4 of the chief financial officer's report. These indicators related to the world economic recession as well as the slow repayment of debtors and a substantial increase in the consumer debtors and creditors amounts from the prior year. Subsequent to year-end the municipality has substantially increased its overdraft facility. Furthermore, the CoT required more funds to ensure that the capital replacement reserve and housing development fund had sufficient cash backing as per its accounting policies.
- 11. One of the CoT's municipal entities, Housing Company Tshwane's rental income has decreased during the year under review, its debtors payments have deteriorated and key senior management personnel have resigned subsequent to year-end. Furthermore, the accounting officer's report of the entity indicated uncertainty with respect to the future cash flows of the entity. These conditions cast significant doubt on the entity's ability to continue as a going concern and the entity has not yet finalised a plan to ensure its future sustainability.

The cash flow and other problems of the Housing Company Tshwane, including the unavailability of information and documentation required for audit purposes, led to a disclaimer of the audit opinion on its financial statements.

12. Civirelo Water, a municipal entity of the CoT, incurred a net loss of R17, 6 million during the year ended 30 June 2009 and as at that date the entity's total liabilities exceeded its total assets by R29, 2 million. These conditions, along with other matters set out in the director's report indicate the existence of a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

Unauthorised expenditure and deviations from supply chain management procedures

- 13. As disclosed in note 45.1 to the annual financial statements an amount of R75 million of unauthorised expenditure was still awaiting authorisation from the council, as required by section 32(2) of the MFMA.
- 14. The municipality incurred unauthorised expenditure of R477 million in respect of the late approval of the deviation report (not approved before 31 August) as disclosed in note 45.4 to the annual financial statements.
- 15. Deviations from the official procurement process during the financial year were approved in terms of the delegations as stipulated in the supply chain management policy and amounted to approximately R351 million as disclosed in note 47 to the annual financial statements.

Other matters

16. I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Unaudited supplementary schedules

17. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly do not express an opinion on them.

Non-compliance with applicable legislation

Municipal Finance Management Act

- 18. As previously reported, the then council of the CoT in 2001 resolved to provide an official residence to the mayor of the CoT. This provision of an official residence to a mayor does not fall within the framework of the Remuneration of Public Office-Bearers Act, 1998 (Act No. 20 of 1998), which, in turn, results in the transgression of section 167 of the MFMA, which came into effect in 2004 and states that the municipality may remunerate its members of the political structure only within the framework of the Remuneration of Public Office-Bearers Act, 1998. If it falls outside this, it must be classified as irregular expenditure and the municipality must take appropriate steps as required.
- 19. The CoT failed to submit electronic and signed returns on their conditional grants spending for the period ended 30 June 2009 in terms of section 74(1) of the MFMA. Furthermore, the CoT also did not sign the section 71 report for the period ended 30 June 2009, as evidence of verification.
- 20. Invoices were not paid within 30 days of receiving the relevant invoice as required by section 65(e) of the MFMA.

- 21. Section 64(2)(h) of the MFMA requires that appropriate reconciliations be done at least on a weekly basis for revenue received by the municipality, including revenue received by any collecting agents on its behalf. However, collections by agents/municipality were not appropriately reconciled at least on a weekly basis for transport income, prepaid electricity and licences.
- 22. No financial statements were received for auditing in terms of section 126(2) of the MFMA for Tshwane Economic Development Agency and Tshwane Centre for Business Information and Support, being municipal entities of the CoT. As such we could not confirm whether these entities had any assets and liabilities that had to be included in the consolidated annual financial statements of the CoT.

Municipal Systems Act

- 23. Various reconciling differences were identified in the property values on the valuation systems (ProV) and the billing system (SAP), resulting in individual accounts not being billed timeously and accurately. This resulted in non-compliance with section 95(e) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), which states that the municipality must ensure that persons liable for payments receive regular and accurate accounts that indicate the basis for calculating the amounts due.
- 24. Section 95(e) (h) of the MSA Customer Care and Management, requires that the "municipality provide a mechanism to monitor the response time and efficiently in complying with dealing with complaints," as notifications were not always timeously cleared, work was not always performed on notifications created and work orders were closed before actual work was performed.

Governance framework

25. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

Internal control deficiencies

26. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. The number listed per component can be followed with the legend below the table. In some instances deficiencies exist in more than one internal control component.

Par. no.	Basis for qualified opinion	CE	RA	CA	IC	Μ
8	Property rates and consumer debtors	6				1

Conclusion on the governance framework

27. The above was mainly due to the following:

- Insufficient monitoring controls and oversight by senior management over the preparation and completion of financial statements, with specific reference to the reviewing and evaluation of supporting documentation and figures.
- Insufficient guidance/procedures provided to staff regarding the preparation of financial statements.

Legend	
CE = Control environment	
The organisational structure does not address areas of responsibility and lines of reporting	1
to support effective control over financial reporting.	-
Management and staff are not assigned appropriate levels of authority and responsibility	2
to facilitate control over financial reporting.	
Human resource policies do not facilitate effective recruitment and training, disciplining	3
and supervision of personnel.	•
Integrity and ethical values have not been developed and are not understood to set the	4
standard for financial reporting.	
The accounting officer/accounting authority does not exercise oversight responsibility over	5
financial reporting and internal control.	-
Management's philosophy and operating style do not promote effective control over	6
financial reporting.	•
The entity does not have individuals competent in financial reporting and related matters.	7
RA = Risk assessment	·
Management has not specified financial reporting objectives to enable the identification of	1
risks to reliable financial reporting.	•
The entity does not identify risks to the achievement of financial reporting objectives.	2
The entity does not analyse the likelihood and impact of the risks identified.	3
The entity does not determine a risk strategy/action plan to manage identified risks.	4
The potential for material misstatement due to fraud is not considered.	5
CA = Control activities	
There is inadequate segregation of duties to prevent fraudulent data and asset	1
misappropriation.	'
General information technology controls have not been designed to maintain the integrity	2
of the information system and the security of the data.	-
Manual or automated controls are not designed to ensure that the transactions have	3
occurred, are authorised, and are completely and accurately processed.	Ŭ
Actions are not taken to address risks to the achievement of financial reporting objectives.	4
Control activities are not selected and developed to mitigate risks over financial reporting.	5
Policies and procedures related to financial reporting are not established and	6
communicated.	Ŭ
Realistic targets are not set for financial performance measures, which are in turn not	7
linked to an effective reward system.	•
IC = Information and communication	
Pertinent information is not identified and captured in a form and time frame to support	1
financial reporting.	•
Information required to implement internal control is not available to personnel to enable	2
internal control responsibilities.	-
Communications do not enable and support the understanding and execution of internal	3
control processes and responsibilities by personnel.	-
M = Monitoring	
Ongoing monitoring and supervision are not undertaken to enable an assessment of the	1
effectiveness of internal control over financial reporting.	
Neither reviews by internal audit or the audit committee nor self -assessments are evident.	2

Internal control deficiencies are not identified and communicated in a timely manner to 3 allow for corrective action to be taken.

Key governance responsibilities

28. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	Ν
Clea man	r trail of supporting documentation that is easily available and provide ner	d in a t	imely
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.		√
Qua	lity of financial statements and related management information		
2.	The financial statements were not subject to any material amendments resulting from the audit.		√
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	~	
Tim	eliness of financial statements and management information		
4.	The annual financial statements were submitted for auditing as per the legislated deadlines in section 126 of the MFMA.	~	
Ava	ilability of key officials during audit		
5.	Key officials were available throughout the audit process.	✓	
	elopment and compliance with risk management, effective internal ernance practices	contro	l and
6.	Audit committee		
	• The municipality had an audit committee in operation throughout the financial year.	✓	
	• The audit committee operates in accordance with approved, written terms of reference.	~	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	~	
7.	Internal audit		
	• The municipality had an internal audit function in operation throughout the financial year.	✓	
	• The internal audit function operates in terms of an approved internal audit plan.	✓	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		1
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		~
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and		~

No.	Matter	Y	Ν
	regulations.		
10.	The information systems were appropriate to facilitate the preparation of the financial statements.		•
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(c) (i) of the MFMA.		•
12.	Delegations of responsibility are in place, as set out in 106 of the MFMA.	✓	
Follo	ow-up of audit findings	1	
13.	The prior year audit findings have been substantially addressed.	✓	
14.	SCOPA/Oversight resolutions have been substantially implemented.	N/A	1
lssu	es relating to the reporting of performance information	1	
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		√
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		~
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Municipality against its mandate, predetermined objectives, outputs, indicators and targets (section 68 of the MFMA).	~	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	•	

Overall reflection on governance framework

29. The municipality has all the required governance structures in place. For deficiencies in this regard, refer to paragraph 27 above.

Investigations

30. Thirty-two cases were received by the forensic audit section of the CoT's internal audit unit for the current financial year, 11 of which were finalised. The nature of cases covered a wide spectrum of activities, including bribery, theft, financial corruption, RDP houses misallocation and tender irregularities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

31. I have reviewed the performance information as set out on pages xx to xx.

The accounting officer's responsibility for the performance information

32. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the MSA.

The Auditor-General's responsibility

- 33. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
- 34. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
- 35. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the review findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

No mid-year budget and performance assessment

- 36. No evidence was submitted to verify that the accounting officer of the CoT submitted the monthly budget statements to the mayor of the CoT within 10 working days after the end of each month in terms of section 71(1) of the MFMA.
- 37. No evidence was submitted to verify that the accounting officer of both Civirelo Water and Sandspruit Works Association (municipal entities of the CoT) submitted to the accounting officer of the CoT the information in respect of the entity's budget in terms of section 87(11) of the MFMA within seven days after the end of each month.
- 38. No evidence was provided to verify that the accounting officer of Housing Company Tshwane complied with the provisions of both sections 87(11) and 88 of the MFMA in respect of monthly budget statements, mid-year budget and performance assessment.
- 39. No evidence could be provided to verify that the Housing Company Tshwane complied with the provisions of section 121(4)(d) of the MFMA in respect of performance information.

Usefulness and reliability of reported performance information

- 40. The following criteria were used to assess the usefulness and reliability of the information on the municipality's performance with respect to the objectives in its integrated development plan:
 - Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan?
 - Relevance: Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate. Is this specific and measurable, and is the time period or deadline for delivery specified?
 - Reliability: Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following audit findings relate to the above criteria:

Reported performance information not relevant

41. The indicator with regard to public transport was not specific in clearly identifying the nature and the required level of performance, as the method used to measure the performance of public transport did not necessarily give an indication of how the municipality has increased the accessibility to public buses. As bus tickets sold was used to determine the number of passengers using buses, this could result in the same passengers being included more than once in the calculation. This resulted in an incorrect indication of the improvement of bus usage as required by the key performance indicator (KPI).

Reported performance information not reliable

Lack of source documentation

42. Sufficient appropriate audit evidence in relation to the reported performance information for the KPI on housing could not be provided for audit purposes.

Source information not accurate and complete

- 43. The source information or evidence provided to support the reported performance information with regard to various KPI's did not adequately support the accuracy and completeness of facts. Examples included the following:
 - Reported information on crime levels was only for eight months and did not cover the entire period, thus information was incomplete.
 - Sufficient appropriate audit evidence with regard to the reported information in respect of the KPIs on roads and storm water could not be obtained as the system used was not appropriate to facilitate the preparation of accurate and complete actual performance information.
 - Evidence received in respect of solid waste removal, public transport, water, sanitation and households registered as indigents differed from amounts/ percentages reported.
 - Evidence submitted in respect of the disaster risk management plan differed from the actual achievement percentage as reported.

APPRECIATION

44. The assistance rendered by the staff of the City of Tshwane during the audit is sincerely appreciated.

Pretoria

21 December 2009



Auditing to build public confidence

REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

The 2008/09 financial year posed many challenges and obstacles which had to be addressed and accommodated by the limited financial and other resources.

The budget and the City of Tshwane's five-year strategic plan are aligned with the vision and imperatives of national government, which are to address service delivery backlogs.

The following strategic areas were focussed on during the 2008/09 budget:

- The eradication of backlogs and investment in infrastructure for basic services and for growth
- Economic growth and development that is shared and creates sustainable jobs
- Building safer, more secure and more sustainable communities
- The deepening of democracy
- Financial viability and management of resources
- A caring and effective government
- Institutional capacity and transformation

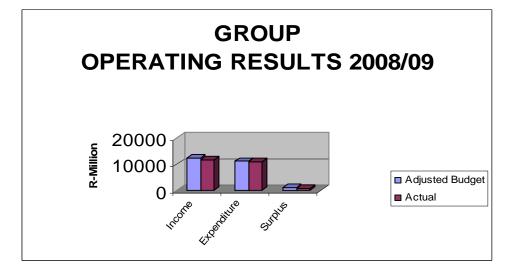
To budget for improved service delivery and then subsequently realising operational efficiency while it is also ensured that the deliverables are attained in a sustainable manner, has been a huge challenge during the 2008/09 financial year. The challenge of addressing unlimited needs within the constraints of limited resources has necessitated a change in the way we do business to ensure that we stretch our resources to the maximum.

2. REVIEW OF OPERATING RESULTS

The 2008/09 budget of the City of Tshwane was approved by Council on 29 May 2008 and the Adjustments Budget was approved by Council on 29 January 2009. Figures with regard to the 2008/09 original budget as well as the adjusted budget are included in this report. The budgets of the municipal entities are not included as not all the budgets were available.

2.1 General

Details of the 2008/09 operating results per department and classification of revenue and expenditure are included in the Statement of Financial Performance and appendix D. A graphical presentation of the operating results is shown in the graph below:



The overall operating results for the year ending 30 June 2009 are as follows:

Description	Original Budget 2009 Parent R'000	Adjusted Budget 2009 Parent R'000	Actual 2009 Parent R'000	Actual 2009 Group R'000	Variance Actual/ Adjusted Budget %	Actual 2008 Parent R'000	Actual 2008 Group R'000
BEVENUE		11 000	11 000	11 000	/0	11 000	11 000
REVENUE Accumulated surplus: Beginning of							
year			859 522	888 593		864 955	930 812
Operating revenue for the year	12 708 977	12 244 224	11 638 995	11 751 331	4.03	10 187 705	10 468 954
	12 708 977	12 244 224	12 498 517	12 639 924		11 052 660	11 399 766
EXPENDITURE							
Operating expenditure for the year	11 010 559	11 263 553	11 263 553	11 050 592	1.89	9 848 728	10 173 592
Sundry transfers *	1 698 418	1 180 671	217 539	566 815		344 410	337 581
Accumulated surplus: End of year			1 017 425	1 022 517		859 522	888 593
	12 708 977	12 444 224	12 498 517	12 639 924		11 052 660	10 399 766

* Sundry transfers consist of transfers to and from the reserves for example offset depreciation for projects financed from grants and the Capital Replacement Reserve

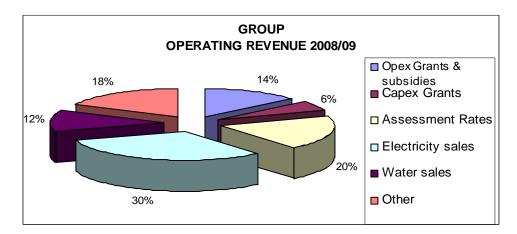
The actual net expenditure of the Municipality reflects an increase of 14.4% (Group increased with 8.6%) while the actual revenue of the Municipality has increased by 14.2% (Group increased with 12.2%) since 2007/08. The largest increase on revenue since 2007/08 occurred on assessment rates, service charges, interest on debtors and government grants and subsidies. The largest increase on expenditure since the previous financial year occurred on the following items:

Expenditure item	Municipality (increase) %	Group (increase) %
Remuneration	14.8	14.9
Remuneration of Councillors	25.2	25.2
Bad debt written off	64.0	93.8
Interest paid	40.3	17.8
Bulk purchases	23.2	28.1
Repair and maintenance	25.8	25.5
Contribution to bad debt provision	17.2	3.8

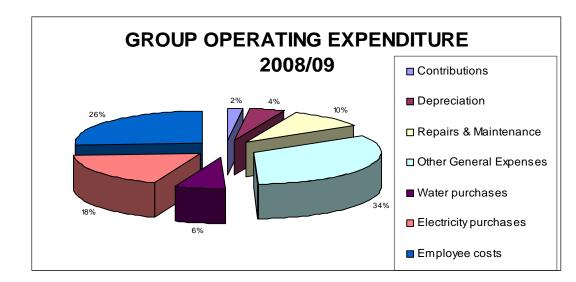
Interest paid by the Municipality increased with 40.3% since 2007/08 due to the increase in external loans taken up

2.2 Operating Revenue

The following graph indicates a break down of the largest categories of revenue.



2.3 Operating expenditure



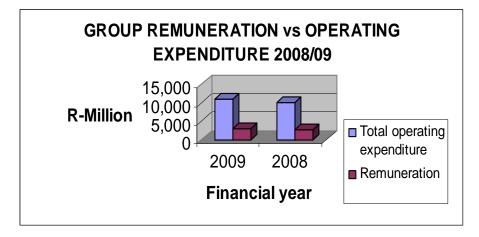
The graph below indicates the break down per main expenditure group.

Remuneration

The actual expenditure on remuneration expressed as a percentage of the total expenditure shows a slight increase from 26.6% in 2007/08 to 27.6% in 2008/09. For the Group it increased from 26.2% to 27.7% since 2007/08.

The total remuneration cost and the allocation of individual items in a remuneration package differ from municipality to municipality for example; certain municipalities are more contracts intensive whilst others might be more labour intensive. In terms of the Restructuring grant, the target for remuneration as a percentage of revenue is 33.0%.

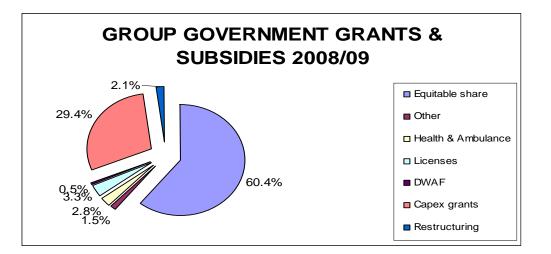
	200	8/09	2007/08		
Description	Parent	Group	Parent	Group	
Total operating expenditure	10 918 585	11 050 592	9 848 728	10 173 593	
Total operating revenue	11 638 995	11 751 331	10 187 705	10 468 954	
Employee remuneration	3 009 111	3 061 854	2 621 003	2 665 394	
Ratio: % of total expenditure	27.6 %	27.7 %	26.6 %	26.2 %	
Ratio: % of total revenue	25.8 %	26.1 %	25,7 %	25.5 %	
% Growth in remuneration expense	14.8 %	14.9 %	8.7 %	8.9 %	



2.4 Government grants and subsidies

The following table and graph show the amounts received in terms of grants, contributions and subsidies from the Central Government and the Gauteng Provincial Government, which amounts have been included in the total revenue:

	2008	3/09	2007/08		
Description	Parent	Group	Parent	Group	
	R'000	R'000	R'000	R'000	
Equitable share	1 335 550	1 335 550	1 101 416	1 101 416	
Provincial Health Subsidy	22 554	22 554	22 669	22 669	
Provincial Ambulance Subsidy	38 377	38 377	36 005	36 005	
Provincial Motor vehicle licenses refund	71 776	71 776	66 191	66 191	
Capex: grants and donations	650 643	650 643	474 450	474 450	
Opex: grants and donations	97 075	97 075	154 163	154 163	
Finance Management Grant	539	539	699	699	
Restructuring Grant	45 680	45 680	52 228	52 228	
Department of Water Affairs and Forestry	13 169	12 224	13 962	16 235	
MSIG	0	0	2 502	2 502	
	2 275 363	2 272 418	1 924 285	1 926 558	



2.5 Provision for Employment benefits

In terms of accounting standard IAS 19: Employment benefits a provision had to be created for the liabilities in respect of post-employment benefits. Actuarial valuations and calculations indicated that a liability provision to the total amount of R1,004 billion had to be created for 2008/09. The liability provision for 2007/08 amounted to R838, 893 million and the figures with regard to 2007/08 were therefore restated. The balance of the accumulated surplus was adequate to provide for the total liability. The creation of this provision was debited against general expenses (statement of financial performance) and Post-employment benefit liability on the statement of financial position. This provision need to be adjusted annually at year end and need to be taken up in the annual budget.

3. DEBTORS

Details regarding the debtors are provided in Note 14 (Long-term receivables), Note 16 (Consumer Debtors) and Note 17 (Other Debtors) of the Notes to the Consolidated Annual Financial Statements.

Long-term receivables:

The long-term receivables showed an increase of R52,8 million (15.9%). This increase can mainly be ascribed to an increase in the arrangement consumer debtors (increase of R42,8 million) and an increase in the sale of land (R13,6 million).

Consumer debtors:

The consumer debtors for the group increased in total with an amount of R505.575 million (14.4%). The increase in debt per customer classification is made up as follows:

	Pare	nt	Group		
Customer classification	Total	Increase/ (Decrease)	Total	Increase/ (Decrease)	
	R'000	R'000	R'000	R'000	
Households	2 686 383	338 320	2 920 854	370 242	
Industrial/Commercial	762 949	96 008	762 949	96 008	
National and Provincial government	56 217	7 074	56 217	7 074	
Other	509 971	64 173	509 971	64 173	
Total	4 015 520	505 575	4 249 991	537 497	

The increase in consumer debt per ageing analysis is as follows:

	Pa	rent	Group		
Age analysis group	Total R'000	Increase/ (Decrease) R'000	Total R'000	Increase/ (Decrease) R'000	
Current (0-30 days)	1 062 178	24 086	1 296 649	56 007	
31 – 60 days	189 344	(7 673)	189 344	(7 673)	
61 – 90 days	110 957	8 965	110 957	8 965	
91 + days	2 653 041	480 198	2 653 041	480 198	
Total	4 015 520	505 575	4 249 991	537 497	

Other debtors:

The Other Debtors for the Group in total increased with an amount of R202.3 million (parent = R198.2 million increase). This can mainly be attributed to an increase in housing debtors of R13,7 million (43.9%) for the group and for the parent an increase of R5,3 million.

Other current debtors for the group increased with R395.8 million. For the parent other current debtors increased with R400.1 million which is due to an increase in sundry rentals and sundry year end debtors which include outstanding ambulance subsidies, outstanding health subsidies, waste management-bulk containers and outstanding grants e.g. Housing Grants R125 million and MIG R53 million as well as public contributions to the amount of R143.6 million. The RSC levies debtor decreased with an amount of R200,5 million due to a write back of the debtor against the provision for bad debt as the 3 year period has lapsed.

3.1 Consumer debtors

The following is an indication of the effectiveness of credit control measures, as well as the ability to convert debtors into cash:

Description	200	8/09	2007/08	
Description	Parent	Group	Parent	Group
Debits levied : Consumer debtors	7 947 309	8 048 950	7 024 024	7 110 025
Balance on 1 July	3 509 944	3 712 493	3 146 540	3 293 028
Balance on 30 June	4 015 520	4 249 991	3 509 944	3 712 493
Average balance	3 762 732	3 981 242	3 328 242	3 502 761
Turnover: Number of times (levies/average balance) Turnover: Number of days (days in financial	2.11	2.02	2.11	2.03
year/number of times)	173	181	173	180
Days in the financial year	365	365	366	366

From the table it is clear that, although the number of days to recover debt remained unchanged at 173 days since 2007/08 for the parent (and for the group it increased from 180 to 181 days), the outstanding consumer debt still is negative. This high turnover has serious implications on the cash flow of the Municipality specifically.

On 1 July 2008 the Municipality implemented the Municipal Property Rates Act of 2004 and this increased the revenue base with 122 000 Sectional Title Units. This increase in the revenue base had an impact on the increase of the debtor's book even though there was no change in the number of days to recover debt since the previous financial year. The Municipality has introduced various strategic interventions to collect outstanding consumer debt, for example:

- The Municipality has introduced the blocking of prepaid vending for electricity when the other services are in arrears
- The implementation of section 28 of the Municipal Property Rates Act, where the municipality forces a tenant to pay rent directly to the Municipality when the owner is in arrears with property rates
- The Municipality introduced a process of disconnecting services if property rates tax is in arrears

On 1 January 2009 the Municipality has appointed a panel of 4 new collection agencies that will further assist with the collection of arrears in line with Chapter VIII of the Magistrate Court Act of 1944. The collection agencies have signed a robust performance agreement that will enhance collection of revenue. The Municipality is currently piloting an outbound debt call for the Top 1 000 business accounts.

A collection rate calculated on the total levies for a period compared to the total payments received during the same period is used to measure revenue recovery. The credit control policy and the actions taken in terms of the policy started producing better results, since an average collection rate of 98.3% (2007/08 = 99.0% and 2006/07 = 98.3%) was maintained by the Municipality during the 2008/09 financial year.

4. CAPITAL EXPENDITURE AND FINANCING (only with regard to Parent)

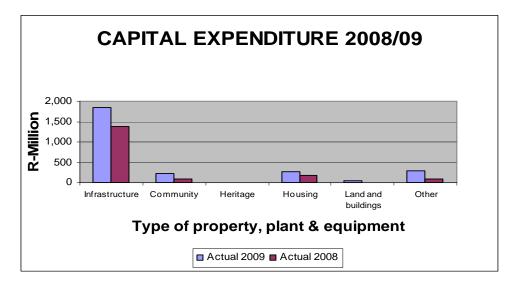
The Municipality's original approved Capital Expenditure Budget for 2008/09 amounted to R3 161 765 000 and was accepted by National Treasury. This Capital Budget was amended by means of an adjustments budget approved by Council on 29 January 2009 to R3 050 998 246 in total, as a result of Strategic Units requesting to review the performance of the capital programme. Actual capital expenditure incurred during the year in respect of property, plant and equipment amounted to R2 685 672 601. The actual capital expenditure is 52.8% more than the previous financial year, but only relates to a 88.0% performance against the adjusted budget for 2008/09. The actual expenditure is 11.97% less than the adjusted budget, which can mainly be attributed to non-achieving of the SDBIP targets due to various reasons for example:

- Delays in EIA studies
- Delays in implementation of BRT programme PTIS funded projects
- Delays in procurement process
- Delays in approval of business plans for MIG funding
- Non-receipt of grant funding or withholding of grant funding Government Housing and PTIS funded projects
- Workmanship quality and material acquisition problems due to emerging contractors
- Delay in delivery of specialized vehicles

The table below represents the Capital Expenditure per Type of Asset:

Actual Capital expenditure according to asset class				
Type of Asset	Parent Actual 2009 R	Parent Actual 2008 R		
Infrastructure	1 844 867 557	1 384 562 498		
Community	229 883 607	94 565 396		
Heritage	0	0		
Housing	263 141 486	186 983 791		
Land and buildings	47 526 719	3 751 441		
Other	300 253 232	88 039 174		
Total	2 685 672 601	1 757 902 300		

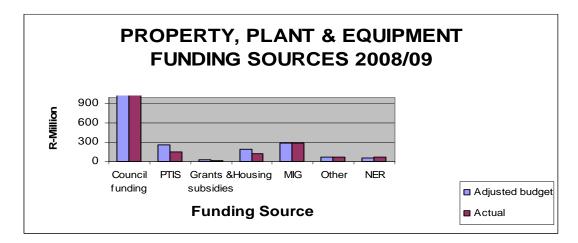
The graph shows the distribution of the property, plant and equipment according to the type.



The above-mentioned property, plant and equipment of the parent were financed from the following sources:

Type of finance	Parent Original Budget 2009 R'000	Parent Adjusted Budget 2009 R'000	Parent Actual 2009 R'000	Parent Actual as % of Adjusted Budget 2009 %	Parent Actual 2008 R'000
Council funding	2 138 968	2 156 868	1 978 157	91.7	1 289 921
Public Transport Infrastructure and Systems					
Grant (PTIS)	501 654	262 105	154 943	59.1	0
Provincial Grants and subsidies	26 070	23 021	14 028	60.9	127 299
Government Housing grant	84 322	184 864	129 596	70.1	62 191
Municipal Infrastructure Grant(MIG)	288 935	288 935	286 877	99.3	208 975
National Electricity Regulator (NER)	60 500	60 500	60 416	99.9	52 228
Other funding	61 316	74 705	61 656	82.5	17 288
Total	3 161 765	3 050 998	2 685 673	88.0	1 757 902
			An		

The following is a graphic presentation according to financing sources:



Government Housing Programme

The original approved Capital budget for Government Housing of R84 321 988 was amended with the approved 2008/09 Adjustments Budget to R184 864 035 of which an amount of R129 596 252 was spent to 30 June 2009, resulting in an under spending on Government Housing projects of R55 267 783 in total.

The amount budgeted for the Winterveldt Land Management Project was withheld by Gauteng Province as they indicated that they appointed their own contractors. The budget could not be amended owing to the late notification by Gauteng Province. An amount of R92 872 744 was claimed from the Gauteng Provincial Department of Housing (GPDoH) for Services and R115 875 956.05 for Top Structures. To date no transfers were received from the GPDoH for the claims submitted.

An amount of R5 537 200 was claimed from the North West Provincial Government of Housing (NWPDoH) for Top Structures. To date no transfers were received from the NWPDoH for the claims submitted.

Public Transport, Infrastructure and Systems (PTIS) Grant funded projects

The original approved Capital Budget for the PTIS funded projects, which are SWC 2010 and BRT related projects, in the amount of R501 654 000 was amended with the approved 2008/09 Adjustments Budget to R262 104 892 of which an amount of R159 307 204 was spent to 30 June 2009, resulting in an under spending of R102 797 688 in total.

The approved 2008/09 Operating Budget for PTIS funded projects of R73 728 330 was funded from the 2007/08 unspent allocations brought forward. An amount of R8 771 576 was spent and recognized on operating PTIS funded projects.

The total amount of R260 million was received from the original DoRA allocation of R510 169 000, which was reduced to only R260 million during the year, owing to the Transferring Authority via the National Treasury informing the Municipality that an amount of R380,1 million of the 2008/09 allocation is being withheld owing to under spending. Subsequent correspondence between the Municipality and National Treasury regarding the reasons for the delay in implementation of the BRT projects, as well as the revised proposed implementation timeframes and cash-flow projections took place during May and June 2009. An impending meeting between the parties is being arranged to resolve outstanding issues.

Conclusion:

When comparing the actual expenditure to the budgeted expenditure the financing source of capital projects plays an important role. The funding from own sources which are primarily the Capital Replacement Reserve and the External Financing Fund (external loans taken up), can largely influence the following aspects:

- Depreciation
- The raising of loans
- The cash flow of the Municipality

5. ACCOUNTING RATIOS

5.1 Current asset ratio

This ratio mainly involves the financial resources used in the operating cycle of a local authority. Operating capital represents the surplus of current assets over current liabilities. This is a useful indicator when determining the ability to fund operating expenditure.

This ratio measures the extent to which the current liabilities are covered by the current assets. A larger coverage means a lower risk since short-term debt can be paid out of short-term assets. The following table shows the calculation of the operating capital ratio:

	2008/	/09	2007/08		
Description	Parent R'000	Group R'000	Parent R'000	Group R'000	
CURRENT ASSETS:					
Cash	89 561	95 850	43 236	214 534	
Inventory	241 320	259 899	216 602	232 919	
Debtors	3 372 435	3 421 566	2 686 415	2 720 577	
Non-current assets held for sale	394	394	0	0	
Investments (short-term)	177 605	187 814	235 136	272 462	
Short-term portion of long-term debtors	123 833	123 833	103 377	103 377	
Total	4 005 148	4 089 356	3 284 766	3 543 869	
CURRENT LIABILITIES:					
Creditors	3 241 438	3 342 566	2 188 847	2 293 859	
Short-term portion of long-term liabilities	133 693	134 009	172 573	189 530	
Short-term portion of finance lease liabilities	175 709	175 709	150 248	150 248	
Current provisions	0	917	0	782	
Deposits	282 760	285 243	267 979	269 510	
Overdrawn bank account	95 417	95 417	106 407	106 679	
Total	3 929 017	4 033 861	2 886 054	3 010 608	
Net Operating Capital	76 131	55 495	398 712	533 261	
Current asset Ratio	1,02:1	1,01:1	1,14 : 1	1,18:1	
Current asset ratio excluding consumer debt of 90+ days	0,34:1	0,36:1	0,38 : 1	0,45:1	
Consumer debtors older than 90 days	2 653 041	2 653 041	2 172 843	2 172 843	

The ratio decreased slightly since 2007/08 from 1,14:1 to 1,02:1. This is due to the fact that the current liabilities increased with 36.1% (for the Group an increase of 34.0%) whilst the current assets increased with only 21.9% (for the Group an increase of 15.4%).

The increase in current assets can mainly be ascribed to the increase in debtors, cash and an increase in inventory; this is counter acted by a decrease in short-term investments.

The increase in current liabilities mainly lies with the increase in deposits and a huge increase in trade creditors.

The private sector sets a ratio of 2:1 as being acceptable, however a norm for local government is currently not available. If the consumer debtors of 90 days and older are excluded from the calculation the ratio decreases considerably (refer to table above) which is a concern.

5.2 Quick asset ratio (Acid test)

This ratio is a more accurate test of a local authority's ability to settle its short-term debt. When calculating this ratio, only assets that can be converted into cash are taken into account. Since material and stock are for the local authority's own use and are not for sale, they are not included in the calculations. The private sector sets a ratio of 1:1 as being acceptable. The figures that follow reflect the Municipality's quick asset ratio for the following years:

	2008/	/09	2007/08	
Description	Parent R'000	Group R'000	Parent R'000	Group R'000
Current assets	4 005 148	4 089 356	3 284 766	3 543 869
Less: Inventory	241 320	259 899	216 602	232 919
Total	3 763 828	3 829 457	3 068 164	3 310 950
Current liabilities	3 929 017	4 033 861	2 886 054	3 010 608
Quick asset ratio	0,96 : 1	0,95:1	1,06 : 1	1,09:1
Quick asset ratio excluding consumer debt older than 90 days	0,28 : 1	0,29:1	0,31:1	0,38:1

If the consumer debtors of 90 days and older are excluded from the calculation the ratio decreases considerably (refer to table above).

5.3 Solvability

In this ratio, the total assets are compared to the total liabilities, and it shows the ability of the Municipality to meet its obligations in the long term. A ratio of less than one is an indication of insolvency. The following table shows the calculation of the solvency ratio:

	2008/0)9	2007/08			
Description	Parent	Group	Parent	Group		
	R'000	R'000	R'000	R'000		
TOTAL ASSETS:						
Current assets	4 005 148	4 089 356	3 284 766	3 543 869		
Long-term investments	500 346	502 858	425 553	432 411		
Long-term receivables	187 100	187 100	189 763	189 763		
Leased assets	252 872	252 872	247 781	261 544		
Biological assets	17 008	17 008	14 741	14 741		
Property, plant and equipment	12 823 004	12 850 580	10 099 164	10 505 279		
Total	17 785 478	17 899 774	14 261 768	14 947 607		
TOTAL LIABILITIES:						
Current liabilities	3 929 017	4 033 861	2 886 054	3 010 608		
Long-term loans	4 203 275	4 207 634	2 705 772	3 211 660		
Non-current provisions	204 985	204 985	87 211	87 211		
Lease liabilities	86 806	86 806	107 048	133 374		
Employment benefit provision	1 004 196	1 004 196	838 893	838 893		
Reserves	7 339 775	7 339 775	6 777 267	6 777 267		
Total	16 768 054	16 877 257	13 402 245	14 059 013		
Solvability Ratio	1,06 : 1	1,06:1	1,06 : 1	1,06:1		

The total assets of the Parent Municipality increased with 24.7% (Group increased with 19.8%) while the total liabilities increased with 25.1% (Group liabilities increased with 20.0%).

Property, plant and equipment of the parent increased with 27.0% while external loans increased with 55.3% and the accumulated funds increased with 8.3%.

5.4 Total long-term debt to total revenue ratio

According to credit rating companies, the benchmark for local government is a ratio of less than 50%. The ratio increased from 30.8% to 39.5% since 2007/08. This increase can be ascribed to the fact that the external loans increased with 46.7% (for the Municipality) in relation to the increase of only 14.2% in total revenue.

	2008/0)9	2007/08		
Description	Parent R'000	Group R'000	Parent R'000	Group R'000	
Total debt	4 599 483	4 604 157	3 135 642	3 684 813	
Total revenue	11 638 995	11 751 331	10 187 705	10 468 954	
Ratio	39.52%	38.18%	30.78%	35.20%	

5.5 Inventory turnover

Inventory turnover is considered a key measure of management efficiency. It is a measure of how often, during the course of a financial year, a company sells and replaces its inventory. As a general rule, a higher ratio for inventory turnover is better. The standard however varies dramatically from industry to industry. A ratio of 2.5 times per year is considered acceptable for the large municipalities.

June 2009: 2.8 times per year June 2008: 2.8 times per year

Although the value of inventory increased with R24.7 million since 2007/08, the turnover however, remained unchanged on 2.8 times per year. This can be attributed to the fact that the turnover is an average calculated for all inventory items in all stores.

5.6 Overdraft (cashbook balance) plus short-term loans to total operating revenue

According to credit rating companies, the benchmark is a ratio of less than 5 %. As shown in the table below the ratio improved due to a decrease in the short-term portion of external loans (decrease of 22.5%) as well as a decrease in the bank overdraft while the revenue increased with 14.2% since 2007/08.

Description	2008	3/09	2007/08		
Description	Parent R'000	Group R'000	Parent R'000	Group R'000	
Cash book overdraft	95 417	95 417	106 407	106 679	
Short-term portion of external loans	133 693	134 009	172 573	189 530	
Overdraft plus short-term loans	229 110	229 426	278 980	296 209	
Total operating revenue	11 638 995	11 751 331	10 187 705	10 468 954	
Ratio	1.97%	1.95%	2.74%	2.83%	

5.7 Cash to interest coverage

This ratio indicates to what extent a local authority can generate sufficient cash from its normal activities to cover its external interest liabilities. If the ratio is less than 1:1, it may indicate future cash flow problems. The ratio for the past two financial years is as follows:

	2008/	/09	2007/08		
Description	Parent R'000	Group R'000	Parent R'000	Group R'000	
Cash generated from operations (Nett cash					
flow)	1 943 934	1 803 298	1 718 526	1 692 180	
Interest paid on external loans	507 584	508 313	361 757	431 490	
Ratio	3.83 : 1	3,55:1	4.75 : 1	3,92:1	

The ratio shows a deterioration for the Municipality as the interest paid on external loans increased with R145.8 million (40.3%) and the cash generated from operations increased with R225.4 million (13.1%) since 2007/08. This deterioration is a further indication of the cash flow challenges that the Municipality is currently experiencing.

For the Group, the ratio also deteriorated since 2007/08 as the cash generated from operations increased with R111.1 million (6.6%) and the interest paid on external loans increased with R76,8 million (17,8%).

5.8 Capital charges (interest and depreciation) to total annual operating revenue

The ratio indicates to what extent the expenditure in respect of interest paid on external loans and depreciation is covered by operating revenue.

	2008	/09	2007/08		
Description	Parent R'000	Group R'000	Parent R'000	Group R'000	
Total operating revenue	11 638 995	11 751 331	10 187 705	10 468 954	
Interest paid on external loans	507 584	508 313	361 757	431 490	
Depreciation	500 104	502 939	574 907	613 963	
Capital charges	1 007 688	1 011 252	936 664	1 045 453	
Ratio	11.55 : 1	11.62:1	10,88 : 1	10,01:1	

The ratio for the Municipality improved since 2007/08 due to the fact that the capital charges increased with R71.0 million (7.6%) while the operating revenue increased with R1 451.2 million or 14.2%. For the group the ratio improved from 10,01 to 11.62.

5.9 Debt to cash ratio

This ratio indicated below is a yardstick to measure the time (in years) that it will take a local authority to pay off its debt (loans) from cash generated by operating activities. The ratio for the past two financial years is as follows:

	2008	/09	2007/08		
Description	Parent R'000	Group R'000	Parent R'000	Group R'000	
Long-term debt	4 599 483	4 604 157	3 135 642	3 684 813	
Cash generated from operations	1 943 934	1 803 298	1 718 526	1 692 180	
Ratio	2,37 : 1	2,55:1	1,83 : 1	2,18:1	

The ratio for the Municipality deteriorated as the long-term debt increased with R1 463.8 million (46.7%) while the cash generated from operations increased with only R225.4 million (13.1%) since 2007/08. Based on the ratio, it will now take longer to repay loans. For the Group the ratio deteriorated less due to the fact that the loans of Roodeplaat Temba Water Services Trust to the value of R518,1 million was taken over by the Municipality upon disestablishment of the entity on 1 July 2008.

5.10 Financing to capital expenditure ratio

Local authorities normally finance their capital expenditure from external loans. This ratio enables the user to analyse the extent to which external loans are used to finance capital expenditure. The ratio for the past two financial years is as follows:

Description	2008/	/09	2007/08		
Description	Parent R'000	Group R'000	Parent R'00	Group R'000	
Net Increase/(Net Decrease) in long-term loans	1 458 624	940 452	43 749	14 176	
Net Increase/(Net Decrease) in finance lease liabilities	5 218	(19 030)	52 470	78 795	
	1 463 842	921 422	96 219	92 971	
Cash used in capital expenditure	3 326 808	2 839 963	2 211 743	2 221 750	
Ratio	0,44 : 1	0,33:1	0,04 : 1	0,04:1	

A ratio which is smaller than 1:1 is an indication that more cash was spent on infrastructure (capital expenditure) than was borrowed. If this ratio exceeded 1:1 over several years, it indicates that too much funds are obtained externally which may even mean that loans are used to finance operating expenditure. Compared to 2007/08 the Municipality borrowed more than the previous year (also refer to note 33 to the Consolidated Annual Financial statements).

5.11 Repairs and maintenance to annual operating revenue

The ratio indicates to what extent the expenditure in respect of repairs and maintenance are covered by operating revenue.

2	2008	3/09	2007/08		
Description			Parent R'000	Group R'000	
Annual operating revenue Repairs and maintenance	11 638 995 1 125 506	11 751 331 1 127 186	10 187 705 894 629	10 468 954 897 807	
Percentage	9.67 %	9.59%	8.78 %	8.58%	

The ratio deteriorated as a result of the repairs and maintenance increasing with 25.8% (Group increased with 25.5%) while the operating revenue increased with only 14.2% (Group increased with 12.2%).

5.12 Net debtors to total annual operating revenue

The ratio indicates to what extent the net outstanding debtors are covered by operating revenue.

	2008	8/09	2007/08		
Description	Parent R'000	Group R'000	Parent R'000	Group R'000	
Annual operating revenue	11 638 995	11 751 331	10 187 705	10 468 954	
Net debtors (after provision for bad debt)	3 322 613	3 382 378	2 686 415	2 720 577	
Percentage	28.55 %	28.69%	26.37 %	25.99%	

The ratio shows a slight deterioration for the Municipality as a result of the net debtors increasing 23.7% while the operating revenue increased with 14.2%.

6. CREDIT RATING (for the Parent)

The firm Moody's Investors Services South Africa (Pty) Ltd performed a credit rating of the Municipality during March 2009 (based on the annual financial statements for the year ending 30 June 2008) and the following rating was awarded to the City of (stable rating outlook):

- Long term Debt Rating (maturities of one year or greater): Aa3 Defined as high-grade. "Aa" rated are judged to be of a high quality and are subject to very low credit risk.
- Short term Debt Rating (maturities of less than one year): Prime-1 Defined as the highest quality. A high certainty of timely payment is indicated

• Financial outlook: The grading changed from stable to negative

The negative outlook factors the weakening of the city's liquidity profile. The administration's strategy to maintain a conservative financial policy, streamline operating expenditure and enhance revenue collection is not likely to produce the desired effect on the city's liquidity position in the short to medium term.

7. MUNICIPAL ENTITIES

7.1 Viable municipal entities

Of the entities evaluated the following were found to be viable:

- Civirelo Water
- Sandspruit Works Association
- Housing Company Tshwane
- Tshwane Economic Development Agency (newly created not in full operation yet)

7.2 Entities not viable and liquidation process is underway

The following companies are not viable:

• Tradepoint Pretoria

• Tshwane Centre for Business Information and Support (Cenbis)

7.3 Consolidation of municipal entities

Consistent with the prior three financial years separate consolidated financial statements will be compiled for City of Tshwane and its operational municipal entities, namely:

- Housing Company Tshwane
- Sandspruit Works Association:
- Civirelo Water
- Tradepoint Pretoria
- Tshwane Centre for Business Information and Support (Cenbis) no statements were submitted for 2008/09

8. CHALLENGES EXPERIENCED BY THE MUNICIPALITY DURING 2008/09

8.1 IMPLEMENTATION OF ACCOUNTING STANDARDS

The City of Tshwane experienced problems with the implementation of certain accounting standards during the compilation of the 2007/08 financial statements and therefore had to make use of the Exemptions granted by National Treasury in Government Gazette No 30013 of 29 June 2007.

The City of Tshwane had to comply with the accounting framework as set out in paragraph 1 of the Accounting policies as contained in the Consolidated Annual Financial Statements of 2008/09. This accounting framework was determined in Directive 5 issued by the Accounting Standards Board on 31 March 2009.

8.2 COMPLIANT FIXED ASSET REGISTER

It was a tremendous challenging exercise during the 2007/08 financial year to produce a compliant and purified asset register. During the 2008/09 financial year the Asset Register information from the external systems was loaded on the SAP system. Verification, review of useful lives, impairment, etc was done during the year end process of 2008/09. It however, became evident that most of the requirements of the new accounting standards cannot be maintained within the current SAP system. Most of these requirements will have to be maintained outside the system for financial statement purposes.

8.3 LEASE REGISTER

Much the same problem existed with the lease register in the 2008/09 as in 2007/08, however the lease register, calculations and necessary disclosure requirements were updated on the 2008/09 financial statements. The maintaining of the lease register will also need to be addressed as a matter of urgency during the 2009/10 financial year.

8.4 ECONOMIC RESESSION AND CASH-FLOW CHALLENGES

The world economy is in a worse position than it has been in several decades. Like the rest of the world, the economy of South Africa has equally been affected by this slow down. The most visible signs of this dilemma are experienced through job losses, growth in the unemployment rate and in the number of households classified to be under poverty levels.

Owing to the economic climate (job losses, high inflation, interest rates, petrol and food prices, etc) many people are struggling to cover their monthly household expenditures with the result that the municipal account is not high on the consumers' list of priority payments anymore. It should be noted that the municipality is also affected by the mentioned conditions and has to pay more for goods and services.

It is evident that the impact of the economic recession on residents, businesses and other institutions in the municipal boundaries of the City of Tshwane appears to be greater than originally anticipated, as the shortfall in the collection of revenue and the concomitant increase in consumer debt, as well as other liabilities (short and long term debt) has indicated that the Municipality is indeed facing some serious challenges, similar to other municipalities, semi-government institutions and other government institutions.

This challenge would have to be collectively addressed by government on all three spheres in partnership with the private sector to enable the South African Economy to withstand this onslaught, to show sustained growth and development, which in turn will create job opportunities or at least maintain current levels of employment, to ensure the future sustainability of service delivery in a developing economy where demand for services by far exceeds the availability of resources.

9. APPRECIATION

I am grateful to the Executive Mayor, Members of the Mayoral Committee, Councillors, Office of the Municipal Manager and Strategic Executive Directors for the support they have given me and my personnel during the 2008/09 financial year. A special word of appreciation to everybody for the months of hard work, sacrifices and concentrated efforts during the financial year to enable my Department to finalise and submit the annual financial statements within the prescribed period of 2 months after year end (i.e. 31 August) as well as the consolidated annual financial statements within the prescribed period of 3 months after year end (i.e. 30 September 2009.

N. MAKHARI CHIEF FINANCIAL OFFICER

1. BASIS OF PRESENTATION

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

These financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, 2003 (Act 56 of 2003). The reporting framework as prescribed by the Accounting Standards Board in Directive 5 of March 2009 **and which are deemed by the Municipality to be applicable on the Municipality** are summarised as follows:

GRAP Framework	Framework for the preparation and presentation of financial statements
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets
IFRS 7	Financial instruments: Disclosures
IAS 19	Employee benefits
IAS 32	Financial instruments: Presentation
IAS 36	Impairment of assets
IAS 39	Financial instruments: Recognition and measurement
GAMAP 9.29 – 35 & .3954	Revenue (Refer to GRAP 9.45)
IGRAP1	Applying the probability test on initial recognition of exchange revenue
IFRIC 4	Determining whether an Arrangement contains a Lease
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding
	Requirements and their interaction

Directives issued and effective as per Directive 5 of March 2009:

Directive 1	Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP
Directive 3	Transitional Provisions for the Adoptions of Standards of GRAP by High Capacity Municipalities

Approved guidelines in terms of Directive 5 of March 2009:

Effective accrual based IPSAS's in terms of Directive 5 of March 2009:

IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non-Cash Generating Assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with the hierarchy set out in paragraph 12 of GRAP 3. The principle accounting policies adopted in the preparation of these annual financial statements are set out below.

The accounting policies applied are consistent with those used to present the previous year's financial statements, except where the implementation of an accounting standard has resulted in the change of an existing policy. The details of any changes in accounting policies are explained in the relevant policy.

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

2. BASIS OF CONSOLIDATION

Investments in associates, subsidiaries and joint ventures are carried at cost in the annual financial statements of the Municipality. Separate consolidated financial statements are prepared to account for the Municipality's share of the net assets and post – acquisition results of these investments.

3. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality, and are rounded to the nearest rand.

4. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis, i.e. the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

5. PROPERTY, PLANT AND EQUIPMENT (PPE)

5.1 Fixed assets are stated:

- At historical cost less accumulated depreciation and any write-downs, or
- At fair value (market value) at date of acquisition less accumulated depreciation where assets have been acquired by grant or donation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure:

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential over the total life of the asset in excess of the most recently assessed standard of performance of the existing asset will flow to the municipality.

All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

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

The difference between the depreciation based on the revalued carrying amount of the asset charged to the Statement of Financial Performance and the depreciation based on the asset's original cost is transferred from other reserves to the accumulated surplus/deficit.

5.2 Depreciation

Depreciation is recognised on a straight line basis over the estimated useful life of the asset to its residual value from the day that the asset is ready for use. Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Estimated useful lives of assets:

Asset Category Infrastructure	Years	Asset Category Other	Years
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	8 – 20
Electricity	20-30	Other vehicles	8
Water	15-20	Office equipment	5 – 8
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	5
		Bins and containers	5
Community		Specialized plant and equipment	10-15
Buildings	30	Other plant and equipment	2-5
Recreational Facilities	20-30	Landfill sites and quarries	1 – 50
Security	5	Books	10

Residual value is what the asset would currently receive if in the condition it would be at the end of its useful life. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The actual useful lives of the assets, residual values and depreciation method are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

5.3 Impairment of property, plant and equipment

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

5.4 Disposal of property, plant and equipment

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

5.5 Heritage assets

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

5.6 Land

Land is not depreciated as it is deemed to have an indefinite useful life.

5.7 Incomplete construction work (Assets under construction)

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

6. INVESTMENT PROPERTY

Investment property, which is property held to earn rental revenue or for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property.

7. INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortisation and any impairment losses. Software is amortised on a straight-line basis over its anticipated useful life. Generally, costs associated with developing computer software programs are recognised as an expense as incurred. However, costs that are clearly associated with an identifiable and unique product, which will be controlled by the Municipality and have an probable benefit exceeding the cost beyond one year, are recognised as an intangible asset.

Expenditure which enhances and extends the benefits of computer software programs beyond the original life of the software is capitalised. Computer software development costs recognised as assets are amortised using the straight line method over their useful lives. Costs associated with the maintenance of existing computer software programs are expensed as incurred.

8. AGRICULTURAL/BIOLOGICAL ASSETS

8.1 Initial recognition

Agricultural/biological assets, which are defined as living animals or plants are recognised on the Statement of Financial Position of the Municipality, when and only when the Municipality:

- Controls the asset as a result of a past event
- Regards the inflow of future economic benefits from the use of the asset to be probable, and
- Is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Agricultural/biological assets are stated at fair value less estimated point of sale costs with any resultant gain or loss recognised in the Statement of Financial Performance.

8.2 Subsequent measurement

Biological assets are measured at their fair value less estimated point-of-sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit. A gain or loss arising on initial recognition of biological assets at fair value less estimated point-of-sale costs is included in profit or loss for the period in which it arises.

9. NON-CURRENT ASSETS HELD FOR SALE

9.1 Initial recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its

present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

9.2 Subsequent measurement

Non-current assets held for sale or disposal group are measured at the lower of carrying amount and fair value less cost to sell. A non-current asset is not depreciated while it is classified as held for sale, or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

10. INVENTORY

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Consumable stores, raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Land held for development, including land in the course of development until legal completion of the sale of the asset, is initially recorded at cost.

Where, through deferred purchase credit terms, cost differs from the nominal amount which will actually be paid in settling the deferred purchase terms liability, no adjustment is made to the cost of the land, the difference being charged as a finance cost.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs, if this relates to development.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.

Redundant and slow moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

11. RESERVES

The municipality creates and maintains Reserves in terms of specific requirements.

11.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment amounts are transferred from the Statement of Financial Performance to the Capital replacement reserve in terms of the implementation guidelines on GAMAP/GRAP. These transfers from the net surplus may only be made if they are backed by cash. The amount transferred to the CRR is based on the Municipality's need to finance future capital projects included in the Integrated Development Plan. The following provisions are set for the creation and utilisation of the CRR:

- The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.

- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR an amount equal to the cost price of the asset purchased is transferred from the CRR into a future depreciation reserve called the Capitalisation reserve (CR). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the CRR. The Capitalisation reserve is used to offset depreciation charged on assets purchased out of the CRR to avoid double taxation of the consumers.
- If a gain is made on the sale of assets previously purchased out of the CRR the gain on these assets sold is reflected in the Statement of Financial Performance.

11.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury.

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

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

11.3 Government Grant Reserve

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

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

11.4 Self Insurance Reserve

A Self Insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

- Contributions to and from the reserve are transferred via the Statement of Changes in Net Assets to the reserve in line with the amount provided for in the operating budget.
- The total amount of insurance premiums paid to external insurers are regarded as expenses and must be shown as such in the Statement of Financial Performance. These premiums do not affect the Self insurance reserve.

- Claims received from external insurers are utilised in the calculation of a profit or loss on the scrapping of damaged assets and are therefore effectively recorded in the Statement of Financial Performance.
- Claims received to meet repairs of damages on assets are reflected as income in the Statement of Financial Performance.

The Self Insurance Reserve is based on recognized insurance industry principles. In determining the level of capacity required an agreed methodology has been adopted. The calculation of the required capacity of the Self Insurance Reserve is consistently applied annually based on the following methodology:

- Determination of the forecast surplus (free) capacity within the Self Insurance Reserve. The following liabilities are taken into account in determining this surplus capacity:
 - Reported known outstanding claims;
 - Statistically forecast losses for the remainder of the underwriting period (IBNR = claims incurred but not yet reported)
 - Probability and quantification of a catastrophe loss.
- Comparison of the surplus (free) capacity to the declared value of the highest service delivery asset to determine the shortfall that exist based on the assumption that sufficient capacity will be built up to cover that asset through the Self Insurance reserve over an agreed period of time.
- Spread the shortfall over a 5-year period (in terms of the Long Term Insurance Strategy).
- Adjust for inflation with the agreed relevant indices.
- Determine the annual premium contribution to reach the target capacity over a 5-year period.
- Apply a probability and affordability factor to the ideal premium contribution to determine the budgeted premium contribution over a 5-year period.

11.4.1 Self Insurance Future Depreciation Reserve

An amount equal to the carrying value of items of property, plant and equipment that had historically been utilised for the acquisition of property, plant and equipment from the Self Insurance Reserve have been transferred to a Self Insurance Future Depreciation Reserve instead of the accumulated surplus/(deficit).

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

The balance on the Self Insurance Future Depreciation Reserve equals the carrying value of the items of property, plant and equipment financed from the former Self Insurance Reserve. When items of property, plant and equipment are depreciated, a transfer is made from the Self Insurance Future Depreciation Reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment is disposed, the balance in the Self Insurance Future Depreciation Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

11.5 COID Reserve

The Municipality has been exempted from making contributions to the Compensation Commissioner for Occupational Injuries and Diseases (COID). In terms of this exemption the Municipality has established a COID reserve to offset claims from employees. Amounts are transferred to the COID reserve from the accumulated surplus based on the statutory rate of contributions set out in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993) as well as additional amounts deemed necessary to ensure that the balance of the reserve is adequate to offset potential claims.

Contributions to the COID reserve is based on 1 % of the annual remuneration of employees that qualify for COID benefits. All employees earning more than R189 840 per annum are reinsured by what is called a "COID Wrap Around" policy.

Claims are paid as determined by the Compensation Commissioner and are reflected in the Statement of Financial Performance. Claims are settled by transferring a corresponding amount from the COID reserve to the accumulated surplus in the Statement of Changes in Net Assets.

11.6 Donations and Public Contributions

Revenue received from donations and public contributions may be transferred to the Capital Replacement Reserve (CRR) and utilised via the CRR to finance items of property, plant and equipment.

12. HOUSING DEVELOPMENT FUND

Section 15(5) and 16 of the Housing Act, (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund.

The Housing Act also requires in terms of Section 14(4)(d)(iii)(aa) read with, *inter alia*, Section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the Municipality for housing development subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the Housing Fund:

- The Housing Fund has its own separate bank account/allocated investments and is backed by cash.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments backing up this fund is recorded as part of interest earned in the Statement of Financial Performance and can be transferred via the Statement of Changes in Net Assets to the Housing Development Fund.
- Any cash backed surplus/deficit on the Housing Statement of Financial Performance must be transferred to the Housing Development Fund.

13. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are measured at the present value of the expenditures expected to be incurred to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

13.1 Clearing of alien vegetation

In terms of the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983) the provision for the clearing of alien vegetation was established in 2005/06 as a start to address the backlogs that exist.

13.2 Cleaning up of illegal dumping

Currently the Municipality is cleaning up illegal dumping on an ongoing basis as part of maintenance; therefore there is no backlog cleaning that needs to take place. No provision is currently made for the cleaning up of illegal dumping.

13.3 Landfill sites

The Municipality has an obligation to rehabilitate its landfill sites in terms of its licence stipulations. A provision has been established from 2007/08. The amount of the provision is recognised at the present value of the expenditure expected to be required to settle the obligation, and is carried at amortised cost.

13.4 Quarries

In terms of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002), Section 52 (2)(d), the City of Tshwane is required to rehabilitate its quarries and borrow pits after these quarries and pits have been closed. The amount of the provision is recognised at the present value of the expenditure expected to be required to settle the obligation, and is carried at amortised cost.

14. **RETIREMENT BENEFITS**

14.1 Pension, Provident and Retirement Funds

The Municipality and its employees contribute to various Pension, Provident and Retirement Funds and its councillors contribute to the Pension Fund for Municipal Councillors. The retirement benefits are calculated in accordance with the rules of the funds. Full actuarial valuations are performed by the relevant funds on a regular basis.

Current contributions are charged against the operating account of the Municipality at a percentage of the basic salary paid to employees, or allowances in the case of councillors. Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred.

The Tshwane Pension Fund is a defined benefit plan. The cost of providing these benefits is determined on the Projected Unit Credit Method prescribed by IAS 19 and actuarial valuations are performed at every reporting date. The retirement benefit obligation presented in the statement of financial position represents the sum of the present value of the obligation less the fair value of plan assets plus/minus any balance of unrecognised unrecognised actuarial gains or losses, minus any balance of unrecognised past service costs.

Multi-employer funds are treated as defined contribution funds, due to the nature of these funds and the fact that assets are not specifically associated to meet the obligation in respect of individual employers in terms of paragraph 30 of IAS 19.

14.2 Medical Aid: Continued Members

The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds, with which the Municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The cost of providing these benefits is determined on the Projected Unit Credit Method prescribed by IAS 19. Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over expected working lifetime. No plan assets exist and any actuarial gains and losses are recognised immediately.

15. LEASES

15.1 The Municipality as Lessee

The City of Tshwane leases certain property, plant and equipment. Leases of property, plant and equipment where the City of Tshwane assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance lease assets and liabilities are recognised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the future minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the Statement of Financial Performance over the lease period so as to produce a constant periodic rate of interest on the

remaining balances of the liability for each period. The property plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases are those leases which do not fall within the scope of the above definition. Payments made under operating leases are charged against income on a straight-line basis over the period of the lease.

The Municipality will not incur a foreign currency lease liability other than that allowed by the Municipal Finance Management Act, 2003 (Act 56 of 2003).

15.2 The Municipality as Lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

When assets are leased out under an operating lease, the asset is included in the Statement of Financial Position based on the nature of the asset.

16. FINANCIAL INSTRUMENTS

16.1 Financial assets:

The City of Tshwane classifies its financial assets in the following categories:

- Loans and receivables,
- Held to maturity and
- Available-for-sale.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. With regard to reclassifications of financial assets, the entity shall not reclassify a financial instrument into or out of the fair value through profit or loss category while it is held or issued.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The City of Tshwane's loans and receivables comprise "trade receivables and other receivables" and cash and cash equivalents.

(b) Held-to-maturity

Held to maturity (HTM) investments are financial assets with fixed or determinable payments and fixed maturity where the entity has the positive intent and ability to hold the investment to maturity. These investments have been normally encumbered and therefore must be held to maturity. The value of the investments is recorded at trade date.

HTM financial instruments originated by the municipality and not held for trading is subsequently recognised at amortised cost using the effective interest rate method. Amortised cost is the amount at which the financial asset was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount and minus any write-down for impairment of uncollectability.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the financial asset within 12 months of the reporting date.

Regular purchase and sales of financial assets are recognised on the trade date – the date on which the City of Tshwane commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed in the Statement of Financial Performance.

Offsetting of financial assets and liabilities:

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when and only when:

- (a) The City of Tshwane has a legally enforceable right to set off the recognised amount; and
- (b) The City of Tshwane intends either to settle on a net basis, or realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the City of Tshwane will not offset the transferred asset and the associated liability.

Derecognition:

Financial assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred, and the municipality has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Impairment:

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified. Impairment losses recognised in the Statement of Financial Performance on equity instruments are not reversed through the Statement of Financial Performance. Impairment testing of trade receivables is described in paragraph 16.3 below.

Disposal:

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Counterparty exposure:

The City of Tshwane limits its counterparty exposure arising from money market by only dealing with well established financial institutions confirmed by the rating agency appointed by the Chief Financial Officer. The credit ratings of these institutions are reviewed quarterly and investments are spread across different types of approved investments and institutions.

Hedging:

Hedging is not applicable to the accounting treatment of financial instruments in the City of Tshwane.

Derivative financial instruments:

Derivative financial instruments, principally interest rate swap contracts, are used by the City of Tshwane in its management of financial risks. Derivative financial instruments are initially measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates. Payments and receipts under interest rate swap contracts are recognised in the statement of financial performance on a basis consistent with the corresponding fluctuations in the interest payment on floating rate financial liabilities. The carrying amounts of interest rate swaps, which comprise net interest receivables and payables accrued are included in assets and liabilities respectively.

16.2 Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value, net of transaction costs incurred. It should also be added that interest bearing borrowings are classified as non-current and current liabilities.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Financial Performance over the period of the borrowings using the effective interest method.

Interest bearing borrowings are classified as non-current and current liabilities unless the municipality has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The interest risk is managed by maintaining an appropriate mix between fixed and variable rate borrowings. The Municipality borrows more than 50 % of funds at a fixed rated to reduce the risk of interest fluctuations.

16.3 Accounts receivable

Trade receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision for bad debt account, and the amount of the loss is recognised in the Statement of Financial Performance. When a trade receivable is uncollectible, it is written off against the provision for bad debt account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Statement of Financial Performance.

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts with regard to arrangement of consumer debtors are classified as long-term receivables.

16.3.1 Provision for Bad Debt

Provision for bad debt is made by means of an annual contribution of electricity and water levies, debtor's revenue from Fire Brigade Services, Ambulance Services and Rentals excluding the Tshwane Market.

The annual contribution is determined by calculating the estimated non payment by debtors for the financial year. The percentage contribution is calculated during the budget process each year and reviewed at year end.

16.4 Accounts payable

16.4.1 Trade creditors

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

16.4.2 Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the potential liability (value of leave credits as at 30 June) of the Municipality

17. CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Cash and cash equivalents and bank borrowings are subsequently recorded at face value.

18. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency of the municipality (i.e. SA Rand) using the rate of exchange prevailing on the date of the transaction.

Trade Creditors denominated in foreign currency are reported at the Statement of Financial Position date by using the exchange rate at that date. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded during the period are recognised as revenue or as expenses in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used. The Municipality will not incur a foreign currency liability other than that allowed by the Municipal Finance Management Act, 2003 (Act 56 of 2003).

19. REVENUE RECOGNITION

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality and these benefits can be measured reliably.

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

19.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered/goods sold, the value of which approximates the consideration received or receivable.

19.1.1 Service charges relating to Electricity, Water and Sanitation

Service charges relating to electricity, water and sanitation are based on consumption. Meters are read and billed on a monthly basis and revenue is recognized when invoiced. Estimates of consumption are made monthly when meter readings have not been performed. The estimates of consumption are recognized as revenue when invoiced. Adjustments to estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognized as revenue in the invoicing period.

19.1.2 Services provided on a prepayment basis

Various services are provided on a prepayment basis in which case no formal billing takes place and income is accrued when received. Revenue is recognized at point of sale.

19.1.3 Interest earned on outstanding debtors

Interest on outstanding debtors is recognized on a time proportionate basis.

19.1.4 Income from agency services

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

19.1.5 Housing rental and instalments

Income in respect of housing rental and instalments are accrued monthly in advance. Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportionate basis.

19.1.6 Sale of goods

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

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

19.1.7 Interest earned on investments

Interest earned on investments is recognised on a time proportionate basis that takes into account the effective yield on the investment.

19.1.8 Collection charges

Collection charges are recognized when such amounts are incurred.

19.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt of receivable qualifies for recognition as an asset and there is no liability to repay the amount.

19.2.1 Revenue from rates

Revenue from rates is recognized when the legal entitlement to this revenue arises. A site rating system is applied. In terms of this system assessment rates are levied on the land value of property and rebates are granted subject to certain conditions. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers.

19.2.2 Fines

Revenue from the issuing of fines shall be recognised when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality,
- (b) the amount of the revenue can be measured reliably, and
- (c) the stage of completion of the transaction at the reporting date can be measured reliably.

Therefore:

- (i) Income in respect of traffic fines, spot fines and certain licenses is accrued when received, and
- (ii) Revenue from the issuing of summonses is only recognised when notified by the public prosecutor of the amount actually collected.

The accrual is calculated based on past experience of amounts collected on fines and summonses issued.

From 1 July 2008 the City of Tshwane was part of the pilot project of the new AARTO fines and act as a issuing authority. The new traffic revenue from traffic fines is recognised on an agency basis.

19.2.4 Donations and contributions

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

Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

19.2.5 Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act, 2003 (Act 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

20. CONDITIONAL GRANTS AND RECEIPTS

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

21. BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance in terms of paragraph 10 of GRAP 5.

22. VALUE ADDED TAX

The Municipality accounts for Value Added Tax on the cash basis.

23. SEGMENTAL INFORMATION

The principle segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditure. The primary basis is representative of the internal structure for both budgeting and management purposes. The secondary basis classifies all operations based on the classification of income and expenditure.

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D consistent with prior years.

24. GRANTS-IN-AID (EXPENSE)

The Municipality annually awards grants to individuals and organisations based on merit. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

25. UNAUTHORISED EXPENDITURE

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

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

26. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act 56 of 2003), the Municipal Systems Act, 2000 (Act 32 of 2000), the Public Office Bearers Act, 1993 (Act 20 of 1998) or in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

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

27. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

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

28. COMPARATIVE INFORMATION

28.1 Current year comparatives

Budgeted amounts have been included in the annual financial statement of performance for the current financial year only.

28.2 Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The comparative figures (2007/08 accounting policy and disclosures) may not be consistent with the current year accounting policies and disclosures due to the implementation of the new GRAP standards which became effective from 1 July 2008.

29. TAXATION

The City of Tshwane Metropolitan Municipality is exempt from tax in terms of section 10(1)cB(i)(ff) of the Income Tax Act.

30. ESTIMATES

The preparation of financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the City of Tshwane's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the financial statements were applicable.

31. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

- GRAP 18 Segment Reporting (Issued March 2005)
- GRAP 21 Impairment of non-cash-generating assets
- GRAP 23 Revenue from Non-exchange transactions (Taxes and Transfers) (Issued February 2008)
- GRAP 24 Presentation of Budget Information in Financial Statements (Issued November 2007)
- GRAP 26 Impairment of cash-generating assets (Issued March 2009)

GRAP 103 - Heritage Assets (Issued July 2008)

The impending changes will prove a challenge as systems need to be changed to ensure compliance to the disclosure requirements of these standards. Most of the changes will only pertain to disclosure requirements.

GRAP 18 Segment Reporting will have a major impact on the financial statements as the whole system of reporting will need to be changed before compliance to GRAP 18 will be possible.

CITY OF TSHWANE METROPOLITAN MUNICIPALITY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

		MUNICI	PALITY	GROUP			
	Note	2009	2008	2009	2008		
ASSETS		R	R	R	R		
Current assets		4,005,148,826	3,284,766,277	4,089,355,726	3,543,869,496		
Inventory	15	241,320,519	216,602,418	259,899,193	232,918,709		
Consumer debtors	16	2,667,419,972	2,392,902,525	2,686,009,151	2,401,050,206		
Other debtors	17	705,015,225	293,512,862	735,556,504	319,527,120		
Non-current assets held for sale	12	394,315	0	394,315	0		
Current portion of long-term receivables	14	123,832,808	103,377,148	123,832,808	103,377,148		
Call investment deposits	13.2	177,605,393	235,135,631	187,814,191	272,462,172		
Bank balances and cash	19	89,560,594	43,235,693	95,849,564	214,534,141		
Non-current assets		13,780,329,712	10,977,002,065	13,810,417,464	11,403,738,148		
Fixed assets:		12,823,003,790	10,099,164,373	12,850,580,403	10,505,278,922		
Property, plant and equipment	10.9	12,658,785,881	9,990,558,238	12,676,760,874	10,386,669,547		
Investment Property	10.9	8,027,162	9,990,558,258	17,627,162	20,571,024		
Intangible assets	10.10	156,190,747	98,035,111	156,192,367	98,038,351		
Leased assets	10.13	252.871.839	247,780,561	252,871,839	261,544,377		
Biological Assets: Livestock	11	17,007,999	14,741,255	17,007,999	14,741,255		
Investments	13.1	500,346,374	425,553,069	502,857,513	432,410,787		
Long-term receivables	14	187,099,710	189,762,807	187,099,710	189,762,807		
Total Assets		17,785,478,538	14,261,768,342	17,899,773,190	14,947,607,644		
LIABILITIES							
Current liabilities		3,929,017,392	2,886,054,459	4,033,860,826	3,010,608,025		
Consumer deposits	6	282,759,977	267,978,963	285,243,276	269,510,010		
Creditors	7	2,656,933,299	1,755,705,926	2,741,347,012	1,847,095,150		
Unspent conditional grants and receipts	8	419,920,338	328,760,232	433,598,771	333,043,184		
VAT	9	164,585,154	104,380,809	167,620,490	113,720,301		
Bank overdraft	19	95,416,694	106,407,370	95,416,694	106,678,519		
Provisions	5	0	0	917,255	782,275		
Current portion of long-term liabilities	2	133,693,231	172,572,966	134,008,629	189,530,393		
Current portion of finance lease liabilities	3.1	175,708,699	150,248,193	175,708,699	150,248,193		
Non-current liabilities		5,499,261,633	3,738,924,810	5,503,620,267	4,271,138,722		
Long-term liabilities	2	4,203,274,984	2,705,771,524	4,207,633,618	3,211,659,565		
Finance lease liabilities	3.1	86,806,115	107,048,837	86,806,115	131,296,586		
Deferred operating lease liability	3.2	0	0	0	2,078,122		
Post-employment benefit liability	36	1,004,196,000	838,893,000	1,004,196,000	838,893,000		
Non-current provisions	4.4	204,984,534	87,211,449	204,984,534	87,211,449		
Total Liabilities		9,428,279,025	6,624,979,269	9,537,481,093	7,281,746,747		
Net Assets		8,357,199,513	7,636,789,072	8,362,292,097	7,665,860,896		
NET ASSETS							
Housing Development Fund and Reserves		7,339,774,689	6,777,266,678	7,339,774,689	6,777,267,878		
Accumulated surplus		1,017,424,824	859,522,394	1,022,517,408	888,593,018		
Total Net Assets and Liabilities		8,357,199,513	7,636,789,072	8,362,292,097	7,665,860,896		
					·		

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

			MUNIC	IPALITY		GROUP			
		20	009	:	2008	20	009	2008	
	Note	Actual	Adjustment budget	Actual	Adjustment budget	Actual	Adjustment budget	Actual	Adjustment Budget
		R	R	R	R	R	R	R	R
REVENUE									
Property rates	20	2,299,623,948	2,530,500,000	2,185,065,026	2,007,541,000	2,299,523,005	2,530,500,000	2,184,999,728	2,007,541,000
Service charges	21	5,647,685,341	5,948,707,000	4,838,958,770	4,769,479,797	5,749,212,670	5,948,707,000	4,925,025,127	4,769,479,797
Regional Services Levies		0	0	0	20,000,000	0	0	0	20,000,000
Rental of facilities and equipment		87,687,033	71,756,960	84,317,308	74,495,934	98,877,333	71,756,960	90,860,818	74,495,934
Interest earned - external investments		122,499,553	120,441,000	135,554,608	113,303,229	125,804,444	120,441,000	158,014,824	113,303,229
Interest earned - outstanding debtors		279,267,901	173,624,000	179,065,234	160,432,604	298,653,352	173,624,000	194,352,139	160,432,604
Fines		31,241,834	55,160,221	39,354,788	49,433,869	31,241,834	55,160,221	39,354,788	49,433,869
Licences and permits		28,423,732	24,930,991	29,498,520	23,049,903	28,423,732	24,930,991	29,498,520	23,049,903
Government grants and subsidies	22	2,275,363,522	2,667,416,951	1,924,285,012	2,201,857,795	2,274,418,557	2,667,416,951	1,926,558,232	2,201,857,795
Other income	23	612,705,674	672,386,146	541,766,130	619,483,107	590,672,297	672,386,146	690,450,225	619,483,107
Public contributions		226,447,787	138,000,000	221,175,922	155,000,000	226,447,787	138,000,000	221,175,922	155,000,000
Gains on disposal of property, plant and equipment		2,779,292	41,301,938	4,936,900	40,352,144	2,786,173	41,301,938	4,936,900	40,352,144
Gain: Changes in fair value of livestock	11	2,266,744	0	3,726,697	0	2,266,744	0	3,726,697	0
Gain: Disestablishment of muncipal entity	42.3	23,002,905	0	0	0	23,002,905	0	0	0
TOTAL REVENUE		11,638,995,266	12,444,225,207	10,187,704,915	10,234,429,382	11,751,330,833	12,444,225,207	10,468,953,920	10,234,429,382
EXPENDITURE									
Employee related costs	24	3,009,111,305	3,281,323,070	2,621,002,843	2,729,726,831	3,061,853,987	3,281,323,070	2,665,393,656	2,729,726,831
Remuneration of Councillors	25	55,350,803	73,992,387	44,201,359	47,914,093	55,350,803	73,992,387	44,201,359	47,914,093
Bad debts: contribution		210,896,373	71,359,812	179,914,390	19,920,755	238,917,368	71,359,812	230,254,392	19,920,755
Bad debts: written off - consumer & sundry debtors		165,228,232	60,414,000	100,732,978	109,100,000	193,630,109	60,414,000	100,732,978	109,100,000
Collection costs		72,511,251	72,780,752	72,224,153	63,178,651	72,511,251	72,780,752	72,224,153	63,178,651
Depreciation	26	500,104,539	862,988,273	574,906,652	728,387,673	502,939,437	862,988,273	613,963,377	728,387,673
Asset impairment		6,901,250	0	0	0	6,901,250	0	0	0
Interest paid	27	507,584,152	411,961,352	361,757,332	382,138,723	508,312,549	411,961,352	431,489,612	382,138,723
Bulk purchases	28	2,718,185,952	2,789,472,300	2,206,818,210	2,232,955,941	2,835,273,617	2,789,472,300	2,214,193,693	2,232,955,941
Repairs and maintenance		1,125,506,266	942,539,899	894,628,918	749,310,022	1,127,185,923	942,539,899	897,807,296	749,310,022
Grants and subsidies paid	29	9,833,837	12,953,000	11,584,679	12,285,250	9,833,837	12,953,000	11,584,679	12,285,250
Loss on disposal of property, plant and equipment		9,069,358	11,000	23,423,391	9,900	9,069,358	11,000	23,423,391	9,900
General expenses	30	2,528,301,508	2,683,757,545	2,757,533,009	2,263,439,651	2,428,812,607	2,683,757,545	2,868,324,787	2,263,439,651
TOTAL EXPENDITURE		10,918,584,826	11,263,553,390	9,848,727,914	9,338,367,490	11,050,592,096	11,263,553,390	10,173,593,373	9,338,367,490
Net Surplus for the year		720,410,440	1,180,671,817	338,977,001	896,061,892	700,738,737	1,180,671,817	295,360,547	896,061,892
Refer to Appendix E for the comparison with the approved	budget								

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009 - PARENT

	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	COID Reserve	Self Insurance Reserve	Self Insurance: FDR	Total Reserves	Accumulated Surplus/ (Deficit)	Total: Net Assets
	R	R	R	R	R	R	R	R	R	R
2008 Balance at 1 July 2007 Prior year adjustments (see Note 43.6)	141,152,353	501,152,806		3,506,835,333	62,694,963	65,637,380	332,487	6,285,833,426 0	250,664,222	7,047,147,849 250,664,222
Prior year adjustments: Reserves(see Note 43.6) Net surplus for the year			139,469,413	7,553,936				147,023,349 0	(147,023,349) 338,977,001	338,977,001
Asset purification/retirements Property, plant & equipment purchased: Capitalised Capital grants used to purchase PPE (revenue recognised)		(378,715,875)	(18,537,534) 378,715,875	(85,335,055) 467,680,281				(103,872,589) 0 467,680,281	103,872,589 0 (467,680,281)	0 0 0
Contribution: Workmens Compensation (from employees) Transfer from Housing Development Fund Transfer from Insurance Reserve	(12,232,466)				6,178,310	163,313,466		6,178,310 (12,232,466) 163,313,466	(163,313,466)	0 0 0
Transfer to Capital replacement reserve (Tshwane Market) Transfer to Capital replacement reserve : General Offsetting of depreciation		16,219,136 168,501,412	(267,942,951)	(93,390,852)		0	(43,844)	16,219,136 168,501,412 (361,377,647)	(168,501,412) 361,377,647	0 0 0
Balance at 30 June 2008	128,919,887	307,157,479	2,239,732,907	3,803,343,643	68,873,273	228,950,846	288,643	6,777,266,678	859,522,394	7,636,789,072
2009 Net surplus for the year				(0.0.0.00.00				0	720,410,440	720,410,440
Asset purification/retirements Property, plant & equipment purchased: Capitalised Capital grants used to purchase PPE (revenue recognised)		317,641,199 (441,137,531)	(326,781,703) 441,137,531	(3,842,084) 650,643,403				(12,982,588) 0 650,643,403	12,982,588 0 (650,643,403)	0 0 0
Contribution: Workmens Compensation (from employees) Transfer from Housing Development Fund Transfer from Insurance Reserve	(70,167)				8,355,831	(38,264,782)		8,355,831 (70,167) (38,264,782)		0
Transfer to Capital replacement reserve (Tshwane Market) Transfer to Capital replacement reserve (public contributions)		25,590,421 152,002,906		(00 500 4 40)		(00,201,702)	(00.000)	25,590,421 152,002,906	(25,590,421) (152,002,906)	0
Offsetting of depreciation Balance at 30 June 2009	128.849.720	361,254,474	(133,147,993) 2,220,940,742	(89,590,113) 4,360,554,849	77,229,104	190.686.064	(28,908) 259,735	(222,767,014) 7,339,774,689	222,767,014 1,017,424,824	0 8,357,199,513
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Note: Capitalisation Reserve

The handling of the Capitalisation Reserve differs from the guidelines of National Treasury as indicated in the specimen financial statements in the sense that:

* The amount used to finance property, plant and equipment from the Capital Replacement Reserve since the implementation of GAMAP is not transferred to the Accumulated surplus, but to the Capitalisation Reserve

The reasons for this deviation are the following:

* To offset future depreciation charges via a transfer from the reserve to prevent double taxation of ratepayers

* To prevent distortion of the accumulated surplus which could possibly lead to utilisation other than the offsetting of depreciation

* An accumulated surplus are not used to finance deficits on future budgets as a result of depreciation charges

* The financing and offsetting of depreciation of property, plant and equipment financed from the Capital Replacement Reserve should be treated the same as property, plant and equipment financed from the Government Grant Reserve

The effect on the financial statements would be the following if the guidelines of National Treasury were followed:

* Accumulated surplus will increase with R441 137 531 (2007/08 = R378 715 875 2006/07 = R 94 508 184 and 2005/06 = R302 183 695 and 2004/05 = R 909 806 168)

* Capitalisation Reserve will decrease with R441 137 531 (2007/08 = R378 715 875 2006/07 = R94 508 184 and 2005/06 = R302 183 695 and 2004/05 = R909 806 168)

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009 - GROUP

R R R R R R R R R R R R R Balance 11 July 2007 1141,152,353 591,152,066 2,008,028,104 3,566,855,333 62,684,653 65,537,380 332,467 1,200 3,063,555 6,288,88,17 225,686,5 220,684,953 62,684,653 65,537,380 332,467 1,200 3,063,555 6,288,88,17 225,686,2 220,684,953 62,684,953 65,537,380 332,467 1,200 3,063,555 6,288,88,17 225,686,2 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 147,023,348 143,033,348 143,033,348 143,033,348 143,033,348 143,033,348 143,033,348 143,033,348 143,033,348 144,023,348 144,023,348 144,023,348 144,023,348 144,023,348 144,023,348 144,023,348 144,023,348 144,023,348 144,023,348	/ Total
Balance at J. July 2007 141,152,353 501,152,866 2,008,028,104 3,3566,835,333 62,894,963 65,637,380 332,487 1,200 3,053,553 6,288,888,179 225,380.5 Pior year adjustments: Parent (see note 43.6) 141,152,353 0 225,880.5 1 0 225,880.5 225,880.5 147,022.349 (11,01.77 (10,02.77,022.349 (10,02.77,022.349 (11,02.77,022.349 (11,02.77,022.349 (11,02.77,022.349 (11,02.77,022.349 (11,02.77,022.349 (11,02.77,022.349 (11,02.77,022.349 (11,02.77,022.349 (11,02.77,022.349 (11,02.77,022.349 (11,02.77,022.349 (11,02.37,022.349 (11,02.37,022.349 (11,02.37,022.349 (11,02.	R
Net surplus for the year 0 0 0 225,360,5 Prior year adjustments: Reserves(see Not 43.6) 139,469,413 7,553,936 0 0 226,064,2 Prior year adjustments: Reserves(see Not 43.7) 147,023,349 (147,023,349 (147,023,349 (147,023,349 (147,023,349 (147,023,349 (147,023,349 (147,023,349 (147,023,349 (14,679,80,281 0	7 440 050 500
Prior year adjustments: Parent (see note 43.6) (b) (b) (c) (c) (c) (c) (c) (c) (c) (c) (c) (c	
Phor year adjustments: Reserve (see Note 43.6) Phor year adjustments: Note with Company (see note 43.7) Phor year adjustments: Note with Capitalised Capital grants used to purchase PPE (revenue recognised) Capital replacement reserve (Tamser from Housing Development Fund Capital replacement reserve (Tamser form Housing Development Fund Capital replacement reserve (Tamser f	
Prior year adjustments: Sandspuil (see note 43.7) Prior year adjustments: Sandspuil (see note 43.7) Prior year adjustments: Novieol (see note 43.7) Prior year adjustment: Surveiol (see note 43.7) Prior year adjustment: Nousing Development Fund Balance at 30 June 2006 2009 Net surplus for the year Prior year adjustment: Nousing Company Tshwane (Note 43) Prior year adjustment: Surveiol (Note 43) Prior year adjustment: Surveiol (Note 43) Prior year adjustment: Surveiol (Note 43) Prior year adjustment: Covice (Note 43) Prior	
Prior year adjustments: Housing Company (see note 43.7) Prior year adjustments: Housing Company (see note 43.7) Prior year adjustments: Civirelo (see note 43.7) Prior year adjustment: Scivirelo (see note 43.7) Prior year adjustment: Rodelplaal Temba Water Services Trust (Note 43) Prior year adjustment: Covirelo (Note 43) Prior year adjustment: Scivirelo (Note 43) Prior year adjustment: Covirelo (Note 43) Prior year adjustment: Covirelo (Note 43) Prior year adjustment: Civirelo (Note 43) Prior year adjustment: Covirelo (Note 43) Prior year adjustment: Civirelo (Note 43) Prior year adjustment: Civire	
Phory year adjustments: Roodeplaat Temba (see note 43.7) More and adjustments: Roodeplaat Temba (see note 43.7) More adjustment: Roodeplaat Temba (see note 43.7)<	
Asse fourification/retirements (18,37,534) (48,335,055) (467,680,281) (103,872,589) (103,872,580) (103,872,580) (103,872,580) (103,872,580) (103,872,580) (103,872,580) (103,872,580) (103,872,580) (103,872,580) (103,872,580) (12,232,460) (12,232,460) (12,232,460) (12,232,460) (12,232,460) (12,232,460) (12,232,460) (12,232,460) (12,232,460) (12	
Property, plant & equipment capitalised (378,715,875) 378,715,875) 378,715,875) 467,680,281 6,178,310 0 467,680,281 6,178,310 6,178,313 6,163,313,466 0 467,680,281 6,173,317,611,63,137,611 6,173,31	(110,172)
Capital grants used to purchase PPE (revenue recognised) Contribution: Workmens Compensation (from employees) 467,680,281 467,680,281 (467,680,281 (467,680,281 (467,680,281 (467,680,281 (467,680,281 (467,680,281 (467,680,281 (467,680,281 (467,680,281 (467,680,281 (478,310 0 6,178,310 0 6,178,310 (6,16,313,466 (6,16,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,313,466 (6,163,613,41) (6,163,613,41) (6,163,613,41) (6,163,613,41) (6,163,613,41)	Ċ
Contribution: Workmen's Compensation (from employees) 0 6,178,310 0 6,178,310 (6,178,31) Transfer from Housing Development Fund (12,232,466) 0 (12,232,466) 12,232,466 (12,232,466) (12,232,466) (12,232,466) (12,232,466) (12,232,466) (12,232,466) (12,232,466) (13,313,466) 0 (16,219,136) (16,219,137,61) (16,219,136) (16,219,136) (16,219,136) (16,219,136) (16,219,136) (16,219,136) (16,219,136) (16,219,136) (16,219,137,136) (16,219,137,137) (16,219,137,137) (16,219,137,137) (16,219,137,137) (16,219,137,137) (16,219,137,137) (16,219,13	0
Transfer from Housing Development Fund Transfer from Insurance Reserve Transfer for Capital replacement reserve (Tshwane Market) Transfer to Capital replacement reserve (Shwane Market) Transfer to Capital replacement reserve : General Offsetting of depreciation Balance at 30 June 2008 (12,232,466) 0 (12,232,466) 0 (12,232,466) 163,213,3466 (12,232,466) 163,213,3466 (12,232,466) 163,213,3466 (12,232,466) 163,213,466 (12,232,466) 163,213,3466 (12,232,466) 163,213,3466 (12,232,466) 163,213,3466 (12,232,466) 163,313,466 (12,213,2,466) 163,313,466 (12,213,2,466) 163,313,466 (12,213,2,466) 163,313,466 (12,213,2,466) 163,313,466 (12,213,2,466) 163,313,466 (12,213,2,466) 163,313,466 (12,213,2,466) 163,313,466 (12,213,2,466) 163,313,466 (12,213,2,466) 163,313,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466 (13,213,466	0
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Transfer to Capital replacement reserve (Tshwane Market) 16,219,136	
Transfer to Capital replacement reserve : General 168,501,412 (168,501,412 (168,501,412 (168,501,412 (168,501,412 (168,501,412 (168,501,412 (168,501,412 (168,501,412 (168,501,412 (361,377,647) 361,377,647 36	
Offsetting of depreciation (267,942,951) (93,390,852) (43,844) (361,377,647) 361,377,647 Balance at 30 June 2008 128,919,887 307,157,479 2,239,732,907 3,803,343,643 68,873,273 228,950,846 288,643 1,200 0 6,777,267,878 888,593,07 2009 Net surplus for the year Prior year adjustments: Housing Company Tshwane (Note 43) Prior year adjustments: Housing Company Tshwane (Note 43) Prior year adjustments: Rodeplaat Temba Water Services Trust (Note 43) (1,200) 0 (1,200) 0 (1,200) 0 (1,200) 0 (12,982,588) 12,982,58 <	
Balance at 30 June 2008 128,919,887 307,157,479 2,239,732,907 3,803,343,643 68,873,273 228,950,846 288,643 1,200 0 6,777,267,878 888,593,0° 2009 Net surplus for the year Prior year adjustments: Housing Company Tshwane (Note 43) Image: Company Tshwan	
2009 Net surplus for the year 700,738,7 Prior year adjustment Scivitelo (Note 43) 317,641,199 (326,781,703) (3,842,084) (1,200) 0 (1,20	
Net surplus for the year Prior year adjustments: Housing Company Tshwane (Note 43) Prior year adjustments: Civirelo (Note 43) Prior year adjustment: Roodeplaat Temba Water Services Trust (Note 43) Property valuation: Housing company Tshwane (note 43) Asset purification/retirements Property, plant & equipment capitalised (441,137,531) 441,137,531 (3,842,084) (1,200) (1	
Net surplus for the year Prior year adjustments: Housing Company Tshwane (Note 43) Prior year adjustments: Civirelo (Note 43) Prior year adjustment: Roodeplaat Temba Water Services Trust (Note 43) Property valuation: Housing company Tshwane (note 43) Asset purification/retirements Property, plant & equipment capitalised (441,137,531) 441,137,531	
Prior year adjustments: Housing Company Tshwane (Note 43) Prior year adjustment: Colvielo (Note 43) Prior year adjustment: Roodeplaat Temba Water Services Trust (Note 43) Property valuation: Housing company Tshwane (note 43) Asset purification/retirements Property, plant & acquipment capitalised (441,137,531) 441,137,531	700,738,737
Prior year adjustment: Roodeplaat Temba Water Services Trust (Note 43) (1,200) <td></td>	
Property valuation: Housing company Tshwane (note 43) (1,200) (1	5,504
Asset purification/retirements 317,641,199 (326,781,703) (3,842,084) Property, plant & equipment capitalised (441,137,531) 441,137,531 0 0	
Property, plant & equipment capitalised (441,137,531) 441,137,531	(1,200)
	C
Capital grants used to purchase PPE (revenue recognised) 650,643,403 (650,643,403	0
Contribution: Workmens Compensation (from employees) 8,355,831 8,355,831 8,355,831	, °
Contribution: workmen's Compensation (trom employees) 8,355,831 (8,355) (8,355,831 (8,355,831 (8,355,831 (8,355) (8,355,831 (8,355)	
Transfer from Insurance Reserve (38,264,782) (38,264,782)	
Tranfer to Capital replacement reserve (Tshwane Market) 25.590,421 (02.597,022)	
Transfer to Capital replacement reserve : General 152,002,906 (152,002,90	
Offsetting of depreciation (133,147,993) (89,590,113) (28,906) (222,767,012) 222,767,012)	
Balance at 30 June 2009 128,849,720 361,254,474 2,220,940,742 4,360,554,849 77,229,104 190,686,064 259,737 0 0 7,339,774,689 1,022,517,44	8,362,292,097

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

		MUNIC	CIPALITY	GROUP		
	Note	2009	2008	2009	2008	
		R	R	R	R	
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts:		11,073,714,119	9,996,504,138	11,196,856,593	10,312,482,726	
Cash receipts from ratepayers, government and other		10,951,214,566	9,860,949,530	11,071,052,149	10,154,467,902	
Interest received		122,499,553	135,554,608	125,804,444	158,014,824	
Payments:		(9,129,780,284)	(8,277,978,310)	(9,393,558,407)	(8,620,302,812)	
Cash paid to suppliers and employees		(8,622,196,132)	(7,916,220,982)	(8,885,245,858)	(8,188,813,204)	
Interest paid		(507,584,152)	(361,757,328)	(508,312,549)	(431,489,608)	
NET CASH FROM OPERATING ACTIVITIES	31	1,943,933,835	1,718,525,828	1,803,298,185	1,692,179,914	
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment		(3,326,807,998)	(2,211,743,117)	(2,839,962,695)	(2,221,750,291)	
Gain: Change in fair value of livestock		(2,266,744)	(3,726,697)	(2,266,744)	(3,726,697)	
Proceeds on disposal of fixed assets		2,779,292	4,936,900	2,786,173	4,936,900	
Asset impairment		(6,901,250)	-	(6,901,250)	-	
Decrease/(increase) in non-current investments		(74,793,305)	(14,269,160)	(70,446,726)	(14,335,608)	
NET CASH FROM INVESTING ACTIVITIES		(3,407,990,005)	(2,224,802,074)	(2,916,791,242)	(2,234,875,696)	
CASH FLOWS FROM FINANCING ACTIVITIES						
Net borrowings		1,458,623,725	43,749,023	940,452,289	14,176,492	
Proceeds from borrowings		1,606,943,775	294,856,326	1,088,876,250	296,143,539	
Repayment of borrowings		(148,320,050)	(251,107,303)	(148,423,961)	(281,967,047)	
Net lease liabilities		5,217,784	52,469,549	(19,029,965)	78,795,420	
Proceeds from lease liabilities		142,287,330	147,884,381	142,287,330	147,884,381	
Repayment of lease liabilities		(137,069,546)	(95,414,832)	(161,317,295)	(69,088,961)	
NET CASH FROM FINANCING ACTIVITIES		1,463,841,509	96,218,572	921,422,324	92,971,912	
NET CASH FLOW		(214,661)	(410,057,674)	(192,070,733)	(449,723,870)	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(214,661)	(410,057,674)	(192,070,733)	(449,723,870)	
Cash and cash equivalents at the beginning of the year	32	171,963,954	582,021,628	380,317,794	830,041,664	
Cash and cash equivalents at the end of the year	32	171,749,293	171,963,954	188,247,061	380,317,794	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
1	HOUSING DEVELOPMENT FUND Housing Development Fund	128,849,721	128,919,887	128,849,721	128,919,887	
	Unappropriated surplus	197,856,184	197,926,350	197,856,184	197,926,350	
	Loans extinguished by Government on 1 April 1998	69,006,463	69,006,463	69,006,463	69,006,463	
		· · · ·				
	The Housing Development Fund is represented by the following assets and liabilities:					
	Housing selling scheme loans	66,750,728	108,239,423	66,750,728	108,239,423	
	Other debtors Bank and cash	17,996,084 44,102,908	12,687,578	17,996,084 44,102,908	12,687,578	
	Total Housing Development Fund Assets and Liabilities	128,849,720	7,992,886 128,919,887	128,849,720	7,992,886 128,919,887	
	Total Housing Development Fund Assets and Liabilities		120,010,001	120,043,120	120,010,007	
2	LONG-TERM LIABILITIES					
	Local Registered Stock	278,484,334	318,161,284	278,484,334	318,161,284	
	Long-term loans:	4,058,483,882	2,560,183,206	4,063,157,914	3,083,028,674	
	Annuity loans	3,571,456,946	2,073,261,434	3,571,456,946	2,073,261,434	
	Term loans	487,026,936	486,921,772	491,407,968	1,009,767,240	
	Interest free loan	4,336,968,216	2,878,344,490	293,000 4,341,642,248	3,401,189,958	
	LESS: Current portion transferred to current liabilities	4,336,966,216	2,878,344,490 172,572,966	4,341,042,248	189,530,393	
	Local Registered Stock	135,035,231	42,227,760	134,000,023	42,227,760	
	Annuity loans	133,693,231	101,842,510	133,693,231	101,842,510	
	Term loans	0	28,502,696	315,398	45,460,123	
	Total External Loans	4,203,274,985	2,705,771,524	4,207,633,619	3,211,659,565	
		4,203,214,905	2,705,771,524	4,207,033,019	3,211,039,303	
	Refer to Appendix A for more detail on long-term liabilities					
	Amount invested specifically for the repayment of long-term liabilities. (See note 33 for more detail.)	598,458,250	568,644,654	598,458,250	568,644,654	
	Maturity value of amount invested as security for long-term liabilities	788,466,682	815,559,792	788,466,682	815,559,792	
	Term loans: are secured by:-					
	 A general notarial bond over the movable assets of the Trust. 2. Cession of the Temba Lease Agreement. 3. The Debt Service Reserve Account, the Capital Reserve Account and the Operating Reserve Account. These loans are repayable 6 monthly over 15 years. 					
	Housing Company Tshwane					
	A secured loan bearing interest at 14 % per annum from National Housing Finance Corporation Ltd - repayable in the remaining 177 monthly installments (initially 240 monthly installments). Secured by a mortgage bond over the investment property with a fair value of R9 600 000 (subject to pending valuation results) plus a cession of all banking accounts, debtors books, all risk insurance policies.					
	Interest free loan convertible to a grant on meeting certain criteria from the Gauteng Partnership Fund. The book value of the loan amounts to R293 000.					
3	LEASE LIABILITIES					
3.1	Finance lease liabilities					
	Gross liability	295,412,611	190,233,106	295,412,611	214,480,855	
	Future finance charges on finance leases	(32,897,797)	67,063,924	(32,897,797)	67,063,924	
	Total finance lease liability	262,514,814	257,297,030	262,514,814	281,544,779	
	Non-current portion of finance lease liability					
	Gross liability	117,333,687	88,349,912	117,333,687	112,597,661	
	Future finance charges on finance leases	(30,527,572)	18,698,924	(30,527,572)	18,698,924	
		86,806,115	107,048,836	86,806,115	131,296,585	
	Current portion of finance lease liability				101	
	Gross liability	178,078,924	101,883,194	178,078,924	101,883,194	
	Future finance charges on finance leases	(2,370,225)	48,365,000	(2,370,225)	48,365,000	
		175,708,699	150,248,194	175,708,699	150,248,194	
	Finance lease liabilities - minimum future lease payments:	178,078,924	101,883,194	178,078,924	101,883,194	
	Not later than one year	178,078,924 117,333,687	101,883,194 88,349,912	178,078,924 117,333,687		
	Later than one year but not later than five years	117,333,687	88,349,912 0	117,333,687	89,311,594 23,286,067	
	Later than 5 years	295,412,611	190,233,106	295,412,611	23,286,067 214,480,855	
	Future finance charges on finance leases					
	Future finance charges on finance leases Present value of finance lease liabilities	(32,897,797) 262,514,814	67,063,924 257,297,030	(32,897,797) 262,514,814	67,063,924 281,544,779	
	Refer to Appendix A for more detail on finance lease liabilities	202,514,014	231,231,030	202,014,014	201,044,779	

		MUNICIPALITY		GROUP	,	
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
1	The present value of finance lease liabilities may be analysed as follows:					
١	No later than one year	175,708,699	153,046,433	175,708,699	153,046,433	
L	ater than one year but not later than five years	86,806,116	104,250,597	86,806,116	104,250,597	
		262,514,815	257,297,030	262,514,815	257,297,030	
F	Fair value of loans (amortised cost i.e. PV)	262,514,814	257,297,030	262,514,814	257,297,030	
c	Collateral held in terms of the above lease (Net book amount of leased assets) (See note 10.13)	252,871,839	247,780,561	252,871,839	247,780,561	
L	ease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default					
2 [Deferred lease liabilities					
E	Salance at the beginning of the year (brought in only from 2007/08)			2,078,122	1,873,03	
	Expense realised			(2,078,122)	205,08	
E	Balance at the end of the year			0	2,078,122	
M	NON-CURRENT PROVISIONS					
.1 0	CLEARING OF ALIEN VEGATATION					
	Dpening balance at the beginning of the year	5,789,465	5,263,150	5,789,465	5,263,150	
	Contributions during the year Expenditure during the year	7,246,569 (6,667,623)	3,716,659 (3,190,344)	7,246,569 (6,667,623)	3,716,659 (3,190,344	
	Closing balance at the end of the year	6,368,411	5,789,465	6,368,411	5,789,46	
	n terms of the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983) the provision for the clearing of alien vegatation was					
	established in 2005/06 as a start to address the backlogs that exist. The provision will be phased in over a period of time.					
.2 F	REHABILITATION OF LANDFILL SITES					
г	The provision for landfill sites have been established from the 2007/08 financial year only.					
C	Opening balance at the beginning of the year	63,360,000	0	63,360,000		
C	Contributions during the year	111,151,962	63,360,000	111,151,962	63,360,00	
	Expenditure during the year	0	0	0		
L L	Closing balance at the end of the year	174,511,962	63,360,000	174,511,962	63,360,00	
	REHABILITATION OF QUARRIES					
	The provision for quarries have been established from the 2007/08 financial year only.					
	Dpening balance at the beginning of the year	18,061,984	0	18,061,984	(
	Contributions during the year	6,042,176	18,061,984	6,042,176	18,061,98	
	Expenditure during the year Closing balance at the end of the year	24,104,160	0 18,061,984	24,104,160	18,061,98	
			10,001,004	24,104,100	10,001,00	
	Fotal non-current provisions					
	Depening balance at the beginning of the year	87,211,449	5,263,150	87,211,449	5,263,15	
	Contributions during the year	124,440,707	85,138,643	124,440,707	85,138,643	
	Expenditure during the year Closing balance at the end of the year	(6,667,623) 204,984,533	(3,190,344) 87,211,449	(6,667,623) 204,984,533	(3,190,344 87,211,44	
				· · ·	•••	
	CURRENT PROVISIONS					
F	Performance bonus			917,255 917,255	782,275	
.1 F	RECONCILIATION OF CURRENT PROVISIONS			<u> </u>	,	
	Performance bonus:					
	Balance at the beginning of the year			782,275	2,318,46	
	Contributions to provision			134,980	782,275 (2,318,467	
	Jtlisation of provision Balance at the end of the year			917,255	782,27	
-	salaroo at the one of the year			517,200	102,213	

	MUNIC	MUNICIPALITY		GROUP	
DESCRIPTI	NC	2009 R	2008 R	2009 R	2008 R
6 CONSUMER DEPOSITS					
Electricity and water		282,759,977	267,978,963	285,243,276	269,510,010
Guarantees held in lieu of Electricity and Water deposits		143,634,350	128,909,639	143,634,350	128,909,639
7 CREDITORS					
Trade creditors Payments received in advance		1,685,566,272 66,841,273	982,847,902 3,873,614	1,689,035,425 129,656,975	998,700,860 58,127,847
Retentions		142,689,724	96,661,285	142,689,724	103,699,574
Staff Leave accrual		300,893,740	257,311,987	303,847,796	259,776,832
Deposits		13,006,346 447,935,944	17,931,509	15,132,035	20,024,840
Other creditors			397,079,629	460,985,057	406,765,197
Total creditors		2,656,933,299	1,755,705,926	2,741,347,012	1,847,095,150
8 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		410 992 455	219 164 900	410 882 455	218 164 800
8.1 Conditional Grants from other spheres of Government		410,882,455	318,164,899	410,882,455	318,164,899
Municipal Infrastructure Grant (MIG)		34,572,314	37,952,350	34,572,314	37,952,350
Housing projects		33,941,036	20,301,622	33,941,036	20,301,622
Department of Water Affairs & Forestry (DWAF)		2,332,660	4,827,178	2,332,660	4,827,178
Finance Management Grant (FMG)		1,515,238	1,304,688	1,515,238	1,304,688
Municipal System Improvement Grant (MSIG)		498,400	498,400	498,400	498,400
Restructuring Grant		41,106,512	86,786,106	41,106,512	86,786,106
Department Sport and Recreation		38,279,649	45,242,563	38,279,649	45,242,563
Transportation and Engineering		1,553,167	8,000,000	1,553,167	8,000,000
Department Public Works		0	7,322,068	0	7,322,068
2010 Host Cities		40,000,000	0	40,000,000	0
Transport : World Cup Soccer		207,683,644	105,786,086	207,683,644	105,786,086
Neighbourhood watch development		6,725,126	0	6,725,126	0
ESKOM		0	12,953	0	12,953
Provincial Local Economic Development Projects grant		2,674,709	130,885	2,674,709	130,885
8.2 Other conditional Receipts		9,037,883	10,595,333	22,716,316	14,878,285
National Electrification Fund		4,281,858	4,198,110	4,281,858	4,198,110
Bontle ke Botho		1,563,400	1,457,223	1,563,400	1,457,223
Gauteng Arts and Culture		574,936	0	574,936	0
Gauteng: Agriculture, Conservation & Environment		6,250	440,000	6,250	440,000
Stipends (DBSA)		54,000	0	54,000	0
DPLG: Health		2,342,602	1,500,000	2,342,602	1,500,000
Monument Golf Club		214,837	3,000,000	214,837	3,000,000
Other: Sandspruit		0	0	13,678,433	4,282,952
Total Conditional Grants and Receipts (See Note 22 for reconci	liation).	419,920,338	328,760,232	433,598,771	333,043,184
9 VAT					
VAT payable		164,585,154	104,380,809	167,620,490	113,720,301
VAT is payable on the receipts basis. Only once payment is received	d from debtors is VAT paid over to SARS		104,300,009	107,020,430	113,720,301

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
10	PROPERTY, PLANT AND EQUIPMENT (Reconciliation of Carrying values)					
0.1						
	Carrying value at 1 July Cost	6,737,266,620	5,407,435,097	6,746,027,866	5,415,753,097	
	Accumulated depreciation: Restatement - Zero value assets	8,888,481,702	7,336,282,784 71,605,445	8,899,904,937	7,346,503,035 71,605,445	
	Accumulated depreciation	(2,151,215,082)	(2,000,453,132)	(2,153,877,071)	(2,002,355,383)	
	Acquisitions	2,014,508,787	2,299,852,932	2,014,715,690	2,300,296,178	
	Additions	1,134,935,184	1,876,235,172	1,136,178,609	1,877,650,290	
	Additions: Capital under construction	825,183,264	639,207,766	825,183,264	639,207,766	
	Acquistions: Roodeplaat Temba Water Services Trust	435,062,480	0	435,062,480		
	Acquisitions: Capital under construction - Roodeplaat Temba Water Services Trust	2,247,888	0	2,247,888		
	Threshold assets transfer - cost	0	(107,017)	0	(107,017	
	Depreciation: Threshold assets transfer	0	106,686	0	106,686	
	Accumulated depreciation: Roodeplaat Temba Water Services trust	(89,588,139)	0	(89,588,139)	(
	Depreciation - based on cost	(293,331,890)	(215,589,675)	(294,368,412)	(216,561,547	
	Carrying value of purification/transfers	(39,924,063)	(970,021,409)	(39,924,063)	(970,021,409)	
	Cost	0	(966,379,735)	0	(966,591,869	
	Transfer Asset under construction (AUC) to assets	(39,924,063)	0.040.705	(39,924,063)	2 040 70	
	Restatement: Transfer asset classes - cost Restatement: ICS Register - cost	0	3,010,795 231,937	0	3,010,799 231,933	
	-	0	(424,924)	0	(424,924	
	Restatement: Transfer asset classes - depreciation Restatement: ICS Register - depreciation	0	(424,924) (9,042)	0	(424,924) (9,042	
	Restatement: zero value assets - depreciation	0	(8,063,915)	0	(8,063,915	
	Accumulated depreciation	0	1,613,475	0	1,825,609	
	Carrying values at 30 June:	- 8,711,851,344	- 6,737,266,620	8,720,819,493	6,746,027,866	
	Cost	11,245,986,455	8,888,481,702	11,258,653,115	8,899,904,93	
	Accumulated depreciation	(2,534,135,111)	(2,151,215,082)	(2,537,833,622)	(2,153,877,071	
0.2	COMMUNITY					
	Carrying value at 1 July	859,523,650	777,746,173	859,523,650	777,746,17	
	Cost	1,149,056,085	1,024,618,757	1,149,056,085	1,024,618,75	
	Accumulated depreciation: Restatement - zero value assets	0	9,424,591	0	9,424,59	
	Accumulated depreciation	(289,532,435)	(256,297,175)	(289,532,435)	(256,297,175	
	Acquisitions	240,859,330	112,882,539	240,859,330	112,882,53	
	Additions	264,619,289	146,170,690	264,619,289	146,170,69	
	Capital under construction Transfer: Thrfeshold assets - cost	19,848,542	8,353,798	19,848,542	8,353,79	
	Transfer: Threshold assets - depreciation	0	(200,589)	0	(200,589	
	Depreciation - based on cost	(43,608,501)	10,446 (41,451,806)	(43,608,501)	10,44 (41,451,806	
		<u> </u>	· · · · · · · · · · · · · · · · · · ·	<u> </u>	x • • •	
	Carrying value of purification/transfers	26,484,153	(31,105,062)	26,484,153	(31,105,062	
	Cost	0	(29,901,839)	0	(29,901,839	
	Transfer Asset under construction (AUC) to assets	26,484,153	0	26,484,153		
	Restatement: Transfer asset classes - cost	0	(10,334)	0	(10,33	
	Restatement: ICS Register - cost	0	25,602	0	25,60	
	Restatement: Transfer asset classes - depreciation Restatement: zero value assets - depreciation correction	0	99,019 (1,317,510)	0	99,01 (1,317,510	
	·		· · · · · · · · · · · · · · · · · · ·			
	Carrying values at 30 June:	1,126,867,133	859,523,650	1,126,867,133	859,523,65	
	Cost	1,460,008,069	1,149,056,085	1,460,008,069	1,149,056,08	
	Accumulated depreciation	(333,140,936)	(289,532,435)	(333,140,936)	(289,532,435	

		MUNICIPALITY		GROUP	
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R
10.3	HERITAGE				
	Carrying value at 1 July	3,695,147	3,733,422	3,695,147	3,733,422
	Cost Accumulated depreciation	3,814,388 (119,241)	3,813,988 (80,566)	3,814,388 (119,241)	3,813,988 (80,566)
	Acquisitions	(38,716)	(38,675)	(38,716)	(38,675)
	Additions	(36,710)	(38,075)	(38,710)	(38,075)
	Depreciation - based on cost	(38,716)	(38,675)	(38,716)	(38,675)
	Carrying value of purification/transfers	0	400	0	400
	Cost Restatement: Fair market value assets - cost	0	0 400	0	0 400
	Accumulated depreciation	0	400	0	400
	Carrying values at 30 June:	3,656,431	3,695,147	3,656,431	3,695,147
	Cost	3,814,388	3,814,388	3,814,388	3,814,388
	Accumulated depreciation	(157,957)	(119,241)	(157,957)	(119,241)
10.4	HOUSING				
	Carrying value at 1 July	184,570,006	201,740,869	184,570,006	201,740,869
	Cost Accumulated depreciation: Restatement - zero value assets	184,626,436 0	234,965,906 110,474	184,626,436 0	234,965,906 110,474
	Accumulated depreciation	(56,430)	(33,335,511)	(56,430)	(33,335,511)
	Acquisitions	35,955,311	84,530,648	35,955,311	84,530,648
	Additions	36,040,717	81,746,559	36,040,717	81,746,559
	Capital under construction Depreciation - based on cost	0 (85,406)	6,035,290 (3,251,201)	0 (85,406)	6,035,290 (3,251,201)
	Carrying value of purification/transfers Cost	(1,571,781)	(101,701,511) (132,579,480)	(1,571,781)	(101,701,511) (132,579,480)
	Transfer Asset under construction (AUC) to assets	(1,571,781)	(102,010,400)	(1,571,781)	(102,070,400)
	Restatement: Transfer asset classes - cost	0	(5,541,839)	0	(5,541,839)
	Restatement: ICS Register - cost	0	36,429,851	0	36,429,851
	Restatement: zero value assets - depreciation correction	0	(10,043)	0	(10,043)
	Carrying values at 30 June: Cost	218,953,536 219,095,372	184,570,006 184,626,436	218,953,536 219,095,372	184,570,006 184,626,436
	Accumulated depreciation	(141,836)	(56,430)	(141,836)	(56,430)
10.5	STOCK				
	Carrying value at 1 July	407,735	1,019,408	407,735	1,019,408
	Cost Accumulated depreciation	407,735 0	1,142,732 (123,324)	407,735 0	1,142,732 (123,324)
		0		0	(123,324)
	Acquisitions Additions	0	0	0	0
	Capital under construction	0	0	0	0
	Depreciation - based on cost	0	0	0	0
	Carrying value of purification/transfers Cost	0	(611,673) 123,324	0	(611,673) 123,324
	Accumulated depreciation - restatement	0	(734,997)	0	(734,997)
	Carrying values at 30 June:	407,735	407,735	407,735	407,735
	Cost	407,735	407,735	407,735	407,735
	Accumulated depreciation	0	0	0	0
10.6	LAND	4 0 40 000 5 45	000 001 TC :	4 040 000 010	000 001 70
	Carrying value at 1 July Cost	1,049,966,212 1,049,966,212	998,891,764 1,140,397,933	1,049,966,212 1,049,966,212	998,891,764 1,140,397,933
	Accumulated depreciation	0	(141,506,169)	0	(141,506,169)
	Acquisitions	21,458,188	1,104,434	21,458,188	1,104,434
	Additions	21,458,188	1,104,434	21,458,188	1,104,434
	Capital under construction Depreciation - based on cost	0	0	0	0
		0	<u> </u>		0

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
	Carrying value of purification/transfers	0	49,970,014	0	49,970,014	
	Cost Restatement: Transfer asset classes - cost	0	0 (91,536,155)	0	0 (91,536,155)	
	Restatement: Transfer asset classes - depreciation	0	158,704	0	158,704	
	Accumulated depreciation - write back restatement	0	141,347,465	0	141,347,465	
	Carrying values at 30 June:	1,071,424,400	1,049,966,212	1,071,424,400	1,049,966,212	
	Cost	1,071,424,400	1,049,966,212	1,071,424,400	1,049,966,212	
	Accumulated depreciation	0	0	0	0	
10.7	BUILDINGS	150 075 004	101 511 105	400 007 057	100 050 007	
	Carrying value at 1 July Cost	459,875,924 778,864,363	464,511,185 701,317,311	466,397,657 786,390,121	469,859,967 707,455,026	
	Accumulated depreciation: Restatement - zero value assets	0	47,370,104	0	47,370,104	
	Accumulated depreciation	(318,988,439)	(284,176,230)	(319,992,464)	(284,965,163)	
I	Acquisitions	47,274,562	6,005,757	47,158,725	7,178,708	
	Additions	83,458,318	77,379,357	83,691,542	78,724,850	
	Capital under construction	0	0	0 (36,532,817)	0	
	Depreciation - based on cost	(36,183,756)	(71,373,600)		(71,546,142)	
	Carrying value of purification/transfers Cost	16,341,709	(10,641,018) (67,846)	16,341,709	(10,641,018) (25,296)	
	Transfer asset under construction (AUC) to assets	16,341,709	(07,040)	16,341,709	(25,290)	
	Restatement/Transfers: Asset classes - cost	0	235,541	0	235,541	
	Restatement/Transfers: Asset classes - accumulated depreciation	0	(19,493)	0	(19,493)	
	Restatement: zero value assets - depreciation corrections Accumulated depreciation	0	(10,798,311) 9,091	0	(10,798,311) (33,459)	
	Complex values at 20 luna.	533 403 105	450.975.004	520 808 001		
	Carrying values at 30 June: Cost	523,492,195 878,664,390	459,875,924 778,864,363	529,898,091 886,423,372	466,397,657 786,390,121	
	Accumulated depreciation	(355,172,195)	(318,988,439)	(356,525,281)	(319,992,464)	
10.8	OTHER					
	Carrying value at 1 July Cost	695,252,942	408,880,526	698,386,889	820,662,221	
	Accumulated depreciation: Restatement - zero value assets	1,248,874,593 0	808,407,385 201,361	1,256,381,359 0	1,285,958,277 201,361	
	Accumulated Depreciation	(553,621,651)	(399,728,220)	(557,994,470)	(465,497,417)	
	Acquisitions	385,429,067	9,184,029	384,946,395	(20,668,709)	
	Additions	150,963,101	67,356,442	151,928,127	74,599,765	
	Additions: Capital under construction Acquistions: Roodeplaat Temba Water Services Trust	220,203,379	64,752,621	220,203,379	64,752,621	
	Accumulated depreciation: Roodeplaat Temba Water Services trust	37,732,103	0	37,732,103	0	
	Transfer: Threshold assets - cost	(7,790,273)	(8,493,291)	(7,790,273)	(8,493,291)	
	Transfer: Threshold assets - depreciatyion	0	1,513,405	Ő	1,513,405	
	Depreciation	(15,679,243)	(115,945,148)	(17,126,941)	(153,041,209)	
	Carrying value of purification/transfers/disposals	(78,548,908)	277,188,387	(78,629,596)	276,087,760	
	Cost	0	(63,108,790)	(72,569)	(64,772,943)	
	Transfer asset under construction (AUC) to assets Additions: Fair market values for zero value assets	(50,035,394) 3,720,450	0	(50,035,394) 3,720,450	0	
	Auditoris, rain inaliset values for zero value assets Restatement/Transfers: Asset classes - cost	3,720,430	94,581,337	3,720,450	94,581,337	
	Restatement: ICS Register - cost	0	168,876,032	0	168,876,032	
	Restatement: Dogs and horses -cost	0	517,600	0	517,600	
	Restatement: Fair market value assets - cost Restatement: Rehabilitation provision assets	0	34,563,273 81,421,984	0	34,563,273 81,421,984	
	Restatement: Transfer asset classes - depreciation	Ő	(36,243,793)	ő	(36,243,793)	
	Restatement: Prior year depreciation	0	71,773	0	71,773	
	Restatement: ICS Register - depreciation Disposals - cost	0 (41,216,717)	(12,519,023)	0 (41,216,717)	(12,519,023)	
	Impairment - cost	(43,246,577)	0	(43,246,577)	0	
	Year end accural - cost	(13,552,424)	0	(13,552,424)	0	
	Disposals - depreciation	28,384,955	0	28,384,955	0	
	Impairment - depreciation Write-up: Depreciation	36,345,327 1,445,787	0	36,345,327 1,445,787	0	
	Non-current assets held for sale - cost	(1,552,635)	0	(1,552,635)	0	
	Non-current assets held for sale - depreciation	1,158,320	0	1,158,320	0	
	Restatement: zero value assets - depreciation correction Accumulated depreciation	0	(33,345) 9,061,339	0 (8,119)	(33,345) 9,624,865	
		0	9,001,008	(0,113)	3,024,005	

		MUNICIPALITY		GROUP 2000		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
	Carrying values at 30 June:	1,002,133,101	695,252,942	1,004,703,688	1,076,081,27	
	Cost	1,511,889,879	1,248,874,593	1,520,289,102	1,732,004,65	
	Accumulated depreciation	(509,756,778)	(553,621,651)	(515,585,414)	(655,923,38	
.9	TOTAL PROPERTY, PLANT AND EQUIPMENT					
	Carrying value at 1 July Cost	9,990,558,237 13,304,091,515	8,263,958,444 11,250,946,796	10,009,005,524 13,331,128,098	8,689,406,9 11,744,855,6	
	Accumulated depreciation: Restatement - zero value assets	13,304,091,515	128,711,975	13,331,120,090	128,711,9	
	Accumulated Depreciation	(3,313,533,278)	(3,115,700,327)	(3,322,122,574)	(3,184,160,7	
	Acquisitions	2,745,446,529	2,513,521,664	2,745,054,923	2,485,285,7	
	Additions	1,691,474,797	2,249,992,654	1,693,916,472	2,259,996,	
	Additions: Capital under construction	1,065,235,185	718,349,475	1,065,235,185	718,349,	
	Acquistions: Roodeplaat Temba Water Services Trust	472,794,583	0	472,794,583		
	Acquisitions: Capital under construction - Roodeplaat Temba Water Services Trust	2,247,888	0	2,247,888		
	Accumulated depreciation: Roodeplaat Temba Water Services trust	(97,378,412)	0	(97,378,412)		
	Transfer: Threshold assets - cost	0	(8,800,897)	0	(8,800,8	
	Transfer: Threshold assets - depreciation Depreciation	0 (388,927,512)	1,630,537 (447,650,105)	0 (391,760,793)	1,630, (485,890,5	
	•					
	Carrying value of purification/transfers/disposals	(77,218,887)	(786,921,869)	(77,299,575)	(788,022,4	
	Cost Additions: Fair market value - zero value assets	3,720,450	(1,192,037,690)	(72,569) 3,720,450	(1,193,871,4	
	Transfer asset under construction (AUC) to assets	(48,705,376)	0	(48,705,376)		
	Restatement/Transfers: Asset classes - cost	0	4,349	0	4,	
	Restatement: ICS Register - cost	0	169,133,571	0	169,133,	
	Restatement: Dogs and horses -cost	0	517,600	0	517,	
	Restatement: Fair market value assets - cost Restatement: Rehabilitation provision assets	0	34,563,673 81,421,984	0	34,563, 81,421,	
	Restatement: Transfer asset (asses - depreciation	0	142,912	0	142,	
	Restatement: Prior year depreciation	0	(71,773)	0	(71,	
	Restatement: ICS Register - depreciation	0	(12,528,065)	0	(12,528,0	
	Disposals - cost	(41,216,717)	0	(41,216,717)		
	Impairment - cost Year end accural - cost	(43,246,577) (13,552,424)	0	(43,246,577) (13,552,424)		
	Disposals - depreciation	28,384,958	0	28,384,958		
	Impairment - depreciation	36,345,327	0	36,345,327		
	Write-up: Depreciation	1,445,787	0	1,445,787		
	Non-current assets held for sale - cost	(1,552,635)	0	(1,552,635)		
	Non-current assets held for sale - depreciation Accumulated depreciation - cost write back restatement	1,158,320	0 141,470,789	1,158,320	141,470,	
	Restatement: zero value assets - depreciation correction	0	(20,223,124)	0	(20,223,1	
	Accumulated depreciation	0	10,683,905	(8,119)	11,417,	
	Carrying values at 30 June:	12,658,785,879	9,990,558,238	12,676,760,872	10,386,669,	
	Cost	16,391,290,689	13,304,091,515	16,420,696,378	13,806,170,	
	Accumulated depreciation	(3,732,504,810)	(3,313,533,276)	(3,743,935,506)	(3,419,501,0	
.10	INVESTMENT PROPERTY					
	Carrying value at 1 July Cost	10,571,024 44,788,161	12,084,663 44,792,509	20,571,024 54,788,161	19,575, 52,283,	
	Accumulated depreciation: Restatement - zero value assets	44,700,101	44,792,509	54,766,161	52,263, 133,	
	Accumulated depreciation	(34,217,137)	(32,841,744)	(34,217,137)	(32,841,7	
	Acquisitions	(2,543,863)	(1,497,613)	(2,543,863)	(1,497,6	
	Additions	0	0	(2,010,000)	(1,107,0	
	Capital under construction	0	0	0		
	Depreciation	(2,543,863)	(1,497,613)	(2,543,863)	(1,497,6	
	Carrying value of purification/transfers/disposals	0	(16,026)	(400,000)	2,493,	
	Cost	0	0	0	2,509,	
	Restatement/Transfers: Asset classes - cost Restatement/Transfers: Asset classes - accumulated depreciation	0	(4,348) 495	(400,000)	(4,3	
	Restatement: zero value assets - depreciation correction	0	495 (12,173)	0	(12,1	
	Corruing volume at 20 Junes	8 027 161	10 571 024	17,627,161	20 571	
	Carrying values at 30 June: Cost	8,027,161 44,788,161	10,571,024 44,788,161	54,388,161	20,571, 54,788,	
	Cost Accumulated depreciation	(36,761,000)	(34,217,137)	(36,761,000)	(34,217,1	
	···· · ·····	(30,101,000)	<u>,-,_,,,,,,,</u>	(22,101,000)	(° ., _ . / ,	

		MUNICIPALITY 2009		GROUP	
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R
11	INTANGIBLE ASSETS				
	Carrying value at 1 July	98,035,113	95,359,784	98,038,353	95,359,78
	Cost Accumulated depreciation	158,946,436	125,103,123	159,007,576 (60,969,223)	125,103,12
	Accumulated depreciation	(60,911,323)	(29,743,339)	(60,969,223)	(29,743,339
	Acquisitions	9,450,261	2,675,188	9,448,641	2,663,95
	Additions	37,045,201	33,843,313	37,045,201	33,846,55
	Capital under construction Depreciation	(27,594,940)	(31,168,125)	(27,596,560)	(31,182,60
	Carrying value of purification/transfers/disposals Cost	48,705,375 48,705,375	141	48,705,375	72,5
	Restatement/Transfers: Asset classes - cost	40,700,070	0	40,703,373	-,
	Restatement/Transfers: Asset classes - accumulated depreciation	Ö	141	ŏ	
	Accumulated depreciation	0	0	Ō	57,9
	Carrying values at 30 June:	156,190,749	98,035,113	156,192,369	98,096,2
	Cost	244,697,012	158,946,436	244,758,152	159,007,5
	Accumulated depreciation	(88,506,263)	(60,911,323)	(88,565,783)	(60,911,32
2	GRAND TOTAL				
	Carrying value at 1 July	10,099,164,376	8,371,402,891	10,127,614,903	8,804,342,0
	Cost	13,507,826,112	11,420,842,428	13,544,923,835	11,922,241,9
	Accumulated depreciation: Restatement - zero value assets	0	128,845,873	0	128,845,8
	Accumulated Depreciation	(3,408,661,736)	(3,178,285,410)	(3,417,308,932)	(3,246,745,79
	Acquisitions	2,752,352,924	2,514,699,239	2,751,959,698	2,486,451,4
	Additions	1,728,519,995	2,275,035,070	1,730,961,670	2,285,042,2
	Additions: Capital under construction	1,065,235,185	718,349,475	1,065,235,185	718,349,4
	Acquistions: Roodeplaat Temba Water Services Trust	472,794,583	0	472,794,583	
	Acquisitions: Capital under construction - Roodeplaat Temba Water Services Trust	2,247,888	0	2,247,888	
	Accumulated depreciation: Roodeplaat Temba Water Services trust	(97,378,412)	0	(97,378,412)	
	Depreciation	(419,066,315)	(478,685,306)	(421,901,216)	(516,940,25
	Carrying value of purification/transfers/disposals	(28,513,514)	(786,937,754)	(28,994,202)	(785,514,56
	Cost	(20,515,514)	(1,192,037,690)	(72,569)	(1,191,304,18
	Additions: Fair market value - zero value assets	3,720,450	0	3,720,450	(.,,,
	Restatement/Transfers: Asset classes - cost	0	0	0	
	Restatement: ICS Register - cost	0	169,133,572	0	169,133,
	Restatement: Dogs and horses -cost	0	517,600	0	517,
	Restatement: Fair market value assets - cost Restatement: Rehabilitation provision assets	0	34,563,673 81,421,984	0	34,563, 81,421,
	Restatement: Transfer asset classes - depreciation	0	143,548	0	143,
	Restatement: Prior year depreciation	0	(71,773)	0	(71,7
	Restatement: ICS Register - depreciation	0	(12,528,065)	0	(12,528,0
	Disposals - cost	(41,216,717)	0	(41,216,717)	
	Impairment - cost	(43,246,577)	0	(43,246,577)	
	Year end accural - cost Disposals - depreciation	(13,552,424) 28,384,955	0	(13,552,424) 28,384,955	
	Impairment - depreciation	36,345,327	0	36,345,327	
	Write-up: Depreciation	1,445,787	Ő	1,445,787	
	Non-current assets held for sale - cost	(1,552,635)	0	(1,552,635)	
	Non-current assets held for sale - depreciation	1,158,320	0	1,158,320	
	Accumulated depreciation - cost write back restatement	0	141,470,789	0	141,470,
	Restatement: zero value assets - depreciation correction	0	(20,235,297)	(408 110)	(20,235,2
	Accumulated depreciation - cost		10,683,905	(408,119)	11,373,
	Carrying values at 30 June:	12,823,003,786	10,099,164,373	12,850,580,399	10,255,197,
	Cost Accumulated depreciation - cost	16,680,775,860 (3,857,772,074)	13,507,826,109 (3,408,661,736)	16,720,242,689 (3,869,662,290)	14,019,966,3 (3,764,768,7
	Refer to Appendix B (for analysis per class) and Appendix C (for segmental analysis)	(0,007,772,074)	(0,400,001,730)	(0,000,002,200)	(3,707,700,7
	iverer to Appendix o (for analysis per class) and Appendix o (for segmental analysis)				
	USEFUL LIVES				
	The useful lives of the assets have been reviewed and adjusted to more accurtely relfect the actual expected life spans of the assets				
	within the City of Tshwane. In a majority of the cases, the lives of the items have been extended considerably as the City of Tshwane				
	has embarked on a campaign to ensure that assets are not unneccessarily replaced and that those items in use are properly taken care				
	of and safe guarded				

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
	IMPAIRMENT The City of Tshwane tested the assets falling under the property, plant and equipment category for impairment to ensure that the assets were reflected at a reasonable net book value. In order to do this, the following methodology was applied:					
	The assets were grouped into smaller categories and each item was given a fair market value of what the item would cost new as wel as what the item would cost on the second hand market. This exercise was done by and external expert.					
	This value was then tested against the existing values of the assets. Where the net book value of the item exceeded the fair market value by a factor of 300 % or more, these items were impaired to reflect the actual recoverable cost.					
10.13	LEASED ASSETS					
	Carrying value at 1 July	247,780,561	197,234,792	247,780,561	212,108,487	
	Cost Accumulated depreciation - cost	375,411,746 (127,631,185)	267,593,177 (70,358,385)	375,411,746 (127,631,185)	285,232,242 (73,123,755)	
	Acquisitions	5,091,279	50,545,769	5,091,279	49,743,994	
	Additions	12,671,545	107,818,569	12,671,545	107,818,569	
	Capital under construction	0	0	0	0	
	Redemption: fully depreciated assets	74,903,787		74,903,787	0	
	Depreciation - based on cost	(82,484,053)	(57,272,800)	(82,484,053)	(58,074,575)	
	Carrying value of purification/transfers/disposals	0	0	0	(308,104)	
	Cost Accumulated depreciation - cost	0	0	0	0 (308,104)	
	Carrying values at 30 June:	252,871,839	247,780,561	252,871,839	261,544,379	
	Cost	388,083,291	375,411,746	388,083,291	393,050,813	
	Accumulated depreciation -cost	(135,211,452)	(127,631,185)	(135,211,452)	(131,506,434)	
11	BIOLOGICAL ASSETS: LIVESTOCK					
	Carrying amount at the beginning of the year Gain: changes in fair value due to physical changes and price changes	14,741,255 2,266,744	11,014,558 3,726,697	14,741,255 2,266,744	11,014,558 3,726,697	
	Carrying amount at the end of the financial year	17,007,999	14,741,255	17,007,999	14,741,255	
	Biological assets are measured at their fair value less estimated point-of-sale-costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit.					
12	NON-CURRENT ASSETS HELD FOR SALE					
	Other movable assets - cost	1,552,635	0	1,552,635	0	
	Other movable assets - depreciation	(1,158,320)	0	(1,158,320)	0	
		394,315	0	394,315	0	
	The abovementioned groups of assets (mostly vehicles, bicycles and other smaller movable assets) have been marked for disposal and are in the auction yard at 30 June 2009					
13	INVESTMENTS					
13.1	HELD-TO-MATURITY INVESTMENTS					
	Unlisted:					
	Municipal stock	3,033,002	3,033,002 3,033,002	3,033,002 3,033,002	3,033,002 3,033,002	
	Financial instruments:	3,033,002	3,033,002	3,033,002	3,033,002	
	Fixed deposits	491,311,097	416,767,411	493,822,236	423,625,129	
	Assurance companies	6,002,276	5,752,656	6,002,276	5,752,656	
		497,313,373	422,520,067	499,824,512	429,377,785	
	Total Held-to-Maturity Investments	500,346,375	425,553,069	502,857,514	432,410,787	
13.2	AVAILABLE-FOR-SALE INVESTMENTS					
	Short-term deposits and Call deposits	177,605,393	235,135,631	187,814,191	272,462,172	
	TOTAL INVESTMENTS	677,951,768	660,688,700	690,671,705	704,872,959	
46						

		MUNICIPALITY			GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R		
	Market value of listed investments, and management's valuation of unlisted investments:						
	Unlisted investments	677,951,767	660,688,700	690,671,705	704,872,959		
	No impairment occurred during the financial year						
	Average rate of return on long-term investments :	14.10 %	14.10 %	14.10 %	14.10 %		
	Average rate of return on short-term investments :	10.44 %	10.43 %	10.44 %	10.43 %		
	The Municipal Financial Management Act, 2003 (Act 56 of 2003) requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty interest rate to meet commitments.						
14	LONG-TERM RECEIVABLES						
	Consumers: Arrangement debtors	245,372,310	202,597,529	245,372,310	202,597,529		
	Housing loans	57,556,328	59,092,140	57,556,328	59,092,140		
	Motor car loans	173,915	2,161,952	173,915	2,161,952		
	Loans to Sports Clubs Study loans	1,661,855	1,688,951	1,661,855	1,688,951		
	Sale of land	5,293 79,405,336	13,930 65,779,894	5,293 79,405,336	13,930 65,779,894		
		384,175,037	331,334,396	384,175,037	331,334,396		
	Less: Current portion transferred to current receivables	123,832,808	103,377,148	123,832,808	103,377,148		
		260,342,229	227,957,248	260,342,229	227,957,248		
	Less: Provision for bad debt: Housing loans	23,420,606	38,194,441	23,420,606	38,194,441		
	Less: Impairment of 0 % interest charged on arrangement debtors	49,821,913	00,104,441	49,821,913	0		
	Total Long-term receivables (past due not impaired)	187,099,710	189,762,807	187,099,710	189,762,807		
	RECONCILIATION OF BAD DEBT PROVISION Balance at the beginning of the year	38,194,441	36,202,047	38,194,441	36,202,047		
	Contributions to provision & impairment of 0 % interest	49,821,913	1,992,394	49.821.913	1,992,394		
	Write back of provision during the year	(14,773,835)	1,352,354	(14,773,835)	1,332,334		
	Balance at the end of the year	73,242,519	38,194,441	73,242,519	38,194,441		
	CONSUMER: ARRANGEMENT DEBTORS A policy exists granting consumer debtors an opportunity to make arrangements to pay off their arrear debt over a certain period.						
	HOUSING LOANS						
	Housing loans are granted to qualifying individuals in terms of the Provincial Administration's Housing Programme. These loans attract interest of 13,5% per annum and are repayable over periods of 20 and 30 years. These loans have various terms applicable.						
	MOTOR CAR LOANS						
	Senior staff were entitiled to motor car loans which attract interest at 8,5 % per annum and which are repayable over a maximum period of 6 years. This practice has been terminated in terms of the MFMA and the last loan will be fully repaid in October 2009.						
	LOANS TO SPORT CLUBS Sport Clubs that do qualify, sign a 99 year lease hold agreement with the Municipality at a nominal amount and are provided with financial assistance from the Municipality to build or improve a facility of which the funds are repayable over a period and the Club has no claim to the improvements after the expiration of the lease hold agreement.						
	STUDY LOANS Emloyees were entitled to interest free study loans which were repayable over a period of one year after the completion of their studies. This practice has been terminated in terms of the MFMA. The last payment cannot be determined at present as some of the employees are still studying.						
	Children of employees of the Municipality also qualified for study loans which attracted an interest rate applicable during the period of application as determined by the Municipality at the time of the application and the approval thereof. No more new study loans are issued by the Municipality.						
	SALE OF LAND DEBTORS						
	Vacant properties are sold through a process administered by Property Legal Services. Contracts are signed and advices for the opening of individual accounts, which indicates the amount of the deposit (10%) and VAT (14%) are issued. The contract stipulates as from when interest is payable (immediately after signing the contract or after 12 months). The interest rate used is the Municipality's mortgage bond rate which currently is 11%. Interest is calculated monthly on the outstanding balance of the property.						

			MUNICIPALITY		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R
15 II	NVENTORY				
	Seneral stores	187,088,025	195,290,338	205,666,699	211,606,629
	Quarry	872,549	812,232	872,549	812,232
	Coal (power stations)	49,779,922	16,287,079	49,779,922	16,287,079
	lants	101,882	55,127	101,882	55,127
	Catering (Premos restaurant) Vonderboom Airport	34,368 918,239	38,753 958,464	34,368 918,239	38,753 958,464
	sulk water	2,525,534	3,160,425	2,525,534	3,160,425
	let Inventory	241,320,519	216,602,418	259,899,193	232,918,709
16 C	CONSUMER DEBTORS				
T n	he City of Tshwane (parent) has a consolidated account billing system. The division of debtors per service category is done on a pro ata basis based on the levies. The provision for bad debt is therefore also not available per income group.				
S	Service debtors	4,015,520,259	3,509,943,906	4,249,990,797	3,712,493,622
	Rates	1,029,144,952	873,945,477	1,029,137,853	873,930,315
	Electricity	1,679,844,699	1,420,106,081	1,679,792,477	1,420,017,104
	Water	838,395,135	767,648,642	1,072,924,994	970,302,497
	Sewerage	208,959,853	190,015,285	208,959,853	190,015,285
	Refuse removal	259,175,620	258,228,421	259,175,620	258,228,421
	ess: Arrangement debtors	245,372,310	202,597,529	245,372,310	202,597,529
-	ess. Anangemein debtors	3,770,147,949	3,307,346,377	4,004,618,487	3,509,896,093
	new Devicing for Ded dold				
	ess: Provision for Bad debt Consumer debtors per statement of financial position	1,102,727,977 2,667,419,972	<u>914,443,852</u> 2,392,902,525	1,318,609,336 2,686,009,151	1,108,845,887 2,401,050,206
te Ic T	n amount of R165 228 232 (R187 730 810 inclusive of VAT) was written off by the parent during 2008/09 (2007/08= R100 732 978) in erms of a Council Resolution dated 29 August 2002 whereby the Chief Financial Officer have delegated powers to write off amounts wer than R3 000 and a Council Resolution dated 31 March 2005 whereby the debt of Indigent households are written off. 'his amount written off represents 1.33 % (2008: 0.99 %) of the total operating income for the year.				
	Current (0 - 30 days)	1,062,178,728	1,038,091,980	1,296,649,266	1,240,641,696
	1 - 60 days	189,343,783	197,017,183	189,343,783	197,017,183
	1 - 90 days	110,956,911	101,991,952	110,956,911	101,991,952
9	1 + days	2,653,040,837	2,172,842,791	2,653,040,837	2,172,842,791
		4,015,520,259	3,509,943,906	4,249,990,797	3,712,493,622
	Rates: Ageing				
	Current (0 - 30 days)	293,273,775	331,493,536	293,266,676	331,478,374
	1 - 60 days	72,523,184	43,852,936	72,523,184	43,852,936
	1 - 90 days	35,296,422	30,332,616	35,296,422	30,332,616
9	1 + days	<u>628,051,572</u> 1,029,144,953	468,266,389 873,945,477	628,051,572 1,029,137,854	468,266,389 873,930,315
	:lectricity: Ageing				
	Current (0 - 30 days)	442,725,976	378,056,908	442,673,754	377,967,931
	1 - 60 days	121,578,451	133,732,668	121,578,451	133,732,668
	1 - 90 days	30,793,674	32,478,155	30,793,674	32,478,155
9	1 + days	1,084,746,598 1,679,844,699	875,838,350 1,420,106,081	1,084,746,598 1,679,792,477	875,838,350 1,420,017,104
v	Vater: Ageing				
	Current (0 - 30 days)	161,462,923	169,801,796	395,992,782	372,455,651
	1 - 60 days	50,572,413	53,091,401	50,572,413	53,091,401
	1 - 90 days	20,772,038	20,609,103	20,772,038	20,609,103
9	1 + days	605,587,761 838,395,135	<u>524,146,342</u> 767,648,642	605,587,761 1,072,924,994	524,146,342 970,302,497
s	Sanitation: Ageing		101,040,042	1,012,324,334	51 5, 502, 431
	Current (0 - 30 days)	40,505,604	42,146,336	40,505,604	42,146,336
3	1 - 60 days	12,384,120	12,606,297	12,384,120	12,606,297
	1 - 90 days	4,703,221	4,438,100	4,703,221	4,438,100
	1 + days	<u>151,366,908</u> 208,959,853	<u>130,824,552</u> 190,015,285	151,366,908 208,959,853	<u>130,824,552</u> 190,015,285

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
	Solid Waste: Ageing					
	Current (0 - 30 days)	27,720,561	46,798,851	27,720,561	46,798,851	
	31 - 60 days	14,304,273	10,505,708	14,304,273	10,505,708	
	61 - 90 days	6,485,533	5,771,804	6,485,533	5,771,804	
	91 + days	210,665,253 259,175,620	<u>195,152,058</u> 258,228,421	210,665,253 259,175,620	195,152,058 258,228,421	
	Summary of consumer debtors by customer classification:					
	Household	2,686,383,053	2,348,063,234	2,920,853,591	2,550,612,950	
	Industrial/Commercial	762,948,849	666,940,567	762,948,849	666,940,567	
	National and Provincial Government	56,217,284	49,142,989	56,217,284	49,142,989	
	Other	509,971,073	445,797,116	509,971,073	445,797,116	
	Total consumer debtors by customer classification	4,015,520,259	3,509,943,906	4,249,990,797	3,712,493,622	
	RECONCILIATION OF BAD DEBT PROVISION					
	Balance at the beginning of the year	914,443,852	881,557,955	1,108,845,887	1,025,420,794	
	Contributions to provision	188,284,125	32,885,897	209,763,449	83,425,093	
	Balance at the end of the year	1,102,727,977	914,443,852	1,318,609,336	1,108,845,887	
17	OTHER DEBTORS					
	Housing debtors	17,996,084	12,687,579	44,997,445	31,267,286	
	Government subsidies	6,756,000	13,228,750	6,756,000	13,228,750	
	RSC levies debtor	0	200,675,211	0	200,675,211	
	Amounts paid in advance	0	0	0	14,873	
	Municipal Infrastructure Grant	53,274,515	0	53,274,515	0	
	Gauteng Province: Housing Grants	125,146,030	0	125,146,030	0	
	Other Current debtors	534,567,481	312,924,481	552,602,557	335,256,197	
		737,740,110	539,516,021	782,776,547	580,442,317	
	Less: Provision for Bad debt	32,724,885	246,003,159	47,220,043	260,915,197	
	Total Other Debtors	705,015,225	293,512,862	735,556,504	319,527,120	
	RECONCILIATION OF BAD DEBT PROVISION					
	Balance at the beginning of the year	246,003,158	100,967,058	260,915,196	100,967,058	
	Contributions to provision	(010.070.074)	145,036,101	1	159,948,139	
	Write back of provision during the year Balance at the end of the year	(213,278,274) 32,724,885	246,003,159	(213,695,154) 47,220,043	260,915,197	
18	CALL INVESTMENT DEPOSITS Other deposits/call investments					
	Other deposits of R677 951 767 (2008 = R425 553 069) are ring-fenced and attributable to the Capital replacement reserve of R361					
	254 474. Fixed deposits amounting to R598 458 250 (2008 = R568 644 654) have also been ring-fenced for the purposes of repaying					
	long-term liabilities. Refer to Note 33	598,458,250	568,644,654	598,458,250	568,644,654	
0	BANK, CASH AND OVERDRAFT BALANCES			·		
19	The Municipality (parent) has the following bank accounts:-					
19.1	Current Account (Primary Bank account)					
	STANDARD - Primary (Account nr 41 080 1453)					
	STANDARD - Cashier deposit (Account nr 41 080 1569)					
	STANDARD - Wonderboom Airport (Account nr 41 080 1674)					
	STANDARD - Collection (Account nr 41 080 1658)					
	STANDARD - 2010 (Account nr 410801682)					
	ABSA - Main (Account nr 4060 738 263)					
	ABSA - SAP collection (Account nr 4061 025 439)					
	ABSA - Old Main (Account nr 4053 381 912)					
	ABSA - GPMC Collection (Account nr 4048 828 191)					
	ABSA - Housing Collection (Account nr 4054 433 297)					
	ABSA - Wonderboom Airport (Account nr 4059 414 365)					
	ABSA - Wonderboom Airport (Account nr 4059 414 365) FNB Main - Pretoria Branch (Account nr 5142 0107 207)					
	ABSA - Wonderboom Airport (Account nr 4059 414 365)					
	ABSA - Wonderboom Airport (Account nr 4059 414 365) FNB Main - Pretoria Branch (Account nr 5142 0107 207) FNB - Pretoria Collection (Account nr 5142 0108 130)					
	ABSA - Wonderboom Airport (Account nr 4059 414 365) FNB Main - Pretoria Branch (Account nr 5142 0107 207) FNB - Pretoria Collection (Account nr 5142 0108 130) FNB - Centurion Collection (Account nr 6202 7802 869) FNB - Akasia Collection (Account nr 6202 7803 023)					
	ABSA - Wonderboom Airport (Account nr 4059 414 365) FNB Main - Pretoria Branch (Account nr 5142 0107 207) FNB - Pretoria Collection (Account nr 5142 0108 130) FNB - Centurion Collection (Account nr 6202 7802 869)					

		MUNICIPALITY		GROUP	
	DESCRIPTION	2009	2008	2009	2008
		R	R	R	R
ABSA					
-	book balance at the beginning of the year	12,781,873	15,413,275	12,781,873	15,413,275
Cash	book balance at the end of the year	13,433,453	12,781,873	13,433,453	12,781,873
	statement balance at the beginning of the year	37,657,228	17,907,552	37,657,228	17,907,552
Banks	statement balance at the end of the year	13,339,211	37,657,228	13,339,211	37,657,228
FNB					
	book balance at the beginning of the year	8,630,642	(2,374)	8,630,642	(2,374)
	book balance at the end of the year	14,707,560	8,630,642	14,707,560	8,630,642
	statement balance at the beginning of the year	9,594,524	10,499,069	9,594,524	10,499,069
Bank	statement balance at the end of the year	14,684,609	9,594,524	14,684,609	9,594,524
STAN	IDARD				
-	book balance at the beginning of the year	(106,407,370)	(45,999,764)	(106,407,370)	(45,999,764)
	book balance at the end of the year - (overdrawn)	(95,416,694)	(106,407,370)	(95,416,694)	(106,407,370)
				<u> </u>	
	statement balance at the beginning of the year	11,907,106	38,863,430	11,907,106	38,863,430
Bank :	statement balance at the end of the year	34,003,014	11,907,106	34,003,014	11,907,106
0741					
	IDARD (2010 bank account - in use from 1 July 2008) book balance at the beginning of the year	0	0	0	0
	book balance at the beginning of the year - (overdrawn)	42,627,751	0	42,627,751	0
	statement balance at the beginning of the year statement balance at the end of the year	0	0	0	0
Dalik		0	0		
19.2 Insura	ance Contingency				
ABSA	(Account nr: 4062593950)				
Cash	book balance at the beginning of the year	7,449,875	41,285,499	7,449,875	41,285,499
	book balance at the end of the year	148,524	7,449,875	148,524	7,449,875
Bank	statement balance at the beginning of the year	7,449,875	41,285,499	7,449,875	41,285,499
	statement balance at the end of the year	148.524	7,449,875	148.524	7,449,875
	ane Market (Primary account)				
First N	National Bank - Church Square Branch (Account nr: 51421161509)				
Cash	book balance at the beginning of the year	14,111,226	12,408,157	14,111,226	12,408,157
	book balance at the end of the year	18,370,481	14,111,226	18,370,481	14,111,226
	statement balance at the beginning of the year				
	statement balance at the end of the year	<u>14,801,812</u> 18,813,633	<u>12,604,882</u> 14,801,812	<u>14,801,812</u> 18,813,633	<u>12,604,882</u> 14,801,812
Danks		10,013,033	,001,012	10,010,000	
19.4 Petty	cash/cashiers floats	272,825	262,077	282,547	270,993
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		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
19.5	BANK ACCOUNTS: MUNICIPAL ENTITIES					
19.5.1	Roodeplaat/Temba Water Services Trust					
	Absa - Current account (Account nr 4058159742)					
	Cash book balance at the beginning of the year Cash book balance at the end of the year			0	36,772,659 27,932,978	
l I						
	Bank statement balance at the beginning of the year Bank statement balance at the end of the year			0	<u>36,772,659</u> 27,932,978	
l I	Dank statement balance at the end of the year				21,932,910	
l I	Absa - Deposit account - Roodeplaat (Account nr 4059250408)					
I.	Cash book balance at the beginning of the year Cash book balance at the end of the year			0	13,150,214	
				<u> </u>	0	
l I	Bank statement balance at the beginning of the year			0	13,150,214	
	Bank statement balance at the end of the year Absa - Debt Service Reserve account (Account nr 4058337269)			0	0	
l I	Cash book balance at the beginning of the year			0	97,790,718	
l I	Cash book balance at the end of the year			0	108,720,424	
	Bank statement balance at the beginning of the year			0	97,790,718	
	Bank statement balance at the end of the year			0	108,720,424	
	Absa - Deposit account - Temba (Account nr 405832325)					
	Cash book balance at the beginning of the year			0	5,624,184	
	Cash book balance at the end of the year			0	0	
	Bank statement balance at the beginning of the year			0	5,624,184	
	Bank statement balance at the end of the year			0	0	
	Absa - Operating Reserve account (Account nr 4058337073)					
	Cash book balance at the beginning of the year Cash book balance at the end of the year			0	543,094 603,053	
	Bank statement balance at the beginning of the year Bank statement balance at the end of the year			0	543,094	
	Bank statement balance at the end of the year			0	603,053	
	Absa - Capital Reserve account (Account nr 4058337358)					
l I	Cash book balance at the beginning of the year			0	10,841,875	
	Cash book balance at the end of the year			0	12,052,595	
	Bank statement balance at the beginning of the year			0	10,841,875	
	Bank statement balance at the end of the year			0	12,052,595	
19.5.2	Trade Point Pretoria					
	Absa - Current account (Account nr 4054625800)			50.070	440.070	
	Cash book balance at the beginning of the year			50,670 58,749	<u>112,278</u> 50,670	
1	Cash book balance at the end of the year					
	Cash book balance at the end of the year					
	Bank statement balance at the beginning of the year			50,413	176,645	
10 5 3	Bank statement balance at the beginning of the year Bank statement balance at the end of the year					
19.5.3	Bank statement balance at the beginning of the year Bank statement balance at the end of the year Sandspruit Works Waste Water Treatment			50,413	176,645	
19.5.3	Bank statement balance at the beginning of the year Bank statement balance at the end of the year			50,413	176,645	
19.5.3	Bank statement balance at the beginning of the year Bank statement balance at the end of the year Sandspruit Works Waste Water Treatment Absa - Current account (Account nr 4051139634)			50,413 58,749	<u>176,645</u> 50,413	
19.5.3	Bank statement balance at the beginning of the year Bank statement balance at the end of the year Sandspruit Works Waste Water Treatment Absa - Current account (Account nr 4051139634) Cash book balance at the beginning of the year Cash book balance at the end of the year			<u>50,413</u> 58,749 482,713 512,722	<u>176,645</u> 50,413 7,030,146 482,713	
19.5.3	Bank statement balance at the beginning of the year Bank statement balance at the end of the year Sandspruit Works Waste Water Treatment Absa - Current account (Account nr 4051139634) Cash book balance at the beginning of the year			50,413 58,749 482,713	<u>176,645</u> 50,413 7,030,146	
	Bank statement balance at the beginning of the year Bank statement balance at the end of the year Sandspruit Works Waste Water Treatment Absa - Current account (Account nr 4051139634) Cash book balance at the beginning of the year Cash book balance at the end of the year Bank statement balance at the beginning of the year Bank statement balance at the end of the year			50,413 58,749 482,713 512,722 482,713	176,645 50,413 7,030,146 482,713 6,985,969	
	Bank statement balance at the beginning of the year Bank statement balance at the end of the year Sandspruit Works Waste Water Treatment Absa - Current account (Account nr 4051139634) Cash book balance at the beginning of the year Cash book balance at the end of the year Bank statement balance at the beginning of the year			50,413 58,749 482,713 512,722 482,713	176,645 50,413 7,030,146 482,713 6,985,969	
19.5.3 19.5.4	Bank statement balance at the beginning of the year Bank statement balance at the end of the year Sandspruit Works Waste Water Treatment Absa - Current account (Account nr 4051139634) Cash book balance at the beginning of the year Cash book balance at the end of the year Bank statement balance at the beginning of the year Bank statement balance at the end of the year Bank statement balance at the end of the year Sandspruit Works ODI Water			50,413 58,749 482,713 512,722 482,713	176,645 50,413 7,030,146 482,713 6,985,969	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
	Bank statement balance at the beginning of the year Bank statement balance at the end of the year			10,205,841 11,864,123	0 10,205,841	
	Standard Bank - Current account (Account nr 031906842000) Cash book balance at the beginning of the year Cash book balance at the end of the year			(271,149)	44,588	
	Bank statement balance at the beginning of the year Bank statement balance at the end of the year			97,226 76,845	0 97,226	
	Standard Bank - Call account (Account nr 738717959001) Cash book balance at the beginning of the year Cash book balance at the end of the year			8,685,895 950,146	5,923,714 8,685,895	
	Bank statement balance at the beginning of the year Bank statement balance at the end of the year			8,685,895 950,146	0 8,685,895	
19.5.5	Civirelo Water Absa - Current account (Account nr 4052561692 & 9078443130) Cash book balance at the beginning of the year Cash book balance at the end of the year			2,084,786	4,252,125	
	Bank statement balance at the beginning of the year Bank statement balance at the end of the year			2,100,787	6,011,060	
19.5.6	Housing Company Tshwane Absa - Current account (Account nr 4057481879 and 4065722829) Cash book balance at the beginning of the year Cash book balance at the end of the year			<u>849,007</u> 139,691	3,999,822 849,007	
	Bank statement balance at the beginning of the year Bank statement balance at the end of the year			787,871	<u>3,709,294</u> 787,871	
19.5.7	Tshwane Centre for Business Information and Support Absa - Current account (Account nr 4050437263) Cash book balance at the beginning of the year Cash book balance at the end of the year			94,686	<u>94,686</u> 55,914	
	Bank statement balance at the beginning of the year Bank statement balance at the end of the year			71,884	71,884	
20	PROPERTY RATES					
	Actual Income: Gross Less: Income foregone	3,159,872,402 860,248,454	2,185,065,026	3,159,771,459 860,248,454	2,184,999,728	
	Net income Site Values as at 1 July:	2,299,623,948	2,185,065,026	2,299,523,005	2,184,999,728	
	Residential Other	198,721,218,868 85,434,514,445	12,252,913,893 7,213,092,116	198,721,218,868 85,434,514,445	12,252,913,893 7,213,092,116	
	Total property valuation	284,155,733,313	19,466,006,009	284,155,733,313	19,466,006,009	
	The site value was changed to market value according to the MPRA that came into effect on 1 July 2008. The increase in valuation is due to the fact that the full market value of a property is now the basis of levying rates and not the land value anymore. No differentiation is made between land value and improvement value and only market value appers on the valuation roll.					
	Applicable tariff (with the implementation of the MPRA categories of properties are levied at different tariffs with different rebates applicable	Various	14.43c/Rand			
	Persons of 60 years or older, and physically or mentally handicapped persons who can substantiate receipt of a social pension, and persons certified by the Medical Officer of Health as physically or mentally handicapped, can qualify for a rebate, subject to certain other conditions.					
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		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
21	SERVICE CHARGES					
	Sale of electricity	3,666,606,519	3,034,977,097	3,666,240,829	3,033,671,453	
	Sale of water	1,325,320,612	1,232,886,383	1,427,213,631	1,320,258,384	
	Refuse removal	318,005,383	267,689,295	318,005,383	267,689,295	
	Sewerage and sanitation charges	337,752,827	303,405,995	337,752,827	303,405,995	
	Total service charges	5,647,685,341	4,838,958,770	5,749,212,670	4,925,025,127	
22	GOVERNMENT GRANTS AND SUBSIDIES					
	Equitable share	1,335,550,431	1,101,416,093	1,335,550,431	1,101,416,093	
	Housing: City of Tshwane Financial assistance	0	0	0	0	
	Magalies Water	0	0	0	0	
	Sandspruit: Department Water Affairs & Forestry Provincial Health subsidies	0	0	(944,965)	2,273,220	
	Provincial Health subsidies Provincial Ambulance subsidy	22,554,360	22,669,000	22,554,360	22,669,000	
	Provincial Ambulance subsidy Provincial motor vehicle licences refund	38,377,250	36,004,533	38,377,250	36,004,533	
	Opex: grants & donations	71,774,940	66,191,344	71,774,940	66,191,344	
	Finance Management grant	97,020,907	28,560,545	97,020,907	28,560,545	
	Restructuring grant	539,449 45,679,594	698,715 52,227,861	539,449 45,679,594	698,715 52,227,861	
	Municipal Systems Infrastructure grant	45,679,594	2,501,600	45,679,594	2,501,600	
	DWAF Grant (parent)	13,169,188		13,169,188	13,962,645	
	Topstructure grants	13,109,100	125,601,978	13,109,188	125,601,978	
	Stipends (DBSA)	54,000	125,001,378	54,000	120,001,070	
	Ntsika	0	0	0,000	0	
	SEDA	0	0	0	0	
	Subtotal: Opex Grants and subsidies	1.624.720.119	1,449,834,314	1.623.775.154	1,452,107,534	
	Capex: grants & donations	650,643,403	474,450,698	650,643,403	474,450,698	
	Total Government grants and subsidies	2,275,363,522	1,924,285,012	2,274,418,557	1,926,558,232	
22.1	Equitable share In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy which is funded from this grant.					
	Total amount of equitable share received	1,335,550,431	1,101,416,093	1,335,550,431	1,101,416,093	
	Monthly grant received by all registered indigents	173	148	173	148	
22.2	Provincial Health Subsidies					
	Balance unspent at beginning of year	0	0	0	0	
	Current year receipts - included in public health vote	22,554,360	22,669,000	22,554,360	22,669,000	
	Conditions met - transferred to revenue	(22,554,360)	(22,669,000)	(22,554,360)	(22,669,000)	
	Conditions still to be met - transferred to liabilities (see note 8)	0	0	0	0	
	The Municipality renders health services on behalf of the Provincial Government This grant has been used exclusively to fund clinic services (included in the Social Development vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.					
	Percentage of expenditure incurred refunded	15.25 %	14.94 %	15.25 %	14.94 %	
22.3	Provincial Ambulance Subsidy					
	Balance unspent at beginning of year	0	0	0	0	
	Current year receipts - included in emergency medical services vote Conditions met - transferred to revenue	38,377,250		38,377,250	36,004,533	
	Conditions still to be met - transferred to liabilities (see note 8)	(38,377,250)	(36,004,533)	(38,377,250)	(36,004,533)	
	The Municipality renders ambulance services on behalf of the provincial government and is reimbursed. This grant has been used exclusively to fund the rendering of ambulance services (included in the Emergency Medical Services vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.					
	Percentage of expenditure incurred refunded	69.51 %	64.08 %	69.51 %	64.08 %	
				l .		

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
22.4	MIG			0	0	
	Balance unspent at beginning of year	37,952,351	19,794,905	37,952,351	19,794,905	
	Transfers	(2,960,564)	0	(2,960,564)	0	
	Current year receipts	286,876,515	236,438,749	286,876,515	236,438,749	
	Conditions met - transferred to revenue	(287,295,988)	(218,281,303)	(287,295,988)	(218,281,303)	
	Conditions still to be met - transferred to liabilities (see note 8)	34,572,314	37,952,351	34,572,314	37,952,351	
	This grant is used to construct roads and sewerage infrastructure as part of the capital expenditure (included in the roads and sewerage votes in Appendix B). No funds have been withheld.					
22.5	FINANCE MANAGEMENT GRANT					
	Balance unspent at beginning of year	1,304,687	1,503,403	1,304,687	1,503,403	
	Current year receipts					
	Conditions met - transferred to revenue	750,000	500,000	750,000	500,000	
	Conditions still to be met - transferred to liabilities (see note 8)	(539,449)	(698,716)	(539,449)	(698,716)	
		1,515,238	1,304,687	1,515,238	1,304,687	
	This grant is funded by National Treasury to assist Local Government Pilot Municipalities with Financial Management and Budget Reforms, as part of the National Reform program. No funds have been withheld.					
22.6	MUNICIPAL SYSTEM IMPROVEMENT GRANT					
	Balance unspent at beginning of year	498,400	3,000,000	498,400	3,000,000	
	Current year receipts	430,400	3,000,000	430,400	3,000,000	
	Conditions met - transferred to revenue	0		0	-	
	Conditions still to be met - transferred to liabilities (see note 8)	498,400	(2,501,600) 498,400	498,400	(2,501,600) 498,400	
	This grant is used to assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Local Government Municipal Systems Act of 2000. No funds have been withheld.	436,400	490,400	498,400	450,400	
22.7	RESTRUCTURING GRANT					
	Balance unspent at beginning of year	86,786,106	78,921,695	86,786,106	78,921,695	
	Current year receipts	0	150,000,000	0	150,000,000	
	Conditions met - transferred to revenue	(45,679,594)	(142,135,589)	(45,679,594)	(142,135,589)	
	Conditions still to be met - transferred to liabilities (see note 8)	41,106,512	86,786,106	41,106,512	86,786,106	
	This grant is funded by National Treasury to assit Local Government Pilot Municipalities with Institutional, Financial and Economic restructuring in line with the City Development Strategy, which is aligned to the National Government's Development Strategy. No funds were withheld.		<u>.</u>			
22.8	DEPARTMENT OF WATER AFFAIRS AND FORESTRY					
	Balance unspent at beginning of year	4,827,178	22,391,328	4.827.178	22,391,328	
	Transfers	(7,326,978)	22,001,020	(7,326,978)	0	
	Current year receipts	20,251,750	21,092,500	20,251,750	21,092,500	
	Conditions met - transferred to revenue Conditions still to be met - transferred to liabilities (see note 8)	(15,419,290) 2,332,660	(38,656,650) 4,827,178	(15,419,290) 2,332,660	(38,656,650) 4,827,178	
	This grant was received for the supply of water services for community upliftment.	2,332,000	4,027,170	2,332,000	4,027,170	
22.9	PUBLIC TRANSPORT INFRASTRUCTURE SYSTEM GRANT					
	Balance unspent at beginning of year	115,762,425	0	115,762,425	0	
	Current year receipts	260,000,000	129,294,495	260,000,000	129,294,495	
	Conditions met - transferred to revenue	(168,078,781)	(13,532,070)	(168,078,781)	(13,532,070)	
	Conditions still to be met - transferred to liabilities (see note 8) This grant was received for infrastructure iro roads and transport for the 2010 Soccer World Cup. R120 million was withheld due to under performance	207,683,644	115,762,425	207,683,644	115,762,425	

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (continued)

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
22.10	CITY OF TSHWANE METROPOLITAN MUNICIPALITY (HOUSING COMPANY)					
	Balance unspent at beginning of year			0	0	
	Current year receipts			8,357,791	117,439	
	Conditions met - transferred to revenue			(8,357,791)	(117,439)	
	Conditions still to be met - transferred to liabilities (see note 8)			0	0	
	This grant was received for the administration and operation of the Housing Company Tshwane as financial assistance.					
22.11	SANDSPRUIT: DEPARTMENT OF WATER AFFAIRS AND FORESTRY					
	Balance unspent at beginning of year			0	0	
	Current year receipts			10,774,749	2,273,220	
	Conditions met - transferred to revenue			(10,774,749)	(2,273,220)	
	Conditions still to be met - transferred to liabilities (see note 8)			0	0	
	This grant was received for the refurbishment at Klipgat and Temba Waste Water Treatment plants.					
22.12	Changes in levels of government grants Based on the allocations set out in the Division of Revenue Act (Act 1 of 2007), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.					
23	OTHER INCOME					
	Drain cleaning fees	996,345	1,211,910	996,345	1,211,910	
	Reconnections fees	101,284,390	64,805,089	101,284,390	64,805,089	
	Sewerage fees: Industrial effluent	21,555,862	19,763,957	21,555,862	19,763,957	
	Interest on property sales	4,902,337	5,107,253	4,902,337	5,107,253	
	Reminder fees	15,284,440	9,400,900	15,284,440	9,400,900	
	Ambulance fees	3,840,703	5,594,646	3,840,703	5,594,646	
	Airside income	3,140,399	3,154,100	3,140,399	3,154,100	
	Connection fees: Urban areas	5,874,720	8,164,438	5,874,720	8,164,438	
	Cemetery fees	4,710,670	5,016,915	4,710,670	5,016,915	
	Fees for relaxation of building line	1,270,805	1,641,185	1,270,805	1,641,185	
	Building plan fees	25,166,701	34,139,148	25,166,701	34,139,148	
	Restaurant sales	1,041,029	1,164,367	1,041,029	1,164,367	
	Sundry fees	4,549,985	4,517,334	4,549,985	4,517,334	
	Sundry services	11,022,117	12,659,014	11,022,117	12,659,014	
	Income from grave services	3,981,017	4,266,198	3,981,017	4,266,198	
	Application fees	2,663,426	3,927,229	2,663,426	3,927,229	
	Connection fees	11,075,821	16,220,728	11,075,821	16,220,728	
	Approval fees: advertisements	23,322,452	24,761,792	23,322,452	24,761,792	
	Discount on promp payments	9,171,594	14,195,991	9,171,594	14,195,991	
	Market fees	79,070,161	70,793,414	79,070,161	70,793,414	
	Lodging fees	1,178,102	1,145,624	1,178,102	1,145,624	
	Parking fees: vehicles	2,991,065	2,914,839	2,991,065	2,914,839	
	Training fees recovered	12,241,123	7,622,163	12,241,123	7,622,163	
	Dumping fees	11,957,349	13,995,089	11,957,349	13,995,089	
	Income from bulk containers	28,342,250	24,007,366	28,342,250	24,007,366	
	Sale of livestock Sale of stone	118,755	2,891	118,755	2,891	
	Sale of stone Sale unusable stock	7,529,846	6,685,746	7,529,846	6,685,746	
	Sale unusable stock Sales: Aeroplane fuel	5,188,978	3,953,857	5,188,978	3,953,857	
	Transport fees	30,361,934	29,155,543	30,361,934	29,155,543	
	Capital income recovered insurance claims	55,762,681	45,956,506	55,762,681	45,956,506	
	Claims recovered compensation commisioner	8,846,911	2,347,901 13,553,858	8,846,911 12,735,987	2,347,901 13,553,858	
	Bad debt recovered	12,735,987 34,953,204	13,553,858 23,248,755	12,735,987 34,953,204	13,553,858 23,248,755	
	Land sales	34,953,204 13,381,269	23,248,755 3,135,084	34,953,204 13,381,269	23,248,755 3,135,084	
	Gain: Review useful life/fair value	3,720,450	3,135,084	3,720,450	3,135,084	
	Viscellaneous	49,470,796	53,535,300	3,720,450 27,437,419	202,219,395	
	Total other income	<u>612,705,674</u>	<u>53,535,300</u> 541,766,130	590,672,297	<u>690,450,225</u>	
		012,703,074	541,703,130	530,012,231	050,430,223	

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	MUNICIPALITY		GROUP		
DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
EMPLOYEE RELATED COSTS					
Salaries and wages	1,920,131,319	1,672,674,723	1,972,874,001	1,717,065,5	
Contributions to UIF, pensions and medical aids	543,012,692	495,024,195	543,012,692	495,024,1	
Overtime payments	202,819,639	148,420,027	202,819,639	148,420,0	
Long-service awards	7,838,972	7,773,287	7,838,972	7,773,2	
Travel allowance	185,224,896	178,255,582	185,224,896	178,255,5	
Housing benefits and allowance	29,397,905	24,863,274	29,397,905	24,863,2	
Performance bonus	334,149	424,329	334,149	424,	
Other allowances	120,351,733	93,567,426	120,351,733	93,567,	
Total employee related cost	3,009,111,305	2,621,002,843	3,061,853,987	2,665,393,	
REMUNERATION OF THE MUNICIPAL MANAGER					
(The performance bonus paid out in 2008/09 relates to 2006/07)					
Annual remuneration	1,033,104	891,165	1,033,104	891.	
Performance bonuses	17,636	0	17,636		
Car allowance	128,400	128,400	128,400	128,	
Cell phone allowance	12,000	12,000	12,000	.20,	
Medical and pension fund contributions	12,000	12,000	12,000	12,	
Total	1,191,140	1,031,565	1,191,140	1,031,	
REMUNERATION OF THE CHIEF FINANCIAL OFFICER					
Annual remuneration	848,742	681,561	848,742	681,	
Performance bonuses	0.00,7.12	0	0	001,	
Car allowance	132,000	132,000	132,000	132,	
Cell phone allowance	10,800	132,000	10,800	152,	
Medical and persion fund contributions	18,510	20,316	18,510	20,	
Total	1,010,052	833,877	1,010,052	833	
REMUNERATION OF STRATEGIC EXECUTIVE DIRECTORS					
Annual remuneration:					
Technical services	825,550	775,056	825,550	775.	
Corporate services	2,947,710	2,610,872	2,947,710	2,610	
Community servies	4,870,670	2,255,382	4,870,670	2,255	
Performance bonuses:	4,870,070	2,200,002	4,070,070	2,200	
Technical services	171,113	0	171.113		
Comporte services	109,817	0	109,817		
Community servies	109,817	0	000,017		
Car allowance:	0	0	0		
Technical services	102.000	90.000	102,000	90.	
Comporte services	588,000	484,000	588.000	484	
Community servies	514,800	253,914	514,800	253.	
Cell phone allowance	514,800	200,914	514,800	200,	
Technical services	9,600	9,600	9,600	9.	
Corporate services	30,000	9,600 21,600	30,000	9, 21,	
Community services	30,000 62,400	21,600 56,000	62,400	21, 56,	
Medical and pension fund contributions:	02,400	ວບ,ບບ	02,400	50,	
Technical services	24,878	0	24,878		
Corporate services		-	24,878 18,510	20,	
Community services	18,510	20,316 38,272	201,097	20, 38,	
	201,097 10,476,145	6,615,012	10,476,145		
Total:	10,470,145	0,010,012	10,470,140	0,015	
Technical services	1,133,141	874,656	1,133,141	874	
Corporate services	3,694,037	3,136,788	3,694,037	874, 3,136,	
Community services	5,648,967	2,603,568	3,694,037 5,648,967	2,603,	
Total remuneration of strategic executive directors	<u> </u>	2,603,568 6,615,012	10,476,145	2,603, 6,615,	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009	2008	2009	2008	
		R	R	R	R	
25	REMUNERATION OF COUNCILLORS					
	Mayor's allowance	28,721	370,044	28,721	370,044	
	Councillor's allowances	35,393,170	27,806,355	35,393,170	27,806,355	
	Councillor's pension contributions	3,655,173	2,931,804	3,655,173	2,931,804	
	Travelling allowance	13,209,916	10,633,608	13,209,916	10,633,608	
	Councillor's medical contributions	993,645	810,628	993,645	810,628	
	Councillor's housing allowances	2,070,178	1,648,920	2,070,178	1,648,920	
	Total remuneration of councillors	55,350,803	44,201,359	55,350,803	44,201,359	
	In-kind Benefits					
	The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at					
	the cost of the Municipality. According to the organisational structure of the parent the Sub-section Executive Mayor Protection has 7					
1	staff members of which 5 are VIP protection officers.					
26	DEPRECIATION CHARGES					
	Depreciation: Property, plant and equipment	400,806,612	511,275,793	403,641,510	550,332,518	
	Depreciation: Leased assets	82,484,053	63,630,859	82,484,053	63,630,859	
	Depreciation: Rehabilitation assets	16,813,874 500,104,539	0 574,906,652	16,813,874 502,939,437	613,963,377	
	Total depreciation charges per Statement of Financial Performance	500,104,539	574,900,052	502,959,457	013,903,377	
	Note: The depreciation per Appendix B includes the accumulated depreciation of Roodeplaat Temba Water Services Trust to					
	the value of R97 378 412 and excludes the depreciation in respect of Leased assets to the value of R82 484 053.					
27	INTEREST PAID					
	Long-term liabilities	439,907,189	329,835,287	440,606,509	399,560,180	
	Leases	36,594,289	29,131,466	36,594,289	29,131,466	
	Amortisation: provisions	20,566,053	0	20,566,053	0	
	Bank overdrafts	10,516,621	2,790,579	10,545,698	2,797,966	
I	Total Interest paid per Statement of Financial Performance	507,584,152	361,757,332	508,312,549	431,489,612	
28	BULK PURCHASES					
	Electricity	2,099,127,336	1,540,732,190	2,099,493,026	1,541,157,374	
	Water	619,058,616	666,086,020	735,780,591	673,036,319	
	Total Bulk Purchases per Statement of Financial Performance	2,718,185,952	2,206,818,210	2,835,273,617	2,214,193,693	
		<u></u>			<u> </u>	
29	GRANTS AND SUBSIDIES PAID					
	Grants-in-aid	1,000,000	1,094,524	1,000,000	1,094,524	
	Grants-in-aid: Assessment rates	8,833,837	10,490,155	8,833,837	10,490,155	
	Total Grants and Subsidies Paid	9,833,837	11,584,679	9,833,837	11,584,679	
	The grant in aid is in respect of the funding of Non-Governmental Organisations involved in empowerment programmes for the following vulnerable groups: youth, children, women, people with disabilities and the elderly.					
	The Municipality has by way of majority decision awarded a grant-in-aid on the assessment rates of rateble properties on the classes					
	referred to in Section 32A of the Local Authorities Rating Ordinance, 1977 (Ordinance 11 of 1977), after the owner of such property has					
	applied to the Municipality in writing, for such grant-in-aid.					

		MUNICIPALITY		GROUP	
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R
30	GENERAL EXPENSES				
	Included in General expenses are the following amounts above R40 million				
	Project Linked Housing: Top structures	135,002,463	125,601,978	135,002,463	125,601,978
	Soccer World Cup 2010 related expenses	75,386,212	12,141,402	75,386,212	12,141,402
	Advertising and marketing	57,956,449	10,967,005	57,956,449	10,967,005
	Rental of property, plant and equipment	189,633,002	158,269,883	189,633,002	158,269,883
	Household refuse removal	75,545,094	51,225,642	75,545,094	51,225,642
	Electricity disconnections	47,994,896	41,664,038	47,994,896	41,664,038
	Service providers	100,382,562	74,036,441	100,382,562	74,036,441
	Insurance premiums and excesses	96,718,227	50,992,065	96,718,227	50,992,065
	Tellecommunication	51,513,464	67,798,767	51,513,464	67,798,767
	Private sector labour	56,910,704	89,007,286	56,910,704	89,007,286
	Special projects	57,954,081	57,324,522	57,954,081	57,324,522
	Restructuring/Transformation	47,334,342	53,088,532	47,334,342	53,088,532
	Rental of property	80,009,959	70,359,518	80,009,959	70,359,518
	Watchmen services	107,365,634	80,157,450	107,365,634	80,157,450
	Implementation: OITPS	42,286,005	43,965,459	42,286,005	43,965,459
	Consultant fees	49,726,108	30,712,841	49,726,108	30,712,841
	Employment benefit provision expense	165,303,000	838,893,000	165,303,000	838,893,000
	Other (individual amounts below R40 million)	1,091,279,306	901,327,180	991,790,405	1,012,118,958
	Total general expenses	2,528,301,508	2,757,533,009	2,428,812,607	2,868,324,787
1	CASH GENERATED BY OPERATIONS				
	Net surplus for the year	720,410,440	338,977,001	700,738,737	295,360,547
	Adjustment for:-	720,410,440	550,877,001	100,130,131	233,300,347
	Prior year adjustments	0	(19,652,442)	(4,307,537)	(18,416,182)
	Deferred operating lease liability: Roodeplaat Temba on disestablishement	0	(13,032,442)	(2,078,122)	(10,410,102)
	Depreciation	500,104,539	574,906,652	502,939,437	613,963,377
	Asset impairment	6,901,250	014,000,002	6,901,250	010,000,077
	Depreciation corrections	0,001,200	0	0,001,200	1,425,219
	Gain on disposal of property, plant and equipment	(2,779,292)	(4,936,900)	(2,786,173)	(4,936,900)
	Contribution to Provision for rehabilitatiion of quarries	(1,110,202)	18,061,985	(2,100,110)	18,061,985
	Contribution to Provision for rehabilitatiion landfill sites	0	63,360,000	0	63,360,000
	Contribution to Provision for Clearing up Alien Vegetation	578,947	526,315	578,947	526,315
	Contribution to non-current provisions	117,194,138	0_0_0	117,194,138	0_0,010
	Roodeplaat Temba accumulated depreciation	97,378,452	0	0	0
	Employment benefit provision	165,303,000	838,893,000	165,303,000	838,893,000
	Adjustment Cashbook balance: prior year Housing Company Tshwane	0	0	0	0
	Contribution to bad debt provision	188,284,125	179,914,389	209,763,449	237,195,408
	Contribution to bad debt provision - housing	(14,773,835)	0	(14,773,835)	0
	Contribution to bad debt provision - other debtors	(163,456,360)	0	(163,873,240)	0
	Operating surplus before working capital changes:	1,615,145,404	1,990,050,002	1,515,600,051	2,045,432,769
	Decrease/(Increase) in inventories	(24,718,102)	(50,658,223)	(26,980,482)	(23,180,927)
	(Increase)/decrease in consumer debtors	(462,801,572)	(381,401,725)	(479,883,593)	(437,463,478)
	(Increase)/decrease in other debtors	(198,224,092)	(3,880,029)	(227,807,424)	(14,818,200)
	(increase)/decrease in non-current loans (long-term receivables)	(52,840,642)	54,734,651	(52,840,642)	56,240,702
	(Decrease)/increase in conditional grants and receipts	91,160,106	117,769,301	100,555,587	122,052,253
	(Increase/(Decrease) in provisions	01,100,100	0	134,980	(1,536,192)
	Increase/(decrease) in creditors	901,227,374	(64,654,388)	904,886,253	(118,928,013)
	Increase/(decrease) in consumer deposits	14,781,014	10,399,873	15,733,266	11,930,920
	Increase/ (Decrease) in VAT	60,204,345	46,166,365	53,900,189	52,450,080
	Cash generated from operations	1,943,933,835	1,718,525,827	1,803,298,185	1,692,179,914
			1,7 10,020,027	1,000,200,100	1,002,110,014

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
32	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	89,560,594	43,235,693	95,849,564	214,534,141	
	Call investment deposits Bank overdraft	177,605,393 (95,416,694)	235,135,631 (106,407,370)	187,814,191 (95,416,694)	272,462,172 (106,678,519)	
	Total cash and cash equivalents	171,749,293	171,963,954	188,247,061	380,317,794	
33	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION Long-term liabilities (see Note 2)					
	Long-term liabilities (see Note 2) Used to finance property, plant & equipment - at cost	4,336,968,216		4,341,642,248	3,401,189,958	
		5,832,746,578		5,832,746,578	3,474,287,272	
	Sub Total	(1,495,778,362)	(595,942,782)	(1,491,104,330)	(73,097,314)	
	Cash set aside for the repayment of long-term liabilities	598,458,250	568,644,654	598,458,250	568,644,654	
	Cash invested for repayment of long-term liabilities (see Note 18)	(2,094,236,612)	(1,164,587,436)	(2,089,562,580)	(641,741,968)	
	Long-term liabilities have been utlised in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to					
	ensure that long-term liabilities can be repaid on redemption date. Included in the amount used to finance PPE (2009 = R5 832 746 578; 2008 = R3 474 287 272) is temporary advances (2009 = R1 148 180 881; 2008 = R761 199 084) which were temporarily financed out of revenue in exectation of the receipt of external loans over the year end.					
34	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT					
34 34.1						
34.1	Contributions to organized local government Opening balance	0	70 700		70 700	
	Council subscriptions	1,341,856	78,729 1,006,419	0 1,341,856	78,729 1,006,419	
	Amount paid - current year	(1,341,856)	(1,006,419)	(1,341,856)	(1,006,419)	
	Amount paid - previous years	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(78,729)	0	(78,729)	
	Balance unpaid (included in creditors)	0	0	0	0	
34.2	Audit fees					
	Opening balance	1,863,140	1,811,162	1,863,140	1,886,162	
	Current year audit fee	7,700,775	8,381,197	8,871,161	8,693,672	
	Amount paid - current year	(7,700,775)	(6,518,057)	(8,871,161)	(6,830,532)	
	Amount paid - previous years Balance unpaid (included in creditors)	(1,863,140)	(1,811,162) 1,863,140	(1,863,140)	(1,886,162) 1,863,140	
	The balance is with regard to the previous financial year and was paid in the next financial year.		1,803,140		1,003,140	
34.3	VAT VAT inputs receivables and VAT outputs receivables are shown in note 9					
	All VAT returns have been submitted by the due date throughout the financial year.					
34.4	PAYE AND UIF					
	Opening balance	29,995,590	28,010,798	30,158,100	28,012,016	
	Current year payroll deductions	401,350,501	355,353,962	406,825,528	360,353,795	
	Amount paid - current year	(367,602,339)	(325,358,372)	(372,686,901)	(330,195,695)	
	Amount paid - previous years	(29,995,590)	(28,010,795)	(30,158,100)	(28,012,013)	
	Balance unpaid (included in creditors)	33,748,162	29,995,593	34,138,627	30,158,103	
34.5	Pension and Medical aid deductions					
	Opening balance Current year payroll deductions and council contributions	0	0	0	0	
	Amount paid - current year	766,356,276		766,356,276	698,773,018	
	Amount paid - previous years	(766,356,276)	(698,773,018) 0	(766,356,276)	(698,773,018) 0	
	Balance unpaid (included in creditors)	0	0	0	0	
				<u> </u>		

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (continued)

DESCRIPTION Solution: Solut	2009 R 624 11,178 0 0 0 0 668 0 0 0 668 0 0 0 227 2,657 0 0 0 748	2008 R 0 59,636 11,466 112 274 0 2,882 1,546 0 0 0 5,278	2009 R 624 11,178 0 0 0 0 668 0 0 0 227 207	2008 R 0 59,636 11,466 112 274 0 2,882 1,546 0 0 2,882 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
Amounts outstanding for more than 90 days at year end: COUNCILLORS WITHOUT PAYOFF ARRANGEMENTS: Blaauw M P Buthelezi F K & N L E Buthelezi F K & N L E Durbabe M M Diamin S S Engelbrecht J Hoseka N P Huma S E Kekana C Kekana D C Ledwaba D C Lehobye M J	11,178 0 0 668 0 0 227 2,657 0 0	0 59,636 11,466 112 274 0 2,882 1,546 0 0	11,178 0 0 0 668 0 0 227	0 59,636 11,466 112 274 0 2,882 1,546
Amounts outstanding for more than 90 days at year end: COUNCILLORS WITHOUT PAYOFF ARRANGEMENTS: Blaauw M P Buthelezi F K & N L E Buthelezi F K & N L E Durbabe M M Diamin S S Engelbrecht J Hoseka N P Huma S E Kekana C Kekana D C Ledwaba D C Lehobye M J	11,178 0 0 668 0 0 227 2,657 0 0	0 59,636 11,466 112 274 0 2,882 1,546 0 0	11,178 0 0 0 668 0 0 227	0 59,636 11,466 112 274 0 2,882 1,546
COUNCILLORS WITHOUT PAYOFF ARRANGEMENTS: Blaauw M P Buthelezi F K & N L E Buthelezi M M Dzumba K Y Dichabe M M Dlamini S S Engelbrecht J Hoseka N P Huma S E Kekana C Kekana C Kekana M H & M A Ledwaba D C Lehobye M J	11,178 0 0 668 0 0 227 2,657 0 0	0 59,636 11,466 112 274 0 2,882 1,546 0 0	11,178 0 0 0 668 0 0 227	0 59,636 11,466 112 274 0 2,882 1,546
Blaauw M P Buthelezi F K & N L E Buthelezi M M Dzumba K Y Dichabe M M Dlamini S S Engelbrecht J Hoseka N P Huma S E Kekana C Kekana C Kekana M H & M A Ledwaba D C Lehobye M J	11,178 0 0 668 0 0 227 2,657 0 0	0 59,636 11,466 112 274 0 2,882 1,546 0 0	11,178 0 0 0 668 0 0 227	0 59,636 11,466 112 274 0 2,882 1,546
Buthelezi F K & N L E Buthelezi M M Dzumba K Y Dichabe M M Dlamini S S Engelbrecht J Hoseka N P Huma S E Kekana C Kekana C Kekana D C Lehobye M J	11,178 0 0 668 0 0 227 2,657 0 0	0 59,636 11,466 112 274 0 2,882 1,546 0 0	11,178 0 0 0 668 0 0 227	0 59,636 11,466 112 274 0 2,882 1,546
Buthelezi M M Dzumba K Y Dichabe M M Dlamini S S Engelbrecht J Hoseka N P Huma S E Kekana C Kekana M H & M A Ledwaba D C Lehobye M J	0 0 668 0 227 2,657 0 0	59,636 11,466 112 274 0 2,882 1,546 0 0	0 0 0 668 0 0 227	59,636 11,466 112 274 0 2,882 1,546
Dzumba K Y Dichabe M M Dlamini S S Engelbrecht J Hoseka N P Huma S E Kekana C Kekana M H & M A Ledwaba D C Lehobye M J	0 0 668 0 227 2,657 0 0	11,466 112 274 0 2,882 1,546 0 0	0 0 668 0 0 227	11,466 112 274 0 2,882 1,546
Dichabe M M Dlamini S S Engelbrecht J Hoseka N P Huma S E Kekana C Kekana M H & M A Ledwaba D C Lehobye M J	0 668 0 227 2,657 0 0	112 274 0 2,882 1,546 0 0	0 0 668 0 0 227	112 274 (2,882 1,546
Dlamini S S Engelbrecht J Hoseka N P Huma S E Kekana C Kekana M H & M A Ledwaba D C Lehobye M J	0 668 0 227 2,657 0 0	274 0 2,882 1,546 0 0	0 668 0 0 227	27 2,88 1,54
Engelbrecht J Hoseka N P Huma S E Kekana C Kekana M H & M A Ledwaba D C Lehobye M J	668 0 227 2,657 0 0	0 2,882 1,546 0 0	668 0 0 227	2,88 1,54
Hoseka N P Huma S E Kekana C Kekana M H & M A Ledwaba D C Lehobye M J	0 0 227 2,657 0 0	2,882 1,546 0 0	0 0 227	2,88 1,54
Huma S E Kekana C Kekana M H & M A Ledwaba D C Lehobye M J	0 227 2,657 0 0	1,546 0 0	0 227	1,54
Kekana C Kekana M H & M A Ledwaba D C Lehobye M J	227 2,657 0 0	0 0	227	
Kekana M H & M A Ledwaba D C Lehobye M J	2,657 0 0	0		
Ledwaba D C Lehobye M J	0		0.057	
Lehobye M J	0	5,278	2,657	
			0	5,27
	740	315	0	31
LESUIIU N A		0	748	
Linde E	0	921	0	92
Majeng M J	ů 0	288	0	20
Maluleka E M & H W	0	1,295	0	1,29
Mathekga C M	9,778	0	9,778	1,2
Moaqi T S	9,778	1,772	9,778	1,7
Modumaela B E				
	0	4,342	0	4,34
Mogaladi M J	0	103	0	10
Morudi M S	0	21,936	0	21,93
Naiker S S	0	1,144	0	1,14
Nkwashu C S	0	1,754	0	1,7
Phala P M	210	0	210	
Segabutla L O	0	112	0	1
Wannenberg D G	635	0	635	
Total	26,725	115,176	26,725	115,17
COUNCILLORS WITH PAYOFF ARRANGEMENTS:				
Buthelezi M M	39,839	0	39,839	
Gumede K K & D F		0		
Hoseka N P	5,031		5,031	
	2,270	0	2,270	
Kgashane S	17,447	0	17,447	
Ledwaba D C Lepati M A	2,809 0	9,276	2,809 0	0.7
Lepan M A Mamabolo C S	0	9,276 5,596	0	9,2 5,5
Manadolo C S Mogashoa B	1,991	5,596	1,991	5,5
Mokgalapa S & B P	1,991	2,729	1,991	2,7
Mthetwa D	9,410	10,000	9,410	2,7 10,0
Rambau T V	2,492	4,900	2,492	4,9
Seeketsa G	36,953	30,914	36,953	4,9
Swarts A P	0	2,575	00,000	2,5
Thipe J	ő	2,312	ő	2,3
Wannenburg B J	4,401	2,0.2	4,401	2,0
Total	122,643	68,302	122,643	68,3
12				

60

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
	TOTAL AMOUNT OUTSTANDING:					
	Blaauw M P	624	0	624	0	
	Buthelezi F K & N L E	11,178	0	11,178	0	
	Buthelezi M M	39,839	59,636	39,839	59,636	
	Dlamini S S	0	274	0	274	
	Dichabe M M Dzumba K Y	0	112 11,466	0	112	
	Engelbrecht J	668	0	668	11,466 0	
	Gunede K K & D F	5,031	0	5,031	0	
	Hoseka N P	2,270	2,882	2,270	2,882	
	Huma S E	2,2.0	1,546	2,210	1,546	
	Kekana C	227	0	227	0	
	Kekana M H & M A	2,657	0	2,657	0	
	Kgashane S	17,447	0	17,447	0	
	Ledwaba D C	2,809	5,278	2,809	5,278	
	Lehobye M J	0	315	0	315	
	Lepati M A	0	9,276	0	9,276	
	Lesomo N A	748	0	748	0	
	Linde E	0	921	0	921	
	Majeng M J	0	288	0	288	
	Maluleka E M & H W Mathekga C M	0	1,295 0	0	1,295	
	Madiekga C M Moagi T S	9,778 0	1,772	9,778	0 1,772	
	Modumaela B E	0	4,342	0	4,342	
	Mogaladi M J	0	4,342	0	4,342	
	Mogasha B	1,991	0	1,991	0	
	Morudi M S	1,001	21,936	0	21,936	
	Mamabolo C S	0	5,596	0	5,596	
	Mokgalapa S & B P	0	2,729	0	2,729	
	Mthewa D	9,410	10,000	9,410	10,000	
	Naiker S S	0	1,144	0	1,144	
	Nkwashu C T	0	1,754	0	1,754	
	Phala P M	210	0	210	0	
	Rambau T V	2,492	4,900	2,492	4,900	
	Ramokgopa K D	0	112	0	112	
	Seoketsa G Seoketsa G	36,953	0	36,953	0	
	Seokelsa G Swarts A P	0	30,914	0	30,914	
	Thipe J	0	2,575 2,312	0	2,575 2,312	
	Wannenberg D G	635	2,312	635	2,312	
	Wannenburg B J	4,401	0	4,401	0	
	Total arrear councillor consumer accounts	149,368	183,478	149,368	183,478	
					,	
34.7	Non-compliance with applicable legislation (MFMA)					
34.7.1	Section 74(1)					
	The Municipality failed to submit electronic and signed returns on Conditional Grants spending for the period ended 30 June 2009 within the timeframes of the act. Furthermore, the Municipality also did nog sign off on the verification of the Section 71 Report for the period					
	ended 30 June 2009 within the timeframe of the act.					
2472	Section 167					
34.7.2	Section 167 The provision of housing for the Executive Mayor does not fall within the framework of the Public Office-Bearers Act					
34.7.3	Section 65(e)					
	All invoices are not paid within 30 days as required by section 65(e), although an accrual is done at year end to rectify this transgression					
34.7.4	Section 126(2)					
	No financial statements was submitted to the Office of the Auditor-General by Tshwane Centre for Business Information and Support					
	(CENBIS) a municipal entity of the City of Tshwane. A Council resolution was taken on 25 November 2004 to wind up this entity. The entity has been dormant since 2007.					
34.7.5	Section 62 and 95					
	The Municipality did not have an effective risk management policy and framework as required. The risk committee was not established					
	during the financial year under review. This resulted in adequate measures not being in place to adequately identify, assess and					
	manage these risks to ensure that it is mitigated.					
				1		

Commissis is respect of capital expenditure (budgeted amounts next financial yes):			MUNICIPALITY		GROUP		
Commission is in space of capital equadratics (badgeted amounts next financial yang): 3.460.000,01 2.464.400,00 3.460.000,01 2.464.400,00 Commission is in space of capital equadratics (badgeted amounts next financial yang): 3.460.000,01 2.360.000,01 2.360.000,01 2.360.000,01 2.360.000,01 2.360.000,01 2.360.000,01 2.360.000,01 2.360.000,01 2.330.000,00 2.310.000,00 2.310.000,00 2.310.000,00 2.310.000,00 2.310.000,00 2.310.000,00 2.310.000,00 2.310.000,00 2.310.000,00 2.320.000,00 2.220.60,00 2.20.60,00 <th></th> <th>DESCRIPTION</th> <th></th> <th></th> <th></th> <th></th>		DESCRIPTION					
- Approved and contracted for mathematican entry Control 2480.082.11 (2016) 2480.082.11 (2016) 2480.082.11 (2016) 2480.082.11 (2016) - Approved and contracted for mathematican entry Control - Approved and contracted for mathematican entry	35						
infrastructure Community University Water House Description Descrip			2 460 200 014	2 400 402 100	2 460 200 014	2 490 492 499	
Community Community 152,700,000 152,700,000 152,700,000 152,700,000 152,700,000 152,700,000 152,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,700,000 157,7700 144,44,444 157,700,000 157,7700 144,44,444 157,700,000 170,000				1 1		1	
Other 13:34:868 147:10.000 121:34:868 147:10.000 121:34:868 147:10.000 Interstructure for 10:000 12							
House - Approved late contracted for - Commity - Commits - Comm						147,150,000	
- Approved but not contracted for Infrastructure Description 97.280,100 (27.200) 97.280,000 (27.200) 97.270,000 (27.200) 97.280,000 (27.200) 97.270,000 (27.200) 97.280,000 (27.200) 97.280,000 (27.200) </td <td></td> <td></td> <td></td> <td></td> <td></td> <td>73,071,830</td>						73,071,830	
Community Original December 2011 Community Original December 2011 17.88.08.00 0 17.88.08.00 0 17.88.00.00 0 1		- Approved but not contracted for				672,282,990	
Other Investment poperty Handing 0.6500.000 (175.00.780) 0.755.00.000 (2000.000) 0 0 0.0000 (2000.000) 0 0 0.0000 0 0 0.0000 0 0 0.0000 0 0 0.0000 0 0 0 0						454,306,800	
Investment property Housing Investment property Housing Image of the filter of the fi						22,045,400	
Husing 0 <td></td> <td></td> <td>6,500,000</td> <td>175,930,790</td> <td></td> <td>175,930,790</td>			6,500,000	175,930,790		175,930,790	
This sepanditure will be financed from: 3.547,598,514 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714 3.157,758,714			0	20,000,000	• • • •	20 000 000	
This sepandure will be infanced from: - Count (0 + Fuding (Earner lases and/or Capital replacement reserve) - 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,880,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,158,250,00 2,852,00 2,572,000,2 2,552,000 2,572,000,2 2,552,000 2,572,000,2 2,552,000 2,572,000,2 2,552,000 2,572,000,2 2,552,000 2,572,000,2 2,552,000 2,572,000,2 2,552,520,00 2,572,000,2 2,552,520,00 2,572,000,2 2,552,520,00 2,572,000,2 2,552,520,00 2,572,000,2 2,552,520,00 2,552,520,00 2,552,520,00 2,552,552,552,552,552,552,552,552,552,5		rousing	2 547 509 444				
- Count Cover Fund Case and Capital replacement reserve) - Equation Cover Fund Capital replacement reserve) - Equation Housing - Foreincial grant - Protocial grant - Protoci		This expenditure will be financed from:	3,547,506,114	3,101,703,178	3,547,506,114	3,101,703,170	
Capital replacement feasive Control agents			2 158 620 900	2 138 968 400	2 158 620 900	2 138 968 400	
- Government Housing - FUE - Nucl - Mod - Mod - Mode - M						61,315,790	
- PTIS - Mailonel Electrification Fund 983,254,080 501,654,00 983,254,080 501,654,00 - National Electrification Fund 52,775,000 283,254,080 501,654,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,850,00 282,071,000 283,950,00						26,070,000	
- MIG - National Electrification Fund 3342075:000 288,395,000 3342075:000 288,395,000 60,500,000 3,547,508,112 3,161,765,175 3,161,775,175 1,175,175						84,321,988	
- National Electricitation Fund 52,778,000 60,500,000 52,778,000 60,500,000 52,778,000 60,500,000 53,778,000,000						501,654,000	
36 RETREMENT BENEFIT INFORMATION 3.547,508,114 3.161,785,176 3.547,508,114 3.161,785,176 38.1 PENSION FUNDS Most emphyses of the Municipality are members of one of the following funds and those who are not, are paid a lump-sum gratuity at referenent age. The Municipality contributions to these funds are reflected as a charge against income in the financial statements. 3.547,508,114 3.161,785,176 3.547,508,114 3.161,785,176 38.1.1 DEFINED CONTRIBUTION PLANS (AS CLASSIFIED BY THE RELEVANT FUND): The Municipality contributions are included under Employee ratemembers of this fund. 202,671,010 203,505,543 202,671,010 203,505,543 7 shware Municipal Provident Fund 2 504 (21,92 %) of the Municipality as employees are members of this fund. 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,739,562 67,684,888 99,670 10,43,286,400 14,32,286,400 14,32,286,400 14,32,286,400 14,32,286,400 14,32,286,400 14,32,286,410 14,32,286,410 14,32,286,410,400							
96 RETIREMENT BENEFIT INFORMATION 96.1 PENSION FUNDS Most employees of the Municipality are members of one of the following funds and those who are not, are paid a turpo-um gratility at referement age. The Municipality's contributions to these funds are reflected as a charge against income in the financial statements. 96.1.1 DEFINED CONTRIBUTON PLANS (AS CLASSIFIED BY THE RELEVANT FUND): The total contributions to the following dired contribution plans, which are governed by the Pension Fund Act of 1956. 98,739,662 87,684,888 98,739,662 98,739,662 98,739,662 98,739,662 98,739,662 98,739,662 98,739,662 98,739,662 98,739,662 98,749,462 143,286,240 115,544,040 114,3286,240 116,32,986 99,0739,662 98,739,662 98,739,662 98,739,662 98,739,662 68,64,662 5,531,174 66,864,562 155,114,286,240 115,544,040 114,3286,240 116,32,986 990,070 116,32,986 990,070 116,32,986 990,070 116,32,986 990,070 116,32,986 990,070 116,32,986 990,070 116,32,986 990,070 116,32,986 990,070 116,32,986 990,070 116,32,986 990,070 116,32,986 990,070 116,32,986 990,070 116,32,9						3,161,765,178	
Most employees of the Municipality's ornithultons to these funds are of the following defined contributions to the sent funds are included as a charge against income in the financial statements. 280.71.00 263.505.543 292.671.010 263.505.543 36.1.1 DEFINED CONTRIBUTION PLANS (AS CLASSFIED BY THE RELEVANT FUND): 280.671.010 263.505.543 292.671.010 </td <td>36</td> <td>RETIREMENT BENEFIT INFORMATION</td> <td></td> <td></td> <td></td> <td></td>	36	RETIREMENT BENEFIT INFORMATION					
Most employees of the Municipality's ornithultons to these funds are of the following defined contributions to the sent funds are included as a charge against income in the financial statements. 280.71.00 263.505.543 292.671.010 263.505.543 36.1.1 DEFINED CONTRIBUTION PLANS (AS CLASSFIED BY THE RELEVANT FUND): 280.671.010 263.505.543 292.671.010 </td <td>36.1</td> <td>PENSION FUNDS</td> <td></td> <td></td> <td></td> <td></td>	36.1	PENSION FUNDS					
The Municipality contributes to the following defined contribution plans, which are governed by the Pension Fund Act of 1956. The total contributions are included under Employee related costs, Note 24) 283,005,343 292,671,010 263,005,343 Tshwame Municipal Forvident Fund. 284 (13,2%) of the Municipality semployees are members of this fund. 105 (0,8%) of the Municipality semployees are members of this fund. 87,084,488 99,739,562 37,684,4 SALWU National Fund for Municipality semployees are members of this fund. 8,04,692 5,531,17 6,684,592 155,494,094 143,286,240 1155,494,094 143,286,240 143,286,240 143,286,240 143,286,240 143,286,240 143,286,240 143,286,240 143,286,240 10,28,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 1,028,986 990,070 <		Most employees of the Municipality are members of one of the following funds and those who are not, are paid a lump-sum gratuity at					
The total contributions are included under Employee related costs, Note 24) 292.671.010 283.505.343 292.671.010 283.505.343 Tshwane Municipal Provident Fund. 2 584 (21,92 %) of the Municipality's employees are members of this fund. 6,894,992 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.739.662 67.684.898 99.670 10.28.966 990.670 10.28.966 990.670 10.28.966 990.670 10.28.966 990.670 10.28.966 990.670 10.28.966 990.670 10.28.966 990.670 10.28.966 990.670 10.28.966 99.637 10.28.966 99.637 10.28.966 99.637 10.28.966 99.637 10.28.966 99.637 10.28.966 99.637 10.28.966 99	86.1.1						
Pension Fund for Municipal Councilions: The Councilions of the City of Tshwane Metropolitan Municipality are members of this fund. 05,05,05,00 05,05,00			292,671,010	263,505,343	292,671,010	263,505,343	
Pension Fund for Municipal Councillors: The Councillors of the City of Tshwane Metropolitan Municipality are members of this fund. 105 (0.98 %) of the Municipality Semployees are members of this fund. SALA Provident Fund. 89 (0.76 %) of the Municipality's employees are members of this fund. SAMWU National Pension Fund 18 (0.15 %) of the Municipality's employees are members of this fund. SAMWU National Provident Fund. 1001 (8.49 %) of the Municipality's employees are members of this fund. Germiston Municipal Retirement Fund. 1 (0.00 %) of the Municipality's employees are members of this fund. Meshawu National Local Authorities Retirement Fund. 56 (0.47 %) of the Municipality's employees are members of this fund. Meshawu National Local Authorities Retirement Fund. 56 (0.47 %) of the Municipality's employees are members of this fund. Meshawu National Local Authorities Retirement Fund. 56 (0.47 %) of the Municipality's employees are members of this fund. Meshawu National Local Authorities Retirement Fund. 56 (0.47 %) of the Municipality's employees are members of this fund. Included in general expenses are- Current service cost Interest cost Recognised Mati (Gan) Loss Recognised Mati (Gan) Loss Recognised Mati (Gan) Loss Present value of the obligation Fair value of plan assets Recognised Actuality (unded status) Present value of the obligation Fair value of plan assets Recognised Actuality agins Recognised Actualing agins Recognised Actuality agins Recognised Actuality agins		Tshwane Municipal Provident Fund. 2 584 (21,92 %) of the Municipality's employees are members of this fund.	99,739,562	87,684,898	99,739,562	87,684,898	
National Fund for Municipal Workers 3 318 (28,14 %) of the Municipality's employees are members of this fund. 143,286,240 155,494,094 143,286,240 SALA Provident Fund. 89 (0,76 %) of the Municipality's employees are members of this fund. 1028,886 990,670 1,028,886 990,670 SAMWU National Provident Fund. 1001 (8,49 %) of the Municipality's employees are members of this fund. 27,543,006 24,610,448 27,543,006 24,610,448 27,543,006 664,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 72,75 606,816 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,693 64,610,000 <td< td=""><td></td><td></td><td></td><td></td><td></td><td>5,531,174</td></td<>						5,531,174	
SALA Provident Fund. 89 (0.75 %) of the Municipality's employees are members of this fund. 100,000,000 1		National Fund for Municipal Workers. 3 318 (28,14 %) of the Municipality's employees are members of this fund.					
SAMWU National Pension Fund 18 (0.15 %) of the Municipality's employees are members of this fund. 0.029,986 990.070 1,049,986 990.070 1,040,416 24,610,48 27,543,006 24,610,48 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,		SALA Provident Fund. 89 (0,76 %) of the Municipality's employees are members of this fund.					
SAMWU National Provident Fund. 1001 (8.49 %) of the Municipality's employees are members of this fund. 0.04,810 1.2,173 0.04,810 2.7,543,006 2.4,610, Germiston Municipal Retirement Fund. 1 (0,00 %) of the Municipality's employees are members of this fund. 27,543,006 24,610,488 27,543,006 24,610,488 27,543,006 63,513 50,683 63,513 50,683 63,513 50,683 63,513 50,683 63,513 1,315,271 1,266,225 1,315,271 1,266,225 1,315,271 1,266,225 1,315,271 1,266,225 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,271 1,266,25 1,315,970 5,474,							
Germiston Municipal Retirement Fund. 1 (0,00 %) of the Municipality's employees are members of this fund. 22,01,043,000 22,01,043,000 22,03,000 22,03,000 63,613 50,683 61,613,613 50,613,613 50,613,613 50,			604,816	72,175	604,816	72,175	
Meshawu National Local Authorities Retirement Fund 56 (0,47 %) of the Municipality's employees are members of this fund. 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013 00,003 00,013			27,543,006	24,610,448	27,543,006	24,610,448	
36.1.2 DEFINED BENEFIT PLANS (AS CLASSIFIED BY THE RELEVANT FUNDS): TSHWANE MUNICIPAL PENSION FUND The Consulting Actuaries reported that the Fund was in a sound financial position with a funding level of 100 % . 401 (3,40%) of the Municipality's employees are members of this fund. 1,315,271 1,266,225 1,315,271 1,266,245 Included in general expenses are:- Current service cost Interest cost 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,746,000 95,968,000 74,845,000 95,968,000 74,845,000 95,968,000 74,845,000 95,968,000 74,845,000 95,968,000 74,845,000 95,968,000 74,845,000 99,9313,000 99,9313,000 99,313		Germiston Municipal Retirement Fund. 1 (0,00 %) of the Municipality's employees are members of this fund.	50,683	63,513	50,683	63,513	
36.1.2 DEFINED BENEFIT PLANS (AS CLASSIFIED BY THE RELEVANT FUNDS): TSHWANE MUNICIPAL PENSION FUND The Consulting Actuaries reported that the Fund was in a sound financial position with a funding level of 100 % . 401 (3,40%) of the Municipality's employees are members of this fund. 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 54,774,000 (70,947,000) (54,645,000) 95,568,000 95,568,000 95,568,000 95,568,000 93,33,000 <td></td> <td>Meshawu National Local Authorities Retirement Fund 56 (0,47 %) of the Municipality's employees are members of this fund.</td> <td></td> <td></td> <td></td> <td></td>		Meshawu National Local Authorities Retirement Fund 56 (0,47 %) of the Municipality's employees are members of this fund.					
TSHWANE MUNICIPAL PENSION FUND The Consulting Actuaries reported that the Fund was in a sound financial position with a funding level of 100 % . 401 (3,40%) of the Municipality's employees are members of this fund. Indexed in general expenses are:- 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 95,968,000 93,933,000 93,933,000 93,933,000			1,315,271	1,266,225	1,315,271	1,266,225	
TSHWANE MUNICIPAL PENSION FUND The Consulting Actuaries reported that the Fund was in a sound financial position with a funding level of 100 % . 401 (3,40%) of the Municipality's employees are members of this fund. Indexed in general expenses are:- 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 95,968,000 93,933,000 93,933,000 93,933,000	36.1.2	DEFINED BENEFIT PLANS (AS CLASSIFIED BY THE RELEVANT FUNDS):					
The Consulting Actuaries reported that the Fund was in a sound financial position with a funding level of 100 % . 401 (3,40%) of the Municipality's employees are members of this fund. Included in general expenses are:- 24,410,000 24,338,000 24,410,000 24,338,000 Current service cost 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 Interest cost 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 81,379,000 54,774,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000							
Included in general expenses are:- 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 54,774,000 64,774,000 64,774,000 64,774,000 64,774,000 65,767,000 65,768,000 74,846,000 95,968,000 74,846,000 93,913,000 130,810,000 93,913,000 130,810,000 93,913,000 130,810,000 93,913,000 130,810,		The Consulting Actuaries reported that the Fund was in a sound financial position with a funding level of 100 %.					
Current service cost 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 24,338,000 24,410,000 24,338,000 24,410,000 24,338,000 81,379,000 654,774,000 81,379,000 654,774,000 81,379,000 654,774,000 (70,947,000) (64,64,00) 95,968,000 74,846,000 95,968,000 74,846,00 95,968,000 74,846,00 99,9313,000 90,9313,000 90,9313,000 90,9313,000 90,9313,000 90,9313,000 90,9313,000 90,9313,000 90,9313,000 90,9313,000 90,9313,00							
Interest cost 81,379,000 54,774,000 81,379,000 54,774,00 Expected return on assets (70,947,000) (54,645,00) (70,947,000) (54,645,00) Recognised Net (Gain)/Loss 95,968,000 74,846,00 95,968,000 74,846,00 Defined benefit expense 130,810,000 99,313,000 130,810,000 99,313,000 Post-employment benefit liability (funded status) (770,600,000) (740,349,00) (740,349,00) (740,349,00) Fair value of the obligation (770,600,000) (740,349,00) 521,099,000 605,706,00) 605,706,00 Recognised actuarial gains 0 0 0 0 0 Reecognised past service cost 0 0 0 0 0			24 440 000	24 220 000	24 410 000	000 000 000	
Expected return on assets (70,947,000) (54,645,000) (70,947,000) (54,645,00) Recognised Net (Gain)/Loss 95,968,000 74,846,000 95,968,000 74,846,000 Defined benefit expense 130,810,000 99,313,000 130,810,000 99,313,000 Post-employment benefit liability (funded status) (770,600,000) (770,600,000) (770,600,000) (740,349,00) Fair value of the obligation (770,600,000) (770,600,000) (740,349,00) 605,706,000 Fair value of plan assets 521,099,000 605,706,000 521,099,000 605,706,00 Recognised actuarial gains 0 0 0 0 Recognised past service cost 0 0 0 0						24,338,000 54,774,000	
Recognised Net (Gain)/Loss 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 95,968,000 74,846,000 99,313,000 90,313,000 90,313,000 90,313,000 90,313,000						(54,645,000)	
Defined benefit expense 130,810,000 99,313,000 130,810,000 99,313,000						74,846,000	
Present value of the obligation (770,600,000) (770,600,000) (740,349,000) (770,600,000) (740,349,000)						99,313,000	
Present value of the obligation (770,600,000) (770,600,000) (740,349,000) (770,600,000) (740,349,000)		Post-employment benefit liability (funded status)					
Fair value of plan assets 521,099,000 605,706,000 521,099,000 605,706,000 Recognised actuarial gains 0 0 0 0 0 Recognised past service cost 0 0 0 0 0 0			(770,600,000)	(740 340 000)	(770 600 000)	(740 340 000)	
Recognised actuarial gains 0 0 Reecognised past service cost 0 0		-					
Reecognised past service cost 0 0 0						605,706,000	
			0		0	0	
			(249 501 000)		(249 501 000)		
			(243,301,000)	(104,040,000)	(2-3,501,000)	(104,040,000)	

	MUNICIPA		GROUP	
DESCRIPTION	2009	2008	2009	2008
	R	R	R	R
Reconciliation of defined benefit obligation:				
Present value of obligation at beginning of year	740,349,000	616,031,000	740,349,000	616,031,
Interest cost	81,379,000	54,774,000	81,379,000	54,774,
Current service cost	24,410,000	24,338,000	24,410,000	24,338,
Member contributions	6,367,000	5,992,000	6,367,000	5,992,
Risk premiums	(2,086,000)	(1,963,000)	(2,086,000)	(1,963,0
Benefits paid	(24,044,000)	0	(24,044,000)	
Actuarial (gain)/loss on obligation	(55,775,000)	41,177,000	(55,775,000)	41,177
Present value of obligation at end of year	770,600,000	740,349,000	770,600,000	740,349
Reconciliation of plan assets (None of the Municipality's own financial instruments or property are included in the fair value of plan assets)				
Fair value of plan assets at beginning of year	605,706,000	565,687,000	605,706,000	565,687
Expected return on plan assets	70,947,000	54,645,000	70,947,000	54,645
Contributions	22,319,000	21,006,000	22.319.000	21,006
Risk premiums	(2,086,000)	(1,963,000)	(2,086,000)	(1,963,
Benefits paid	(24,044,000)	(1,000,000)	(24,044,000)	(1,000,
Actuarial (gain)/loss on obligation	(151,743,000)	(33,669,000)	(151,743,000)	(33,669,
Fair value of plan assets at end of year	521,099,000	605,706,000	521,099,000	605,706
				000,100
Composition of plan assets:				
Cash	13.71 %	10.17 %	13.71 %	10.1
Equity	52.98 %	58.12 %	52.98 %	58.
Bonds	20.60 %	15.94 %	20.60 %	15.9
Property	0.08 %	0.00 %	0.08 %	0.0
Other	0.00 %	0.00 %	0.00 %	0.0
International	12.63 %	15.77 %	12.63 %	15.
Total	100.00 %	100.00 %	100.00 %	100.
Actual return on plan assets	80,796,000	20,976,000	80,796,000	20,976
Estimated contributions to be paid to the Tshwane Pension fund in the next financial period	21,650,000	20,233,000	21,650,000	20,233
MUNICIPAL GRATUITY FUND				
Actuarial valuations are carried out every 2 years. 1 413 (11.98%) of the Municipality's employees are members of this fund. No specific plan assets are set aside for the Grauity Fund				
Included in general expenses are:-				
Current service cost	3,005,000	2,830,000	3,005,000	2,830
Interest cost	9,171,000	6,467,000	9,171,000	6,467
Expected return on assets	0	0	0	2,101
Recognised Net (Gain)/Loss	(2,345,000)	(240,000)	(2,345,000)	(240,
Defined benefit expense	9,831,000	9,057,000	9,831,000	9,057
Dest sentenesset has aft lish life (for ded status)				
	(00.004.000)	(70.047.000)	(00.004.000)	(70.017
Post-employment benefit liability (funded status)	(82,304,000)	(73,247,000)	(82,304,000)	(73,247,
Present value of the obligation				(9,057,
Present value of the obligation Net (expense)/income recognised in Statement of financial performance	(9,831,000)	(9,057,000)	(9,831,000)	(3,037,
Present value of the obligation Net (expense)/income recognised in Statement of financial performance Recognised actuarial gains		0	(9,831,000)	(3,037,
Present value of the obligation Net (expense)/income recognised in Statement of financial performance	(9,831,000)			(8,007,

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		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
	econciliation of defined benefit obligation:					
	esent value of obligation at beginning of year	82,304,000	73,247,000	82,304,000	73,247,000	
Int	terest cost	9,171,000	6,467,000	9,171,000	6,467,000	
	urrent service cost	3,005,000	2,830,000	3,005,000	2,830,000	
Be	enefits paid	0	0	0	0	
	ctuarial (gain)/loss on obligation	(2,345,000)	(240,000)	(2,345,000)	(240,000)	
Pr	resent value of obligation at end of year	92,135,000	82,304,000	92,135,000	82,304,000	
Es	stimated benefit payments to be paid iro Gratuities in the next financial period	16,557,000	0	16,557,000	0	
6.1.3 MU	ULTI-EMPLOYER FUNDS					
tol inf the	ne Municipality contributes to the following defined benefit plans, which are governed by the Pension Fund Act of 1956. The tal contributions are included under Employee remuneration, Note 24). Due to the nature of these funds, the lack of formation and the fact that assets are not specifically associated to meet the obligations in respect of individual employers, ese funds are accounted for as defined contribution funds in terms of paragraph 30 of IAS 19. The total contributions are cluded in Employee related costs, Note 24)					
		78,936,187	76,322,514	78,936,187	76,322,514	
she	ALA Pension Fund The actuarial valuation is carried annually since 1 July 1998. The actuarial valuation performed on 1 July 2004 nowed an unfunded liability of R516,62 million (81,9 % funding level). The Municipality's employees make up approximately 5,4 % of e total membership and therefore the Municipality's possible liability with regard to the unfunded liability is calculated at R28 104 128. 11 (7,73 %) of the Municipality's employees are members of this fund.		25 000 400		05 000 400	
	e Government Employees Pension Fund. Actuarial valuations are performed every 3 years. The actuarial valuation performed on	26,961,721	25,698,482	26,961,721	25,698,482	
em Jo 20	I March 2004 reported the fund to be in a sound financial position with a funding level of 96,5 %. 14 (0,12 %) of the Municipality's nployees are members of this fund. init Municipal Pension Fund Actuarial valuations are performed every 3 years. The actuarial valuation performed on 31 December 105 reported a funding level of 97,7 % resulting in a shortfall of R44,237 million. The Municipality's employees make up approximately 20 % of the source of the sourc	347,995	5,042,778	347,995	5,042,778	
(0,	78 % of the total membership. The Municipality's possible liability with regard to unfunded benefits is calculated to be R4 737 363. 54 ,45 %) of the Municipality's employees are members of this fund.	3,175,481	3,171,218	3,175,481	3,171,218	
	unicipal Employees Pension Fund. The actuarial valuation performed on 28 February 2005 reported the fund to be in a sound ancial position with a funding level of 106,9 %. 1 823 (15,46%) of the Municipality's employees are members of this fund.	48,450,990	42,410,036	48,450,990	42,410,036	
36.2 ME	EDICAL AID FUNDS					
Inc	cluded in general expenses are:-					
	urrent service cost	14,321,000	13,078,000	14,321,000	13,078,000	
Int	terest cost	57,523,000	54,012,000	57,523,000	54,012,000	
Ex	<pre>cpected Employer Benefit Payments</pre>	(31,230,000)	(28,917,000)	(31,230,000)	(28,917,000)	
Re	ecognised Net (Gain)/Loss	0	0	0	0	
De	efined benefit expense	40,614,000	38,173,000	40,614,000	38,173,000	
	ost-employment benefit liability (funded status)					
	esent value of the unfunded obligation	(621,946,000)	(583,773,000)	(621,946,000)	(583,773,000)	
Re	ecognised actuarial gains	(40,614,000)	(38,173,000)	(40,614,000)	(38,173,000)	
Un	nrecognised past service cost	0	0	0	0	
Lia	ability recognised in statement of financial position	(662,560,000)	(621,946,000)	(662,560,000)	(621,946,000)	
	econciliation of defined benefit obligation:					
	esent value of unfunded obligation at beginning of year	621,946,000	583,773,000	621,946,000	583,773,000	
Int	terest cost	57,523,000	54,012,000	57,523,000	54,012,000	
Cu	urrent service cost	14,321,000	13,078,000	14,321,000	13,078,000	
	mployer contributions	(31,230,000)	(28,917,000)	(31,230,000)	(28,917,000)	
Pr	esent value of obligation at end of year	662,560,000	621,946,000	662,560,000	621,946,000	
Ac	ctuarial (gains)/losses recognised in other comprehensive income:					
	shwane Pension Fund	95,968,000	74,846,000	95,968,000	74,846,000	
		(2,345,000)	(240,000)	(2,345,000)	(240,000)	
	edical aid funds	(2,0.0,000)	(2.0,000)	(2,0.0,000)	(2.0,000)	
	otal amount of actuarial (gains)/losses recognised	93,623,000	74,606,000	93,623,000	74,606,000	
Es	stimated employer benefit payments to be paid iro Medical aid funds in the next financial period	33,729,000	31,230,000	33,729,000	31,230,000	
		. ,	<u>, ,,,,</u>	· · · ·	. ,	

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
	Sensitivity Results The effect of an increase and decrease of one percentage point in the assumed medical cost trend rates on is the following:					
	Subsidy Increase rate:					
	Accrued liability 30 June	662,560,000	621,946,000	662,560,000	621,946,000	
	Decrease of 1 % % change	596,537,000 (10.0 %)	562,936,000 (9.5 %0	596,537,000 (10.0 %)	562,936,000 (9.5 %0	
	Increase of 1 %	740 047000	691,204,000	740 047000	691,204,000	
	% change	11.7 %	0	11.7 %	0	
	Discount rate: Accrued liability 30 June	000 500 000	004 040 000	000 500 000	004 040 000	
	Decrease of 1 %	662,560,000 782,494,000	621,946,000 728,054,000	662,560,000 596,537,000	621,946,000 728,054,000	
	% change	18.1 %	120,004,000	(10.0 %)	120,004,000	
	Increase of 1 %	569,843,000	539,778,000	740 047000	539,778,000	
	% change	(14.0 %)	(13.2 %)	11.7 %	(13.2 %)	
36.3	ACTUARIAL ASSUMPTIONS					
36.3.1	A summary of the assumptions used in the valuation, together with a short description on each is given below:					
30.3.1	Economic assumptions (pension fund and gratuities): Discount rate	9.50 %	10.75 %	9.50 %	10.75 %	
	Inflation rate	9.50 %	8.00 %	9.50 % 6.00 %	8.00 %	
	Salary Increase rate	7.00 %	9.00 %	7.00 %	9.00 %	
	Expected rate of return on assets	10.25 %	11.75 %	10.25 %	11.75 %	
	Pension increase allowance	5.54 %	6.75 %	5.54 %	6.75 %	
	Health Care Cost Inflation	8.00 %	8.00 %	8.00 %	8.00 %	
	Discount rate (pension fund and gratuities): The rate to discount post-employment benefit obligtions should be determined by reference to market yields at the date of the statement of financial position on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds should be used. In our opinion, there is no deep market in Corporate bonds in South Africa and as such we have set our recommended assumption with reference to the yield on South African Government Bonds of medium duration. This converts into an effective yield of 9.50 % as at 30 June 2009. In terms of the accounting standards, historiacal yields are less important and we consequently consider it appropriate to use the discount rate 9.50 % per annum.					
	Inflation rate (pension fund and gratuities):					
	While not used explicitly in the valuation, we have assumed the underlying future rate of consumer price inflation (CPI) to be 6.00 % per annum. This assumption has been based on the relationship between current conventional bond yields and current index-linked bond yields. This assumption is in line with the SA Government's Monetary Policy target of 3 % to 6 % per annum. Salary increase:					
	We have assumed tht the level of salary increased to be awarded in the long-term will, on average be equal to inflation plus 1.0 % (pension funds) and 1.50 % (gratuities) plus a merit increase based on the age-related table below: Age Merit Increase					
	20 13.5 %					
	25 9.0 %					
	30 5.5 %					
	35 3.0 %					
	40 1.5 % 45 1.0 %					
	45 1.0 % Expected return on assets:					
	The Fund's expected long-term return is a function of the expected long-term returns on equities, cash and bonds. In setting these assumptions we made use of the asset spoit as at 30 June 2009. The expected long-term rate of return on bonds was set at the same level as the discount rate. This implies a yield on government bonds of 9.50 % per annum. The expected long-term rate of return on equities was set at a level of 3 % above the bond rate, whilst the expected long-term rate of return on cash was set at a level of 2 % below the bond rate. Adjustments were made to reflect the effect of expenses. Pension rate increase: We have made use of a post-retirement discount rate of 3.75 % per annum which drives the pension increase policy of the Trustees.					
	This implies a pension increase rate of 5.54 % per annum.					
	Health Care Cost Inflation:					
	We have assumed that the current cotnribution table(s) of the medical scheme(s) would continue to apply in the future, with allowance for inflationary increases of 8.00 % per annum. We have assumed that health care cost inflation exceeds CPI inflation by an average of 2.00 % per annum over the long-term.					

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
37 37.1	CONTINGENT LIABILITIES HOUSING LOANS					
37.1	Guarantees for housing loans to employees at financial institutions	1,815,627	2,023,797	1,815,627	2,023,797	
	With the implementation of the MFMA no new guarantees are issued, the liability will therefore decrease in future. The property is used as collateral in cases of default on payments		2,020,707	1,010,021	2,020,101	
37.2	INDEMNIFICATION					
	Value of investments ceded to the Workmen's Compensation Commissioner in compliance with the requirements of the Compensation for Occupational Injuries and Diseases Act, 1993.	41,303,607	32,996,015	41,303,607	32,996,015	
	The capitalised value as at 31 December as calculated by the Department of Labour amounted to Consistent with prior years the amendment to the cession will be addressed in the following financial year	41,303,607	32,996,015	41,303,607	32,996,015	
37.3	INSURANCE CLAIMS					
	Pending claims against the Municipality in respect of vehicle accidents and Public Liabilities which originated before 30 June. The payment of claims against the City of Tshwane is provided for in the Self Insurance Reserve, which has a balance of R190,686 million (2007/08 = R228,951 million)	66,342,062	57,139,428	67,904,121	58,525,718	
	Civirelo Water has an unresolved legal matter to the value of R500 000. The Municipal Entity's attorneys are still in mediation with the plaintiff's attorneys. It was agreed to enter in a mediation process.					
37.4	RETIREMENT OF REDUNDANT EMPLOYEES					
	The retirement of redundant employees resulted in the following estimated long term liabilities (these liabilities are budgeted for annually):					
	*Pension fund contribution with regard to all employees who received packages and who qualify for a monthly pension up to the approved age of retirement.	52,309,000	63,603,000	52,309,000	63,603,000	
	*Sick fund contribution payable to Pretmed with regard to all employees who received packages and who are deemed to be full members of the fund up to the approved age of retirement.	46,719,000	46,102,000	46,719,000	46,102,000	
37.5	GUARANTEES					
	Guarantees issued in favour of Eskom	213,500	213,500	213,500	213,500	
38	IN-KIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind donations and assistance Description: Secondment of two (2) representatives from SAICA					
39	EVENTS AFTER THE REPORTING PERIOD					
	No material events occurred with respect to the 2008/09 financial year since year end and the date of the Statement of financial position					
39.1	External loans					
	DBSA: Loan at 11,315 % over 20 years		200,000,000		200,000,000	
	DBSA: Loan at 6,25 % over 20 years	None		None	50,000,000	
	Total		250,000,000	_	250,000,000	
39.2	Investments					
	ABSA Call investment @ 11,55 %		49,000,000		49,000,000	
	Investec Call investment @ 11,50 % Nedcor Call investment @ 11,65 %		49,000,000 49,000,000		49,000,000 49,000,000	
	RMB Call investment @ 11,50 % to 11,00 %		49,000,000	None	49,000,000	
	Stanlib call investment in respect of Contingency Insurance Fund		169,020,600		169,020,600	
39.3	Short-term loan		365,020,600	_	365,020,600	
	ABSA short-term loan @ 13,85 %	None	84,000,000	None	84,000,000	
39.4	Roodeplaat/Temba Water Services Trust (RTWST)					
	Loans taken over from 1 July 2008 with the disestablishment of the trust	Not applicable	518,067,525	Not applicable	518,067,525	
40	COMPARISON WITH THE BUDGET The comparison of the actual financial performance with that budgeted is set out in Appendices E, F and G					

DESCRIPTION 2009 R 2008 R 2009 R 41 DIRECTORS EMOLUMENTS R R R R 41.1 Municipal Entities Paid by company for services as directors Paid by company for services as directors 2,092,2 2,092,2 42 RELATED PARTY DISCLOSURES Parent The following municipal entities were under the control of the erstwhile/disestablished municipalities. The City of Tshwane Metropolitan Municipality became the parent municipality on 5 December 2000 as a result of the successor in law principle. Transactions between related parties are as follows: 28,917,630 975,800 28,917,630 42.1 Civirelo Water: Gauteng Housing via CoT (General expenses) Creditors 28,917,630 975,800 28,917,630 42.2 Housing Company Tshwane: Housing Company Tshwane: 11,637,757 20,000 11,637,757	
41.1 Municipal Entities Paid by company for services as directors 2,092,2 42 RELATED PARTY DISCLOSURES Parent The following municipal entities were under the control of the erstwhile/disestablished municipalities. The City of Tshwane Metropolitan Municipality became the parent municipality on 5 December 2000 as a result of the successor in law principle. Transactions between related parties are as follows: 2,092,2 42.1 Civirelo Water: Gauteng Housing via CoT (General expenses) Creditors 28,917,630 975,800 28,917,630 42.1 Civirelo Water: Gauteng Housing via CoT (General expenses) Creditors 28,917,630 975,800 28,917,630	
Paid by company for services as directors 2,092,2 42 RELATED PARTY DISCLOSURES Parent The following municipal entities were under the control of the erstwhile/disestablished municipalities. The City of Tshwane Metropolitan Municipality became the parent municipality on 5 December 2000 as a result of the successor in law principle. Transactions between related parties are as follows: 2,092,2 42.1 Civirelo Water: Gauteng Housing via CoT (General expenses) Creditors 28,917,630 28,917,630 28,917,630 21,637,757 20,000 11,637,757 20,000 11,637,757 20,000 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,757 12,010 11,637,75 12,010 11,637,75 12,010 11,637,75 12,010 12,010 11,637,75 12,010 11,637,75 12,010 11,637,75 12,010 11,637,75 12,010 11,637,75 12,010 11,637,75 12,010 11,637,75 12,010 11,637,75 12,010 11,637,75 12,010 11,637,75	
Parent	20
The following municipal entities were under the control of the erstwhile/disestablished municipalities. The City of Tshwane Metropolitan Municipality became the parent municipality on 5 December 2000 as a result of the successor in law principle. Transactions between related parties are as follows: 	20. 075 900
Evirelo Water: 28,917,630 975,800 28,917,630 975,800 28,917,630 975,800 28,917,630 975,800 11,637,757 20,000 11,637,757	20 075 800
Gauteng Housing via CoT (General expenses) 28,917,630 975,800 28,917,6 Creditors 11,637,757 20,000 11,637,757	30 075 900
Creditors 11,637,757 20,000 11,637,7	20 075 000
12.2 Housing Company Tshwane:	57 20,000
Sundry debtors (un-paid reimbursement budgeted amounts) 0 128,604	0 128,604
Received Electricity and Water sales and rates and taxes 466,633 490,482 466,6	
Paid General Expenses 8,357,791 117,439 8,357,791	
Sundry creditors (i.r.o water & electricity & rates) 59,321 104,339 59,3	21 104,339
12.3 Roodeplaat Temba Water Services Trust:	
Paid Water (water sales to CoT) 101,413,208	101,413,208
Beneficiary distribution 0	C
Interest finance lease 3,228,804	3,283,804 704,630
Lease charges 704,630 Accounts receivable 14,120,965	14,120,965
Accounts payable 6 0	14,120,303
Deferred operating lease liabilities 2,078,122	2,078,122
Finance lease liabilities 25,976,434	25,976,434
This entity was disestablished on 30 June 2008. All transactions, assets and liabilities were taken over by City of Tshwane on 1 July 2008. A summary of the transactions is as follows:	
External loans (518,067,525) (518,07,525)	,
Interest received (3,847,947) (3,847,947) (3,847,947)	
Property, plant & equipment - Accumulated depreciation (97,378,452) (97,378,4 Interest repayment external loans (13,064) (13,0	
Sundy debor 14,873 (14,6	
Cash/bank balance 167,251,450 167,251,4	
Property, plant & equipment - Cost 475,042,472 475,042,4	72
Bank charges1,0981,0	
Gain on disestablishment (refer to Statement of Financial Performance) 23,002,905 23,002,905	05
12.4 Sandspruit Works Association:	01 0
Outstanding payments i.r.o. water & electricity/authority billing 796,501 0 796,5 Water purchases from CoT 214,011 88,009 214,0	
Vitate planases information 21+,011 00,009 21+,01 Subsidy received from CoT 53,278,819 29,650,262 53,278,819	
DWAF subsidy (creditor) 0 811,2	
DWAF subsidy paid to Sandspruit (ODI) (creditor) 11,719,714 0 11,719,7	14 0
Paid Water/Sales to CoT 133,284,870 113,534,868 133,284,6	
Waste water (creditor) 5,346,128 0 5,346,128	
Sanitation operational deficit (debtor) 47,000,805 34,675,380 47,000,605 Operating loss account (creditor) 15,507,901 3,001,199 15,507,901	
2.5 Trade Point Pretoria: No related party transactions occurred Under liquidation	
2.6 Tshwane Cenbtre for Business Information and Support (Cenbis) No related party transactions occurred Under liquidation Under liquidation Under liquidation Under liquidation	Under liquidation
43 PRIOR YEAR ADJUSTMENTS (Refer to Statement of Changes of Parent)	
3.1 Expenditure of the 2006/07 financial year was restated in respect of:	
Reclassification of operating leases to finance leases (first time accounting for leases and restating retrospectively) (99,848,247)	(99,848,247)
Write back of interest on long-term debtors (as a result of in-duplum rule) 35,821,377	35,821,377
Prepaid electricity sales iro 2006/07 posted in 2007/08 (9,872,540) Depreciation of leased assets (first time accounting for leases and restating retrospectively) 70,358,385	(9,872,540)
Leprectation or leased assets (instrume accounting for leases and restating retrospectively) //.50,605 Interest on lease liabilities (first time accounting for leases and restating retrospectively) //.50,805	70,358,385 37,082,548
Restatement of threshold assets (net of depreciation and reversal of expense to assets) (7,170,357)	(7,170,357)
Municipal entities: audit adjustments	3,776,566
Total prior year adjustment iro 2006/07 26,371,166	30,147,732

		MUNICIPALITY		GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
43.2	Restatement of Statement of financial position of 2006/07					
	Accounting for lease assets (brought in for first time in 2007/08 but restated 2006/07)		261,396,192		261,396,192	
43.3	Restatement of expenditure iro 2007/08 during 2008/09					
	Grant expenditure (expenditure of 2008/09 accrued incorrectly in 2007/08)	(5,280)		(5,280)		
	Depreciation: ICS register brought in on asset register (ICS Register was formerly not part of Fixed Asset Register)	12,283,419		12,283,419		
	Assets brought in at fair value (assets found during verification process which were not on asset register)	(35,081,273)		(35,081,273)		
	ICS Register brought in on asset register - Cost (ICS Register was formerly not part of Fixed Asset Register)	(169,133,571)		(169,133,571)		
	Interest on leases (correction of calculation error during 2007/08)	(392,339)		(392,339)		
	Depreciation: Zero value assets (correction)	20,235,296		20,235,296		
43.4	Restatement of revenue iro 2007/08 during 2008/09					
	Grant revenue recognised (various grant revenue recognised in 2007/08 which related to 2008/09)	(6,131,900)		(6,131,900)		
	Ambulance subsidy (accrual done in 2007/08 was too high)	(925,250)		(925,250)		
	Property rates revenue	4,047,335		4,047,335		
	Revenue i.r.o. rezoning	55,806,593		55,806,593		
43.5	Restatement of reserves and provisions iro 2007/08 during 2008/09	00,000,000		00,000,000		
	Government grant reserve (upload of New Asset Register of 2007/08 on SAP difference corrected between reserve and asset register)	56,429		56.429		
	Insurance reserve (correction of balance of Insurance Reserve to correspond with Cashbacking investment)	214,398,004		214,398,004		
	Rehabilitation provisions (provision was expensed in stead of capitalised in 2007/08)	(81,421,984)		(81,421,984)		
	Employment benefit provision expense and liability created (First time implementation of IAS 19: Employment Benefits)	838,893,000		838,893,000		
	Capitalisation reserve: correction zero value assets	14,402,212		14,402,212		
	Total restatements iro 2007/08 done in 2008/09	867,030,691		867,030,691		
3.6	Restatement of accumulated surplus prior to 2007/08					
	Amounts reimbursed by IEC incorrectly allocated to public contributions during 2004/05	(15,335,500)		(15,335,500)		
	Write back of accumulated depreciation on land - incorrectly calculation during 2004/05	141,347,465		141,347,465		
	Write back of accumulated depreciation on undeveloped land - incorrectly calculation during 2004/05	123,324		123,324		
	Property rates revenue corrections	(4,316,941)		(4,316,941)		
	Depreciation correction: zero value assets Total restatement of accumulated surplus prior to 2007/08	128,845,874		128,845,874		
	Total restatement of accumulated surplus prior to 2007/06	250,664,222		250,664,222		
3.7	Restatement of reserves prior to 2007/08 during 2008/09					
	Capitalisation reserve: Write back on zero value assets depreciation	139,469,413		139,469,413		
	Government grant reserve: Write back on zero value assets depreciation	7,553,936		7,553,936		
	Total restatement of reserves prior to 2007/08 during 2008/09	147,023,349		147,023,349		
13.8	Prior year adjustments i.r,o Municipal entities			5 077 504	11 000 107	
	Housing Company Tshwane			5,677,531	11,626,427	
	Civirelo			5,502	(110,172)	
	Roodeplaat Temba Water Services Trust			(9,989,370)	(7,809,766)	
	Sandspruit Works Association Total restatements iro Municipal Entities			(4,306,337)	70,076 3,776,565	
				(4,000,001)	0,110,000	
4	OPERATING LEASES					
14.1	NON-CANCELLABLE					
	Amounts of minimum lease payments under non-cancellable operating leases in respect of photocopier equipment are as follows for:					
	* The next year	1,835,793	5,497,215	1,835,793	5,497,215	
	* Years 2 through 5 combined	1,311,049	3,078,233	1,311,049	3,078,233	
	* Beyond 5 years	0	0	0	0	
	Total	3,146,842	8,575,448	3,146,842	8,575,448	
4.2	CANCELLABLE					
	Amounts of minimum lease payments under cancellable operating leases in respect of photocopier equipment are as follows for:					
	* The next year	1,516,364	1,497,586	5,644,991	3,162,353	
	* Years 2 through 5 combined	957,365	2,440,867	10,742,228	7,001,313	
	* Beyond 5 years	0	0	0	0	
	Total	2,473,729	3,938,453	16,387,219	10,163,666	

			IPALITY	GROUP		
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R	
5	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE					
5.1	Unauthorised expenditure					
	Reconciliation of unauthorised expenditure: Opening balance	51,175	0	51,175	0	
	Unauthorised expenditure in current year	74,962,306	51,175	74,962,306	51,175	
	Approved by Council/condoned	(36,000)	0	(36,000)	01,110	
	Unauthorised expenditure awaiting authorisation	74,977,481	51,175	74,977,481	51,175	
	2008: Incident 1: Unapproved travelling to Swaziland during November 2007.					
	Disciplinary steps: A report to obtain approval has been submitted to the City Manager					
	2008: Incident 2: Insurance claims not reported timeously and repudiated claims not compliant with procedural deadlines Disciplinary steps: Disciplinary actions taken against relevant employee					
	2009: Incident 1: R14 012 470 expenditure on Municipal rates & services not budgeted for (costs should have been for tenants account) for Housing & Sustainable Development					
	2009: Incident 2: R57 023 820 application for funds transfer in adjustments budget not approved for Economic Development: Bus Service					
	2009: Incident 3: R2 800 000 No budget for contract employees from labour brokers (Electricity & Energy Department)					
	2009: Incident 4: R589 915 Cable theft combat - expense to be recovered from claims (Electricity & Energy Department) 2009: Incident 5: End user support (IMD) no authorisation from cost centre owner for debiting of costs (Electricity & Energy					
	Department)					
45.2	Fruitless and wasteful expenditure Reconciliation of fruitless and wasteful expenditure:					
	Opening balance	1,242,964	0	1,242,964	(
	Fruities and wasteful expenditure in current year	404,576	1,242,964	404,576	1,242,964	
	Approved by Council/condoned/repayed/written of	(82,370)	0	(82,370)	.,,(
	Fruitless and wasteful expenditure awaiting condonement/repayment	1,565,170	1,242,964	1,565,170	1,242,96	
	2008: Incident 1: Theft of laptop which an employee failed to register as an insurance claim to the amount of R24 200. Disciplinary					
	steps - Departmental hearing was held on 27 June 2008. Employee signed admission of guilt and amount will be deducted from his					
	salary.					
	2008: Incident 2: Petty Cash - late A Baduza to the amount of R756. Awaiting approval of report to Strategic Executive Director to write off this expenditure. Expenditure was written off during 2008/09					
	on une experimente: Experimente was written on during 2006/09 2008: Incident 3: Unauthorised trip to Namibia by Dr M Kruger in the Office of the City Manager. Disciplinary steps - Awaiting					
	authorisation. Authorisation given during 2008/09 (R57 414.00)					
	2008: Incident 4: Supply of fuel to contractor by Housing & Sustainable Human Settlement Development. Disciplinary steps -					
	Investigation underway (R1 160 594.00)					
	2009: Incident 1: Electricity & Energy Department (R404 576) claims repudiated due to outstanding case numbers from Cost centre.					
	No Disciplinary steps taken					
5.3	Irregular expenditure					
	Reconciliation of irregular expenditure:					
	Opening balance	6,980	0	6,980	0	
	Irregular expenditure in current year	815,966	6,980	815,966	6,980	
	Approval/repayment during the current year	(6,980)	0	(6,980)	0	
	Irregular expenditure awaiting condonement	815,966	6,980	815,966	6,980	
	2008: Incident: Cash shortage at Premos restaurant. Action/Steps: Manager undertook in writing to replace cash shortage (R6 980)					
	2009: Incident 1: Corporate & Shared Services - fraudulent payment of salaries. SAPS Case nr 182/10/2008. Reported in October 2008 (R150 336.66)					
	2009: Incident 2: Sport, Recreation, Ars & Culture - New year celebration - Implementation of City Manager Report recommendation R553 360.00)					
	2009: Incident 3: Electricity & Energy - Issuing of Gas stoves cost centre 109 30.					
5.4	Unauthorised expenditure due to late approval of deviation report (not approved before 31 August)					
	General Assessments	277,891,177	212,146,820	277,891,177	212,146,82	
	Corporate and Shared Services	0	43,028,671	0	43,028,67	
	Economic Development	0	2,218,079	0	2,218,07	
	Agriculture and Environmental Management	199,207,792	202,865,365	199,207,792	202,865,36	
	Total (Refer to Appendix F for reasons for deviations)	477,098,969	460,258,935	477,098,969	460,258,93	
45.5	Expenditure not budgeted for due to first time implementation of accounting Standard IAS 19: Employment Benefits					
	Employment benefit provision expense	165,303,000	838,893,000	165,303,000	838,893,000	
	to a second s		300,000,000		330,000,00	

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

			IPALITY	GROUP	
	DESCRIPTION	2009 R	2008 R	2009 R	2008 R
46	PUBLIC PRIVATE PARTNERSHIPS & JOINT VENTURES				
46.1	Public Private partnerships				
	The City of Tshwane is isvolved in the following PPP's (only co-operative relationships) (existing contracts/agreements)				
	* Health & Social Development with Foundation for Professional Development iro Multi Sectorial AIDS Management				
	* Health & Social Development with City of Delft on Youth development life skills				
	* Health Care Service with Elisabeth Glaser Paediatric Aids Foundation - prevention of AIDS transmission from mother to child				
46.2	Joint Ventures				
	The City of Tshwane is involved in the following Joint Ventures - the parties however act independently (existing agreements)				
	 Health Department with Maasmechelen Municipality for capacity building in respect of Community Structures (Working together as local authorities) 				
	* Health & Social Development with HSRC iro prevention strategy targeting commercial sex workers				
17	DEVIATIONS FROM SUPPLY CHAIN MANAGEMENT PROCEDURES				
	In terms of section 36(1)(a) of the Supply Chain Management Regulations, the accounting officer may dispense with the official procurement processes in the following instances:				
	* in an emergency				
	 if such goods or services are produced or available form a single provider only 				
	* for the acquisition of special works of art or historical objects where specifications are difficult to compile				
	 * acquisition of animals for zoos and/or nature and game reserves 				
	 in any other exceptional case where it is impractical or impossible to follow the official procurement processes 				
	Deviations from the official procurement process during the financial year was approved in terms of the delegations as stipulated in the Supply Chain Management Policy and amounted to approximately the following:				
	Deviations from tender process (amounts above R200 000 or projects spanning more than one year)	346,346,352	310,823,704	346,346,352	310,823,704
	Deviations from quotation process (amounts below R200 000)	4,939,171	5,676,340	4,939,171	5,676,340
18	CHANGE IN ESTIMATE				
	The useful lives of certain asset classes have been reviewed and adjusted to more accurately reflect the life spans of the assets. In a majority of the cases the lives of the items have been extended considerably. The effect of this revision has decreased the depreciation charges for the current and future periods by:-				
	Other and infrastructure assets	210,451,991	0	210.451.991	(

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49 FINANCIAL INSTRUMENTS (ONLY IN RESPECT OF PARENT)

49.1 Risks

In the course of the Municipality's business operations it is exposed to interest rate, credit, liquidity and market risk. The Municipality has developed a comprehensive risk management process to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

49.1.1 Interest rate risk

The Municipality manages its interest rate risk by maintaining an appropriate mix between fixed and floating interest rate borrowings and investments, as well as by entering into interest rate swap contracts on outstanding borrowings. The Municipality's exposure to interest rate risk and the effective interest rates on financial instruments at statement of financial position date are as follows:

			Fixed rate		Non-interes	t bearing	
Description	Floating rate	Amount	Weighted average effective interest rate	Weighted average period for which rate is fixed	Amount	Weighted average period until maturity	Total
	R	R	%	Years	R	Years	R
YEAR ENDED 30 JUNE 2009							
Assets:							
Investments	201,227,196	476,724,571	13.97	13.62			677,951,76
Long-term receivables:							
Housing loans		57,556,328	13.87	30			57,556,32
Motor car loans		173,915	8.66	6			173,91
Loans to sport clubs		1,661,855	11.99	10			1,661,85
Study loans					5,293		5,29
Sale of Land		79,405,336	11.09	5			79,405,33
Arrangement debtors		58,243,480	15		187,128,830		245,372,31
Trade receivables:							
Consumer		2,895,098,051	15.00	1	875,049,898		3,770,147,94
Other					737,740,110		737,740,11
Cash	89,560,594						89,560,59
Total financial assets	290,787,790	3,568,863,536			1,799,924,131		5,659,575,45
Liabilities							
Interest bearing borrowings	162,331,528	3,946,687,331	11.24	15.93			4,109,018,85
Interest rate swaps		227,866,133	20.51	17.79			227,866,13
Lease liabilities	262,514,815						262,514,81
Trade payables:							
Creditors					2,514,243,575	0.08	2,514,243,57
Retention					142,689,724	1	142,689,72
Consumer deposits					282,759,977	0.08	282,759,97
Unspent grants and receipts					419,920,338	0.08	419,920,33
VAT					164,585,154	0.08	164,585,15
Bank overdrafts	95,416,694						95,416,69
Total financial liabilities	520,263,037	4,174,553,464			3,524,198,768		8,219,015,26
	(229,475,247)	(605,689,928)			(1,724,274,637)		(2,559,439,81
YEAR ENDED 30 JUNE 2008						1	1 <i>1 1 1</i>
Assets:							
Investments	197,926,170	462,762,530	14.21	14.03			660,688,70
Long-term receivables:							
Housing loans		59,092,140	13.87	30			59,092,14
Motor car loans		2,161,952	8.66	6			2,161,95
Loans to sport clubs		1,689,951	11.99	10			1,689,95
Study loans		.,,			13,930		13,93
Sale of Land		65,779,894	11.09	5	,		65,779,89
Arrangement debtors		48,096,653		-	154,500,876		202,597,52
Trade receivables:		,					,,.
Consumer		2,423,755,273	14.5	1	883,591,104		3,307,346,37
Other		_,0,, 00,270	.4.0	'	539,516,021		539,516,02
Cash	43,235,693				223,010,021		43,235,69
Total financial assets	241,161,863	3,063,338,393			1,577,621,931		4,882,122,18
Liabilities	,,	-,,,0000			.,,,		.,,,
Interest bearing borrowings	162,331,528	2.488.146.829	11.00	15.48			2,650,478,35
Interest bearing borrowings	102,001,020	227,866,133	20.51	17.79			2,050,478,55
Lease liabilities	257,297,030	221,000,133	20.01	11.18			257,297,03
Trade payables:	201,201,000						201,201,00
Creditors					1,659,044,641	0.08	1,659,044,64
Retention					96,661,285	0.08	96,661,28
Consumer deposits					267,978,963	0.08	267,978,96
					328,760,232	0.08	328,760,23
Unspent grants and receipts VAT						0.08	328,760,23
	106 407 070				104,380,809	0.08	
Bank overdrafts	106,407,370 526,035,928	2,716,012,962			2,456,825,930		106,407,37 5,698,874,82
Tetel financial lightlitics							
Total financial liabilities	(284,874,065)	347,325,431			(879,203,999)		(816,752,63

Interest rate swaps

The Municipality has entered into interest rate swap contracts that entitle it to receive interest at fixed rates/floating rates on notional principal amounts and that oblige it to pay interest at variable rates/fixed rates on the same amounts. The interest rate swaps allow the Municipality to raise long-term borrowings at fixed rates/floating rates and effectively swap them into variable rates/fixed rates in terms of the structured finance contractual requirements.

The estimated fair value gain/(loss) indicated below was determined by comparing the interest rate swap contracted values (fixed rate) with the variable rate paid.

At the statement of financial position date the Municipality had entered into the following interest rate swaps relating to specific statement of financial position items:

	Date	Fixed rate %	Fair value R	Estimated fair value gain/(loss) R
Year ended 30 June 2008	19 January 1994	19	200,000,000	(15,660,192) (15,660,192)
Year ended 30 June 2009	19 January 1994	19	200,000,000	(12,329,578)
			200,000,000	(12,329,578)

49.1.2 Currency risk

The Municipality undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations might arise. The Municipality, however, manages this risk by entering into contracts where the risk is carried by the service provider.

49.1.3 Credit risk

Financial assets, which potentially subject the Municipality to the risk of non-performance by counter-parties and thereby subject the Municipality to concentrations of credit risk, consist mainly of trade receivables. Credit risk is controlled through the application of a credit control policy and monitoring proceedures. Where necessary, the Municipality obtains appropriate deposits and guarantees from debtors to mitigate risk. The Municipality's cash and cash equivalents and short-term deposits are placed with high credit quality financial institutions.

The Municipality limits its treasury counter-party exposure arising from money market by only dealing with well established financial institutions confirmed by the rating agency appointed by the Chief Financial Officer. The Municipality only deals with financial institutions with a short term credit rating of A+ and long-term credit rating of AA- and higher at an International accredited credit-rating agency. The Municipality's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst different types of approved investments and institutions.

Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Municipality's customer base and their dispersion across different industries and geographical areas. The Municipality does not have any significant exposure to any individual customer or counter-party. Accordingly, the Municipality does not consider there to be any significant concentration of credit risk, which had not been adequately provided for. Trade receivables are presented net of the allowance for impairment.

Maximum exposure to credit risk: There has been no significant change during the financial year, or since the end of the financial year, to the municipality's exposure to credit risk, the approach of measurement or the objectives, policies and processes for managing this risk. The carrying amount of financial asses recorded in the financial statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking into account the value of any collateral obtained.

The major concentrations of credit risk that arise from the Municipality's receivables in relation to customer classification are as follows:

	30 June 2009 %	30 June 2008 %
Consumer debtors:		
Household	58	59
Industrial/Commercial	17	17
National and Provincial Government	1	1
Other consumer debtors	11	11
Other debtors:		
Housing	0	C
Government subsidies	0	(
RSC levies	0	5
Amounts paid in advance	0	(
Other	13	6
	100	100

CITY OF TSHWANE METROPOLITAN MUNICIPALITY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

49.1.4 Liquidity risk The Municipality manages liquidity risk through proper management of working capital, capital expenditure and actual versus forecasted cash flows. Adequate reserves, liquid resources and unutilised borrowing facilities are also maintained. In terms of its borrowing requirements, the municipality ensures that adequate funds are available to meet its expected and unexpected financial commitments. In terms of its long-term liquidity risk, a reasonable blance is maintained between the period over which assets generate funds and the period over which the respective assets are funded. Capital expenditure, budgeted and forecast cash flow calculations are funded as follows from the capital market: 30 June 2009 30 June 2010 30 June 2011 R R R External funding: capital expenditure 822,000,000 800.000.000 650,000,000 49.1.5 Market risk The Municipality is exposed to fluctuating market prices inherent in the purchasing of electricity, water and coal used in the delivery of electricity and water services. The Municipality manages this risk by giving any price increases through to the consumers on an annual basis. An agreement has been entered into with both Eskom and Rand Water that tariff increases occur only once a year. Interest rate risk management: The Municipality's interest rate profile consists of fixed and floating rate loans and bank balances which exposes the municipality to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows: Financial assets/liabilities: Trade and other receivables/payables: At a fixed rate of interest. Management manages interest rate risk by negotiating beneficial rates on floating rate loans and where possible using fixed rate loans. Management also has a policy of balancing the interest on asset loans with the intrest payable on liabilities 49.2 Fair values The Municipality's financial instruments consist mainly of cash and cash equivalents, trade receivables, investments, trade payables, long-term debt and derivative instruments (interet rate swaps). No financial asset was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial assets that are available-for-sale or held-for-trading. The following methods and assumptions are used to determine the fair value of each class of financial instrument: Cash and cash equivalents The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets and financial liabilities Trade receivables (debtors) The carrying amount of trade receivables, net of provision for impairment (provision for bad debt) approximates fair value due to the relatively short-term maturity of these financial assets. Investments Investments are carried at their original cost in the statement of financial position, except for those where the interest received semi annually are capitalised. The fair value of publicly traded instruments is based on quoted market prices for those investments. Trade payables The carrying amount of trade payables approximates fair value due to the relatively short-term maturity of this financial liability. Interest bearing borrowings Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Financial Performance over the period of the borrowings on an effective interest basis. The fair value of interest bearing borrowings with variable interest rates approximates their carrying amounts. Derivatives (interest rate swaps) Derivative financial instruments (interest rate swaps) are initially measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates. The fair value of financial liabilities at statement of financial position date are as follows: Year ended Fair value Carrying amount R R 30 June 2009 Liabilities Interest rate swaps 200,000,000 200,000,000 30 June 2008 Liabilities Interest rate swaps 200,000,000 200,000,000

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49.3

Maturity profile The maturity profiles of financial assets and liabilities at statement of financial position date are as follows:

	1 Year or less R	1 to 5 years R	Over 5 years R	Total R
YEAR ENDED 30 JUNE 2009				
Assets:				
Investments	177,605,394	496,689,319	3,657,054	677,951,76
Long-term receivables:	,,	,,	-,,	
Housing loans			57,556,328	57,556,32
Motor car loans	173,915			173,91
Loans to sport clubs			1,661,855	1,661,85
Study loans	5.293			5,29
Sale of Land	-,	79,405,336		79,405,33
Arrangement debtors	118,219,963	127,152,347		245,372,31
Trade receivables:	,,			, ,
Consumer	3,770,147,949	0		3,770,147,94
Other	737,740,110	°,		737,740,11
Cash	89,560,594			89,560,59
Total financial assets	4,893,453,218	703,247,002	62,875,237	5,659,575,45
Liabilities	.,000, 100,210		02,010,201	0,000,010,10
Interest bearing borrowings	5,812	419,554,525	3,689,458,522	4,109,018,85
Interest bearing bonowings	5,612	227,949,356	3,009,430,322	227,949,35
Lease liabilities	157,392,134	105,122,680		262,514,81
Trade payables:	157,592,134	105,122,060		202,514,6
Creditors	2,514,243,575			2,514,243,57
Retention				
	142,689,724			142,689,72
Consumer deposits	282,759,977			282,759,97
Unspent grants and receipts	419,920,338			419,920,33
VAT Bask susside fr	164,585,154			164,585,15
Bank overdrafts Total financial liabilities	95,416,694 3,777,013,408	752,626,561	3,689,458,522	95,416,69 8,219,098,49
	3,777,013,400	752,020,501	3,003,430,322	0,213,030,43
YEAR ENDED 30 JUNE 2008				
Assets:				
Investments	235,135,271	354,801,402	70,752,027	660,688,70
Long-term receivables:				
Housing loans			59,092,140	59,092,14
Motor car loans		2,161,952		2,161,95
Loans to sport clubs			1,689,951	1,689,95
Study loans	13,930			13,93
Sale of Land		65,779,894		65,779,89
Arrangement debtors	92,872,599	109,724,930		202,597,52
Trade receivables:				
Consumer	3,307,346,377	0		3,307,346,37
Other	539,516,021			539,516,02
Cash	43,235,693			43,235,69
Total financial assets	4,218,119,891	532,468,178	131,534,118	4,882,122,18
Liabilities				
Interest bearing borrowings	40,635,125	353,495,677	2,284,213,688	2,678,344,49
Interest rate swaps	0	200,000,000	0	200,000,00
Lease liabilities	150,248,193	107,048,837		257,297,03
Trade payables:				
Creditors	1,659,044,641			1,659,044,64
Retention	96,661,285			96,661,28
Consumer deposits	267,978,963			267,978,96
Unspent grants and receipts	328,760,232			328,760,23
	104 380 809	1		104 380 80
VAT Bank overdrafts	104,380,809 106,407,370			104,380,80 106,407,37

Hedging 49.4

Hedging is not applicable in the environment of the Municipality.

APPENDIX A

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009 - PARENT

									Carrying value of
				Opening balance	Received during the year	Redeemed	Amortised value	Closing balance	Property, Plant & Equipment
				R	R	R	R	R	R
EXTERNAL LOANS:									
LOCAL REGISTERED STOCK:									
LOCAL REGISTERED STOCK.	Loan	Interest rate							
Issued	number	(%)	Redeemable						
1997	105	16.65	2014.06.30	95,524,901	0	0	496,349	96,021,250	126,551,756
1993 1984	104 43	14.15 16.25	2008.09.30 2004.04.30	40,629,329	0	40,000,000 0	(629,329)	0 5,812	0 7,660
1964	43 55	16.40	2004.04.30	5,812 14,670,620	0	0	(61,478)	14,609,142	19,254,202
1992	62	13.50	2011.06.30	21,414,122	0	0	(273,460)	21,140,662	27,862,457
1993	63	14.00	2011.06.30	36,916,500	0	0	790,967	37,707,467	49,696,772
1997	65	15.75	2011.06.30	50,000,000	0	0	0	50,000,000	65,897,786
	66	16.50	2011.06.30	59,000,000	0	0	0	59,000,000	77,759,388
TOTAL LOCAL REGISTERED ST	OCK			318,161,284	0	40,000,000	323,049	278,484,333	367,030,021
TERM LOANS:									
DBSA: Bullet portion		13.50	2018.04.30	51,724,111	0	0	21,941	51,746,052	68,199,006
DBSA: Floating rate		Variable	2019.10.31	78,331,528	0	0	0	78,331,528	103,237,486
ABSA Bank loan B3		Variable	2011.06.30	84,000,000	0	0	0	84,000,000	110,708,281
INCA loan		17.15	2011.06.30	45,000,000	0	0	0	45,000,000	59,308,008
ABSA Bank Arbitrage TOTAL TERM LOANS		19.13	2011.10.31	227,866,133 486,921,772	0	0	83,223 105,164	227,949,356 487,026,936	300,427,159 641,879,939
IOTAL TERM LOANS				400,921,772	0	0	105,104	487,020,930	041,079,939
ANNUITY LOANS:									
DBSA		13.5	2018.04.30	239,307,959	0	10,988,969	(274,584)	228,044,406	300,552,431
DBSA Local Authorities		13.5	2012.12.31	14,628,304	0	2,552,300	0	12,076,004	15,915,639
DBSA (Restructuring) INCA		10.87 11.66	2018.12.31	235,954,085	0	12,866,562 875,935	0	223,087,523 16,560,061	294,019,478
INCA		9.52	2019.06.30 2020.03.31	17,435,996 203,496,005	0	9,441,121	(107,605)	193,947,279	21,825,427 255,613,927
INCA		11.01	2020.06.30	45,254,380	0	1,956,705	0 (107,003	43,297,675	57,064,419
DBSA		9.36	2020.12.31	250,938,884	0	11,260,822	0	239,678,062	315,885,074
INCA		10.92	2020.12.31	92,220,052	0	3,728,357	0	88,491,695	116,628,136
INCA		10.81	2021.06.30	75,143,954	0	2,850,183	0	72,293,771	95,279,989
DBSA		5.0	2021.12.31	90,139,493	0	5,070,687	0	85,068,806	112,116,920
DBSA		9.835	2021.12.31	369,274,910	0	15,000,273	0	354,274,637	466,918,286
lvuzi		13.5	2021.12.31	189,467,412	0	7,788,818	0	181,678,594	239,444,343
DBSA DBSA		6.25 12.81	2028.06.30 2028.06.30	50,000,000 200,000,000	50,000,000 0	2,880,175 2,435,260	0	97,119,825 197,564,740	127,999,629 260,381,580
DBSA		11.32	2028.06.30	200,000,000	200,000,000	1,504,949	0	198,495,051	261,607,689
ABSA Roodeplaat Temba		12.5	2021.03.31	0	234,799,996	7,705,080	7,709,350	234,804,266	309,461,627
DBSA Roodeplaat Temba		11.99	2021.03.31	0	121,842,531	4,170,002	3,854,981	121,527,510	160,167,878
Nedbank Roodeplaat Temba		12.51	2021.03.31	0	161,424,998	5,243,852	5,265,896	161,447,042	212,780,053
DBSA TIP		6.75	2029.06.30	0	150,000,000	0	0	150,000,000	197,693,359
DBSA IIP		10.84	2029.06.30	0	672,000,000	0	0	672,000,000	885,666,248
TOTAL ANNUITY LOANS				2,073,261,434	1,590,067,525	108,320,050	16,448,038	3,571,456,947	2,679,645,280
TOTAL EXTERNAL LOANS				2,878,344,490	1,590,067,525	148,320,050	16,876,251	4,336,968,216	5,715,932,094
FINANCE LEASES:									
ABSA		Variable *		13,515,052	8,480,433	6,558,276	0	15,437,209	14,591,213
AMASONDO		Variable *		73,449,180	8,108,224	33,680,418	0	47,876,986	44,921,910
DATACENTRIX		Variable *		17,678,334	28,500,175	15,635,122	0	30,543,387	28,567,205
DEBIS FLEET MANAGEMENT		Variable *		12,740,356	1,330,128	5,641,137	0	8,429,347	8,134,618
FLEET AFRICA IMPERIAL		Variable *		12,940,573	2,414,434	10,848,250	0	4,506,757	4,399,812
MAN FINANCIAL SERVICES		Variable * Variable *		9,173,208 0	1,119,752 79,947,995	2,682,929 10,224,362	0 0	7,610,031 69,723,633	7,366,340 68,976,454
STANDARD BANK		Variable *		28,126,576	3,027,042	9,551,045	0	21,602,573	21,125,518
STANDARD BANK		Variable *		487,470	44,142	465,945	0	65,667	49,348
TSHWANE AUTO LEASING		Variable *		13,989,709	1,637,766	6,403,232	0	9,224,243	9,054,576
VIAMAX		Variable *		65,470,381	6,867,721	30,755,505	0	41,582,597	39,931,008
VUSWA		Variable *		9,726,192	809,518	4,623,325	0	5,912,385	5,753,837
TOTAL FINANCE LEASES				257,297,031	142,287,330	137,069,546	0	262,514,815	252,871,839
 Variable linked to prime rate 									

CITY OF TSHWANE METROPOLITAN MUNICIPALITY APPENDIX A

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009 : GROUP

Under Statuse Use year during the year value Coding balance Fequipment EXTERNAL LOANS: LOAA. REGISTERED STOCK: Image for interest number interest number interest number R						Received during	Redeemed	Amortised		Carrying value of Property, Plant &
DETERMIL CLARKE Load Normality <					Opening balance	the year	during the year	value	Closing balance	Equipment
LocA. REGISTRED STOCK: Loan market farrest stand market stand st					R	R	R	R	R	R
Load number Interest 48.524.001 0 49.73.20 99.021.250 128.51.2 1997 105 14.84 201.00.20 5.512.60.01 0 408.54.90 90.021.250 128.51.2 1992 104 14.53 2000.00.20 5.512.60.01 0 0.01.951.14 128.51.2 7.77.45 1992 104 14.53 2000.00.20 5.512.60.01 0 0.01.957.157.97.77.74 128.51.2 1993 65 1.57.21.11.03.20 5.50.00.00.00 0 0 157.04.167.00 0 5.57.05.00 0 0 5.57.05.00 65.67.7 TOTAL LOCAL REGISTERED STOCK 0 112.61.11 0 0 2.18.41 9.77.07.64.31	EXTERNAL LOANS:									
Issued number rate (%) Redeemable state	LOCAL REGISTERED STOCK:		• · · ·							
1993 104 41.4 15 2008 0.53 40.223.329 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (271.468) 227.668 (271.468) 277.667 457.770.677 457.458.68 45.666 4	Issued			Redeemable						
1993 104 41.4 15 2008 0.53 40.223.329 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (252.329) 0 40.000.00 (271.468) 227.668 (271.468) 277.667 457.770.677 457.458.68 45.666 4	1997	105	16 65	2014 06 30	95 524 901	0		496 349	96 021 250	126 551 75
1984 43 16.25 2004 (4.3) 5.512 0 0 0 5.517 17.73 17.254 17.73 17.254 17.73 17.254 17.73 17.254 17.75 17.254 17.75 17.254 17.75 17.254 17.75 17.254							40.000.000		00,021,200	120,001,70
1900 65 16.40 2011.06.30 14.670.620 0 0 (61.77.8) 14.600,162 12.28.62 1977 65 15.75 2011.06.30 21.44.12.22 0 0 77.780 77.140, 02.14.066 46.65 1977 65 15.75 2011.06.30 30.000,000 0 0 0 55.000,000 46.65 1977.16.00.021.002.01.REGISTERED STOCK 15.00 21.64.13.28 0 0 0 27.44.433 30.10.23.77 1983.1. Rosing rate Variable 211.06.30 7.73.51.52 0 0 0 7.43.53.58 30.00.20 10.00 10.03.57.58.57.56.57.57.57.57.57.57.57.57.57.57.57.57.57.									5.812	7,66
1902 62 13.60 2011.06.30 21/14/122 0 0 (272.460) 21/14/0.662 27.848.00 1907 63 14.00 2010.03.00 33.01.63.00 33.01.63.00 0 0 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Ō</td> <td></td> <td></td> <td>19,254,20</td>							Ō			19,254,20
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200 00 0						0	0			65,897,78
TOTAL LEOSTERED STOCK 315, 151,284 0 40,000,000 323,049 278,44333 387,050 TERM LOARS: 136, 151,284 0 40,000,000 323,049 278,44333 987,050 DBS1: Built portion 135, 00 211,6410 0 0 211,641 51,743,152 90 0 0 64,000,000 110,7063							0	0		
DBSA: Example Distain Stain	TOTAL LOCAL REGISTERED STOCK		10.00	2011.00.00						367,030,02
DBSA: Example Distain Stain	TERM LOANS:									
DBSA. Floating rate Variable 2011 0.5.3 77.8.31.528 0 0 0 78.33.51.528 10.02.27 National Housing Finance Corp 14.00 4.449.453 0 10.3.911 0 4.381.032 4.381.032 Calcedrey Partnership Fund 0.00 28.0.00 0 0 6 8.200.00 10.03.911 0 4.381.032 ABSA Bank Abitrage 17.15 2011 0.8.3 4.449.453 0 0 0 8.227.89.91 300.477. ABSA Bank Abitrage 19.13 2011 0.5.3 27.968.133 0 0 8.227.89.92 90.01.988.99.99 0 10.389.14 491.700.89 7.445.533 ABSA Abitrage 13.5 2018 0.4.3 2.298.07.959 0 12.268.95.20 0 12.268.95.20 0 2.220.87.53 2.280.97.55 7.56.41 300.527.57 3.283.77.57 3.283.77.57 3.283.77.57 3.283.77.57 3.283.77.57 3.284.97.650 3.77.57.85.77.57 3.57.650 7.70.57.657 0 3.35.685.77.57 5.75.69.77.75 5.75.7			13.50	2018.04.30	51,724,111	0	0	21.941	51,746,052	68,199,00
ABSA Bank Long B3 Variable 2011 05.30 84.000,000 0 0 0 0 0 0 0 0 10.702 Cauleng Parknership Fundo 0.00 233.00 0 0 0 0 239.000										103,237,48
National Housing Finance Corp Calutery Partnership Fund 0.00 4.484.943 0 10.3.911 0 4.438.10.32 4.381.032 <th< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td><td></td><td></td></th<>							-	-		
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INCA 11.01 2020.06.30 45.254.380 0 1.965.705 0 43.297.675 57.064.305 INCA 10.92 2020.12.31 252.09.38.884 0 11.268.822 0 239.67.060 315.885.37 INCA 10.92 2020.12.31 252.00.52 0 3.728.357 0 88.491.665 116.66.32 INCA 10.92 2020.12.31 39.08.79.052 0 3.728.357 0 85.027.179 952.793 DBSA 5.05 2021.12.31 390.139.043 0 5.070.687 0 354.274.817 466.918.371 Ivizi 12.5 2021.12.31 189.467.112 0 7.000.273 0 354.274.817 466.918.371 DBSA 6.25 2028.06.30 50.000.000 0 2.880.175 0 1197.564.746 2020.031 224.399.40 139.495.051 221.607.142 221.607.142 221.607.142 221.607.142 221.607.142 221.607.142 221.607.142 221.607.142 221.607.144.142 251.607.163.112.144.24.981 </td <td>INCA</td> <td></td> <td>11.66</td> <td>2019.06.30</td> <td>17,435,996</td> <td>0</td> <td>875,935</td> <td>0</td> <td>16,560,061</td> <td>21,825,42</td>	INCA		11.66	2019.06.30	17,435,996	0	875,935	0	16,560,061	21,825,42
DBSA 9.36 2020.12.31 250.938.84 0 1.260.822 0 239.678.062 315.880 INCA 10.82 2021.02.31 922.80.52 0 3.728.357 0 88.491.665 116.628 INCA 10.81 2021.02.31 92.20.052 0 3.728.357 0 88.491.665 116.628 DBSA 5.0 2021.12.31 300.139.493 0 5.070.687 0 85.080.00 112.116 0 15.000.273 0 354.274.67 466.918.2 Ivuzi 13.5 2021.12.31 199.674.910 0 7.708.818 0 181.678.694 229.444.2 129.444.2 129.442.51 0 9.7119.62 127.799.62 127.999.65 261.607.6 198.495.65 261.607.6 3.09.461.1 243.799.996 0 7.705.808 7.703.50 223.404.26 3.09.461.1 247.799.996 0 7.705.808 7.703.50 234.804.26 3.09.461.1 121.527.51 180.167.7 145.01.67.7 145.01.67.7 121.527.51 180.167.7	INCA		9.52	2020.03.31	203,496,005	0	9,441,121	(107,605)	193,947,279	255,613,92
INCA 10.92 2020 12.31 9220 052 0 3.78.357 0 88.491.695 116.628. INCA 10.81 2021 06.30 75.143.954 0 2.850.183 0 72.283.77 0 88.491.695 116.628. DBSA 5.0 2.021.12.31 309.274.813 0 5.070.877 0 85.088.806 112.11 116.628. NUCI 13.5 2021.12.31 309.274.810 0 15.000.273 0 354.274.637 466.918.2 DBSA 6.25 2028.06.30 50.000.000 50.000.00 2.435.260 197.664.740 202.64.740 202.300.000 198.495.051 221.57.910 243.52.60 197.664.740 203.944.266 399.4411 211.52.75.10 214.67.042 221.27.11 216.67.74 202.90.00.00 0 5.243.852 5.265.89.66 161.474.022 221.27.57.10 196.495.051 3.341.474.422 212.276.10 160.0167.47 202.90.00.00 197.7663.26 2.435.26.91 161.474.022 212.57.57.10 196.0167.47 202.90.63.0	INCA		11.01	2020.06.30	45,254,380	0	1,956,705	0	43,297,675	57,064,41
INCA 10.81 2021 06.30 75 (14.3) 9554 0 2.850, 18.3 0 72,293,771 955,279,5 DBSA 9.835 2021 12.31 90,139,483 0 5.070,687 0 85,068,866 112,116,5 DBSA 9.835 2021 12.31 369,274,910 0 15,000,273 0 354,274,637 466,618,2 DBSA 6.25 2028,06.30 50,000,000 50,000,000 2,880,175 0 97,119,825 127,196,01 DBSA 12.81 2028,06.30 200,000,000 0 2,485,260 0 197,664,740 260,631,5 DBSA (Roodeplaat/Temba Trust) 11,50 2021,03.31 121,142,231 0 4,170,002 3854,986,55 265,896,55 161,447,042 221,276,01 100,1174,042 221,276,00 3854,974,987 33,571,458,947 4,707,022,175,10 100,147,042 221,276,00 3854,974,983 3,571,458,947 4,707,022,175,10 100,147,042 221,276,00 3854,974,983 3,571,458,947 4,707,022,176,00,00 100,8,30,00,00 150,000,000	DBSA		9.36	2020.12.31	250,938,884	0	11,260,822	0	239,678,062	315,885,07
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DBSA 11.32 2028.06.30 0 200,000,000 1504,949 0 188,485.051 261,007 ABSA (Roodeplaat/Temba Trust) 12.50 2021.03.31 224,799.996 0 7,705.080 7,705.08 7,204.985 234,804.266 309.4611 DBSA (Roodeplaat/Temba Trust) 12.51 2021.03.31 121,842,531 0 4,170,002 3,854,981 121,527,510 16,0167,4 DBSA IP 6.75 2029.06.30 0 150,000,000 0 0 052,000,000 DBSA IP 10.84 2029.06.30 0 672,000,000 108,320,050 16,448,038 3,571,456,947 4,707,022,7 TOTAL ANNUTY LOANS 3,401,189,958 1,072,000,000 148,423,961 16,876,251 4,341,642,248 5,720,066,7 FINANCE LEASES: 3,401,189,958 1,072,000,000 148,423,961 16,876,251 4,341,642,248 5,720,066,75 CERT FIX ANAGEMENT Variable * 13,515,052 8,480,418 0 47,876,986 44,921,57 AMASONDO Variable * 12,840,5										
ABSA (Roodeplaat/Temba Trust) 12.50 2021.03.31 234.799.996 0 7.705.080 7.709.350 234.804.266 309.461.1 DBSA (Roodeplaat/Temba Trust) 11.99 2021.03.31 121.82,531 0 4,170.002 3,854.981 121.57.202 221.03.61 161.447.042 212.780.00 214.802.760 161.447.042 212.780.00 212.780.00 160.457.00 212.780.00 161.447.042 212.780.00 186.765.00 7.705.860 7.705.8						-				
DBSA (Roodeplaat/Temba Trust) 11.99 2021.03.31 121,842,531 0 4,170,002 3,854,981 121,527,510 160,167,7 Nedbank (Roodeplaat/Temba Trust) 12.51 2021.03.31 161,424,998 0 5,243,852 5,265,896 161,447,042 221,280,0 21,280,00 0 0 0 0 0 150,000,000 0 0 0 6,75 2029,06.30 0 6,72,000,000 108,320,050 16,448,038 3,571,456,947 4,707,022,1 4,707,024,13,700 145,91,14,70,91,235 4,492,14,71,91,235 4,201,163,13,14,1642,2488 5,720,606,17 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td>								-		
Nedbark (Roodeplaat/Temba Trust) 12.51 2021.03.31 161.424.998 0 5.243,852 5.265,896 161.447,042 212.780.0 DBSA TIP 6.75 2029.06.30 0 150,000,000 0 0 672.000,000						-				
DBSA TIP 6.75 2029.06.30 0 150.000,000 0 0 150.000,000 197.693.3 DBSA IIP 10.84 2029.06.30 0 672.000,000 0 0 672.000,000 0 885.666.2 TOTAL ANNUITY LOANS 2,591,328.959 1,072,000,000 16,448.038 3,571,456.947 4,707,022,1 TOTAL EXTERNAL LOANS 3,401,189,958 1,072,000,000 148,423,961 16,676,251 4,341,642,248 5,720,606,7 FINANCE LEASES: 3,401,189,958 1,072,000,000 148,423,961 16,676,251 4,341,642,248 5,720,606,7 AMASONDO Variable * 13,515,052 8,480,433 6,558,276 0 15,437,209 14,591,2 DEBIS FLEET MANAGEMENT Variable * 13,515,052 8,480,433 6,558,172 0 30,543,387 28,667,2 DEBIS FLEET MANAGEMENT Variable * 12,740,356 1,330,128 5,641,137 0 8,429,347 8,139,93 MAN FINANCIAL SERVICES Variable * 9,173,208 1,119,752 2,682,929										
DBSA IIP 10.84 2029.06.30 0 672,000,000 0 672,000,000 885,666,2 TOTAL ANNUITY LOANS 2,591,328,959 1,072,000,000 108,320,050 16,448,038 3,571,456,947 4,707,022,1 TOTAL EXTERNAL LOANS 3,401,189,958 1,072,000,000 148,423,961 16,876,251 4,341,642,248 5,720,606,1 FINANCE LEASES: 3,401,189,958 1,072,000,000 148,423,961 16,876,251 4,341,642,248 5,720,606,1 ABSA Variable * 13,515,052 8,480,433 6,558,276 0 15,437,209 14,591,2 DATACENTRIX Variable * 13,515,052 8,480,433 6,558,276 0 3,643,387 28,567,205,76 2,682,929 0 3,649,421,52,766,72,720,720,720,720,720,720,720,720,720,						•				
TOTAL ANNUITY LOANS 2,591,328,959 1,072,000,000 108,320,050 16,448,038 3,571,456,947 TOTAL EXTERNAL LOANS 3,401,189,958 1,072,000,000 148,423,961 16,876,251 4,341,642,248 FINANCE LEASES: 3,401,189,958 1,072,000,000 148,423,961 16,876,251 4,341,642,248 AMASONDO Variable * 13,515,052 8,480,433 6,558,276 0 15,437,205 AMASONDO Variable * 17,678,334 28,500,175 15,635,122 0 30,543,387 28,567,2 DEBIS FLEET MANAGEMENT Variable * 12,740,356 1,330,128 5,641,137 0 8,429,347 8,134,4 FLEET AFRICA Variable * 9,173,208 1,119,752 2,682,929 0 7,010,031 7,366,3 MAN FINANCIAL SERVICES Variable * 9,173,208 1,129,752 0 69,723,633 68,976,499,573 21,122,51 21,002,573 21,125,573 21,125,573 21,125,573 21,125,573 21,122,573 21,125,573 21,122,573 21,122,573 21,125,573 21,125,573 21,125,573 21,125,573 21,125,573 21,125,573								-		
TOTAL EXTERNAL LOANS 3,401,189,958 1,072,000,000 148,423,961 16,876,251 4,341,642,248 5,720,606,7 FINANCE LEASES: ABSA Variable * 13,515,052 8,480,433 6,558,276 0 15,437,209 14,591,2 AMASONDO Variable * 73,449,180 8,108,224 33,680,418 0 47,876,986 44,921,9 DATACENTRIX Variable * 17,678,334 28,560,175 15,635,122 0 30,543,387 28,567,28 DEBIS FLEET MANAGEMENT Variable * 12,740,356 1,330,128 5,641,137 0 8,429,347 8,134,6 ANA FINANCIAL SERVICES Variable * 12,940,573 2,414,434 10,848,250 0 4,506,77 4,399,8 MAN FINANCIAL SERVICES Variable * 0 79,947,995 10,224,362 0 69,723,633 68,976,143 0 21,602,573 221,125,5 30,675,149,50 21,602,573 221,125,5 14,398,700 44,142 465,945 0 65,667 49,5 0 21,602,573 221,125,5			10.84	2029.06.30						4,707,022,13
FINANCE LEASES: ABSA Variable * 13,515,052 8,480,433 6,558,276 0 15,437,209 14,591,2 ABSA Variable * 13,515,052 8,480,433 6,558,276 0 15,437,209 14,591,2 ABSA Variable * 13,515,052 8,480,433 6,558,276 0 15,437,209 14,591,2 DATACENTRIX Variable * 17,678,334 28,500,175 15,635,122 0 30,543,387 28,567,2 DEBIS FLEET MANAGEMENT Variable * 12,740,356 1,330,128 5,641,137 0 8,429,347 8,134,6 FLEET AFRICA Variable * 12,940,573 2,414,434 10,848,250 0 4,506,757 4,399,6 MPERIAL Variable * 9,173,208 1,119,752 2,682,929 0 7,610,031 7,366,53 STANDARD BANK Variable * 0 79,947,995 10,224,362 0 69,723,633 68,976,4 TSTANNIC Variable * 13,989,709 1,637,766 6,403,232 0 9,224,243 9,054,4 VIAMAX Variable * 13,989,709 1										
ABSA Variable * 13,515,052 8,480,433 6,558,276 0 15,437,205 14,591,2 AMASONDO Variable * 73,449,180 8,108,224 33,680,418 0 47,876,986 44,921,6 DATACENTRIX Variable * 17,678,334 28,500,175 15,635,122 0 30,843,987 28,567,7 DEBIS FLEET MANAGEMENT Variable * 12,740,356 1,330,128 5,641,137 0 8,429,347 8,134,6 Variable * 12,740,356 1,330,128 5,641,137 0 4,506,677 4,399,8 MAN FINANCIAL SERVICES Variable * 9,173,208 1,119,752 2,682,929 0 6,610,031 7,366,7 WAN FINANCIAL SERVICES Variable * 0 79,947,995 10,224,362 0 69,723,633 68,976,67 STANDARD BANK Variable * 28,126,576 3,027,042 9,551,045 0 21,602,573 21,125,5 STANNIC Variable * 13,989,709 1,63,77,66 6,403,232 0 9,224,243 9,054,4 VIAMAX Variable * 65,470,381 6,867,721 <t< td=""><td>IUIAL EXTERNAL LUANS</td><td></td><td></td><td></td><td>3,401,189,958</td><td>1,072,000,000</td><td>148,423,961</td><td>16,876,251</td><td>4,341,642,248</td><td>5,720,606,12</td></t<>	IUIAL EXTERNAL LUANS				3,401,189,958	1,072,000,000	148,423,961	16,876,251	4,341,642,248	5,720,606,12
AMASONDO Variable * 73,449,180 8,108,224 33,680,418 0 47,876,986 44,921,9 DATACENTRIX Variable * 17,678,334 28,500,175 15,635,122 0 30,543,387 28,567,7 DEBIS FLEET MANAGEMENT Variable * 12,740,356 1,330,128 5,641,137 0 8,429,347 8,134,6 LEET AFRICA Variable * 12,740,356 1,330,128 5,641,137 0 8,429,347 8,134,6 IMPERIAL Variable * 12,940,573 2,414,434 10,848,250 0 4,506,757 4,399,4 IMPERIAL Variable * 9,173,208 1,119,752 2,682,929 0 7,610,031 7,366,7 IMAN FINANCIAL SERVICES Variable * 0 79,947,995 10,224,362 0 69,723,833 68,976,4 STANDARD BANK Variable * 28,126,576 3,027,042 9,551,045 0 21,602,573 21,125,5 STANNC Variable * 43,989,709 1,637,766 6,403,232 0 9,224,243 9,054,4 VIAMAX Variable * 9,726,192 809,518 <td>FINANCE LEASES:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	FINANCE LEASES:									
DataCentrix Variable * 17,678,334 28,500,175 15,635,122 0 30,543,387 28,567,2 DEBIS FLEET MANAGEMENT Variable * 12,740,356 1,330,128 5,641,137 0 8,429,347 8,134,6 FLEET AFRICA Variable * 12,940,573 2,414,434 10,848,250 0 4,506,757 4,399,6 MPERIAL Variable * 9,173,208 1,119,752 2,682,929 0 7,610,031 7,366,5 MAN FINANCIAL SERVICES Variable * 0 79,947,995 10,224,362 0 69,723,633 68,976,4 STANDARD BANK Variable * 28,126,576 3,027,042 9,551,045 0 21,602,573 2,1125,5 STANNIC Variable * 13,989,709 1,637,766 6,403,232 0 64,49,49,49,49,49,49,49,49,49,49,49,49,49	ABSA				13,515,052	8,480,433	6,558,276	0		14,591,21
DEBIS FLEET MANAGEMENT Variable * 12,740,356 1,330,128 5,641,137 0 8,429,347 8,134,6 FLEET AFRICA Variable * 12,940,573 2,414,434 10,848,250 0 4,506,675 4,399,6 MPERIAL Variable * 9,173,208 1,119,752 2,682,929 0 7,610,031 7,366,6 MAN FINANCIAL SERVICES Variable * 0 79,947,995 10,224,362 0 69,723,633 68,976,6 STANDARD BANK Variable * 28,126,576 3,027,042 9,551,045 0 21,602,573 22,1125,5 STANNIC Variable * 487,470 44,142 465,945 0 65,667 49,7 STANNIC Variable * 13,989,709 1,637,766 6,403,232 0 9,224,243 9,054,4 VIAMAX Variable * 65,470,381 6,867,721 30,755,505 0 41,582,597 39,931,0 VUSWA 60 MONTHS Variable * 9,726,192 809,518 4,623,325 0 0 0	AMASONDO		Variable *		73,449,180	8,108,224	33,680,418	0		44,921,91
FLEET AFRICA Variable * 12,940,573 2,414,434 10,848,250 0 4,506,757 4,399,0 MPERIAL Variable * 9,173,208 1,119,752 2,682,929 0 7,610,031 7,366,3 WAN FINANCIAL SERVICES Variable * 0 79,947,995 10,224,362 0 69,723,033 68,976,4 STANDARD BANK Variable * 28,126,576 3,027,042 9,551,045 0 21,022,57 21,125,6 STANNIC Variable * 487,470 44,142 465,945 0 65,667 49,39,1 I/IMAX Variable * 13,989,709 1,637,766 6,403,232 0 9,224,243 9,054,4 VIAMAX Variable * 65,470,381 6,867,721 30,755,505 0 41,582,597 39,93,93,1,0 VUSWA 60 MONTHS Variable * 9,726,192 809,518 4,623,325 0 5,912,385 5,75,3,6 LEASE LIABILITY (Roodeplaat/TembaTrust) 24,247,749 0 24,247,749 0 0 0 0	DATACENTRIX				17,678,334	28,500,175	15,635,122	0		28,567,20
IMPERIAL Variable * 9,173,208 1,119,752 2,682,929 0 7,610,031 7,366, WAN FINANCIAL SERVICES Variable * 0 79,947,995 10,224,362 0 69,723,033 68,976,4 STANDARD BANK Variable * 28,126,576 3,027,042 9,551,045 0 21,602,573 21,125,5 STANDARD BANK Variable * 487,470 44,142 465,945 0 65,667 49,2,3 TSHWANE AUTO LEASING Variable * 13,989,709 1,637,766 6,403,232 0 9,224,243 9,054,4 VIAMAX Variable * 65,470,381 6,867,721 30,755,505 0 41,582,597 39,931,0 VUSWA 60 MONTHS Variable * 9,726,192 809,518 4,623,325 0 0 0 TOTAL FINACE LEASES 241,247,749 0 24,247,749 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	DEBIS FLEET MANAGEMENT		Variable *		12,740,356	1,330,128	5,641,137	0		8,134,61
IMPERIAL Variable * 9,173,208 1,119,752 2,682,929 0 7,610,031 7,366, WAN FINANCIAL SERVICES Variable * 0 79,947,995 10,224,362 0 69,723,033 68,976,4 STANDARD BANK Variable * 28,126,576 3,027,042 9,551,045 0 21,602,573 21,125,5 STANDARD BANK Variable * 487,470 44,142 465,945 0 65,667 49,2,3 TSHWANE AUTO LEASING Variable * 13,989,709 1,637,766 6,403,232 0 9,224,243 9,054,4 VIAMAX Variable * 65,470,381 6,867,721 30,755,505 0 41,582,597 39,931,0 VUSWA 60 MONTHS Variable * 9,726,192 809,518 4,623,325 0 0 0 TOTAL FINACE LEASES 241,247,749 0 24,247,749 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	FLEET AFRICA		Variable *		12,940,573	2,414,434	10,848,250	0	4,506,757	4,399,81
MAN FINANCIAL SERVICES Variable * 0 79,947,995 10,224,362 0 69,723,633 68,976,4 STANDARD BANK Variable * 28,126,576 3,027,042 9,551,045 0 21,002,573 21,125,5 STANNIC Variable * 487,470 44,142 465,945 0 65,670 39,934,0 rsHWANE AUTO LEASING Variable * 13,989,709 1,637,766 6,403,232 0 9,224,243 9,054,4 VIAMAX Variable * 65,470,381 6,867,721 30,755,505 0 41,582,597 39,931,0 VUSWA 60 MONTHS Variable * 9,726,192 809,518 4,623,325 0 0 0 TOTAL FINACE LEASES 241,247,749 0 24,247,749 0	IMPERIAL		Variable *				2,682,929	0		7,366,34
STANDARD BANK Variable * 28,126,576 3,027,042 9,551,045 0 21,602,573 21,125,5 STANNIC Variable * 487,470 44,142 465,945 0 65,667 49,0 TSHWANE AUTO LEASING Variable * 13,989,709 1,637,766 6,403,232 0 9,224,243 9,054,4 VIAMAX Variable * 65,470,381 6,867,721 30,755,505 0 41,582,597 39,931,0 VUSWA 60 MONTHS Variable * 9,726,192 809,518 4,623,325 0 5,912,385 5,753,4 LEASE LIABILITY (Roodeplaat/TembaTrust) 24,247,749 0 24,247,749 0 0 TOTAL FINACE LEASES 281,544,780 142,287,330 161,317,295 0 262,514,815 252,871,6	MAN FINANCIAL SERVICES		Variable *			79,947,995		0		68,976,45
STANNIC Variable* 487,470 44,142 465,945 0 65,667 49,5 TSHWANE AUTO LEASING Variable* 13,989,709 1,637,766 6,403,232 0 9,224,243 9,054,6 VIAMAX Variable* 65,470,381 6,867,721 30,755,505 0 41,582,557 39,931,0 VUSWA 60 MONTHS Variable* 9,726,192 809,518 4,623,325 0 5,912,385 5,753,4 LEASE LIABILITY (Roodeplaat/TembaTrust) 24,247,749 0 24,247,749 0 0 0 TOTAL FINACE LEASES 281,544,780 142,287,330 161,317,295 0 262,514,815 252,871,6	STANDARD BANK									21,125,51
TSHWANE AUTO LEASING Variable * 13,989,709 1,637,766 6,403,232 0 9,224,243 9,054,4 VIAMAX Variable * 65,470,381 6,867,721 30,755,505 0 41,582,597 39,931,0 VUSWA 60 MONTHS Variable * 9,726,192 809,518 4,623,325 0 5,912,385 5,753,4 LEASE LIABILITY (Roodeplaat/TembaTrust) 24,247,749 0 24,247,749 0 0 0 TOTAL FINACE LEASES 281,544,780 142,287,330 161,317,295 0 262,514,815 252,871,8	STANNIC									49,34
VIAMAX Variable * 65,470,381 6,867,721 30,755,505 0 41,582,597 39,931,0 VUSWA 60 MONTHS Variable * 9,726,192 809,518 4,623,325 0 5,912,385 5,753,6 LEASE LIABILITY (Roodeplaat/TembaTrust) 24,247,749 0 24,247,749 0 0 TOTAL FINACE LEASES 281,544,780 142,287,330 161,317,295 0 262,514,815 252,871,6										
vuswa 60 MONTHS Variable * 9,726,192 809,518 4,623,325 0 5,753,8 LEASE LIABILITY (Roodeplaat/TembaTrust) 24,247,749 0 24,247,749 0 0 TOTAL FINACE LEASES 281,544,780 142,287,330 161,317,295 0 262,514,815 252,871,6										
LEASE LIABILITY (Roodeplaat/TembaTrust) 24,247,749 0 0 0 TOTAL FINACE LEASES 281,544,780 142,287,330 161,317,295 0 262,514,815 252,871,5										
TOTAL FINACE LEASES 281,544,780 142,287,330 161,317,295 0 262,514,815 252,871,1			valiable						5,912,365	5,753,83
	LEASE EIADIELLT (ROUGEPIAAU TEMDATIUST)								262 514 815	252 974 93
	TOTAL FINACE LEASES				281 544 780					

CITY OF TSHWANE METROPOLITAN MUNICIPALITY APPENDIX B

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009 - PARENT

				Cost/Revaluation				Accumulated	Depreciation		
									Disposals,		
Asset class	Note	Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Additions	Transfers & adjustments	Closing balance	Carrying Vaule
		R	R	R	R	R	R	R	R	R	R
INFRASTRUCTURE	10.1										
Assets under construction		1,053,819,662	827,431,152	0	(503,563,002)	1,377,687,812	0	0	0	0	1,377,687,812
Electricity		2,352,785,606	309,151,313	0	39,923,441	2,701,860,360	638,326,087	54,341,498	0	692,667,585	2,009,192,775
General		59,019,883	4,727,163	0	2,579,005	66,326,051	23,875,206	8,061,984	0	31,937,190	34,388,861
Roads		3,122,029,011	519,629,697	0	124.343.212	3,766,001,920	912,428,632	138,355,186	0	1,050,783,818	2,715,218,102
Water and sanitation		2,300,827,540	736,489,490	0	296,793,282	3,334,110,312	576,585,157	182,161,361	0	758,746,518	2,575,363,794
		8,888,481,702	2,397,428,815	0	(39,924,062)	11,245,986,455	2,151,215,082	382,920,029	0	2,534,135,111	8,711,851,344
COMMUNITY ASSETS	10.2	0,000,101,102	2,001,120,010	Ŭ	(00,021,002)	11,210,000,100	2,101,210,002	002,020,020		2,001,100,111	0,111,001,011
General	10.2	1,134,605,474	264,619,289	0	35,533,476	1,434,758,239	289,532,435	43,608,501	0	333,140,936	1,101,617,303
Assets under construction		14,450,611	19,848,542	0	(9,049,323)	25,249,830	200,002,400	43,000,301	0	000,140,000	25,249,830
		1,149,056,085	284,467,831	0	26,484,153	1,460,008,069	289,532,435	43,608,501	0	333,140,936	1,126,867,133
HERITAGE ASSETS	10.3	1,140,000,000	204,407,001	0	20,404,100	1,400,000,000	200,002,400	40,000,001	0	000, 140,000	1,120,001,100
General	10.5	3,814,388	0	0	0	3,814,388	119,241	38,716	0	157,957	3,656,431
General		3,814,388	0	0	0	3,814,388	119,241	38,716	0	157,957	3,656,431
HOUSING	10.4	3,014,300	U	0	0	3,014,300	119,241	30,710	0	107,907	3,030,431
	10.4	174,017,709	36,040,716	0	5,370,612	215,429,037	56,430	85,406	0	4.44,000	215,287,201
Housing assets		10,608,727	36,040,716	0	(6,942,393)	3,666,334	56,430	00,400	0	141,836 0	3,666,334
Assets under construction		184,626,436	36,040,716	0	(1,571,781)	219,095,371	56,430	85,406	0	141,836	218,953,535
070.0%	40 5	104,020,430	30,040,710	U	(1,571,761)	219,095,371	50,430	00,400	U	141,030	210,953,555
STOCK	10.5	107 705	0		•	407 705					407 705
Stock		407,735	0	0	0	407,735	0	0	0	0	407,735
		407,735	0	0	0	407,735	0	0	0	0	407,735
Land	10.6	4 0 40 000 040	04 450 400		•	4 074 404 400					4 074 404 400
Land		1,049,966,212	21,458,188	0	0	1,071,424,400	0	0	0	0	1,071,424,400
		1,049,966,212	21,458,188	0	0	1,071,424,400	0	0	0	0	1,071,424,400
BUILDINGS	10.7										
Buildings		778,864,363	83,458,318	0	16,341,709	878,664,390	318,988,439	36,183,756	0	355,172,195	523,492,195
		778,864,363	83,458,318	0	16,341,709	878,664,390	318,988,439	36,183,756	0	355,172,195	523,492,195
OTHER	10.8										
General		1,093,878,603	95,787,571	(98,015,719)	7,547,441	1,099,197,896	553,621,649	5,209,854	(64,730,285)	494,101,218	605,096,678
Rehabilitation assets		81,421,984	96,628,085	0	0	178,050,069	0	16,813,874	0	16,813,874	161,236,195
Assets under construction		73,574,006	220,203,379	0	(57,582,835)	236,194,550	0	0	0	0	236,194,550
Non-current assets held for sale (transfer)		0	0	0	(1,552,635)	(1,552,635)	0	0	(1,158,320)	(1,158,320)	(394,315)
		1,248,874,593	412,619,035	(98,015,719)	(51,588,029)	1,511,889,880	553,621,649	22,023,728	(65,888,605)	509,756,772	1,002,133,108
TOTAL PROPERTY, PLANT AND EQUIPMENT	10.9	13,304,091,514	3,235,472,903	(98,015,719)	(50,258,010)	16,391,290,688	3,313,533,276	484,860,136	(65,888,605)	3,732,504,807	12,658,785,881
INVESTMENT PROPERTY	10.10	44 700 101			-	44 700 101	04.047.107	0.540.655			0.007.000
Investment assets		44,788,161	0	0	0	44,788,161	34,217,137	2,543,862	0	36,760,999	8,027,162
		44,788,161	0	0	0	44,788,161	34,217,137	2,543,862	0	36,760,999	8,027,162
INTANGIBLE ASSETS	10.11			-					-		
Computer software		158,946,434	37,045,202	0	48,705,375	244,697,011	60,911,323	27,594,940	0	88,506,263	156,190,748
		158,946,434	37,045,202	0	48,705,375	244,697,011	60,911,323	27,594,940	0	88,506,263	156,190,748
		10 505 555 115		(/ . === =: =:	10 000			(AF C C C C C C C C C C		10 000 000 000
TOTAL	10.12	13,507,826,109	3,272,518,105	(98,015,719)	(1,552,635)	16,680,775,860	3,408,661,736	514,998,938	(65,888,605)	3,857,772,069	12,823,003,790

CITY OF TSHWANE METROPOLITAN MUNICIPALITY APPENDIX B

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009 - GROUP

INFRASTRUCTURE Assets under construction Electricity General Roads Water and sanitation Sandspruit Works Association COMMUNITY ASSETS General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction	Note 10.1 10.2 10.3 10.4 10.5	Opening balance R 1,053,819,662 2,352,785,606 59,019,883 3,122,029,011 2,300,827,540 11,423,235 8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727 184,626,436	Additions R 827,431,152 309,151,313 4,727,163 519,629,697 736,489,490 1,243,425 2,398,672,240 264,619,289 19,848,542 284,467,831 0 0 0 36,040,716	ost/Revaluation Disposals R 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Transfers R (503,563,002) 39,923,441 2,579,005 124,343,212 296,793,282 0 (39,924,062) 35,533,476 (9,049,323) 26,484,153 0 0	Closing balance R 1,377,687,812 2,701,860,360 66,326,051 3,766,001,920 3,334,110,312 12,666,660 11,258,653,115 1,434,758,239 25,249,830 1,460,008,060 1,460,008,000	Opening balance R 0 638,326,087 23,875,206 912,428,632 576,685,157 2,661,989 2,153,877,071 289,532,435 0 289,532,435	Accumulated Additions R 0 0 54,341,498 8,061,984 138,355,186 182,161,361 1,036,522 383,956,551 43,608,501 0 43,608,501	Disposals, Transfers & adjustments R 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Closing balance R 0 692,667,585 31,937,190 1,050,783,818 758,746,518 3,698,511 2,537,833,622 333,140,936 0 333,140,936	Carrying Vaule R 1,377,687,812 2,009,192,775 34,388,861 2,715,218,102 2,575,363,794 8,968,149 8,720,819,493 1,101,617,303 25,249,830 1,126,867,133
INFRASTRUCTURE Assets under construction Electricity General Roads Water and sanitation Sandspruit Works Association COMMUNITY ASSETS General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.1 10.2 10.3 10.4	R 1,053,819,662 2,352,785,606 59,019,883 3,122,029,011 2,300,827,540 11,423,235 8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	R 827,431,152 309,151,313 4,727,163 519,629,697 736,489,490 1,243,425 2,398,672,240 264,619,289 19,848,542 284,467,831 0 0	R 0 0 0 0 0 0 0 0 0 0 0 0	R (503,563,002) 39,923,441 2,579,005 124,343,212 296,793,282 0 (39,924,062) 35,533,476 (9,049,323) 26,484,153 0	R 1,377,687,812 2,701,860,360 66,326,051 3,766,001,920 3,334,110,312 12,666,660 11,258,653,115 1,434,758,239 25,249,830 1,460,008,069	R 0 638,326,087 23,875,206 912,428,632 576,585,157 2,661,989 2,153,877,071 289,532,435 0	R 0 54,341,498 8,061,984 138,355,186 182,161,361 1,036,522 383,956,551 43,608,501 0	Transfers & adjustments R 0	R 0 692,667,585 31,937,190 1,050,783,818 758,746,518 3,698,511 2,537,833,622 333,140,936 0	R 1,377,687,812 2,009,192,775 34,388,861 2,715,218,102 2,575,363,794 8,968,149 8,720,819,493 1,101,617,303 25,249,830
Assets under construction Electricity General Roads Water and sanitation Sandspruit Works Association COMMUNITY ASSETS General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.2 10.3 10.4	R 1,053,819,662 2,352,785,606 59,019,883 3,122,029,011 2,300,827,540 11,423,235 8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	R 827,431,152 309,151,313 4,727,163 519,629,697 736,489,490 1,243,425 2,398,672,240 264,619,289 19,848,542 284,467,831 0 0	R 0 0 0 0 0 0 0 0 0 0 0 0	R (503,563,002) 39,923,441 2,579,005 124,343,212 296,793,282 0 (39,924,062) 35,533,476 (9,049,323) 26,484,153 0	R 1,377,687,812 2,701,860,360 66,326,051 3,766,001,920 3,334,110,312 12,666,660 11,258,653,115 1,434,758,239 25,249,830 1,460,008,069	R 0 638,326,087 23,875,206 912,428,632 576,585,157 2,661,989 2,153,877,071 289,532,435 0	R 0 54,341,498 8,061,984 138,355,186 182,161,361 1,036,522 383,956,551 43,608,501 0	R 0 0 0 0 0 0 0 0 0 0 0	R 0 692,667,585 31,937,190 1,050,783,818 758,746,518 3,698,511 2,537,833,622 333,140,936 0	R 1,377,687,812 2,009,192,775 34,388,861 2,715,218,102 2,575,363,794 8,968,149 8,720,819,493 1,101,617,303 25,249,830
Assets under construction Electricity General Roads Water and sanitation Sandspruit Works Association COMMUNITY ASSETS General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.2 10.3 10.4	1,053,819,662 2,352,785,606 59,019,883 3,122,029,011 2,300,827,540 11,423,235 8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 3,814,388 174,017,709 10,608,727	827,431,152 309,151,313 4,727,163 519,629,697 736,489,490 1,243,425 2,398,672,240 264,619,289 19,848,542 284,467,831 0 0		(503,563,002) 39,923,441 2,579,005 124,343,212 296,793,282 0 (39,924,062) 35,533,476 (9,049,323) 26,484,153 0	1,377,687,812 2,701,860,360 66,326,051 3,766,001,920 13,334,110,312 12,666,660 11,258,653,115 1,434,758,239 25,249,830 1,460,008,069	0 638,326,087 23,875,206 912,428,632 576,585,157 2,661,989 2,153,877,071 289,532,435 0	0 54,341,498 8,061,984 138,355,186 182,161,361 <u>1,036,522</u> <u>383,956,551</u> 43,608,501 0	0 0 0 0 0 0 0 0	0 692,667,585 31,937,190 1,050,783,818 758,746,518 3,698,511 2,537,833,622 333,140,936 0	1,377,687,812 2,009,192,775 34,388,661 2,715,218,102 2,575,363,794 8,968,149 8,720,819,493 1,101,617,303 25,249,830
Assets under construction Electricity Coneral Roads Water and sanitation Sandspruit Works Association COMMUNITY ASSETS General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.2 10.3 10.4	2,352,785,606 59,019,883 3,122,029,011 2,300,827,540 11,422,235 8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	309,151,313 4,727,163 519,629,697 736,489,490 1,243,425 2,398,672,240 264,619,289 19,848,542 284,467,831 0 0	0 0 0 0 0 0 0 0	39,923,441 2,579,005 124,343,212 296,793,282 0 (39,924,062) 35,533,476 (9,049,323) 26,484,153 0	2,701,860,360 66,326,051 3,766,001,920 3,334,110,312 12,666,660 11,258,653,115 1,434,758,239 25,249,830 1,460,008,069	23,875,206 912,428,632 576,585,157 2,661,989 2,153,877,071 289,532,435 0	54,341,498 8,061,984 138,355,186 182,161,361 <u>1,036,522</u> 383,956,551 43,608,501 0	0 0 0 0 0 0 0	692,667,585 31,937,190 1,050,783,818 758,746,518 <u>3,698,511</u> 2,537,833,622 333,140,936 0	2,009,192,775 34,388,861 2,715,218,102 2,575,363,794 <u>8,968,149</u> <u>8,720,819,493</u> 1,101,617,303 25,249,830
Electricity General Roads Water and sanitation Sandspruit Works Association COMMUNITY ASSETS General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.3 10.4	2,352,785,606 59,019,883 3,122,029,011 2,300,827,540 11,422,235 8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	309,151,313 4,727,163 519,629,697 736,489,490 1,243,425 2,398,672,240 264,619,289 19,848,542 284,467,831 0 0	0 0 0 0 0 0 0 0	39,923,441 2,579,005 124,343,212 296,793,282 0 (39,924,062) 35,533,476 (9,049,323) 26,484,153 0	2,701,860,360 66,326,051 3,766,001,920 3,334,110,312 12,666,660 11,258,653,115 1,434,758,239 25,249,830 1,460,008,069	23,875,206 912,428,632 576,585,157 2,661,989 2,153,877,071 289,532,435 0	54,341,498 8,061,984 138,355,186 182,161,361 <u>1,036,522</u> 383,956,551 43,608,501 0	0 0 0 0 0 0 0	692,667,585 31,937,190 1,050,783,818 758,746,518 <u>3,698,511</u> 2,537,833,622 333,140,936 0	2,009,192,775 34,388,861 2,715,218,102 2,575,363,794 <u>8,968,149</u> <u>8,720,819,493</u> 1,101,617,303 25,249,830
General Roads Water and sanitation Sandspruit Works Association COMMUNITY ASSETS General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.3 10.4	59,019,883 3,122,029,011 2,300,827,540 11,423,235 8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 3,814,388 174,017,709 10,608,727	4,727,163 519,629,697 736,489,490 1,243,425 2,398,672,240 264,619,289 19,848,542 284,467,831 0 0	0 0 0 0 0 0 0 0	2,579,005 124,343,212 296,793,282 0 (39,924,062) 35,533,476 (9,049,323) 26,484,153 0	66,326,051 3,766,001,920 3,334,110,312 12,666,660 11,258,653,115 1,434,758,239 25,249,830 1,460,008,069	23,875,206 912,428,632 576,585,157 2,661,989 2,153,877,071 289,532,435 0	8,061,984 138,355,186 182,161,361 <u>1,036,522</u> 383,956,551 43,608,501 0	0 0 0 0 0 0	31,937,190 1,050,783,818 758,746,518 <u>3,698,511</u> 2,537,833,622 333,140,936 0	34,388,861 2,715,218,102 2,575,363,794 <u>8,968,149</u> 8,720,819,493 1,101,617,303 25,249,830
Roads Water and sanitation Sandspruit Works Association COMMUNITY ASSETS General HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.3 10.4	3,122,029,011 2,300,827,540 11,423,235 8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 3,814,388 174,017,709 10,608,727	519,629,697 736,489,490 1,243,425 2,398,672,240 264,619,289 19,848,542 284,467,831 0 0		124,343,212 296,793,282 0 (39,924,062) 35,533,476 (9,049,323) 26,484,153 0	3,766,001,920 3,334,110,312 12,666,660 11,258,653,115 1,434,758,239 25,249,830 1,460,008,069	912,428,632 576,585,157 2,661,989 2,153,877,071 289,532,435 0	138,355,186 182,161,361 <u>1,036,522</u> 383,956,551 43,608,501 0	0 0 0 0 0 0	1,050,783,818 758,746,518 <u>3,698,511</u> 2,537,833,622 333,140,936 0	2,715,218,102 2,575,363,794 8,968,149 8,720,819,493 1,101,617,303 25,249,830
Water and sanitation Sandspruit Works Association COMMUNITY ASSETS General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.3 10.4	2,300,827,540 11,423,235 8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	736,489,490 1,243,425 2,398,672,240 264,619,289 19,848,542 284,467,831 0 0	0 0 0 0 0 0	296,793,282 0 (39,924,062) 35,533,476 (9,049,323) 26,484,153 0	3,334,110,312 12,666,660 11,258,653,115 1,434,758,239 25,249,830 1,460,008,069	576,585,157 2,661,989 2,153,877,071 289,532,435 0	182,161,361 1,036,522 383,956,551 43,608,501 0	0 0 0 0	758,746,518 <u>3,698,511</u> 2,537,833,622 333,140,936 0	2,575,363,794 8,968,149 8,720,819,493 1,101,617,303 25,249,830
Sandspruit Works Association COMMUNITY ASSETS General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.3 10.4	11,423,235 8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	1,243,425 2,398,672,240 264,619,289 19,848,542 284,467,831 0 0	0 0 0 0	0 (39,924,062) 35,533,476 (9,049,323) 26,484,153 0	12,666,660 11,258,653,115 1,434,758,239 25,249,830 1,460,008,069	2,661,989 2,153,877,071 289,532,435 0	1,036,522 383,956,551 43,608,501 0	0 0 0 0	3,698,511 2,537,833,622 333,140,936 0	8,968,149 8,720,819,493 1,101,617,303 25,249,830
COMMUNITY ASSETS General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.3 10.4	8,899,904,937 1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	2,398,672,240 264,619,289 19,848,542 284,467,831 0 0	0 0 0	35,533,476 (9,049,323) 26,484,153 0	11,258,653,115 1,434,758,239 25,249,830 1,460,008,069	2,153,877,071 289,532,435 0	383,956,551 43,608,501 0	0	2,537,833,622 333,140,936 0	8,720,819,493 1,101,617,303 25,249,830
General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.3 10.4	1,134,605,474 14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	264,619,289 19,848,542 284,467,831 0 0	0 0 0	35,533,476 (9,049,323) 26,484,153 0	1,434,758,239 25,249,830 1,460,008,069	289,532,435 0	43,608,501 0	0	333,140,936 0	1,101,617,303 25,249,830
General Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.3 10.4	14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	19,848,542 284,467,831 0 0	0	(9,049,323) 26,484,153 0	25,249,830 1,460,008,069	0	0	0	0	25,249,830
Assets under construction HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.4	14,450,611 1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	19,848,542 284,467,831 0 0	0	(9,049,323) 26,484,153 0	25,249,830 1,460,008,069	0	0	0	0	25,249,830
HERITAGE ASSETS General HOUSING Housing assets Assets under construction STOCK	10.4	1,149,056,085 3,814,388 3,814,388 174,017,709 10,608,727	284,467,831 0 0	0	26,484,153	1,460,008,069	-	0 43,608,501		0 333,140,936	
General HOUSING Housing assets Assets under construction STOCK	10.4	3,814,388 3,814,388 174,017,709 10,608,727	0		0		289,532,435	43,608,501	0	333,140,936	1,126,867,133
General HOUSING Housing assets Assets under construction STOCK	10.4	3,814,388 174,017,709 10,608,727	0	0	-	0.014.000					
HOUSING Housing assets Assets under construction STOCK		3,814,388 174,017,709 10,608,727	0	0	-						
Housing assets Assets under construction STOCK		174,017,709 10,608,727		0		3,814,388	119,241	38,716	0	157,957	3,656,431
Housing assets Assets under construction STOCK		10,608,727	36,040,716	1	0	3,814,388	119,241	38,716	0	157,957	3,656,431
Assets under construction STOCK	10.5	10,608,727	36,040,716								
sтоск	10.5			0	5,370,612	215,429,037	56,430	85,406	0	141,836	215,287,201
	10.5	184,626,436	0	0	(6,942,393)	3,666,334	0	0	0	0	3,666,334
	10.5		36,040,716	0	(1,571,781)	219,095,371	56,430	85,406	0	141,836	218,953,535
Stock											
	1	407,735	0	0	0	407,735	0	0	0	0	407,735
	-	407,735	0	0	0	407,735	0	0	0	0	407,735
	10.6										
Land		1,049,966,212	21,458,188	0	0	1,071,424,400	0	0	0	0	1,071,424,400
		1,049,966,212	21,458,188	0	0	1,071,424,400	0	0	0	0	1,071,424,400
	10.7										
Buildings		778,864,363	83,458,318	0	16,341,709	878,664,390	318,988,439	36,183,756	0	355,172,195	523,492,195
Sandspruit: Land and buildings		7,525,758	233,224	0	0	7,758,982	1,004,025	349,061	-	1,353,086	6,405,896
		786,390,121	83,691,542	0	16,341,709	886,423,372	319,992,464	36,532,817	0	356,525,281	529,898,091
	10.8										
General		1,093,878,603	95,787,571	(98,015,719)	7,547,441	1,099,197,896	553,621,649	5,209,854	(64,730,285)	494,101,218	605,096,678
Rehabilitation assets		81,421,984	96,628,085	0	0	178,050,069	0	16,813,874	0	16,813,874	161,236,195
Assets under construction		73,574,006	220,203,379	0	(57,582,835)	236,194,550	0	0	0	0	236,194,550
Non-current assets held for sale (transfer)		0	0	0	(1,552,635)	(1,552,635)	0	0	(1,158,320)	(1,158,320)	(394,315)
Cenbis: Furniture and equipment		580,824				580,824	550,463			550,463	30,361
Housing Company: equipment and furniture		404,193	69,977	0	(83,537)	390,633	224,440	64,554	(10,968)	278,026	112,607
Sandspruit: Other equipment		7,023,960	872,830	0	_	7,896,790	4,116,841	1,369,183	8,119	5,494,143	2,402,647
Civirelo: Office, IT equipment & software		78,613	22,219	0	0	100,832	31,538	13,961	0	45,499	55,333
Roodeplaat Temba: Work in progress		475,042,472			(475,042,472)	0	97,378,450		(97,378,450)	0	0
		1,732,004,655	413,584,061	(98,015,719)	(526,714,038)	1,520,858,959	655,923,381	23,471,426	(163,269,904)	516,124,903	1,004,734,056
	-										
TOTAL PROPERTY, PLANT AND EQUIPMENT	10.0	12 906 170 500	2 227 014 570	(09 045 740)	(525 204 040)	16 400 695 400	2 410 501 000	497 602 447	(162 260 004)	2 742 024 525	10 676 760 074
TOTAL FROMENT, FLANT AND EQUIPMENT	10.9	13,806,170,569	3,237,914,578	(98,015,719)	(525,384,019)	16,420,685,409	3,419,501,022	487,693,417	(163,269,904)	3,743,924,535	12,676,760,874
	10.10										
	10.10										
Investment assets		44,788,161	0	0	0	44,788,161	34,217,137	2,543,862	0	36,760,999	8,027,162
Housing Company: Investment property		10,000,000		0	(400,000)	9,600,000	0			0	9,600,000
		54,788,161	0	0	(400,000)	54,388,161	34,217,137	2,543,862	0	36,760,999	17,627,162
INTANGIBLE ASSETS	10.11		İ	İ			İ				
		450 040 401	07.045.000		40 705 075	044 007 011	00 011 000	07 504 040		00 500 000	450 400 7 17
Computer software		158,946,434	37,045,202	0	48,705,375	244,697,011	60,911,323	27,594,940	0	88,506,263	156,190,747
Civirelo: Intangible assets		61,140	0		0	61,140	57,900	1,620	0	59,520	1,620
		159,007,574	37,045,202	0	48,705,375	244,758,151	60,969,223	27,596,560	0	88,565,783	156,192,367
	1							-			
TOTAL	10.10	44.040.000.00	2 074 050 765	(00 015 71-	(477 070 0 / "	40 740 004 70	2 544 007 005	E47 000 000	(400 000 00 0	2 000 051 0/-	40.050 500.455
TOTAL	10.12	14,019,966,304	3,274,959,780	(98,015,719)	(477,078,644)	16,719,831,721	3,514,687,382	517,833,839	(163,269,904)	3,869,251,317	12,850,580,403
											I

APPENDIX C

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009 - PARENT

		(Cost/Revaluation	ı			Accumulate	d Depreciation		
Service	Opening balance	Additions	Disposals & adjustments	Transfers & adjustments	Closing balance	Opening balance	Additions	Disposals, transfers& adjustments	Closing balance	Carrying Value
	R	R	R	R	R	R	R	R	R	R
Office of Executive Mayor and Municpal Manager	122,919,362	604,115	(1,948,769)	(9,362)	121,565,346	12,711,686	3,933,373	(1,598,941)	15,046,118	106,519,228
Financial Services	73,499,756	3,899,727	(5,053,684)	(38,861)	72,306,938	32,610,781	2,358,510	(3,933,301)	31,035,990	41,270,948
General Assessments	47,277,352	43,142,929	(13,578,688)	(1,675)	76,839,918	13,964,083	(3,953,224)	(33,847)	9,977,012	66,862,906
Corporate and Shared Servcies	1,789,090,971	78,693,492	(28,388,938)	(212,810)	1,839,182,715	393,776,591	51,856,709	(20,650,583)	424,982,717	1,414,199,998
Community Safety	361,321,682	40,815,005	(13,571,267)	(146,213)	388,419,207	171,167,171	(7,113,925)	(11,044,813)	153,008,433	235,410,774
Economic Development	282,096,602	41,551,784	(1,265,759)	(615,655)	321,766,972	121,455,580	(17,493,822)	(1,404,694)	102,557,064	219,209,908
Health and Social Development	142,203,629	9,314,485	(3,247,592)	(59,206)	148,211,316	36,575,833	9,596,003	(2,865,229)	43,306,607	104,904,709
City Planning and Regional Services	49,891,473	12,434,603	(3,283,710)	(249,543)	58,792,823	16,710,828	3,603,197	(2,452,936)	17,861,089	40,931,734
Sport and Recreation	1,822,078,071	401,811,894	(5,119,284)	(266,241)	2,218,504,440	197,401,556	58,679,509	(4,319,376)	251,761,689	1,966,742,751
Housing and Sustainable Human Settlement Development	293,937,600	150,640,337	(766,539)	0	443,811,398	19,508,528	25,210,198	(668,058)	44,050,668	399,760,730
Agriculture & Environmental Management	400,840,695	80,672,644	(3,667,552)	0	477,845,787	99,185,319	13,118,854	(2,759,273)	109,544,900	368,300,887
Public Works:	8,122,668,918	2,408,937,091	(18,123,937)	46,931	10,513,529,003	2,293,593,780	375,203,557	(14,157,554)	2,654,639,783	7,858,889,217
Transport	145,270,106	220,472,612	(701,803)	0	365,040,915	19,023,280	4,627,897	(591,752)	23,059,425	341,981,490
Roads and Storm water	2,854,462,708	562,655,823	(1,669,569)	150,810	3,415,599,772	907,148,249	123,354,273	(1,225,383)	1,029,277,139	2,386,322,633
Water and Sanitation	2,434,939,583	1,176,339,977	(2,262,413)	0	3,609,017,147	617,103,216	193,671,617	(1,889,205)	808,885,628	2,800,131,519
Electricity	2,687,996,521	449,468,679	(13,490,152)	(103,879)	3,123,871,169	750,319,035	53,549,770	(10,451,214)	793,417,591	2,330,453,578
TOTAL	13,507,826,109	3,272,518,106	(98,015,719)	(1,552,635)	16,680,775,861	3,408,661,735	514,998,940	(65,888,605)	3,857,772,071	12,823,003,790

APPENDIX C

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009 - GROUP

		(Cost/Revaluation	ı			Accumulate	d Depreciation		
Service	Opening balance	Additions	Disposals & adjustments	Transfers & adjustments	Closing balance	Opening balance	Additions	Disposals, transfers& adjustments	Closing balance	Carrying Value
	R	R	R	R	R	R	R	R	R	R
Office of Executive Mayor and Municpal Manager	122,919,362	604,115	(1,948,769)	(9,362)	121,565,346	12,711,686	3,933,373	(1,598,941)	15,046,118	106,519,228
Financial Services	73,499,756	3,899,727	(5,053,684)	(38,861)	72,306,938	32,610,781	2,358,510	(3,933,301)	31,035,990	41,270,948
General Assessments	47,277,352	43,142,929	(13,578,688)	(1,675)	76,839,918	13,964,083	(3,953,224)	(33,847)	9,977,012	66,862,906
Corporate and Shared Servcies	1,789,090,971	78,693,492	(28,388,938)	(212,810)	1,839,182,715	393,776,591	51,856,709	(20,650,583)	424,982,717	1,414,199,998
Community Safety	361,321,682	40,815,005	(13,571,267)	(146,213)	388,419,207	171,167,171	(7,113,925)	(11,044,813)	153,008,433	235,410,774
Economic Development	282,677,426	41,551,784	(1,265,759)	(615,655)	322,347,796	122,006,043	(17,493,822)	(1,404,694)	103,107,527	219,240,269
Health and Social Development	142,203,629	9,314,485	(3,247,592)	(59,206)	148,211,316	36,575,833	9,596,003	(2,865,229)	43,306,607	104,904,709
City Planning and Regional Services	49,891,473	12,434,603	(3,283,710)	(249,543)	58,792,823	16,710,828	3,603,197	(2,452,936)	17,861,089	40,931,734
Sport and Recreation	1,822,078,071	401,811,894	(5,119,284)	(266,241)	2,218,504,440	197,401,556	58,679,509	(4,319,376)	251,761,689	1,966,742,751
Housing and Sustainable Human Settlement Development	304,341,793	150,710,314	(766,539)	(483,537)	453,802,031	19,732,968	25,274,752	(679,026)	44,328,694	409,473,337
Agriculture & Environmental Management	400,840,695	80,672,644	(3,667,552)	0	477,845,787	99,185,319	13,118,854	(2,759,273)	109,544,900	368,300,887
Public Works:	8,623,824,096	2,411,308,789	(18,123,937)	(474,995,541)	10,542,013,407	2,398,844,523	377,973,903	(111,527,885)	2,665,290,541	7,876,722,863
Transport	145,270,106	220,472,612	(701,803)	0	365,040,915	19,023,280	4,627,897	(591,752)	23,059,425	341,981,490
Roads and Storm water	2,854,462,708	562,655,823	(1,669,569)	150,810	3,415,599,772	907,148,249	123,354,273	(1,225,383)	1,029,277,139	2,386,322,633
Water and Sanitation	2,936,094,761	1,178,711,675	(2,262,413)	(475,042,472)	3,637,501,551	722,353,959	196,441,963	(99,259,536)	819,536,386	2,817,965,165
Electricity	2,687,996,521	449,468,679	(13,490,152)	(103,879)	3,123,871,169	750,319,035	53,549,770	(10,451,214)	793,417,591	2,330,453,578
TOTAL	14,019,966,304	3,274,959,780	(98,015,720)	(477,078,644)	16,719,831,721	3,514,687,382	517,833,841	(163,269,904)	3,869,251,319	12,850,580,403

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APPENDIX D

CONSOLIDATED SEGMENTAL STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

				MUNICIPALITY			GROUP							
		200)	Adivetment		2008			2009)	Adjustment		2008	
SERVICE		Actual		Adjustment Budget		Actual			Actual		Budget Surplus/		Actual	
	Actual Income R	Expenditure	Surplus/ (Deficit) R	Surplus/ (Deficit) R	Actual Income R	Expenditure R	Surplus/ (Deficit) R	Actual Income R	Expenditure R	Surplus/ (Deficit) R	(Deficit) R	Actual Income R	Expenditure	Surplus/ (Deficit) R
Office of Executive Mayor and Municipal Manager	75,634,682	382,857,503	(307,222,821)	(448,370,013)	21,010,145	213,886,730	(192,876,585)	75,634,682	382,857,503	(307,222,821)	(448,370,013)	21,010,145	213,886,730	(192,876,585)
Corporate and Shared Services	51,222,357	819,496,216	(768,273,859)	(875,630,564)	44,694,749	827,909,982	(783,215,233)	51,222,357	819,496,216	(768,273,859)	(875,630,564)	44,694,749	827,909,982	(783,215,233)
Economic Development	173,765,343	306,701,466	(132,936,123)	(156,788,395)	144,541,237	253,129,203	(108,587,966)	173,774,646	306,702,690	(132,928,044)	(156,788,395)	144,541,237	253,129,203	(108,587,966)
Financial Services	118,197,337	531,061,493	(412,864,156)	(458,577,151)	63,067,055	398,306,087	(335,239,032)	118,197,337	531,061,493	(412,864,156)	(458,577,151)	63,067,055	398,306,087	(335,239,032)
General Assessments	3,987,548,837	474,925,955	3,512,622,882	3,960,028,722	3,837,436,015	1,294,832,825	2,542,603,190	3,987,548,837	474,925,955	3,512,622,882	3,960,028,722	3,837,436,015	1,294,832,825	2,542,603,190
Housing and Sustainable Human Settlement Development	148,132,525	363,521,729	(215,389,204)	(20,424,031)	199,358,970	216,619,281	(17,260,311)	158,993,621	373,284,434	(214,290,813)	(20,424,031)	215,857,142	242,712,254	(26,855,112)
Sport and Recreation	38,456,085	184,798,970	(146,342,885)	(165,067,595)	39,610,992	143,362,724	(103,751,732)	38,456,085	184,798,970	(146,342,885)	(165,067,595)	39,610,992	143,362,724	(103,751,732)
Community Safety	141,428,442	750,413,498	(608,985,056)	(674,703,767)	146,452,724	694,193,962	(547,741,238)	141,428,442	750,413,498	(608,985,056)	(674,703,767)	146,452,724	694,193,962	(547,741,238)
Agriculture and Environmental Management	393,864,150	942,350,479	(548,486,329)	(315,241,095)	338,760,687	852,686,963	(513,926,276)	393,864,150	942,350,479	(548,486,329)	(315,241,095)	338,760,687	852,686,963	(513,926,276)
Health and Social Development	68,136,439	270,428,274	(202,291,835)	(243,318,179)	72,996,348	226,519,386	(153,523,038)	68,136,439	270,428,274	(202,291,835)	(243,318,179)	72,996,348	226,519,386	(153,523,038)
City Planning and Regional Services	154,704,089	161,072,538	(6,368,449)	(42,361,401)	68,470,615	127,837,863	(59,367,248)	154,704,089	161,072,538	(6,368,449)	(42,361,401)	68,470,615	127,837,863	(59,367,248)
Public Works:	6,287,904,980	5,730,956,705	556,948,275	621,125,286	5,211,305,378	4,599,442,908	611,862,470	6,389,370,148	5,853,200,046	536,170,102	621,125,286	5,476,056,211	4,898,215,394	577,840,817
Roads & Stormwater	214,284,187	624,070,329	(409,786,142)	(399,842,104)	199,339,151	467,443,734	(268,104,583)	214,284,187	624,070,329	(409,786,142)	(399,842,104)	199,339,151	467,443,734	(268,104,583)
Transport	111,667,158	107,643,110	4,024,048	82,967,667	54,603,935	94,988,363	(40,384,428)	111,667,158	107,643,110	4,024,048	82,967,667	54,603,935	94,988,363	(40,384,428)
Electricity	3,982,192,620	3,576,396,443	405,796,177	441,037,980	3,191,679,242	2,709,767,919	481,911,323	3,982,192,620	3,576,396,443	405,796,177	441,037,980	3,191,679,242	2,709,767,919	481,911,323
Water and sanitation	1,979,761,015	1,422,846,823	556,914,192	496,961,743	1,765,683,050	1,327,242,892	438,440,158	2,081,226,183	1,545,090,164	536,136,019	496,961,743	2,030,433,883	1,626,015,378	404,418,505
SURPLUS FOR THE YEAR	11,638,995,266	10,918,584,826	720,410,440	1,180,671,817	10,187,704,915	9,848,727,914	338,977,001	11,751,330,833	11,050,592,096	700,738,737	1,180,671,817	10,468,953,920	10,173,593,373	295,360,547

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CITY OF TSHWANE METROPOLITAN MUNICIPALITY APPENDIX E CONSOLIDATED ACTUAL OPERATING REVENUE AND EXPENDITURE PER TYPE VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

DECODIDITION	Actual	Budget	Variance	Variance	
DESCRIPTION	R	R	R	%	Explanation of significant Variances (greater than 10%) versus Budget
REVENUE Property rates	2,299,523,005	2,530,500,000	(230,976,995)	(9.13)	Insufficient budget provision for income foregone actual realised higher than anticipated. Matching between PRO-V and SAP not completed in time
Service Charges	5,749,212,670	5,948,707,000	(199,494,330)	(3.35)	
Rental of facilities and equipment	98,877,333	71,756,960	27,120,373	37.79	Decrease in public demand owing to economic recession
Interest earned – external investments	125,804,444	120,441,000	5,363,444	4.45	
Interest earned – outstanding debtors	298,653,352	173,624,000	125,029,352	72.01	An increase in arrear debtors owing to economic recession, resulting in an increase in levies for interest on arrears
Fines	31,241,834	55,160,221	(23,918,387)	(43.36)	The implementation of AARTO, linked with the recession had a serious impact on income from fines
Licences and permits	28,423,732	24,930,991	3,492,741	14.01	Major contributor is motor vehicles: economic climate indicated a decline in motor sales over the past months
Government grants and subsidies	2,274,418,557	2,667,416,951	(392,998,394)	(14.73)	Deduction of R3,8 m from Healty subsidy for VAT owing to a SARS audit query. Other Opex grants variance of R13,5 m relating to finalising of 2010 SWC rebuilding projects; Top Structure grants R134,5 m budget - no transfer received; PTIS fund (R120 m); report to NT in June with regard to amount withheld and proposed revised project plans for 2009/10 onward (BRT projects) urgent meeting between CoT and NT to finalize issues; NDPG:R7 m withheld by NT owing to non-spending & problem experienced with National Departmetn of Public Works Service Provider; Housing R46 m not spent - funding withdrawn by Gauteng Housing & Mamelodi Hostels R4,5 m under spent
Other income	590,672,297	672,386,146	(81,713,849)	(12.15)	
Public contributions	226,447,787	138,000,000	88,447,787	64.09	
Gains on disposal of property, plant and equipment	2,786,173	41,301,938	(38,515,765)	(93.25)	Uncertain income and dependant on asset cleanup and disposal of obsolete assets
Gain: Change in fair value of livestock	2,266,744	0	2,266,744	100.00	Re-valuation of livestock at year end culminated in a gain
Gain: Disestablishment of municipal entity	23,002,905	0	23,002,905	100.00	Actual reaslised upon the disestablishment of the Municipal entity Roodeplaat Temba Water Services Trust
Total Revenue	11,751,330,833	12,444,225,207	(692,894,374)	(5.57)	
EXPENDITURE					
Employee related costs	3,061,853,987	3,281,323,070	(219,469,083)	(6.69)	
Remuneration of Councillors	55,350,803	73,992,387	(18,641,584)	(25.19)	Decrease in remuneration package as promulgated - Gazette for Remuneration was not finalized during adjustment budget
Bad debts: contribution	238,917,368	71,359,812	167,557,556	234.81	Conservative amount budgeted. Calculation of provision processed at year end only
Bad debts: written off	193,630,109	60,414,000	133,216,109	220.51	More indigent households were registered which lead to a larger amount being written off
Collection Costs	72,511,251	72,780,752	(269,501)	(0.37)	
Depreciation	502,939,437	862,988,273	(360,048,836)	(41.72)	Decrease due to review of useful lives
Asset impairment	6,901,250	0	6,901,250	100.00	Impairment due to condition assessment of assets
Interest paid	508,312,549	411,961,352	96,351,197	23.39	Increase due to more external loans taken up during the financial year
Bulk purchases	2,835,273,617	2,789,472,300	45,801,317	1.64	
Repairs and maintenance	1,127,185,923	942,539,899	184,646,024	19.59	Insufficient budget provision and an increase in costs in repair of vehicles by Waste Management; increase in the repairs of Electricity Reticulation
Grants and subsidies paid	9,833,837	12,953,000	(3,119,163)	(24.08)	Decrease in applications submitted by ratepayers and organisations
Loss on disposal of property, plant and equipment	9,069,358	11,000	9,058,358		Uncertain expenditure. Only nominal amount budgeted
General expenses – other	2,428,812,607	2,683,757,545	(254,944,938)	(9.50)	
Total Expenditure	11,050,592,096	11,263,553,390	(212,961,294)	(1.89)	
NET SURPLUS FOR THE YEAR	700,738,737	1,180,671,817	(479,933,080)	(40.65)	

APPENDIX F

CONSOLIDATED SEGMENTAL : ACTUAL OPERATING REVENUE AND EXPENDITURE PER STRATEGIC UNIT VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

DESCRIPTION	Actual	Budget	Variance	Variance	Evelow of similar of Visions (wester than 40%) were Divised
DESCRIPTION	R	R	R	%	Explanation of significant Variances (greater than 10%) versus Budget
REVENUE					
	75,634,682	91,978,327	(16,343,645)	(17.77)	Under recognition of revenue on Opex grants (SWC 010 due to underspending on projects); Decline in revenue
Office of Executive Mayor and Municipal Manager	54 000 057	57 400 550	(5.020.400)	(10.00)	from rental & facilities due to economic climate
Corporate and Shared Services	51,222,357	57,160,556	(5,938,199)	, ,	Gains on disposal of PPE decreased as autions were not held by Disposal Management
Economic Development	173,774,646 118,197,337	171,253,875	2,520,771	1.47	Dealing is interact correct due to each flow situation
Financial Services		154,282,000	(36,084,663)	()	Decline in interest earned due to cash flow situation
General Assessments	3,987,548,837	4,157,063,500	(169,514,663)	(4.08)	Transferration and a side of a side of the Oracles and the side
Housing and Sustainable Human Settlement Development	158,993,621	354,383,613	(195,389,992)		Topstructure grants not paid over by Gauteng Housing
Sport and Recreation	38,456,085	39,110,820	(654,735)	(1.67)	
Community Safety	141,428,442	153,824,792	(12,396,350)	(8.06)	
Agriculture and Environment Management	393,864,150	427,901,592	(34,037,442)	(7.95)	
Health and Social Development	68,136,439	70,282,183	(2,145,744)	(3.05)	
City Planning and Regional Services	154,704,089	126,335,001	28,369,088	22.46	Withdrawal of NT capex grant; 30-40% less land use & development applications received due to market forces and economic down-turn
Public Works	6,389,370,148	6,640,648,948	(251,278,800)	(3.78)	
	214,284,187	258,567,916	(44,283,729)		Slower rate of township develoopment due to economic down-turn
Roads & Stormwater			(133,183,715)	, ,	Capex grants not received (PTIS 2010 related projects) due to revised plans
Transport	111,667,158 3.982,192,620	244,850,873	(77,519,881)		capex grants not received (F113 2010 related projects) due to revised plans
Electricity Water and Sanitation		4,059,712,501 2,077,517,658	(77,519,881) 3,708,525	(1.91) 0.18	
Water and Sanitation	2,081,226,183	2,077,517,056	3,708,525	0.18	
Total Revenue	11,751,330,833	12,444,225,207	(692,894,374)	(5.57)	
EXPENDITURE					
Office of Executive Mayor and Municipal Manager	382,857,503	540,348,340	(157,490,837)	(29.15)	Savings in remuneration costs
Corporate and Shared Services	819,496,216	932,791,120	(113,294,904)	, ,	Due to compulsory saving of 10% in expenditure
Economic Development	306,702,690	328,042,270	(21,339,580)	(6.51)	
Financial Services	531,061,493	612,859,151	(81,797,658)	(13.35)	Due to compulsory saving of 10% in expenditure
	474,925,955	197,034,778	277,891,177	, ,	Provision expense for Employment Benefit ito IAS 19 and additional provision for bad debt and interest on finance
General Assessments					leases not budgeted for.
Housing and Sustainable Human Settlement Development	373,284,434	374,807,644	(1,523,210)	(0.41)	
Sport and Recreation	184,798,970	204,178,415	(19,379,445)	(9.49)	
Community Safety	750,413,498	828,528,559	(78,115,061)	(9.43)	
	942,350,479	743,142,687	199,207,792	26.81	Shortfalls on allocated budgets of vehicles and equipment, sites and grounds; Increaing workload; Absorption of
Agriculture and Environment Management	270,428,274	313,600,362	(43,172,088)	(10 77)	Labour Brokers staff into CoT
Health and Social Development	161,072,538	168,696,402	(43, 172,088)	(13.77)	Due to compulsory saving of 10% in expenditure
City Planning and Regional Services Public Wiorks	5.853.200.046	6,019,523,662		1 1	
			(166,323,616)	(2.76)	
Roads & Stormwater	624,070,329	658,410,020	(34,339,691)	(5.22)	
Transport	107,643,110	161,883,206	(54,240,096)	, ,	Due to compulsory saving of 10% in expenditure
Electricity	3,576,396,443	3,618,674,520	(42,278,077)	(1.17)	
Water and sanitation	1,545,090,164	1,580,555,916	(35,465,752)	(2.24)	
Nett Expenditure	11,050,592,096	11,263,553,390	(212,961,294)	(1.89)	
NET SURPLUS FOR THE YEAR	700,738,737	1,180,671,817	(479,933,080)	(40.65)	
	100,100,101	1,100,011,017	(+10,000,000)	(+0.00)	

CITY OF TSHWANE METROPOLITAN MUNICIPALITY APPENDIX G ACTUAL CAPITAL EXPENDITURE VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009 - PARENT ONLY

					Explanation of Significant Variances (greater than 5%) versus Budget
SERVICE	Actual	Budget	Variance	Variance	
	R	R	R	%	
Office of the Executive Mayor and City Manager	242,411	2,998,201	2,755,790	91.91	Delay in 2010 Soccer World Cup projects - carried over to 2009/10
Corporate and Shared services	79,395,876	127,673,597	48,277,721	37.81	Several IT tenders not approved and insufficient funds for call centre establishment
Economic Development	44,754,087	47,459,230	2,705,143	5.70	Delay in approval of bus project. Delay in upgrading buildings owing to contractor in breach of contract. Savings on projects due to lower tender amounts
Financial Services	11,999,098	21,025,135	9,026,037	42.93	Tender process started late in financial year for upgrading of pay points. Insurance replacement projects are dependant on claims
Housing and Sustainable Human Settlement Development	283,853,459	349,737,035	65,883,576	18.84	Non-implementation of projects due to funds not approved/received from Province. Non- implementation of upgrading of Schubart Park and Kruger Park blocks
Sport and recreation	178,116,173	192,378,000	14,261,827	7.41	Nellmapius Community Centre project could not be implemented - will be re-prioritised in the future years
Community Safety	34,156,054	71,068,805	36,912,751	51.94	Delay in delivery of vehicles
Agriculture and Environmental management	80,396,088	81,578,000	1,181,912	1.45	Dispute resolution regarding the outsourcing of refuse removal eminated in delays
Health and Social development	8,845,268	33,198,826	24,353,558	73.36	Delay in approval of tenders
City Planning and regional services	11,189,499	19,392,100	8,202,601	42.30	Delay in phase 2 - to continue in July 2009
Public Works:	1,952,724,588	2,104,489,317	151,764,729	7.21	
Roads & Stormwater	561,732,384	618,503,392	56,771,008	9.18	Delay in EIA studies
Transport	220,210,388	301,142,600	80,932,212	26.88	Delays in procurement process and MIG funding awaiting business plan approval. Delay in PTIS funded projects (BRT)
Electricity	469,907,238	459,364,171	-10,543,067	(2.30)	Late posting of reservations caused a variation in contractor payments as a result of escalation in material prices
Water and sanitation	700,874,578	725,479,154	24,604,576		Consultant used incorrect data to calculate escalation which resulted in lower compensation. Closing of sites. Inefficient management of resources by contractor
Nett Expenditure	2,685,672,601	3,050,998,246	365,325,645	11.97	

CITY OF TSHWANE METROPOLITAN MUNICIPALITY APPENDIX H

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA (ACT 56 OF 2003) GRANTS AND SUBSIDIES RECEIVED DURING THE FINANCIAL YEAR ENDED 30 JUNE 2009

Name of Grant	Name of Organ of state or municipal entity	Opening	Correction of	Transfers		Quarterl	y Receipts			Expenditure	Closing balance	Grants and Subsidies delayed/ withheld	Reason for delay/	Compliant with the grant conditions in terms of grant	Reason for non
		balance	prior years		Sept	Dec	March	June	Total	June		July to June	withholding of funds	framework in the latest DoRA	compliance
		R	R	R	R	R	R	R	R	R	R				
Capital Grants: Economic Development National Electricity Fund	Gauteng: Sport, Recreation National Electricity Regulator	1,115,401 4,198,110	(4,188,662) 0	5,714,374 0	0 0	0 20,000,000	0 40,500,000	1,500,000 0	1,500,000 60,500,000	1,466,404 60,416,253	2,674,709 4,281,858	None None R134,5 m Topstructure	None None Under	Yes Yes	n/a n/a
Gauteng Project Linked Housing North West: Project Linked Housing	Gauteng: Housing Department North West: Housing	888,441 1,922,450	(576,492) 0	23,786,387 (1,922,450)	576,493 0	0 0	1,500,000 0	134,090,776 0	136,167,269 0	129,596,252 0	30,669,353 0	& R46.0 m other None	performance None	Yes Yes	n/a n/a
Municipal Infrastructure Grant (MIG Gautrans Job Creation Water & Sanitation	Department: Provincial and Local Government Gautrans Department Water Affairs and Forestry	35,892,625 5,000,000 0	2,059,725 0 4,326,978	(2,960,564) (5,000,000) (6,826,778)	85,000,000 0 0	60,000,000 0 0	88,602,000 0 0	53,274,516 0 4,750,000	286,876,516 0 4,750,000	287,295,989 0 2,250,100	34,572,313 0 100	None None None	None None None	Yes Yes Yes	n/a n/a n/a
Transportation ESKOM	Gauteng Department Transportation Engineering ESKOM	3,000,000 12,953	0	(3,000,000) (12,953)	0	0	0	0	0	0	0	None None	None None	Yes Yes	n/a n/a
World Cup Soccer 2010: Roads	Gauteng Department Transportation Engineering Gauteng Department Transportation	19,714,916	0	22,174,683	132,000,000	0	0	0	132,000,000	98,171,247	75,718,352	R120,0 m	Under	Yes	n/a
World Cup Soccer 2010: Transport Restructuring Grant	Engineering National Treasury	48,431,252 92,272	0	(48,431,252) (92,272)	128,000,000	0	0	0	128,000,000 0	61,135,957	66,864,043 0	PTIS funds None	performance None	Yes Yes	n/a n/a
Unforseen water problems	Gauteng: Department of Public Works	7,322,068	0	(92,272) (2,482,275)	0	0	2,686,245	0	2,686,245	7,526,038	0	None	None	Yes	n/a
Monument Gholf club	Monument Gholf club	0	0	3,000,000	0	0	0	0	0	2,785,163	214,837	None	None	Yes	n/a
Neighbourhood Watch Developmen	National Treasury	0	0	0	0	0	0	6,725,126	6,725,126	0	6,725,126	None	None	Yes	n/a
Sandspruit Works Association	Various spheres of Government	4,282,952	1 001 5 10	(10.050.400)	0.45 570 400		100 000 015	10,340,446	10,340,446	(944,965)	13,678,433	None	None	Yes	n/a
Operational grants/subsidies:		131,873,440	1,621,549	(16,053,100)	345,576,493	80,000,000	133,288,245	210,680,864	769,545,602	649,698,438	235,399,124				
Health: HIV/AIDS	National Department of Health	1,500,000	0	0	1,500,000	0	0	1,500,000	3,000,000	2,157,398	2,342,602	None	None	Yes	n/a
Heath Subsidy	National Department of Health	0	0	0	5,581,400	5,581,400	5,581,400	5,810,160	22,554,360	22,554,360	2,012,002	None	None	Yes	n/a
Ambulance subsidy	Provincial Department of Health	0	0	0	9,475,750	9,475,750	9,475,750	9,950,000	38,377,250	38,377,250	0	None	None	Yes	n/a
Top Structures: Project Linked Hous		13,385,058	1,410,483	(14,795,541)	0	0	0	0	0	0	0	None	None	Yes	n/a
Finance Management Grant Restructuring Grant	National Treasury National Treasury	1,304,687 86,693,834	0	0 92,272	750,000	0	0	0	750,000 0	539,449 45,679,594	1,515,238 41,106,512	None None	None None	Yes Yes	n/a n/a
Municipal System Improvement Gra		498,400	0	92,272	0	0	0	0	0	45,079,594	41,100,512	None	None	Yes	n/a
Equitable share	Department: Provincial and Local Government	0	0	0	434,354,708	325,766,031	575,429,692	0	1,335,550,431	1,335,550,431	0	None	None	Yes	n/a
Transportation & Engineering	Department of Transport	0	0	8,000,000	0	0	0	0	0	6,446,833	1,553,167	None	None	Yes	n/a
Refurbishment of Temba Works	Department of Water Affairs and Forestry	0	500,200	(500,200)	502,250	740,250	512,250	380,000	2,134,750	2,082,188	52,562	None	None	Yes	n/a
Department of Water Affiars Housing Accreditation	Department of Water Affairs and Forestry Gauteng Housing Department	0 2,936,807	0 334,876	0	3,188,000 0	2,877,000 0	5,167,000 0	2,135,000	13,367,000 0	11,087,000 0	2,280,000 3,271,683	None None	None None	Yes Yes	n/a n/a
Bontle Ke Botho	Evironment	1,457,223	0	0	0	0	500,000	0	500,000	393,823	1,563,400	None	None	Yes	n/a
Arts and Culture	Gauteng: Sport, Recreation	0	0	0	0	4,000,000	0	0	4,000,000	3,425,065	574,935	None	None	Yes	n/a
Loftus Upgrade 2010	Gauteng Department of Transport	48,446,709	(9,976,340)	0	830,473	46,515,253	26,450,969	1,398,796	75,195,491	75,386,212	38,279,648	None	None	Yes	n/a
2010 Host Cities	National Treasury	0	0	0	0	0	0	40,000,000	40,000,000	0 440,000	40,000,000	None	None	Yes	n/a
Agriculture Motor vehicle licences refund	Gauteng Department of Agriculture, Conservatio Gauteng Department of Transport	440,000	0	6,250 0	0	0	0	0 71,774,940	0 71,774,940	440,000 71,774,940	6,250 0	None None	None None	Yes Yes	n/a n/a
World Cup Soccer: Roads	Gauteng Department Transportation Engineering	4,238,926	(22,668)	1,091,568	0	0	0	0	0	5,163,330	144,496	None	None	Yes	n/a
World Cup soccer : Transport	Gauteng Department Transportation Engineering	43,400,000	0	25,165,000	0	0	0	0	0	3,608,246	64,956,754	None	None	Yes	n/a
Stipends	DBSA	.0,.00,000	0	0,.50,000	0	0	0	108,000	108,000	54,000	54,000	None	None	Yes	n/a
Monument Gholf Club	Monument Gholf Club	3,000,000	0	(3,000,000)	0	0	0	0	0	0	0	None	None	Yes	n/a
	1	207,301,644	(7,753,449)	16,059,349	456,182,581	394,955,684	623,117,061	133,056,896	1,607,312,222	1,624,720,119	198,199,647				1
Revenue per Statement of Finance		339,175,084	(6,131,900)							2,274,418,557	400 500 751				1
Unspent conditional grants per S	tatement of Financial Position (see note 8)		333,043,184								433,598,771				1
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