

# **MAKANA**

**MUNICIPALITY**



**FINANCIAL STATEMENTS**

**30 JUNE 2009**

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**MAKANA MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008**

	Note	2009 R	2008 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		<b>105 006 611</b>	<b>72 747 292</b>
Housing Development Fund	2	5 374 224	5 397 806
Accumulated Surplus/(Deficit)		99 632 387	67 349 485
<b>Non-current liabilities</b>		<b>35 868 878</b>	<b>35 402 744</b>
Long-term liabilities	3	2 432 752	2 992 867
Non-current provisions	4	33 436 126	32 409 877
<b>Current liabilities</b>		<b>95 996 103</b>	<b>64 770 397</b>
Consumer deposits	5	1 820 879	1 762 815
Provisions	6	8 311 367	4 087 701
Trade payables	7	15 088 533	16 284 220
Unspent conditional government grants and receipts	8	47 140 013	29 562 280
Taxes	9	10 472 351	9 536 832
Cash and cash equivalents	20	12 337 834	2 815 594
Current portion of long-term liabilities	3	825 126	720 955
<b>Total Net Assets and Liabilities</b>		<b>236 871 591</b>	<b>172 920 434</b>
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>86 635 022</b>	<b>53 200 543</b>
Property, plant and equipment	10	85 478 623	51 567 556
Intangible Assets	13	9 614	6 610
Investments	14	1 146 785	1 621 262
Long-term receivables	15	-	5 116
<b>Current assets</b>		<b>150 236 570</b>	<b>119 719 891</b>
Inventory	16	5 317 909	3 124 273
Trade receivables from exchange transactions	17	36 976 872	29 703 548
Other receivables from non-exchange transactions	18	28 719 443	23 474 938
Unpaid conditional government grants and subsidies	8	1 855 271	912 351
Operating Lease Asset	19	71 311	67 430
Current portion of long-term receivables	15	11 189	33 483
Cash and cash equivalents	20	77 284 576	62 403 869
<b>Total Assets</b>		<b>236 871 591</b>	<b>172 920 434</b>

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

	Note	2009	2008 R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>97 642 489</b>	<b>92 390 855</b>
<b>Taxation revenue</b>		<b>27 504 519</b>	<b>22 451 819</b>
Property rates	21	27 504 519	22 451 819
<b>Transfer revenue</b>		<b>65 452 914</b>	<b>68 955 394</b>
Government grants and subsidies	23	65 452 914	68 955 394
<b>Other non-exchange revenue</b>		<b>4 685 056</b>	<b>983 641</b>
Fines		1 239 110	892 674
Third party payments		37 045	90 968
Stock Adjustments		1 182 973	-
Actuarial gains	4	1 938 867	-
Reversal of Investment Impairments		287 062	-
<b>Revenue from Exchange Transactions</b>		<b>103 714 899</b>	<b>89 977 833</b>
Property rates - penalties imposed and collection charges		-	-
Service charges	22	81 088 843	70 513 923
Rental of facilities and equipment		818 954	815 810
Interest earned - external investments		7 658 781	6 149 515
Interest earned - outstanding debtors		10 041 040	8 230 180
Licences and permits		2 344 643	2 299 306
Income from agency services		708 346	830 936
Other income	24	1 054 293	1 138 163
<b>Total Revenue</b>		<b>201 357 388</b>	<b>182 368 688</b>
<b>EXPENDITURE</b>			
Employee related costs	25	78 408 404	62 055 529
Remuneration of Councillors	26	5 429 968	4 519 051
Contribution to Bad debts provision	27	13 872 520	17 809 785
Collection costs		-	105 000
Depreciation and amortisation	12,14 & 15	3 788 013	2 090 540
Impairments		-	366 827
Repairs and maintenance		9 156 747	7 392 735
Interest paid	28	360 762	466 937
Bulk purchases	29	28 172 334	21 433 186
Contracted services		369 881	-
Grants and subsidies paid	30	989 487	406 400
Operating Grant Expenditure	App "F"	1 138 460	16 354 588
General expenses	31	27 606 929	29 548 637
<b>Total Expenditure</b>		<b>169 293 504</b>	<b>162 549 214</b>
<b>Operating Surplus for the year</b>		<b>32 063 884</b>	<b>19 819 474</b>
Gains on disposal of property, plant and equipment		195 435	389 541
Loss on disposal of property, plant and equipment		-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>32 259 318</b>	<b>20 209 016</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>32 259 318</b>	<b>20 209 016</b>
Refer to Appendix E(1) for explanation of variances			

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

	<u>Pre-GRAP Reserves and Funds</u>	<u>Housing Development fund</u>	<u>Accumulated Surplus/(Defecit)</u>	<u>Total</u>
	R		R	R
<b>2007</b>				
Balance at 30 June 2007	59 784 497	5 355 637	4 346 529	69 486 663
Change in accounting policy - See Note 34.8	(59 784 497)		40 890 392	(18 894 105)
Correction of error - Notes 33.06			661 958	661 958
<b>Restated balance</b>	-	<b>5 355 637</b>	<b>45 898 879</b>	<b>51 254 515</b>
<b>2008</b>				
Net surplus/(deficit) for the year	-		20 209 016	20 209 016
Transfer from/(to) Housing Development Fund		42 170	(42 170)	-
<b>Balance at 30 June 2008</b>	-	<b>5 397 806</b>	<b>66 065 725</b>	<b>71 463 531</b>
<b>2009</b>				
Correction of error - Notes 33.06	-		1 283 761	1 283 761
<b>Restated balance</b>	-	<b>5 397 806</b>	<b>67 349 485</b>	<b>72 747 292</b>
Net surplus/(deficit) for the year	-	-	32 259 318	32 259 318
Transfer from/(to) Housing Development Fund	-	(23 583)	23 583	-
<b>Balance at 30 JUNE 2009</b>	-	<b>5 374 224</b>	<b>99 632 386</b>	<b>105 006 610</b>

**MAKANA MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009	2008 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and other		182 474 570	185 301 363
Cash paid to suppliers and employees		(147 011 480)	(163 246 836)
<b>Cash generated from/(utilised in) operations</b>	<b>33</b>	<b>35 463 090</b>	<b>22 054 527</b>
Interest received		7 658 781	6 149 515
Interest paid		(360 762)	(466 937)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>42 761 109</b>	<b>27 737 105</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(37 697 201)	(23 217 851)
Proceeds on disposal of fixed assets		195 439	389 541
Increase in Intangible Assets		(4 885)	(7 220)
(Increase)/decrease in long-term receivables		27 410	52 247
(Increase)/decrease in non-current investments		474 477	142 970
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(37 004 760)</b>	<b>(22 640 313)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New loans raised/(repaid)		(455 945)	88 922
Increase in consumer deposits		58 064	65 174
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(397 882)</b>	<b>154 096</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>5 358 468</b>	<b>5 250 888</b>
Cash and cash equivalents at the beginning of the year		<b>59 588 274</b>	<b>54 337 386</b>
Cash and cash equivalents at the end of the year		<b>64 946 741</b>	<b>59 588 274</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>5 358 468</b>	<b>5 250 888</b>



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

	2009 R	2008 R
<b>2 HOUSING DEVELOPMENT FUND</b>		
Housing Development Fund	5 374 224	5 397 806
Unappropriated Surplus	<u>5 374 224</u>	<u>5 397 806</u>
<b>Total Housing Development Fund Assets and Liabilities</b>	<u><b>5 374 224</b></u>	<u><b>5 397 806</b></u>

<b>3 LONG-TERM LIABILITIES</b>		
Annuity Loans - At amortised cost	2 104 321	2 519 515
Capitalised Lease Liability - At amortised cost	1 153 556	770 135
Correction of error - Note 33.03		424 172
Sub-total	<u>3 257 877</u>	<u>3 713 822</u>
Less : Current portion transferred to current liabilities	<b>(825 126)</b>	<b>(720 955)</b>
Annuity Loans	<u>(475 266)</u>	<u>(415 561)</u>
Finance Leases	<u>(349 859)</u>	<u>(305 394)</u>
<b>Total Long-term Liabilities - At amortised cost using the effective interest rate method</b>	<u><b>2 432 752</b></u>	<u><b>2 992 867</b></u>

The obligations under finance leases are scheduled below:

	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	482 833	438 367
Payable within two to five years	942 635	1 054 235
Payable after five years	-	-
	<u>1 425 468</u>	<u>1 492 601</u>
Less: Future finance obligations	271 912	298 294
<b>Present value of lease obligations</b>	<u><b>1 153 556</b></u>	<u><b>1 194 307</b></u>

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance leases.

Leases are secured by property, plant and equipment - Note 10

**ANNUITY LOANS**

There is one annuity loan outstanding, it carries interest at 13,50% per annum and will be fully redeemed in February 2013. The annuity loan is secured by the assessment rates payable by Rhodes University. No other loans are secured by any assets of the municipality.

<b>4 NON-CURRENT PROVISIONS</b>		
<b>Non-current provision liabilities</b>		
Provision for Post Retirement Benefits	31 477 359	29 674 238
Provision for Long Service Awards	1 958 767	2 735 639
<b>Total</b>	<u><b>33 436 126</b></u>	<u><b>32 409 877</b></u>

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 47

**Post Retirement Benefits**

Balance 1 July	31 054 179	161 650
Change in Accounting Policy - Note 32.5		31 948 923
Contribution for the year	4 433 589	
Expenditure for the year	(1 379 941)	(1 056 394)
Actuarial Loss(Gain)	(1 137 057)	
<b>Total provision 30 June</b>	<u>32 970 770</u>	<u>31 054 179</u>
Less: Transfer of current portion to current provisions - Note 6	(1 493 411)	(1 379 941)
<b>Balance 30 June</b>	<u><b>31 477 359</b></u>	<u><b>29 674 238</b></u>

**Long Service Awards**

Balance 1 July	2 735 639	
Change in Accounting Policy - Note 32.5		2 735 639
Contribution for the year	636 766	
Actuarial Loss(Gain)	<u>(801 810)</u>	



**MAKANA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

<b>Total provision 30 June</b>	2 570 595	2 735 639
Less: Transfer of current portion to current provisions - Note 6	(611 828)	-
<b>Balance 30 June</b>	<b>1 958 767</b>	<b>2 735 639</b>

**TOTAL NON-CURRENT PROVISIONS**

Balance on 1 July before restatement	33 789 818	161 650
Change in accounting policy - Note 32.5	-	34 684 562
Restated Opening Balance	33 789 818	34 846 212
Contribution for the year	5 070 355	
Expenditure for the year	(1 379 941)	(1 056 394)
Actuarial Loss(Gain)	(1 938 867)	-
<b>Total provision 30 June</b>	35 541 365	33 789 818
Less: Transfer of current portion to current provisions - Note 6	(2 105 239)	(1 379 941)
<b>Balance 30 June</b>	<b>33 436 126</b>	<b>32 409 877</b>

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

	<b>2009</b>	<b>2008</b>
	R	R
<b>4.1 Provision for Post Retirement Benefits</b>		
The Post Retirement Benefit plan is a defined benefit plan, of which the members are made up as follows:		
In-service (employee) members	277	277
Continuation members (e.g. retirees, widows, orphans)	71	71
<b>Total Members</b>	<b>348</b>	<b>348</b>
The liability in respect of past service has been estimated to be as follows:		
In-service members		
Continuation members	13 058 000	12 298 938
<b>Total Liability</b>	<b>32 970 770</b>	<b>31 054 179</b>

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
Hosmed  
LA Health  
Key Health, and  
SAMWU Medical Aid

The Current-service Cost for the ensuing year is estimated to be R 1 125 686, whereas the Interest- Cost for the next year is estimated to be R 2 716 266.

**NON-CURRENT PROVISIONS CONTINUE**

Key actuarial assumptions used:

	%	%
<b>i) Rate of interest</b>	8.43	8.43
Discount rate	6.80	6.80
Health Care Cost Inflation Rate	1.52	1.52
Net Effective Discount Rate		

**ii) Mortality rates**

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

**iii) Normal retirement age**

The normal retirement age for employees of the municipality is 63 years.

**The amounts recognised in the Statement of Financial Position are as follows:**

Present value of fund obligations	32 970 770	31 054 179
	32 970 770	31 054 179
Unrecognised past service cost -	-	-
Unrecognised actuarial gains / (losses) -	-	-
Present value of unfunded obligations	32 970 770	31 054 179
<b>Net liability / (asset)</b>	<b>32 970 770</b>	<b>31 054 179</b>

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

**Reconciliation of present value of fund obligation:**

Present value of fund obligation at the beginning of the year	31 054 179	161 650
Change in accounting policy		31 948 923
Total expenses (Restatement 2008)	3 053 648	(1 056 394)
Current service cost	1 136 996	-
Interest Cost	3 296 593	-
Benefits Paid	(1 379 941)	(1 056 394)
Actuarial (gains) / losses	(1 137 057)	-
Present value of fund obligation at the end of the year	<b>32 970 770</b>	<b>31 054 179</b>

**MAKANA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

	<b>Increase</b>	<b>Decrease</b>
Effect on the aggregate of the current service cost and interest cost components	37 558 121	29 171 715
Effect on the defined benefit obligation	4 587 351	(1 882 464)

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

	2009 R	2008 R
<b>4.2 Provision for Long Service Bonuses</b>		
The Long Service Bonus plans are defined benefit plans. As at year end, 866 employees were eligible for Long Service Bonuses.		
The Current-service Cost for the ensuing year is estimated to be R 355 048 whereas the Interest Cost for the next year is estimated to be R 189 0868		
Key actuarial assumptions used:		
	%	%
<b>i) Rate of interest</b>		
Discount rate	8.35	8.35
General Salary Inflation (long-term)	5.38	5.38
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.82	2.82
<b>Present value of fund obligations</b>	<b>2 570 595</b>	<b>2 735 639</b>
Fair value of plan assets -	-	-
Unrecognised past service cost -	-	-
Unrecognised actuarial gains / (losses) -	-	-
Present value of unfunded obligations	<u>2 570 595</u>	<u>2 735 639</u>
Net liability / (asset)	<u><b>2 570 595</b></u>	<u><b>2 735 639</b></u>
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year (2008 Restatements)	2 735 639	
Change in accounting policy		2 735 639
Total expenses	636 766	-
Current service cost	374 627	
Interest Cost	262 139	
Actuarial (gains) / losses	(801 810)	-
Present value of fund obligation at the end of the year	<u><b>2 570 595</b></u>	<u><b>2 735 639</b></u>
	<b>Increase</b>	<b>Decrease</b>
Effect on the aggregate of the current service cost and interest cost components	2 687 779	2 461 613
Effect on the defined benefit obligation	117 184	(274 026)

**4.3 Retirement funds**

**CAPE JOINT PENSION FUND**

This fund comprises a defined benefit section and a defined contribution section. The Cape Joint Pension Fund is a multi-employer plan and the contribution rate payable is 9%, by the members and 18% by Council. In respect of the defined benefit section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R182,733 (R 200,209) million with a funding level of 106.5% (107.1%), and is in a sound financial state as at 30 June 2008.

**CAPE JOINT RETIREMENT FUND**

This fund comprises a defined benefit section and a defined contribution section. The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. In respect of the defined contribution section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R12,033 (R 20,22) million with a funding level of 103.3% (105.3%) and is in a sound financial position as at 30 June 2008.

**MUNICIPAL COUNCILLORS PENSION**

The Municipal Councillors Pension Fund operates as a defined contribution scheme. **The contribution rate paid by the members (13,75%) and council (15%).** The financial statements of the fund have not been audited since June 2006 and the financial position of the fund is not available.

**5 CONSUMER DEPOSITS**

Water	407 473	340 116
Electricity	1 413 406	1 422 699
<b>Total Consumer Deposits</b>	<u><b>1 820 879</b></u>	<u><b>1 762 815</b></u>
The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.		
<b>Guarantees held in lieu of Water Deposits</b>	<u><b>142 918</b></u>	<u><b>142 918</b></u>

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

		2009 R	2008 R
<b>6</b>	<b>PROVISIONS</b>		
	Performance Bonuses	299 020	216 600
	Staff leave	5 907 108	2 491 160
	Current Portion of Non-Current Provisions	2 105 239	1 379 941
	Current portion of post retirement benefits - Note 4	1 493 411	1 379 941
	Current portion of long-service provision - Note 4	611 828	-
	<b>Total Provisions</b>	<b>8 311 367</b>	<b>4 087 701</b>
	The movement in current provisions are reconciled as follows: -		
		<u>Current portion</u>	<u>Current portion</u>
	<b><u>Post Retirement Benefits</u></b>		
	Balance at beginning of year	1 379 941	-
	Transfer from non-current	113 470	1 379 941
	<b>Balance at end of year</b>	<b>1 493 411</b>	<b>1 379 941</b>
	<b><u>Long Service Awards</u></b>		
	Balance at beginning of year		
	Transfer from non-current	611 828	-
	<b>Balance at end of year</b>	<b>611 828</b>	-
	<b><u>Staff Leave Reconciliation</u></b>		
	Balance at beginning of year	2 491 160	2 384 169
	Contribution during the year	4 272 080	481 738
	Paid out during the year	(856 131)	(374 748)
	<b>Balance at end of year</b>	<b>5 907 108</b>	<b>2 491 160</b>
	<b><u>Performance Bonuses</u></b>		
	Balance at beginning of year	216 600	-
	Change in accounting policy - Note 32	-	216 600
	Contributions to provision	299 020	-
	Expenditure incurred	(216 600)	-
	<b>Balance at end of year</b>	<b>299 020</b>	<b>216 600</b>
	<b><u>TOTAL - CURRENT PROVISIONS</u></b>		
	Balance at beginning of year	4 087 701	2 384 169
	Change in accounting policy - Note 32	-	216 600
	Transfer from non-current	725 298	1 379 941
	Contributions to provision	4 571 099	481 738
	Expenditure incurred	(1 072 731)	(374 748)
	<b>Balance at end of year</b>	<b>8 311 367</b>	<b>4 087 701</b>
	For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to Note 4 to the Financial Statements, Other Defined Benefit Plan		
<b>7</b>	<b>TRADE PAYABLES</b>		
	<b><u>Sundry Payables</u></b>		
	Trade payables	1 377 859	1 846 391
	Payments received in advance	5 368	371
	Retentions	3 639	3 639
	Other Creditors	13 701 667	13 710 234
	Deposits: Other	-	723 586
	<b>Total Trade Payables</b>	<b>15 088 533</b>	<b>16 284 220</b>
<b>8</b>	<b>UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS</b>		

**MAKANA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**8.1 Conditional Grants from other spheres of Government**

Unspent conditional government grants and receipts	<b>47 140 013</b>	<b>29 562 280</b>
Unpaid conditional government grants and subsidies	(1 855 271)	(958 727)
Less: Correction of error - Note 33.02		46 376
<b>Total Conditional Grants and Receipts</b>	<b>(1 855 271)</b>	<b>(912 351)</b>
	<b>45 284 742</b>	<b>28 603 553</b>

See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld. No significant changes in the level of grant funding is expected for the foreseeable future.

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

		<b>2009</b>	<b>2008</b>
		<b>R</b>	<b>R</b>
<b>9 TAXES</b>			
VAT payable		12 328 941	11 175 460
Less: Correction of error - Note 33.01			(1 338 195)
		<b>12 328 941</b>	<b>9 837 265</b>
VAT receivable - Note 18		(1 856 590)	(300 433)
		<b>10 472 351</b>	<b>9 536 832</b>

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

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



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

		2009 R	2008 R
11	<b>NON-CURRENT ASSETS HELD FOR SALE</b>		
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 47		
12	<b>INVESTMENT PROPERTY</b>		
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 47		
13	<b>INTANGIBLE ASSETS</b>		
	<b>Carrying values at the beginning of the year</b>	<b>6 610</b>	-
	Cost	7 220	-
	Accumulated amortisation	(610)	-
	<b>Acquisition for the year</b>	4 885	7 220
	<b>Amortisation for the year</b>	(1 881)	(610)
	Carrying values at the end of the year	<b>9 614</b>	<b>6 610</b>
	Cost	12 105	7 220
	Accumulated amortisation	(2 491)	(610)
	<b>Total Intangible Assets</b>	<b>9 614</b>	<b>6 610</b>
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 47		
14	<b>INVESTMENTS</b>		
	<u>Financial Instruments</u>		
	<u>Unlisted</u>		
	Long term deposits	1 146 785	1 621 262
	<b>Total Investments</b>	<b>1 146 785</b>	<b>1 621 262</b>
	The average interest rate was 11.23% (2008: 10.53%).		
	Collateral deposits	161 477	168 877
	No investments have been pledged as security for any funding facilities of the council.		
	Investments are made in terms of the municipality's Cash Management and Investment Policy, as required by means of Regulation R 308 of 1 April 2005 gazetted in the Government Gazette No 27431 of 1 April 2005 and issued by the Minister of Finance.		
15	<b>LONG-TERM RECEIVABLES</b>		
	Staff Car Loans - At amortised cost	11 189	38 599
		11 189	38 599
	<b>Less : Current portion transferred to current receivables</b>	<b>(11 189)</b>	<b>(33 483)</b>
	Staff Loans - At amortised cost	(11 189)	(33 483)
	<b>Total Long Term Receivables</b>	<b>-</b>	<b>5 116</b>
16	<b>INVENTORY</b>		
	Consumable Stores - Stationery and materials - At cost	2 615 435	1 028 204
	Maintenance Materials - At cost	2 702 474	2 096 068
	<b>Total Inventory</b>	<b>5 317 909</b>	<b>3 124 273</b>
	The municipality recognise purified water inventory. The municipality did not measure the water inventory.		
	Consumable stores materials written down due to losses as identified during the annual stores counts	-	366 827
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 47		
17	<b>TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		

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

Water	55 581 356	43 548 442
Electricity	17 148 351	12 974 607
Refuse	11 424 672	9 904 507
Sewerage	26 768 384	22 882 947
Other Arrears	6 376 775	6 621 971
<b>Total : Trade receivables from exchange transactions (before provision)</b>	<b>117 299 537</b>	<b>95 932 474</b>
Provision for impairments	(80 322 665)	(66 228 927)
<b>Total : Trade receivables from exchange transactions (after provision)</b>	<b>36 976 872</b>	<b>29 703 548</b>

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

	<b>2009</b>	<b>2008</b>
	<b>R</b>	<b>R</b>
The fair value of other receivables approximate their carrying value.		
<b><u>(Electricity): Ageing</u></b>		
Current (0 – 30 days)	3 351 614	2 657 635
31 - 60 Days	2 104 154	1 431 137
61 - 90 Days	1 673 879	819 268
+ 90 Days	10 018 704	8 066 568
<b>Total</b>	<b><u>17 148 351</u></b>	<b><u>12 974 607</u></b>
<b><u>(Water): Ageing</u></b>		
Current (0 – 30 days)	788 930	884 773
31 - 60 Days	1 619 669	1 208 147
61 - 90 Days	1 814 821	965 807
+ 90 Days	51 357 937	40 489 715
<b>Total</b>	<b><u>55 581 357</u></b>	<b><u>43 548 442</u></b>
<b><u>(Refuse): Ageing</u></b>		
Current (0 – 30 days)	(901 123)	(604 483)
31 - 60 Days	272 117	252 893
61 - 90 Days	233 979	215 296
+ 90 Days	11 819 698	10 040 801
<b>Total</b>	<b><u>11 424 672</u></b>	<b><u>9 904 507</u></b>
<b><u>(Sewerage): Ageing</u></b>		
Current (0 – 30 days)	80 327	171 504
31 - 60 Days	398 024	372 933
61 - 90 Days	348 988	314 123
+ 90 Days	25 941 044	22 024 387
<b>Total</b>	<b><u>26 768 384</u></b>	<b><u>22 882 947</u></b>
<b><u>(Other): Ageing</u></b>		
Current (0 – 30 days)	130 246	92 571
31 - 60 Days	109 698	111 153
61 - 90 Days	111 504	106 865
+ 90 Days	6 025 325	6 311 382
<b>Total</b>	<b><u>6 376 774</u></b>	<b><u>6 621 971</u></b>
<b><u>(Total): Ageing</u></b>		
Current (0 – 30 days)	3 449 994	3 201 999
31 - 60 Days	4 503 663	3 376 263
61 - 90 Days	4 183 171	2 421 358
+ 90 Days	105 162 709	86 932 854
<b>Total</b>	<b><u>117 299 537</u></b>	<b><u>95 932 474</u></b>

**Reconciliation of Provision for Bad Debts (including Non-exchange provisions)**

Balance at beginning of year	66 228 927	73 000 174
Contribution to provision	13 872 520	17 809 785
Bad Debts (written off / reversed)	221 219	24 581 032
<b>Balance at end of year</b>	<b><u>80 322 665</u></b>	<b><u>66 228 927</u></b>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the

**18 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

Taxes - Rates	27 705 323	23 474 938
Other debtors	1 014 120	
	<u>28 719 443</u>	<u>23 474 938</u>
Less : Provision for bad debts	-	-
<b>Total</b>	<b><u>28 719 443</u></b>	<b><u>23 474 938</u></b>
<b><u>Rates: Ageing</u></b>		
Current (0 – 30 days)	(161 338)	1 083 978
31 - 60 Days	384 195	390 739
61 - 90 Days	266 996	293 224
+ 90 Days	27 215 471	21 706 997

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

**Total**

27 705 323

23 474 938

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The fair value of other receivables approximate their carrying value.

The provision for doubtful debts on other debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

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

		2009 R	2008 R
<b>19</b>	<b>OPERATING LEASE ARRANGEMENTS</b>		
<b>19.1</b>	<b>The Municipality as Lessor</b>		
	Leases not previously recognised - Note 32.9	71 311	67 430
	<b>Balance 30 June</b>	<u><u>71 311</u></u>	<u><u>67 430</u></u>
	At the Statement of Financial Position date, where the municipality acts as a lessor under non-cancellable operating leases, it will receive operating lease income as follows:		
	Up to 1 year	84 573	87 244
	1 to 5 years	313 846	337 948
	More than 5 years	80 942	130 213
	<b>Total Operating Lease Arrangements</b>	<u><u>479 361</u></u>	<u><u>555 405</u></u>
	<b>Reconciliation</b>		
	Amount previously recorded (Through change in accounting policy)	67 430	40 317
	Change in accounting policy - Note 32.9	-	26 433
	Movement during the year	3 881	680
	Balance	<u><u>71 311</u></u>	<u><u>67 430</u></u>
<b>20</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	<b>Assets</b>		
	Call Investment Deposits	77 277 283	62 396 577
	Cash Floats	7 293	7 293
	<b>Total Cash and Cash Equivalents - Assets</b>	<u><u>77 284 576</u></u>	<u><u>62 403 869</u></u>
	<b>Liabilities</b>		
	Primary Bank Account	12 337 834	2 815 594
	<b>Total Cash and Cash Equivalents - Liabilities</b>	<u><u>12 337 834</u></u>	<u><u>2 815 594</u></u>
	<b>Total Cash and Cash Equivalents</b>	<u><u>64 946 741</u></u>	<u><u>59 588 275</u></u>
	Call Investment Deposits to an amount of R 47140012.71 are held to fund the Unspent Conditional Grants (2008: R 29562279.72)		
	The Municipality has the following bank accounts: -		
	<b>Current Accounts</b>		
	Cash book balance beginning of the year	(2 815 594)	(4 444 756)
	Cash book balance at end of year	<u><u>(12 337 835)</u></u>	<u><u>(2 815 594)</u></u>
	<b>Standard Bank (Secondary Bank Account): 081 999 356</b>		
	Bank statement balance at beginning of year	796 391	836 029
	Bank statement balance at end of year	<u><u>11 120</u></u>	<u><u>796 391</u></u>
	<b>First National Bank - Account Number 620 312 325 31 (Primary Account):</b>		
	Bank statement balance at beginning of year	2 555 983	1 166 209
	Bank statement balance at end of year	<u><u>3 763 040</u></u>	<u><u>2 555 983</u></u>
<b>21</b>	<b>PROPERTY RATES</b>		
	<b>Actual</b>		
	<b>Rateable Land and Buildings</b>	<b>32 617 909</b>	<b>23 014 133</b>
	Public	31 382 253	21 856 254
	Municipal	1 235 656	1 157 879
	<b>Less: Rebates</b>	<u><u>(5 113 390)</u></u>	<u><u>(562 313)</u></u>
	<b>Total Assessment Rates</b>	<u><u>27 504 519</u></u>	<u><u>22 451 820</u></u>

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

**Valuations on 1 July 2008**

	Location	Total Valuation R
Church	Grahamstown	28 682 450
Not registered	Grahamstown	3 372 500
Residential	Grahamstown	419 800
Transnet Right of Way	Grahamstown	1 036 066
Rhodes University	Grahamstown	393 959 133
Government - Residential	Grahamstown	22 483 000
Private Schools	Grahamstown	93 122 260
Residential	Grahamstown	1 584 259 065
Municipal	Grahamstown	87 495 340
Municipal Business	Grahamstown	2 039 200
Government - Business	Grahamstown	441 679 430
Transnet Business	Grahamstown	2 409 200
Business	Grahamstown	388 943 294
Church	Alicedale	1 204 350
Residential	Alicedale	100 064 570
Municipal	Alicedale	5 350 770
Government - Business	Alicedale	4 133 250
Transnet Right of Way	Alicedale	283 500
Business	Alicedale	5 051 600
Residential	Riebeeck - East	4 885 400
Church	Riebeeck - East	4 500
Municipal	Riebeeck - East	709 210
Government - Business	Riebeeck - East	512 500
Church	Farms (Rural Areas)	2 980 500
Transnet Right of Way	Farms (Rural Areas)	289 700
Farming - Game	Farms (Rural Areas)	223 761 000
Farming - Domestic	Farms (Rural Areas)	38 411 655
Rural Club	Farms (Rural Areas)	2 013 000
Farm Schools	Farms (Rural Areas)	170 000
Nature Reserve	Farms (Rural Areas)	14 750 000
Business	Farms (Rural Areas)	6 917 500
Municipal	Farms (Rural Areas)	5 618 000
Government - Business	Farms (Rural Areas)	30 399 500
<b>Total Property Valuations</b>		<b>3 497 411 243</b>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2007. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

A rate in the rand for domestic properties of R 0.007476 was charged on values. Business were charged at a rate in the rand of R 0.013671 on values

Properties used for domestic purposes and consisting of both land and improvements are subject to a R 15,000 valuation reduction. There are also different rebates and phased in tariffs for different sectors of the community. Interest on arrear accounts is charged at bank rate plus one percent. Rates are levied monthly and payable by the 7th of the following month. Interest is levied at the prime rate on outstanding monthly instalments.

22

**SERVICE CHARGES**

**Electricity**

Service charges  
Less: Rebates

**2009  
R**

**2008  
R**

48 699 041  
49 667 424  
(968 383)

40 853 167  
41 463 487  
(610 320)

**Water**

Service charges  
Less: Rebates

20 036 428  
27 930 699  
(7 894 271)

17 548 313  
23 303 245  
(5 754 932)

**Refuse removal**

Service charges

3 254 844  
6 101 179

3 083 461  
5 657 217

MAKANA MUNICIPALITY

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

Less: Rebates	(2 846 335)	(2 573 756)
<b>Sewerage and Sanitation Charges</b>		
Service charges	8 945 964	8 884 238
Less: Rebates	12 815 026	11 544 277
	(3 869 063)	(2 660 039)
Other Service Charges - Private Works	152 566	144 745
<b>Total Service Charges</b>	<b>81 088 843</b>	<b>70 513 923</b>

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

		2009 R	2008 R
<b>23</b>	<b>GOVERNMENT GRANTS AND SUBSIDIES</b>		
	Equitable Share	33 999 570	26 969 460
	Other Grants and subsidies	8 721 048	16 354 588
	<b>Conditional Grants</b>	22 732 296	25 631 346
	National - Finance Management Grant	1 080 035	-
	National - Municipal Systems Improvement Grant	187 825	-
	National - IDP Infrastructure	77 351	-
	National - Municipal Infrastructure Grant	21 387 085	25 631 346
	<b>Total Government Grants and Subsidies</b>	<b>65 452 914</b>	<b>68 955 394</b>
<b>24</b>	<b>OTHER INCOME</b>		
	Admin fees	223 370	247 090
	Fees buildingplans	385 790	434 685
	Sundries	434 349	444 526
	Sale of refuse bags	10 784	11 863
	<b>Total Other Income</b>	<b>1 054 293</b>	<b>1 138 163</b>
<b>25</b>	<b>EMPLOYEE RELATED COSTS</b>		
	Employee Related Costs - Salaries and Wages	55 570 141	49 653 362
	Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	11 702 643	9 964 766
	Travel, Motor Car, Accommodation, Subsistence and Other Allowances	1 440 845	1 547 714
	Housing Benefits and Allowances	430 304	389 063
	Post Employment Health	4 433 589	-
	Bonuses	636 766	18 886
	Provision for leave	4 194 116	481 738
	<b>Total Employee Related Costs</b>	<b>78 408 404</b>	<b>62 055 529</b>
	<b>KEY MANAGEMENT PERSONNEL</b>		
	Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
	<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
	<b>Remuneration of the Municipal Manager</b>		
	Annual Remuneration	564 517	625 500
	Traveling Allowance	101 114	110 004
	Telephone Allowance	9 025	9 996
	Contributions to UIF, Medical and Pension Funds	7 516	-
	<b>Total</b>	<b>682 172</b>	<b>745 500</b>
	<b>Remuneration of the Director Finance</b>		
	Annual Remuneration	433 661	472 500
	Traveling Allowance	99 514	90 000
	Telephone allowance	8 130	7 500
	Performance Bonus	45 600	-
	Contributions to UIF, Medical and Pension Funds	84 628	-
	<b>Total</b>	<b>671 533</b>	<b>570 000</b>
	<b>Remuneration of Director : Corporate Services</b>		
	Annual Remuneration	442 883	472 500
	Traveling Allowance	57 578	90 000
	Telephone allowance	6 498	7 500
	Performance Bonus	45 600	-
	Contributions to UIF, Medical and Pension Funds	88 556	-
	Entertainment Allowance	4 626	-
	Acting Allowance	33 451	-
	Housing Subsidy	36 000	-
	<b>Total</b>	<b>715 192</b>	<b>570 000</b>
	<b>Remuneration of Director : Community and Social Services</b>		
	Annual Remuneration	511 720	472 500



**MAKANA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Traveling Allowance	107 992	90 000
Telephone allowance	8 130	7 500
Performance Bonus	41 800	-
Contributions to UIF, Medical and Pension Funds	7 740	-
<b>Total</b>	<b>677 382</b>	<b>570 000</b>

**Remuneration of Director : Technical and Infrastructure Services**

Annual Remuneration	511 720	472 500
Traveling Allowance	110 065	90 000
Telephone allowance	8 130	7 500
Performance Bonus	45 600	-
Contributions to UIF, Medical and Pension Funds	7 778	-
<b>Total</b>	<b>683 293</b>	<b>570 000</b>

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

		2009	2008
		R	R
	<b>Remuneration of Director : Local and Economic Development (1)</b>		
	Traveling Allowance	1 128	-
	Performance Bonus	38 000	-
	Leave Pay	37 290	-
	Contributions to UIF, Medical and Pension Funds	1 002	-
	<b>Total</b>	<b>77 420</b>	<b>-</b>
	<b>Remuneration of Director : Local and Economic Development (2)</b>		
	Annual Remuneration	383 778	472 500
	Traveling Allowance	75 858	90 000
	Telephone allowance	6 102	7 500
	Contributions to UIF, Medical and Pension Funds	5 492	-
	<b>Total</b>	<b>471 230</b>	<b>570 000</b>
<b>26</b>	<b>REMUNERATION OF COUNCILLORS</b>		
	Councillors	3 946 884	3 053 988
	Travelling allowance	1 133 488	1 018 111
	Telephone allowance	187 627	235 560
	Pension fund contributions	129 944	173 367
	Medical aid contributions	32 025	38 025
	<b>Total Councillors' Remuneration</b>	<b>5 429 968</b>	<b>4 519 051</b>
	<b>In-kind Benefits</b>		
	The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.		
	<b>Certification by the Municipal Manager</b>		
	I certify that the remuneration of Councillors and in-kind benefits 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		
	.....		
	<b>Signed: Municipal Manager</b>		
<b>27</b>	<b>CONTRIBUTION TO BAD DEBTS PROVISION</b>		
	Trade Receivables form exchange transactions - Note 17	13 872 520	17 809 785
	<b>Total Contribution to Bad debts provision</b>	<b>13 872 520</b>	<b>17 809 785</b>
<b>28</b>	<b>INTEREST PAID - EXTERNAL BORROWINGS</b>		
	Long-term liabilities	315 527	466 937
	Overdraft Facilities	45 235	-
	<b>Total Interest on External Borrowings</b>	<b>360 762</b>	<b>466 937</b>
<b>29</b>	<b>BULK PURCHASES</b>		
	Electricity	28 153 867	21 194 408
	Water	18 466	238 778
	<b>Total Bulk Purchases</b>	<b>28 172 334</b>	<b>21 433 186</b>
<b>30</b>	<b>GRANTS AND SUBSIDIES PAID</b>		
	Grants-in-aid and Donations	3 120	8 000
	Makana Tourism	422 280	398 400
	Housing Projects	564 087	-
	<b>Total Grants and Subsidies</b>	<b>989 487</b>	<b>406 400</b>

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

**31 GENERAL EXPENSES**

General Expenses

27 606 929

29 548 637

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.

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

**32 CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 - IMPLEMENTATION OF**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
The following adjustments were made to amounts previously reported in the annual financial		
<b>32.1 Statutory Funds</b>		
<b>Balance previously reported: -</b>		
Consolidated Capital Development and Loans Fund		57 430 501
Dog Tax Fund		32 438
Parking Areas Development Fund		23 964
Reserves		2 213 728
Previously recognised "Trust funds" which do not qualify as Trust Funds		83 866
<b>Total</b>		<u><u>59 784 497</u></u>
<b>Implementation of GRAP</b>		
Transfer to Accumulated Surplus/deficit - See Note 32.8 below		59 784 497
<b>Total</b>		<u><u>59 784 497</u></u>
<b>32.2 Loans Redeemed and Other Capital Receipts</b>		
Balance previously reported		199 438 405
<b>Implementation of GRAP</b>		
Transfer to Accumulated Surplus/deficit - See Note 32.8 below		199 438 405
<b>Total</b>		<u><u>-</u></u>
<b>32.3 Provisions and Reserves</b>		
Balance previously reported		-
Staff Leave		2 384 169
<b>Implementation of GRAP</b>		
Recognition of Provisions - Performance Bonuses - See Note 6 above		216 600
<b>Total</b>		<u><u>2 600 769</u></u>
Transfer to Accumulated Surplus/deficit - See Note below		(216 600)
		<u><u>(216 600)</u></u>
<b>32.4 Long-term Liabilities</b>		
Balance previously reported		2 881 966
<b>Implementation of GRAP</b>		
Leases previously not recognised - Note 3		470 941
Prior years' redemption recognised through surplus		(152 178)
<b>Total</b>		<u><u>3 200 729</u></u>
<b>32.5 Non-current provisions</b>		
Balance previously reported		-
<b>Implementation of GRAP</b>		
Transfer from Accumulated Surplus/deficit - See Note 32.8 below		34 684 562
Post Employment Medical Benefit Fund		31 948 923
Long-service		2 735 639
<b>Total</b>		<u><u>34 684 562</u></u>
<b>32.6 Property, plant and equipment - GRAP 17</b>		
Balance previously reported		213 202 857
<b>Implementation of GRAP</b>		
Property, Plant and Equipment financed through leases previously not recognised - Note 32.4		470 941
<b>Total</b>		<u><u>213 673 798</u></u>
<b>32.7 Accumulated Depreciation - GRAP 17</b>		
Balance previously reported		-
<b>Implementation of GRAP</b>		
Backlog depreciation: Land and buildings		183 623 843
Backlog depreciation: Infrastructure		10 814 376
Backlog depreciation: Community		163 232 648
Backlog depreciation: Leased assets		46 101
Backlog depreciation: Other		179 578
Transfer to Accumulated Surplus/deficit - See Note 32.8 below		9 351 140
<b>Total</b>		<u><u>183 623 843</u></u>
<b>32.8 Accumulated Surplus/(Deficit)</b>		
<b>Implementation of GRAP</b>		
Non-current provisions previously not recognised - Note 32.5		(34 684 562)
Leased liability - Redemption previously recognised as expenditure - Note 32.4		152 178
Transferred from statutory funds - Note 32.1		59 784 497
Transferred from Loans Redeemed and Other Capital Receipts - Note 32.2		199 438 405

**MAKANA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Recognition of provisions - Note 32.3	(216 600)
Operating leased asset not previously recognised credited to the Accumulated Surplus - Note 32.9	40 317
Backlog depreciation - Note 32.7	(183 623 843)
<b>Total</b>	<b><u>40 890 392</u></b>
<b>32.9 Operating Leased assets</b>	
<b>Balance previously reported</b>	-
<b>Implementation of GRAP</b>	40 317
Leases previously not recognised - Note 19	<u>40 317</u>
<b>Total</b>	<b><u>40 317</u></b>

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

	2008 R	2007 R
<b>33 CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
<b>33.01 Taxes</b>		
Balance previously reported (Credit)	11 175 460	
Audit adjustment 2008 - Notes 33.06 and 9	(1 338 195)	
<b>Restated Balance 30 June</b>	<b>9 837 265</b>	-
<b>33.02 Unpaid conditional government grants</b>		
Balance previously reported	958 727	
Audit adjustment - Health subsidies raised - Note 33.06		661 958
Mayfield housing expenses reversed - Notes 33.06 and 8	(46 376)	
<b>Restated Balance 30 June</b>	<b>912 351</b>	<b>661 958</b>
<b>33.03 Long-term liabilities</b>		
Balance previously reported	3 289 651	
Leases not previously recognised - Note 33.04	567 805	
Redemption on leases not previously recorded - Note 33.06	(143 633)	
<b>Restated Balance 30 June</b>	<b>3 713 823</b>	-
<b>33.04 Property, Plant and Equipment</b>		
Leases not previously recognised - Note 33.03	567 805	
Accumulated depreciation on leases not previously recognised - Note 33.06	(173 235)	
Accumulated depreciation on PPE not previously recognised - Note 33.06	(4 889)	
<b>Restated 30 June</b>	<b>394 570</b>	-
<b>33.05 Operating Lease Asset</b>		
Operating leases not previously recognised - Note 33.06	26 433	-
<b>Restated 30 June</b>	<b>26 433</b>	-
<b>33.06 Accumulated Surplus/Deficit</b>		
Audit adjustment to VAT 2008 - Note 33.01	1 338 195	
Audit adjustment - Health subsidies raised - Note 33.02		661 958
Mayfield housing expenses reversed - Note 33.02	(46 376)	
Accumulated depreciation on PPE not previously recognised - Note 33.04	(178 124)	
Operating leases not previously recognised - Note 33.05	26 433	
Redemption on leases not previously recorded - Note 33.04	143 633	
<b>Net adjustment to accumulated surplus</b>	<b>1 283 761</b>	<b>661 958</b>
<b>33 CASH GENERATED BY OPERATIONS</b>		
Surplus for the year	32 259 318	20 209 016
<b>Adjustment for:</b>		
Nett prior year adjustments		71 235
Depreciation and amortisation	3 788 013	2 090 540
Amortisation of Intangible Assets	-	-
Gain on disposal of property, plant and equipment	(195 435)	(389 541)
Impairments - Stock Adjustments	(1 182 973)	366 827
Contribution from/to provisions - Non-Current	5 070 355	-
Contribution from/to provisions - Non-Current - Expenditure incurred	(1 379 941)	(1 056 394)
Contribution from/to provisions - Non-Current - Actuarial gains	(1 938 867)	-
Contribution to provisions – current	4 571 099	481 738
Contribution to provisions – current - Expenditure incurred	(1 072 731)	(374 748)
Contribution to provisions – Bad debt	13 872 520	17 809 785
Bad debts written off	221 218	(24 581 032)
Operating lease income accrued	(3 881)	(680)
Investment income	(7 658 781)	(6 149 515)
Interest paid	360 762	466 937
<b>Operating surplus before working capital changes:</b>	<b>46 710 676</b>	<b>8 944 169</b>
(Increase)/decrease in inventories	(1 010 663)	(1 495 179)
(Increase)/decrease in Trade receivables from exchange transactions	(21 367 063)	9 823 310
(Increase)/decrease in Other receivables from non-exchange transactions	(5 244 505)	(391 032)
(Decrease)/increase in unspent public contributions and receipts	-	-
(Decrease)/increase in unspent conditional grants and receipts	17 577 733	2 661 621
Decrease/(increase) in unpaid conditional grants and receipts	(942 920)	(95 632)
Increase(decrease) in payables	(1 195 687)	2 934 273
(Increase)/decrease in VAT	935 519	(327 003)
<b>Cash generated by/(utilised in) operations</b>	<b>35 463 090</b>	<b>22 054 527</b>
<b>34 CASH AND CASH EQUIVALENTS</b>		

**MAKANA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Cash and cash equivalents included in the cash flow statement comprise the following :

Short-term Investment deposits, Bank balances and cash - Note 20	77 284 576	62 403 869
Bank overdraft - Note 20	(12 337 834)	(2 815 594)
<b>Total cash and cash equivalents</b>	<b><u>64 946 741</u></b>	<b><u>59 588 275</u></b>

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

		2009 R	2008 R
<b>35</b>	<b>UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
	Long-term liabilities - Note 3	3 257 877	3 713 822
	Used to finance property, plant and equipment – at cost	(3 257 877)	(3 713 822)
	Sub- total	-	-
	Cash set aside for the repayment of long-term liabilities	-	-
	<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>

Long-term liabilities have been utilized in accordance with the Municipal Finance Management

**36 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

**36.1 Unauthorised expenditure**

Reconciliation of unauthorised expenditure			
	Opening balance	-	-
	Unauthorised expenditure current year - Operating	39 070 709	-
	Unauthorised expenditure current year - Capital	4 775 207	-
	Unauthorised expenditure awaiting authorisation	<b>43 845 916</b>	<b>-</b>

Incident	
Over expenditure of approved budget	None

**36.2 Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure			
	Opening balance	-	-
	Fruitless and wasteful expenditure current year	137 381	-
	Fruitless and wasteful expenditure awaiting condonement	<b>137 381</b>	<b>-</b>

Incident	
1. Payment to Avis Car Rental for the accident involving Councillor Simakuhle	A Council Resolution was taken on the 29 June 2009 to recover the amount from the affected Councillor
2. Payment to Neville Borman and Botha for the "Electrocution" of two cows	None
3. Overpayment of two employees (Parks and Electricity Departments)	Supplementary item tabled to the Corporate Services Committee of the 22 July 2009 (to be further discussed in September 2009 Portfolio Committee meeting)

**37 CAPITAL COMMITMENTS**

Commitments in respect of capital expenditure:		
- Approved and contracted for	None	None

**38 RETIREMENT BENEFIT INFORMATION**

Council employees contribute to the Cape Joint Municipal Pension Fund and SAMWU National Provident Fund which is a defined contribution fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuation was done on 30 June 2008.

**39 FINANCIAL RISK MANAGEMENT**

**Financial Risk Management**



## MAKANA MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

**(a) Foreign exchange currency risk**

The municipality does not engage in foreign currency transactions.

**(b) Price risk**

The municipality is not exposed to price risk.

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

	2009 R	2008 R
<b>(c) Interest rate Risk</b>		
As the Municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.		
The entity analyse its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.		
The entity did not hedge against any interest rate risks during the current year.		
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:		
0.5% (2008 - 2%) Increase in interest rates	314 142	1 149 768
1% (2008 - 0.5%) Decrease in interest rates	(628 284)	(287 442)

**(d) Credit Risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies. The entity only deposits cash with major banks with high quality credit standing. Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances.

Financial assets exposed to credit risk at year end are as follows:

Trade receivables from exchange transactions (net of provision)	36 976 872	29 703 548
Other receivables from non-exchange transactions (net of provision)	28 719 443	23 474 938
Unpaid conditional grants and subsidies	1 855 271	912 351

**(e) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit facilities.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Long Term liabilities - Less than 1 year	958 099	853 928
- Between 1 and 5 years	2 570 757	3 157 623
Consumer Deposits - Less than 1 year	1 820 879	1 762 815
Trade and Other Payables - Less than 1 year	14 946 782	16 283 849
Unspent conditional government grants and receipts - Less than 1 year	47 140 013	29 562 280
Bank Overdraft - Less than 1 year	12 474 218	2 815 594

**40 FINANCIAL INSTRUMENTS**

In accordance with IAS 39.09 the financial assets of the municipality are classified as follows:

**Financial Assets**

**Investments**

Long term deposits - Held to maturity	1 146 785	1 621 262
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**MAKANA MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

<b>Long-term Receivables</b>		
Staff loans - Loans and receivables	-	5 116
<b>Consumer Debtors</b>		
Service Debtors - Loans and receivables	36 976 872	29 703 548
<b>Other Debtors</b>		
Rates - Loans and receivables	27 705 323	23 474 938
Other Debtors - Loans and receivables	1 014 120	-
Government Subsidies and Grants - Loans and receivables	1 855 271	912 351
<b>Current Portion of Long-term Receivables</b>		
Staff loans - Loans and receivables	11 189	33 483
<b>Short-term Investment Deposits</b>		
Call Deposits - Held to maturity	77 277 283	62 396 577

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

	2009 R	2008 R
<b>Bank Balances and Cash</b>		
Cash Floats and Advances - Held to maturity	7 293	7 293
	<u>145 994 134</u>	<u>118 154 566</u>
<b>SUMMARY OF FINANCIAL ASSETS</b>		
<b>Held to maturity:</b>		
Held to maturity	78 431 360	64 025 131
Loans and receivables	67 562 774	54 129 435
<b>Total Financial Assets</b>	<u>145 994 134</u>	<u>118 154 566</u>
<b>41 EVENTS AFTER THE REPORTING DATE</b>		
None		
<b>42 IN-KIND DONATIONS AND ASSISTANCE</b>		
None		
<b>43 PRIVATE PUBLIC PARTNERSHIPS</b>		
Council has not entered into any private public partnerships during the financial year		
<b>44 COMPARISON WITH THE BUDGET</b>		
The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".		
<b>45 CONTINGENT LIABILITY</b>		
Claims against Council	3 626 194	-
The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the details:		
Bridge of contract claim by a contractor - the municipality disputes this claim	3 626 194	-
	<u>3 626 194</u>	<u>-</u>
<b>46 RELATED PARTIES</b>		
Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.		
The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.		
<b>46.01 Related Party Loans</b>		
Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 15 to the Annual Financial Statements.		
<b>46.02 Compensation of key management personnel</b>		
The compensation of key management personnel is set out in note 25 to the Annual Financial Statements.		
<b>46.03 Other related party transactions</b>		
The following purchases were made during the year where Councillors or staff have an interest:		

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

Councillor/Staff member:

None

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

**47 Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.**

**47.01 GRAP 19 -Provisions, Contingent Liabilities and Contingent Assets**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise the following provisions, contingent liabilities or contingent assets relating to Property, Plant and Equipment:

Refuse tip-sites financed by way of a provision;

The municipality is currently in a process of identifying all provisions which must be measured in terms of GRAP 19 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

Since the previous reporting date the following provisions were measured in accordance with GRAP 19 and restated retrospectively:

Post retirement benefits	31 948 923
Long service awards	2 735 639

**47.02 GRAP 100 -Non-current assets and discontinued operations**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise non-current assets held for sale and discontinued operations relating to Inventories, Investment Properties, Property, Plant and Equipment, Agriculture and Intangible Assets which are not recognised in terms of the transitional provisions relating to those standards:

**47.03 GRAP 16 - Investment Properties**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise all the Investment Properties:

The municipality is currently in a process of valuing all Investment Properties in terms of GRAP 16 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

**47.04 GRAP 102 - Intangible Assets**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise or measure all the Intangible Assets in accordance with the standard, including the following:

Computer Software;  
Intangible assets financed by way of finance leases;  
Intangible assets transferred as a result of the transfer of functions; and  
Servitudes.

**47.05 GRAP 12 - Inventories**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise the following inventories:

Unpurified Water;  
Land held for sale  
Other (list).

The municipality is currently in a process of identifying all inventory which must be measured in terms of GRAP 12 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

**48 Process to comply fully with the implementation of General Recognised Accounting Practices (GRAP)**

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a medium capacity municipality and must comply with GRAP by 30 June 2009. The municipality, however, took advantage of the transitional provisions in Directive 4 from the Accounting Standards Board and aims to comply fully with GRAP by 30 June 2011..

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

**10 PROPERTY, PLANT AND EQUIPMENT**

**30 JUNE 2009**

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Leased Assets	Other	Total
	R	R	R	R	R	R
<b>Carrying values at 1 JULY 2008</b>	<b>11 560 736</b>	<b>30 582 961</b>	<b>104 015</b>	<b>1 112 955</b>	<b>8 206 889</b>	<b>51 567 556</b>
Cost	22 454 928	194 588 258	153 715	1 666 156	18 291 147	237 154 205
Accumulated Depreciation	(10 894 192)	(164 005 297)	(49 701)	(553 201)	(10 084 259)	(185 586 649)
<b>Acquisitions</b>	<b>3 507 299</b>	<b>26 603 656</b>	<b>1 768 407</b>	<b>300 940</b>	<b>5 516 899</b>	<b>37 697 201</b>
<b>Depreciation</b>	<b>(85 786)</b>	<b>(1 674 171)</b>	<b>(9 854)</b>	<b>(377 591)</b>	<b>(1 638 730)</b>	<b>(3 786 132)</b>
Normal depreciation	(85 786)	(1 674 171)	(9 854)	(377 591)	(1 638 730)	(3 786 132)
<b>Carrying value of disposals</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>
Cost	(2)	-	-	-	(311 748)	(311 750)
Accumulated depreciation	-	-	-	-	311 748	311 748
<b>Carrying values at 30 JUNE 2009</b>	<b>14 982 246</b>	<b>55 512 447</b>	<b>1 862 567</b>	<b>1 036 305</b>	<b>12 085 058</b>	<b>85 478 623</b>
<b>Cost</b>	<b>25 962 225</b>	<b>221 191 914</b>	<b>1 922 122</b>	<b>1 967 096</b>	<b>23 496 299</b>	<b>274 539 656</b>
Cost	25 962 225	221 191 914	1 922 122	1 967 096	23 496 299	274 539 656
<b>Accumulated depreciation</b>	<b>(10 979 978)</b>	<b>(165 679 468)</b>	<b>(59 555)</b>	<b>(930 791)</b>	<b>(11 411 241)</b>	<b>(189 061 033)</b>
Cost	(10 979 978)	(165 679 468)	(59 555)	(930 791)	(11 411 241)	(189 061 033)

**30 JUNE 2008**

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Leased Assets	Other	Total
	R	R	R	R	R	R
<b>Carrying values at 1 JULY 2007</b>	<b>11 496 410</b>	<b>13 076 993</b>	<b>98 949</b>	<b>291 363</b>	<b>5 086 239</b>	<b>30 049 955</b>
<b>Cost</b>	<b>22 310 786</b>	<b>176 309 641</b>	<b>145 050</b>	<b>470 941</b>	<b>14 437 380</b>	<b>213 673 798</b>
Cost	22 310 786	176 309 641	145 050	470 941	14 437 380	213 673 798
<b>Accumulated depreciation</b>	<b>(10 814 376)</b>	<b>(163 232 648)</b>	<b>(46 101)</b>	<b>(179 578)</b>	<b>(9 351 140)</b>	<b>(183 623 843)</b>
Accumulated depreciation	(10 814 376)	(163 232 648)	(46 101)	(179 578)	(9 351 140)	(183 623 843)
<b>Acquisitions</b>	<b>144 142</b>	<b>18 278 617</b>	<b>8 665</b>	<b>627 410</b>	<b>4 159 017</b>	<b>23 217 851</b>
<b>Carrying value of disposals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cost	-	-	-	-	(305 249)	(305 249)
Accumulated depreciation	-	-	-	-	305 249	305 249
<b>Correction of errors in terms of GRAP 3 - Note 33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>394 570</b>	<b>(4 889)</b>	<b>389 681</b>
Cost	-	-	-	567 805	-	567 805
Accumulated depreciation	-	-	-	(173 235)	(4 889)	(178 124)
<b>Depreciation</b>	<b>(79 816)</b>	<b>(772 649)</b>	<b>(3 600)</b>	<b>(200 388)</b>	<b>(1 033 478)</b>	<b>(2 089 930)</b>
Normal depreciation	(79 816)	(772 649)	(3 600)	(200 388)	(1 033 478)	(2 089 930)
<b>Carrying values at 30 JUNE 2008</b>	<b>11 560 736</b>	<b>30 582 961</b>	<b>104 015</b>	<b>1 112 955</b>	<b>8 206 889</b>	<b>51 567 556</b>
<b>Cost</b>	<b>22 454 928</b>	<b>194 588 258</b>	<b>153 715</b>	<b>1 666 156</b>	<b>18 291 147</b>	<b>237 154 205</b>
Cost	22 454 928	194 588 258	153 715	1 666 156	18 291 147	237 154 205
<b>Accumulated depreciation</b>	<b>(10 894 192)</b>	<b>(164 005 297)</b>	<b>(49 701)</b>	<b>(553 201)</b>	<b>(10 084 259)</b>	<b>(185 586 649)</b>
Cost	(10 894 192)	(164 005 297)	(49 701)	(553 201)	(10 084 259)	(185 586 649)
Revaluation	-	-	-	-	-	-

The leased property, plant and equipment is secured as set out in Note 2.

The Municipality identified other properties, plant and equipment, with opening balances and adjustments during the year.

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not measure all the Property, Plant and Equipment in accordance with the standard, including the following:

Land;

Componentised infrastructure assets.

The municipality is currently in a process of identifying all Property, Plant and Equipment and have it valued in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2010 financial statements. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2010. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

The municipality did not measure the following, in terms of the transitional provisions:

- Review of useful life of item of PPE recognised in the annual financial statements.
- Review of the depreciation method applied to PPE recognised in the annual financial statements.
- Review of residual values of item of PPE recognised in the annual financial statements.
- Impairment of non-cash generating assets.
- Impairment of cash generating assets.





**APPENDIX A  
MAKANA MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009**

<b>EXTERNAL LOANS</b>	<b>Original Loan Amount</b>	<b>Rate</b>	<b>Redeemable</b>	<b>Balance at 30 JUNE 2008</b>	<b>Received during the period</b>	<b>Redeemed written off during the period</b>	<b>Balance at 30 JUNE 2009</b>
<b>ANNUITY LOANS</b>							
Annuity loan	-	13.50%	2013	2 519 515	-	415 194	2 104 321
				<b>2 519 515</b>	<b>-</b>	<b>415 194</b>	<b>2 104 321</b>
Nashua IS 450 Scanner - Serial-P1200900021	76 430	11.00%	2009	21 743	-	18 464	3 279
Panasonic - DP1520- Serial-CFP4JZ00766	25 010	13.00%	2012	21 547	-	4 277	17 270
Panasonic Studio 120 - Serial-CGD314099	10 655	10.50%	2011	6 710	-	2 145	4 565
Panasonic - FP7818 - Serial-DAU24X00087	7 313	11.00%	2009	2 356	-	1 735	622
Panasonic - DP1820P - Serial-GDP3VM00049	41 870	10.50%	2010	17 939	-	9 358	8 582
Panasonic - DP1520P- Serial-GEP4JZ00752	25 010	13.00%	2012	21 547	-	4 277	17 270
Panasonic - DP1820P- Serial-HFP4KP00019	31 240	12.00%	2011	23 249	-	5 853	17 396
Panasonic - DP1515 Serial-HFP4WY00036	13 890	12.00%	2011	10 351	-	2 606	7 745
Panasonic - DP1515- Serial-HFP4WY00037	13 890	12.00%	2011	10 351	-	2 606	7 745
Panasonic - DP1515 - Serial-HFP4WY00038	13 890	12.00%	2011	10 351	-	2 606	7 745
Panasonic - DP180 - Serial-IDU3ZW00204	17 635	10.50%	2011	7 555	-	3 941	3 614
Panasonic - DP1820E- Serial-JEP4K200234	39 040	11.00%	2011	25 929	-	7 715	18 214
Panasonic - DP180 - Serial-KEE32W00119	19 960	10.50%	2011	12 251	-	4 053	8 197
Panasonic - UF490 - Serial-LDP1BH00001	7 773	11.00%	2010	3 215	-	1 761	1 454
Panasonic - DP1520P- Serial-LDP3VP00827	25 540	10.50%	2010	10 943	-	5 708	5 235
Panasonic - DP180 - Serial-LDU32W00094	17 635	10.50%	2010	7 555	-	3 941	3 614
Panasonic - DP6030 - Serial-LEP4BP00002	81 180	10.50%	2011	49 827	-	16 485	33 342
Siemens addition - 2700001913	66 440	14.00%	2013	63 629	-	12 312	51 317
Siemens - 2700001913	510 950	13.00%	2012	440 208	-	87 364	352 844
Xerox - 5915 - Serial-3501063150	26 500	12.00%	2009	717	-	717	0
Xerox - 5915 - Serial-3501252165	26 500	12.00%	2009	2 130	-	2 130	0
Konica Minolta B350 - 21207399	142 230	12.50%	2012	118 442	-	24 993	93 449
Panasonic DP180 - HDU3ZW00084	9 935	15.50%	2013	-	9 935	1 049	8 886
Konica Minolta C450 - 215801868	173 350	12.50%	2012	144 356	-	30 462	113 894
Konica Minolta 600 - 57BN30741	185 000	15.50%	2013	-	185 000	21 841	163 159
Panasonic DP1520P - LDP3VP00797	10 585	14.50%	2013	10 217	-	1 612	8 605
Konica Minolta C252 - 225704274	127 480	13.00%	2012	109 826	-	21 800	88 026
Nashua - AF2018D - J9246520484	68 940	11.00%	2009	19 611	-	16 654	2 957
Konica Minolta 211 - 4111209	35 335	15.50%	2013	-	35 335	4 171	31 164
Konica Minolta 211 - 4111248	35 335	15.50%	2013	-	35 335	4 619	30 716
Konica Minolta 211 - 4111294	35 335	15.50%	2013	-	35 335	4 619	30 716
Konica Minolta - 4111319	39 550	10.50%	2010	16 944	-	8 839	8 105
Panasonic Studio 120 - CGG424499	5 670	13.00%	2012	4 809	-	980	3 829
	<b>1 967 096</b>			<b>1 194 308</b>	<b>300 940</b>	<b>341 692</b>	<b>1 153 556</b>
	<b>1 967 096</b>			<b>3 713 823</b>	<b>300 940</b>	<b>756 885</b>	<b>3 257 877</b>



APPENDIX B

MAKANA MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2005

	Cost/Revaluation				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals income	Closing Balance	
<b>Land and Buildings</b>									
Land	9 436 952	-	2	9 436 950	-	-	-	-	9 436 950
Buildings	13 017 977	3 507 299	-	16 525 275	10 894 192	85 786	-	10 979 978	5 545 297
	<b>22 454 928</b>	<b>3 507 299</b>	<b>2</b>	<b>25 962 225</b>	<b>10 894 192</b>	<b>85 786</b>	<b>-</b>	<b>10 979 978</b>	<b>14 982 246</b>
<b>Infrastructure</b>									
Main: Roads	33 375 022	10 550 528	-	43 925 551	30 594 678	237 914	-	30 832 592	13 092 959
Main: Waste Management	-	1 010 618	-	1 010 618	-	11	-	11	1 010 607
Main: Electricity	34 449 054	3 673 059	-	38 122 113	34 208 801	15 599	-	34 224 399	3 897 713
Main: Water	56 246 374	5 629 376	-	61 875 750	53 094 940	158 446	-	53 253 387	8 622 363
Sewerage Mains & Purify	69 322 963	5 740 075	-	75 063 038	44 912 032	1 262 201	-	46 174 234	28 888 805
Airfield	514 845	-	-	514 845	514 845	-	-	514 845	-
Tip Sites	680 000	-	-	680 000	680 000	-	-	680 000	-
	<b>194 588 258</b>	<b>26 603 656</b>	<b>-</b>	<b>221 191 914</b>	<b>164 005 297</b>	<b>1 674 171</b>	<b>-</b>	<b>165 679 468</b>	<b>55 512 447</b>
<b>Community Assets</b>									
Recreation Grounds	8 665	1 183 906	-	1 192 571	7	6 272	-	6 279	1 186 293
Community Centres	55 329	-	-	55 329	43 704	592	-	44 296	11 033
Cemetery	89 722	584 500	-	674 222	5 990	2 991	-	8 980	665 242
Arts & Craft	-	-	-	-	-	-	-	-	-
	<b>153 715</b>	<b>1 768 407</b>	<b>-</b>	<b>1 922 122</b>	<b>49 701</b>	<b>9 854</b>	<b>-</b>	<b>59 555</b>	<b>1 862 567</b>
<b>Leased Assets</b>									
Leased Office Assets	1 666 156	300 940	-	1 967 096	553 201	377 591	-	930 791	1 036 305
	<b>1 666 156</b>	<b>300 940</b>	<b>-</b>	<b>1 967 096</b>	<b>553 201</b>	<b>377 591</b>	<b>-</b>	<b>930 791</b>	<b>1 036 305</b>
<b>Other Assets</b>									
Motor Vehicles	7 838 024	1 439 044	248 768	9 028 299	4 289 891	1 054 529	248 768	5 095 652	3 932 647
Bicycles	2 388	-	-	2 388	892	478	-	1 370	1 018
Plant & Equipment	2 161 851	796 240	-	2 958 091	1 380 704	100 583	-	1 481 287	1 476 804
Office Equipment	641 592	339 937	308	981 221	508 243	38 868	308	546 803	434 418
Furniture & Fittings	2 105 536	245 618	8 274	2 342 881	1 637 636	77 398	8 274	1 706 759	636 121
Clinic Equipment	34 669	-	-	34 669	875	1 427	-	2 301	32 368
Computer Equipment	1 971 980	538 548	54 398	2 456 129	1 573 994	118 833	54 398	1 638 429	817 701
Specialised Vehicles	3 535 108	2 157 513	-	5 692 620	692 024	246 616	-	938 640	4 753 980
	<b>18 291 147</b>	<b>5 516 899</b>	<b>311 748</b>	<b>23 496 299</b>	<b>10 084 259</b>	<b>1 638 730</b>	<b>311 748</b>	<b>11 411 241</b>	<b>12 085 058</b>
<b>Total Property, Plant and Equipment</b>	<b>237 154 205</b>	<b>37 697 201</b>	<b>311 750</b>	<b>274 539 656</b>	<b>185 586 649</b>	<b>3 786 132</b>	<b>311 748</b>	<b>189 061 033</b>	<b>85 478 623</b>
<b>Intangible Assets</b>									
Intangible Assets	7 220	4 885	-	12 105	610	1 881	-	2 491	9 614
	<b>7 220</b>	<b>4 885</b>	<b>-</b>	<b>12 105</b>	<b>610</b>	<b>1 881</b>	<b>-</b>	<b>2 491</b>	<b>9 614</b>
<b>Total</b>	<b>237 161 425</b>	<b>37 702 086</b>	<b>311 750</b>	<b>274 551 762</b>	<b>185 587 259</b>	<b>3 788 013</b>	<b>311 748</b>	<b>189 063 524</b>	<b>85 488 237</b>

## APPENDIX C

### MAKANA MUNICIPALITY : SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTY AS AT 30 JUNE 2009

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Municipal Manager	156 762.88	337 401.90	-	494 164.78	84 335.66	36 324.29	-	120 659.95	373 504.83
Financial Services	3 159 959.34	291 361.18	489.00	3 450 831.52	1 196 729.66	408 661.57	489.00	1 604 902.23	1 845 929.29
Technical Services	223 906 888.75	26 888 163.54	149 201.66	250 645 850.63	177 487 773.89	2 490 432.00	149 199.66	179 829 006.23	70 816 844.40
Corporate Services	1 702 883.43	3 239 683.82	4 806.00	4 937 761.25	1 054 472.15	142 771.53	4 806.00	1 192 437.68	3 745 323.57
Community Services	7 505 225.78	6 628 515.09	157 253.00	13 976 487.87	5 644 683.40	568 802.42	157 253.00	6 056 232.82	7 920 255.05
Executive Mayor	687 620.00	11 864.45	-	699 484.45	107 356.98	127 717.48	-	235 074.46	464 409.99
LED Services	42 084.59	305 096.42	-	347 181.01	11 907.04	13 304.08	-	25 211.12	321 969.89
	-				-				-
<b>TOTAL</b>	<b>237 161 424.77</b>	<b>37 702 086.40</b>	<b>311 749.66</b>	<b>274 551 761.51</b>	<b>185 587 258.78</b>	<b>3 788 013.37</b>	<b>311 747.66</b>	<b>189 063 524.49</b>	<b>85 488 237.02</b>

**APPENDIX D**  
**MAKANA MUNICIPALITY: SEGMENTAL STATEMENT OF**  
**FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009**  
**MUNICIPAL VOTES CLASSIFICATION**

<b>2008 Actual Income</b>	<b>2008 Actual Expenditure</b>	<b>2008 Surplus/ (Deficit)</b>	<b>Description</b>	<b>2009 Actual Income</b>	<b>2009 Actual Expenditure</b>	<b>2009 Surplus/ (Deficit)</b>
<b>R</b>	<b>R</b>	<b>R</b>		<b>R</b>	<b>R</b>	<b>R</b>
1 024 014	(5 395 647)	(4 371 633)	Executive and Council	262 288	(6 254 952)	(5 992 664)
1 015 691	(7 776 195)	(6 760 504)	Corporate Services	1 379 924	(8 342 996)	(6 963 072)
57 239 953	(64 554 106)	(7 314 153)	Financial Services	83 124 605	(48 705 164)	34 419 441
9 313 111	(14 302 219)	(4 989 108)	Community Services	9 147 998	(16 367 133)	(7 219 134)
-	(2 467 556)	(2 467 556)	Planning & Building Services	443 901	(3 194 683)	(2 750 783)
41 004 650	(30 823 717)	10 180 933	Electrical Services	49 271 645	(42 416 390)	6 855 255
73 160 811	(37 229 774)	35 931 036	Technical Services	57 922 462	(44 012 187)	13 910 275
<b>182 758 229</b>	<b>(162 549 214)</b>	<b>20 209 016</b>	Sub-Total	<b>201 552 823</b>	<b>(169 293 504)</b>	<b>32 259 318</b>
(12 944 623)	12 944 623	-	Less: Inter-departmental Charges	(10 067 710)	10 067 710	-
<b>169 813 606</b>	<b>(149 604 590)</b>	<b>20 209 016</b>	<b>Total</b>	<b>191 485 113</b>	<b>(159 225 794)</b>	<b>32 259 318</b>

**APPENDIX D1  
MAKANA: SEGMENTAL STATEMENT OF  
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009  
GENERAL FINANCE STATISTICS CLASSIFICATION**

<b>2008 Actual Income</b>	<b>2008 Actual Expenditure</b>	<b>2008 Surplus/ (Deficit)</b>	<b>Description</b>	<b>2009 Actual Income</b>	<b>2009 Actual Expenditure</b>	<b>2009 Surplus/ (Deficit)</b>
<b>R</b>	<b>R</b>	<b>R</b>		<b>R</b>	<b>R</b>	<b>R</b>
1 024 014	(5 395 647)	(4 371 633)	Executive & Council	262 288	(6 254 952)	(5 992 664)
56 707 183	(58 378 971)	(1 671 787)	Finance & Admin	61 803 415	(38 579 171)	23 224 245
-	(2 467 556)	(2 467 556)	Planning & Development	443 901	(3 194 683)	(2 750 783)
8 970 168	(6 564 677)	2 405 491	Health	8 705 874	(7 373 878)	1 331 996
288 551	(4 031 256)	(3 742 705)	Community & Social Services	390 706	(5 260 737)	(4 870 031)
30 394	(31 295)	(901)	Housing	11 932	(35 515)	(23 583)
1 015 691	(7 776 195)	(6 760 504)	Public Safety	1 379 924	(8 342 996)	(6 963 072)
23 998	(3 674 991)	(3 650 993)	Sport & Recreation	39 486	(3 697 002)	(3 657 516)
36 187 768	(11 959 278)	24 228 491	Waste Management	26 324 342	(16 155 099)	10 169 242
6 365 154	(9 148 162)	(2 783 008)	Road Transport	3 024 701	(8 332 529)	(5 307 827)
30 607 888	(16 122 334)	14 485 554	Water	28 573 418	(19 524 558)	9 048 860
41 004 650	(30 823 717)	10 180 933	Electricity	49 271 645	(42 416 390)	6 855 255
532 769	(6 175 135)	(5 642 366)	Other	21 321 189	(10 125 993)	11 195 196
<b>182 758 229</b>	<b>(162 549 214)</b>	<b>20 209 016</b>	Sub-Total	<b>201 552 823</b>	<b>(169 293 504)</b>	<b>32 259 318</b>
12 944 623	(12 944 623)	-	Less: Inter-departmental Charges	(10 067 710)	10 067 710	-
<b>195 702 852</b>	<b>(175 493 837)</b>	<b>20 209 016</b>	<b>Total</b>	<b>191 485 113</b>	<b>(159 225 794)</b>	<b>32 259 318</b>

**APPENDIX E(1)**  
**MAKANA MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>Internal</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
	<b>Actual (R)</b>	<b>Charges</b>	<b>Total Actual</b>	<b>Budget (R)</b>	<b>Variance (R)</b>	<b>Variance (%)</b>
<b>REVENUE</b>						
Property rates	27 504 519		27 504 519	29 244 640	(1 740 121)	-5.95%
Reversal of Investment Impairments	287 062		287 062	-	287 062	0.00%
Service charges	81 088 843		81 088 843	81 405 160	(316 317)	-0.39%
Rental of facilities and equipment	818 954		818 954	733 660	85 294	11.63%
Interest earned - external investments	7 658 781		7 658 781	1 500 000	6 158 781	410.59%
Interest earned - outstanding debtors	10 041 040		10 041 040	6 895 540	3 145 500	45.62%
Fines	1 239 110		1 239 110	1 087 690	151 420	13.92%
Licences and permits	2 344 643		2 344 643	1 390 000	954 643	68.68%
Income for agency services	708 346		708 346	503 000	205 346	40.82%
Government grants and subsidies	65 452 914		65 452 914	37 871 830	27 581 084	72.83%
Other income	1 054 293		1 054 293	1 704 720	(650 427)	-38.15%
Third Party Payments	37 045		37 045	-	37 045	0.00%
Stock Adjustments	1 182 973		1 182 973	-	1 182 973	0.00%
Actuarial gains	1 938 867		1 938 867	-	1 938 867	0.00%
Gains on disposal of property, plant and equipment	195 435		195 435	560	194 875	34799.06%
Inter-departmental Charges	-	(10 067 710)	(10 067 710)	-	(10 067 710)	
<b>Total Revenue</b>	<b>201 552 823</b>	<b>(10 067 710)</b>	<b>191 485 113</b>	<b>162 336 800</b>	<b>29 148 313</b>	<b>17.96%</b>
<b>EXPENDITURE</b>						
Executive and Council	6 254 952		6 254 952	16 615 990	(10 361 038)	-62.36%
Corporate Services	8 342 996		8 342 996	4 603 430	3 739 566	81.23%
Financial Services	48 705 164		48 705 164	13 374 020	35 331 144	264.18%
Community Services	16 367 133		16 367 133	43 148 050	(26 780 917)	-62.07%
Planning & Building Services	3 194 683		3 194 683	4 269 730	(1 075 047)	-25.18%
Technical Services	86 428 577		86 428 577	95 364 730	(8 936 153)	-9.37%
Inter-departmental Charges		(10 067 710)	(10 067 710)			
<b>Total Expenditure</b>	<b>169 293 504</b>	<b>(10 067 710)</b>	<b>159 225 794</b>	<b>177 375 950</b>	<b>(8 082 446)</b>	<b>-4.56%</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>32 259 318</b>	<b>-</b>	<b>32 259 318</b>	<b>(15 039 150)</b>	<b>37 230 758</b>	<b>-247.56%</b>

**APPENDIX E(2)**

**MAKANA MUNICIPALITY: SEGMENTAL ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009  
Acquisition of Property, Plant and Equipment**

	<b><u>2009 Actual</u></b>	<b><u>2009 Budget</u></b>	<b><u>2009 Variance</u></b>	<b><u>2009 Variance</u></b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>%</b>
Mayoral Executive	11 864	20 000	(8 136)	-40.68%
Municipal Council		170 000	(170 000)	-100.00%
Office of the Accounting Officer	337 402	487 300	(149 898)	0.00%
Budget & Treasury Office	291 361	40 000	251 361	628.40%
Technical Services	26 888 164	27 687 600	(799 436)	-2.89%
Community & Social Services	6 628 515	5 384 000	1 244 515	0.00%
Corporate Services	3 239 684	188 200	3 051 484	1621.40%
Local Economic Development	305 096	77 250	227 846	0.00%
<b>Total</b>	<b>37 702 086</b>	<b>34 054 350</b>	<b>3 647 736</b>	<b>10.71%</b>



## APPENDIX F

## MAKANA MUNICIPALITY: DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance at 1 JULY 2008	Correction of Error	Restated Balance 1 JULY 2008	Contributions during year and other income	Interest on Investments	Operating expenditure during year Transferred to Revenue	Capital expenditure during year Transferred to Revenue	Transfers	Balance at 30 JUNE 2009
	R		R	R		R	R		R
Black rugby trust	11 008	-	11 008	-	-	11 000	-	-	8
Christmas cheer	2 062	-	2 062	-	-	-	-	-	2 062
Columbarium	4 957	-	4 957	-	-	-	-	-	4 957
Equitable Share	-	-	-	33 999 570	-	33 999 570	-	-	-
<b>Finance Management gran</b>	<b>1 115 140</b>	<b>-</b>	<b>1 115 140</b>	<b>500 000</b>	<b>-</b>	<b>1 080 035</b>	<b>54 276</b>	<b>-</b>	<b>480 829</b>
Fort Brown - Agri-village	550 000	-	550 000	-	-	-	-	-	550 000
Grahamstown Football Associator	314 000	-	314 000	-	-	-	-	-	314 000
Grants & Donations (Capital expenditure)	18 142 276	-	18 142 276	39 852 254	-	-	20 104 437	-	37 990 093
Health Subsidies	-	-	-	5 596 351	-	5 596 351	-	-	-
Health development forum	89 428	-	89 428	-	-	12 851	-	-	76 576
Housing Projects (Housing Board)	4 212 664	-	4 212 664	175 719	396 363	502 924	-	-	4 281 822
IEC Infrastructure	-	-	-	85 611	-	70 425	-	-	15 186
Iwezi project	27 039	-	27 039	-	-	-	-	-	27 039
Integrated development pla	265 014	-	265 014	200 000	-	77 351	-	-	387 663
I.T. and data cleansing	17 467	-	17 467	-	-	-	-	-	17 467
LED capacity building	185 900	-	185 900	-	-	181 534	-	-	4 366
Makana small-scale mine:	100 000	-	100 000	-	-	-	-	-	100 000
Mayfield transit camp	291 535	-	291 535	-	-	-	-	-	291 535
Mayfield phase 2 planning	401 160	-	401 160	-	-	-	-	-	401 160
<b>Municipal systems improvement gran</b>	<b>57 418</b>	<b>-</b>	<b>57 418</b>	<b>400 000</b>	<b>-</b>	<b>187 825</b>	<b>236 983</b>	<b>-</b>	<b>32 610</b>
National peace arboretum	103 631	-	103 631	-	-	-	-	-	103 631
Planning and developmen	-	-	-	81 000	-	81 000	-	-	-
Sporting facilities (State Lotteries)	1 197 156	-	1 197 156	-	-	13 495	1 183 906	-	246
Trust funds (Alcedale)	1 018 551	-	1 018 551	-	-	170 367	-	-	848 184
Trust funds (Riebeeck East)	132 215	-	132 215	-	-	-	-	-	132 215
Valuation (General)	536 855	-	536 855	-	-	-	-	-	536 855
Victoria rd - 102 sites	-	-	-	1 871	130	38 501	-	-	-36 500
Vukani greenbelt project (State Lottery)	170 800	-	170 800	-	-	-	-	-	170 800
Yuns Awards	351 433	-	351 433	-	-	-	242 500	-	108 933
Department of Spor	10 440	-	10 440	26 200	-	33 302	-	-	3 338
Transitional Grant	95 655	-	95 655	-	-	75 745	-	-	535
Outfall Sewer	806	-	806	-	-	-	1 282 648	-	-1 281 841
Jmsobornvu Youth Fun	-173 616	-	-173 616	370 000	-	95 907	-	-	100 477
Farmersfield - Roads	-110 346	-	-110 346	-	-	-	-	-	-110 346
Farmersfield - Water	-76 683	-	-76 683	-	-	-	-	-	-76 683
Mayfield Farm Housing Projec	-46 376	46 376	-	-	-	-	-	-	-
Vukani Housing Project (PHB)	-44 519	-	-44 519	-	-	-	-	-	-44 519
Tantya Housing Project	-329 559	-	-329 559	302 658	-	6 127	-	-	-33 028
Newtown Housing Project	-7 753	-	-7 753	-	-	-	-	-	-7 753
Victoria RD Housing Projec	-25 567	-	-25 567	-	-	16 535	-	-	-42 102
Farmersfield Survey	-84 440	-	-84 440	-	-	-	-	-	-84 440
Upgrading Libraries - CDV	-59 867	-	-59 867	-	-	-	77 945	-	-137 812
Water: Fort Brown (Rural Areas	157 671	-	157 671	-	-	-	-	-	157 671
Balance of conditional grants and receipts - End of yea	28 603 553	-	28 649 929	81 691 234	396 493	42 250 844	23 202 070	-	45 284 742
Unpaid conditional grants and receipts - beginning of yea	-958 727	46 376	-912 351	-	-	-	-	-	-1 855 271
	<b>29 562 280</b>	<b>-46 376</b>	<b>29 562 280</b>						<b>47 140 013</b>

No grants have been withheld.