

Sundays River Valley Municipality

ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2009

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 41, in terms of Section 12(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 Councillors as disclosed in note 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager

Date

SUNDAYS RIVER VALLEY MUNICIPALITY

CONTENTS

	PAGE
1 STATEMENT OF FINANCIAL POSITION	2
2 STATEMENT OF CHANGES IN NET ASSETS	3
3 CASH FLOW STATEMENT	4
4 STATEMENT OF FINANCIAL PERFORMANCE	5
5 ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS	6-13
6 NOTES TO THE FINANCIAL STATEMENTS	14-25
7 APPENDICES :	
A. SCHEDULE OF EXTERNAL LOANS	26
B. ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT	27
C. SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT	28
D. SEGMENTAL INCOME STATEMENT	29
E(1). ACTUAL VS BUDGET	30
E(2). ACTUAL VERSUS BUDGET-CAPITAL	31
G. INVESTEMENT SCHEDULE	32

SUNDAYS RIVER VALLEY MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009

	Note	2009 R	2008 R
Net Assets		49 635 597	48 192 810
Reserves	2	75 536 197	61 488 305
Accumulated Deficit	2	-25 900 600	(13 295 495)
Non-current Liabilities		8 108 856	8 028 667
Long-Term Liabilities	3	4 658 856	4 755 509
Non-current provisions	4	3 450 000	3 273 158
Current Liabilities		66 668 995	40 418 389
Trade and other payables	5	45 644 546	25 862 878
Provisions	6	897 467	610 076
Short term portion of long term liabilities	3	650 709	626 765
Short term portion of unspent grants and subsidies	3,12	19 193 350	12 415 407
Bank overdraft	11	282 923	903 264
		124 413 448	96 639 866
ASSETS			
Non-Current Assets		81 752 147	67 298 099
Property, Plant And Equipment	7	81 689 783	67 226 472
Long-Term Receivables	8	62 364	71 627
Current Assets		42 661 301	29 341 766
Inventory	9	0	360
Trade and other receivables	10	30 089 305	17 019 425
Short term portion of long-term receivables	8	3 016	2 870
Cash and cash equivalents	11	12 568 980	12 319 111
Total Assets		124 413 448	96 639 865

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

	Donations and Public Contributions Reserve	Capitalisation reserve	Government Grant Reserve	Unappropriate d Surplus	Accumulated Surplus
Restated opening balance 1 July 2007	1 391 529	3 431 151	47 832 168	(7 033 745)	45 621 103
As previously stated opening balance	1 391 529	3 431 151	47 832 168	(7 639 424)	45 015 424
Understatement of other income				1 318 238	1 318 238
Overstatement of expense by including VAT				14 011	14 011
Understatement - bad debt provision fines				(726 570)	(726 570)
Capitalisation of assets transferred to reserves			12 159 304	(12 159 304)	
Scraping of asset previously capitalised			(133 385)	133 385	
Offsetting of current depreciaton	(85 578)	(374 883)	(2 732 001)	3 192 461	
Restated Surplus for the year				2 571 707	2 571 707
Restated accumulated surplus 30 June 2008	1 305 951	3 056 268	57 126 086	(13 295 495)	48 192 810
Current year Donations	139 650				139 650
Capitalisation of assets transferred to reserves			16 558 881	(16 558 881)	
Scraping of asset previously capitalised					
Offsetting of current depreciaton	(76 198)	(346 724)	(2 227 716)	2 650 638	
Surplus for the year				1 303 138	1 303 138
Closing balance at 30 June 2009	1 369 403	2 709 544	71 457 250	(25 900 600)	49 635 597

SUNDAYS RIVER VALLEY MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from levies, government and other	(19 781 668)	63 734 954
Cash paid to suppliers and employees	(28 959 649)	52 671 804
Cash (utilised in)/ generated by operations	9 177 981	11 063 150
Interest received	5 214 470	3 330 593
Interest from external borrowings	(766 669)	(619 861)
NET CASH FLOW FROM OPERATING ACTIVITIES	13 625 781	13 773 883
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment.	(17 580 072)	(16 910 043)
Proceeds on disposal of fixed assets.		184 286
(Increases)/Decreases in non-current loan receivable	9 117	(3 515)
NET CASH FROM INVESTING ACTIVITIES	(17 570 955)	(16 729 272)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term liabilities raised (repaid)	(72 709)	2 060 093
Increase (Decrease) in deferred income	4 888 092	11 050 956
NET CASH FROM FINANCING ACTIVITIES	4 815 383	13 111 049
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	870 211	10 155 660
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	11 415 847	1 260 187
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12 286 058	11 415 847

SUNDAYS RIVER VALLEY MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

Budget			Note	2009	2008
2008	2009			R	R
R	R			R	R
REVENUE					
74 218	64 776	Rental of facilities and equipment		61 243	63 112
45 202	835 000	Investment Interest		1 671 460	732 908
455 825	2 657 176	Other Interest		3 543 009	2 597 685
16 531 179	22 947 136	Government grants and subsidies- operating	13	138 897 364	30 920 261
18 784 052	26 914 054	Government grants and subsidies- capital		16 603 181	12 159 304
4 154 137	4 958 552	Property Rates		6 760 513	5 569 549
9 867	12 635	Property rates - penalties imposed and collection charges		14 986	11 051
975 480	2 183 368	Fines		1 279 521	2 627 665
11 855 847	16 520 775	Service Charges	10	15 636 152	13 581 930
926 169	4 481 600	Licences and permits		4 627 843	3 737 550
2 276 970	2 237 107	Other income	14	4 527 788	1 964 039
		Gains on disposal of property, plant and equipment			
56 088 946	83 812 179	TOTAL REVENUE		193 623 061	73 965 054
EXPENDITURE					
17 469 316	19 452 627	Employee related costs	15	22 196 499	17 491 955
2 210 485	2 524 546	Remuneration of Councillors	16	2 617 120	2 186 733
3 638 978	3 932 608	Contributions to/from Provision		287 169	2 126 415
-	0	Increase (Decrease) in provision for bad debts		17 489 741	6 348 803
1 000 000	1 000 000	Depreciation		3 116 761	3 595 694
2 985 879	3 001 846	Repairs and maintenance		3 376 149	1 580 152
105 146	401 000	Interest on external borrowings	17	766 669	619 861
3 489 382	7 027 926	Bulk Purchases	18	5 088 709	3 518 188
349 433	264 500	Contracted services		239 849	216 273
5 827 676	5 841 351	Grants and Subsidies paid	19	121 894 287	21 392 759
7 100 420	11 282 992	General expenses-other		15 246 970	12 288 169
-		Loss on disposal of property, plant and equipment		0	28 347
237 267		Internal Charges			
44 413 981	54 729 396	TOTAL EXPENDITURE		192 319 923	71 393 347
11 674 965	29 082 783	NET SURPLUS FOR THE YEAR		1 303 138	2 571 707

Refer to Appendix E(1) for explanations of variances

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**1 ACCOUNTING POLICIES****1.1 REPORTING ENTITY**

The Sunday's River Valley Municipality is a local municipality domiciled in South Africa. The registered address of the municipality is 30 Middle Street, Kirkwood. The Sunday's River Valley Municipality is situated in the western portion of the Eastern Cape Province. The municipality's primary function is to support the development of a strong system of local government and service delivery that meets the needs of the stakeholders - the residents and the Private Sector

1.2 BASIS FOR PRESENTATION**1.2.1 Statement of Compliance**

The annual financial statements have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Practices Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP
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 Exchange Rates
GRAP 5: Borrowing Costs
GRAP 6: Consolidated and Separate Financial Statements
GRAP 7: Investments in Associates
GRAP 8: Investments in Joint Ventures
GRAP 9: Revenue from Exchange Transactions
GRAP 10: Financial Reporting in Hyperinflationary Economies
GRAP 11: Construction Contracts
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 Assets
GRAP 100: Non-current Assets Held for Sales and Discontinued Operations
GRAP 101: Agriculture
GRAP 102: Intangible Assets

Currently the recognition and measurement principles in the above GRAP and GAMAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements.

GRAPs 6, 7 and 8 have been complied with, to the extent that the requirements in these standards relate to the municipality's separate financial statements.

The Minister has determined that the effective date for the above standards of GRAP shall be

- December 2005 for GRAP 1, 2 and 3
- May 2008 for all the other GRAP statements

Directives issued and effective

Reference	Topic
Directive 1	Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP
Directive 2	Transitional Provisions for the adoption of Standards of GRAP by Public Entities and Constitutional Institution
Directive 3	Transitional Provisions for the adoption of Standards of GRAP by High Capacity Municipalities
Directive 4	Transitional Provisions for the adoption of Standards of GRAP by Medium and Low Municipalities
Directive 5	Determining the GRAP Reporting Framework

Effective accrual based IPSASs considering the provisions in paragraph .15 to .19 of Directive 5

Reference	Topic
IPSAS 20	related Party Disclosures
IPSAS 21	Impairment of Non Cash-Generating Assets

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

Effective IFRSs and IFRICs that are applied considering the provisions in paragraph.20 to .26 of Directive 5

Reference	Topic
IFRS 3 (AC 140)	Business Combinations
IFRS 4 (AC 141)	Insurance contracts
IFRS 6 (AC 143)	Exploration for and Evaluation of Mineral Resources
IAS 7 (AC 144)	Financial Instruments: Disclosures
IAS 12 (AC 102)	Income Tax
IAS 19 (AC 116)	Employee Benefits
IAS 32 (AC 125)	Financial Instruments: Presentation
IAS 36 (AC 128)	Impairment of Assets
IAS 39 (AC 133)	Financial Instruments: Recognition and Measurement
SIC - 21 (AC 421)	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC - 25 (AC 425)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
SIC - 29 (AC 429)	Service Concession Arrangements - Disclosures
IFRIC 2 (AC 435)	Members' shares in Co-operative Entities and Similar Instruments
IFRIC 4 (AC 437)	Determining whether an Arrangement contains a Lease
IFRIC 9 (AC 422)	Reassessment of Embedded Derivatives
IFRIC 12 (AC 445)	Service Concession Arrangements
IFRIC 13 (AC 446)	Customer Loyalty Programmes
IFRIC 14 (AC 447)	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

.2.1.2 The cash flow statement is prepared in accordance with the direct method

.2.1.3 Specific information is presented separately on the statement of financial position such as:

- a) Receivables from non-exchange transactions including transfers
- b) Trade and Other Payables from non-exchange transactions

.2.1.4 The amount and nature of any restrictions on cash balances, where applicable, is disclosed

Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the municipality. They did however give rise to additional disclosures, including in some cases, revisions to accounting policies.

1.2.4 Basis of measurement

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

1.2.5 Use of Estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 4 – provisions

Performance bonus provisions are based on employment contract stipulations as well as previous performance bonus payment trends

The estimated useful lives of property plant and equipment were revised as part of the annual assessment process.

1.3 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

1.4 GOING CONCERN ASSUMPTION

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Cont)**1.5 PROPERTY, PLANT AND EQUIPMENT**

1.5.1

Property, plant and equipment, is stated at cost, less accumulated depreciation. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where the cost of an item of property, plant and equipment was acquired in exchange for, a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets it was measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents transferred.

The cost of assets acquired in an exchange of similar assets, are measured at the carrying value of the asset given up and no profit or loss is recognized.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and shall be depreciated according to their different useful life.

The gains and losses arising from the de-recognition of property, plant and equipment (difference between carrying amount less any revaluation surpluses and net disposal proceeds) are included in surplus or deficit when the item is derecognized.

The residual value and the useful life of each asset are reviewed annually.

The depreciation charge for each year is recognized in surplus and deficit unless it is included in the carrying amount of another asset.

Depreciation is calculated on cost less residual value, using the straight line method, over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated useful lives:

	2009	2008
Bins and containers	5 - 10	5 - 10
Buildings	50	50
Computer equipment	2 - 10	2 - 10
Electricity	10 - 30	5 - 30
Electricity meters	20 - 30	20 - 30
Equipment	3 - 15	3 - 15
Furniture and fittings	3 - 15	7 - 15
Landfill sites	20 - 50	20 - 50
Motor vehicles	5 - 10	5 - 10
Office equipment	2 - 10	2 - 10
Other plant and equipment	3 - 15	3 - 15
Plant	3 - 20	3 - 20
Recreational facilities	10 - 50	10 - 50
Roads	3 - 50	3 - 50
Sewerage	4 - 50	15 - 20
Specialised vehicle	5 - 30	5 - 20
Specialised plant and equipme	4 - 15	5 - 15
Tools	2 - 10	2 - 10
Water	5 - 50	5 - 20

1.6 RESERVES

1.6.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised. Interest earned on the CRR investment is recorded as interest earned in the Statement of Financial Performance and may be appropriated to the CRR in accordance with council policy.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the IDP.

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

1.6.2 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus to the Government Grants 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.

1.6.3 Capitalisation Reserve

On the implementation of 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.

1.6.4 Donations and public contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus to the Donations and Public Contributions Reserve equal to the donations and public contributions 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 Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from donations and public contributions is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

1.7 PROVISIONS

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If the municipality has an onerous contract, the present obligation under the contract shall be recognized and measured as a provision.

Where performance appraisals have not yet been performed at year-end, a performance bonus provision is made based on the employment contract stipulations as well as previous performance bonus payment trends.

1.8 EMPLOYEE BENEFITS

1.8.1 Defined Contributions

Payments to defined contribution retirement benefit plans are charged to the financial performance as they fall due. Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the scheme is equivalent to those arising in a defined contribution retirement benefit plan.

The Council 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 conditions of service), on retirement, is entitled to remain a continued member of such medical aid fund. The medical aid contributions are charged to the financial performance as they fall due.

1.8.2 Defined Benefits

All defined benefit plans are accounted for in terms of defined contributions in terms of the exercise of the exemptions provided for in Government Gazette 3001 of June 2007.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Cont)**1.8.3 Accrued Leave Pay**

Liabilities for annual leave are recognised as they accrue to employees. The leave pay accrual is calculated taking into account the municipality's leave pay accrual policy.

1.9 LEASES**1.9.1 Municipality as the lessee**

Leases in terms of which the municipality assumes substantially all the risks and rewards of ownership are classified as finance leases and where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

Upon initial recognition the finance leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments and the corresponding liabilities are raised. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance on the straight line method over the term of the lease.

1.9.2 Municipality as the lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised as they are incurred over the lease term.

1.10 INVESTMENTS

The Municipality classifies its investments in the following categories:

- loans and receivables and
- held-to-maturity investments.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

1.10.1 Loans and receivables

Loans and receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables, receivable within 12 months are included in trade and other receivables in the Statement of Financial Position.

1.10.2 Held-to-maturity investments

Held-to-maturity investments are fixed or determinable payments and fixed maturities that the municipality has the positive intention and ability to hold to maturity.

The accounting policy for financial instruments recognition, measurement and disclosures is in accordance with the exemptions in Gazette no. 30013 of 29 Jun 2007.

1.11 INVENTORIES

Unsold properties are valued at the lower of cost and net realisable value. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

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 first-in, first-out method.

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.

1.12 TRADE AND OTHER RECEIVABLES

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 that are receivable within 12 months from the reporting date are classified as current assets.

1.13 TRADE AND OTHER PAYABLES

Trade and other payables are initially recognized at the cost of the present obligation of a past event.

1.14 REVENUE RECOGNITION

Revenue comprises the cost of the consideration received or receivable for the sale of goods and services in the ordinary course of the Municipality's activities. Revenue is shown net of value added tax, estimated returns, rebates and discounts and after eliminated revenue within departments of the Municipality. Revenue is recognised as follows:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Cont)**1.14.1 Revenue from Exchange Transactions**

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when consumed. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when consumed and accrued accordingly.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest and rentals are recognised on a time proportion basis.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Income for 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.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

All other revenue is recognised as it accrues.

1.14.2 Revenue from non-exchange transactions

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Revenue from Regional Levies, both those based on turnover as well as those based on remuneration, is recognised on the payment due basis.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, at the cost of the consideration received or receivable.

Contributed property, plant and equipment is recognised when ownership of the items of property, plant and equipment is transferred to the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipality Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

1.15 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. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.16 FINANCIAL INSTRUMENTS**1.16.1 Investments and other financial assets**

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Municipality determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

1.16.2 Cash and Cash Equivalents

Cash and cash equivalents are measured at fair value.

Cash in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1.16.3 Impairment of Financial Assets

The company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

1.16.4 Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

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

In relation to trade receivables, a provision for impairment is made when there is objective evidence that the Agency will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

1.16.5 Available-for-sale financial investments

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognised in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

1.16.6 Derecognition of financial assets and liabilities**1.16.6.1 Financial Assets**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired;

- the Municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Municipality has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor
- retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1.16.6.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

1.17 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and with banks. Cash equivalents are short-term, liquid investments 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 purpose of the Cash Flow Statement, cash and cash equivalents comprise of cash on hand and deposits held on call accounts with banks.

1.18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**1.18.1 Interest Rate Risk**

The Municipality has no interest rate risk in terms of liabilities. But interest rate change may have an effect on cash reserves

1.18.2 Credit risk management

The Municipality has no exposure to credit risk management, as it has no interest bearing borrowings.

1.18.3 Liquidity risk

The Municipality has no present liquidity risk due to large cash reserves.

1.18.4 Foreign currency risk

The Municipality is not exposed to foreign currency risk as all trading is done locally.

1.18.5 Capital management

The primary objective of the Municipality's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

1.19 VALUE ADDED TAX

The Municipality accounts for Value Added Tax on the payment basis in terms of S15 (2) of the VAT Act No 89 of 1999.

1.20 COMPARATIVE INFORMATION**1.20.1 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.

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

1.21 TAXATION

The Municipality has applied and received a tax exemption certificate from South African Revenue Services.

1.21 SEGMENTAL INFORMATION

The principal segments have been identified on a primary basis by classification of the revenue and expenditure and on a secondary basis by the classification of service of operations. The secondary basis is representative of the internal structure for both budgeting and management purposes.

1.22 GRANTS-IN-AID

The Council transfers money, from time to time to, individuals, organisations and other sectors of government in accordance with the Municipal Finance Management Act.

1.23 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 (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and detailed further in the notes to the financial statements and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.24 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and detailed further in the notes to the financial statement, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25 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 expenditure in the Statement of Financial Performance and detailed further in the notes to the financial statements and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26 BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance

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

2. ACCUMULATED RESERVES

	Opening balance	Transferred in	Transferred out	Closing balance
2009				
Accumulated Surplus	-13 295 495	3 953 776	-16 558 881	-25 900 600
Capital Replacement Reserve				0
Capitalisation Reserve	3 056 268		-346 724	2 709 544
Donations and public contributions reserve	1 305 951	139 650	-76 198	1 369 403
Government Grant Reserve	57 126 086	16 558 881	-2 227 717	71 457 250
Total	48 192 810	20 652 307	-19 209 520	49 635 597

2008				
Accumulated Surplus	-7 033 745	5 897 554	-12 159 304	-13 295 495
Capital Replacement Reserve				0
Capitalisation Reserve	3 431 151		(374 883)	3 056 268
Donations and public contributions reserve	1 391 529		(85 578)	1 305 951
Government Grant Reserve	47 832 168	12 159 304	-2 865 386	57 126 086
Total	45 621 103	18 056 858	-15 485 151	48 192 810

3. LONG-TERM LIABILITIES

DBSA Loans		5 309 565	5 382 273
Secured		1 945 578	2 066 442
Revolving credit facility		1 003 314	991 261
Finance Leases		2 333 974	2 293 467
Unsecured		26 699	31 102
liabilities		650 709	626 764
Restated Long-term liabilities		4 658 856	4 755 509

The secured loan bears interest at 14.32% and is repayable quarterly. The municipality has placed a short term investment of R663,882 (2008: R608,179) as security for the loan. See note 10.

The revolving credit bears interest at prime, is secured by a hypothec over water meters with a book value of R383,587 (2008 R408,387) and have no fixed terms of repayment.

The finance leases bear interest varying between 15% - 15.5% and is repayable by month instalments of R78,439. The finance lease is secured by a hypothec over equipment and motor vehicles with book values of R1,680,517 (2008 - R1 402 361) and R807,350 (2008 - R911,538). See also note 7 below.

Present value of minimum finance lease payments

- within one year	541 043	487 652
- in second to fifth year inclusive	1 792 931	1 805 815
	<u>2 333 974</u>	<u>2 293 467</u>
Minimum finance lease payments due		
Non-current liability	2 034 327	2 362 980
Current liability	941 264	790 167
	<u>2 975 591</u>	<u>3 153 147</u>

The unsecured loan bears interest at 16.68% and is repayable by six monthly instalments of R 4,346.

Deferred income

Conditional Grants from Government	0	0
Conditional Grants from Government	19 193 350	14 305 258
Less : Short term portion transferred to current liabilities	19 193 350	14 305 258
Total long term liabilities	4 658 856	4 755 509

See Appendix G for a reconciliation of grants from National/Provincial Government.

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

PAGE 15

4. NON-CURRENT PROVISIONS

Provision for rehabilitation of landfill sites	3 450 000	3 273 158
	<u>3 450 000</u>	<u>3 273 158</u>

landfill sites

follows:-

Balance at beginning of year	3 273 158	1 200 000
Increase in provision for rehabilitation of landfill sites	176 842	2 073 158
Balance at end of year	<u>3 450 000</u>	<u>3 273 158</u>

5. TRADE AND OTHER PAYABLES

Trade creditors	43 048 957	24 648 043
Deposits	215 267	208 470
Leave pay accrual	2 345 616	905 142
Accrued expenses		71 689
Prepaid income	34 705	29 534
Restated Trade and other payables	<u>45 644 546</u>	<u>25 862 878</u>

6. PROVISIONS

Provision for Bonus	897 467	610 076
	<u>897 467</u>	<u>610 076</u>

Employee bonus is paid in November and December of each year or in the month of an employee termination, whichever comes first. The amount is based on the 1/13 of employees annual salary or proportion thereof. The provision for performance bonus has been estimated by the Municipal Manger at year end and will be payable in December 2009 after approval by council.

7. PROPERTY, PLANT AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Value</u>
	R	R	R
30 June 2009			
Infrastructure	67 772 582	18 243 750	49 528 832
Land and Buidling	28 495 266	5 718 480	22 776 786
Community	2 963 512	1 194 183	1 769 329
Other	15 324 737	7 709 901	7 614 836
Totals	<u>114 556 097</u>	<u>32 866 313</u>	<u>81 689 783</u>
30 June 2008			
Infrastructure	51 213 702	16 894 630	34 319 072
Land and Buidling	28 687 266	5 413 509	23 273 757
Community	2 607 700	1 049 304	1 558 396
Other	14 467 357	6 392 110	8 075 247
Totals	<u>96 976 025</u>	<u>29 749 553</u>	<u>67 226 472</u>

All assets were costed and recorded in the fixed asset register in terms of note 1.4. The estimated useful lives and residual value have been assessed for the year and the differences in the depreciation has been accounted for in terms of GRAP 3, change in estimates. Equipment and Motor Vehicles with book values of R1,680,517 (2008 - R1,402,361) and R807,350 (2008 - R911,538) are finance by finance leases of R2,333,974 (2008 - R2,293,467). See also note 3 above.

Refer Appendixes B and C for more detail on property, plant and equipment.

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

PAGE 16

8. LONG-TERM RECEIVABLES

ACVV	65 380	74 497
Less : Short-term portion transferred to current assets	3 016	2 870
Total Non-Current receivables	62 364	71 627

The loan to ACVV is unsecured, bears interest at 5% per annum and is repayable 6 monthly payments of R3123.

9. INVENTORY

Diesel	0	360
Inventory	0	360

Inventory is valued as stated in note 1.10

10. TRADE AND OTHER RECEIVABLES

Trade debtors	44 044 097	30 145 686
Income accrued	3 521 079	3 428 026
Other debtors	448 391	519 048
VAT	4 668 634	3 118 773
Debit balance in unspent grants and subsidies	21 817 442	6 714 478
Less provision for bad debts	-44 410 338	-25 037 920
As previously stated	30 089 305	18 888 091
understatement of bad debt provision for fines		-1 882 677
understatement of VAT		14 011
Restated trade and other receivables	30 089 305	17 019 425

Services: Ageing

0 - 90 Days	2 956 095	3 634 991
+ 90 Days	28 732 550	15 438 459
Total	31 688 645	19 073 451

Rates : Ageing

0 - 90 Days	407 171	1 111 330
+ 90 Days	9 728 083	6 054 610
Total	10 135 254	3 158 304

Housing : Ageing

0 - 90 Days	13 415	359 014
+ 90 Days	556 670	2 499 638
Total	570 085	2 858 652

Other : Ageing

0 - 90 Days	12 322	2 347
+ 90 Days	1 637 699	1 045 209
Total	1 650 021	1 047 556

SERVICE CHARGES

Sale of electricity	4 901 225	3 876 400
Sale of water	6 211 109	5 473 498
Refuse removal	3 033 219	2 819 205
Sewerage and sanitation charges	1 344 578	1 246 419
Services Charges Housing	146 266	74 443
Services Charges Other Debtors	-245	91 965
	15 636 152	13 581 930

11. CASH AND CASH EQUIVALENTS

The Municipality has the following bank accounts:

Current Account (Primary Bank Account)

11.1 Current account

First National Bank - Kirkwood Branch

Account Number : 6202 549 0856

Cashbook balance at the beginning of the year

Cashbook balance at the end of the year

-903 264	-639 503
-282 923	-903 264

Bank statement balance at the beginning of the year

Bank statement balance at the end of the year

-891 327	-690 603
-285 225	-891 327

11.2 Current Account (Motor Registration)

First National Bank - Kirkwood Branch

Account Number 62027651935

Cash book balance at beginning of year

Cash book balance at end of year

136 595	132 163
46 699	136 595

Bank statement balance at beginning of year

Bank statement balance at end of year

135 929	132 163
46 318	135 929

11.3 Current Account (Traffic Fines)

First National Bank - Kirkwood Branch

Account Number 62070775310

Cash book balance at beginning of year

Cash book balance at end of year

9 308	6 158
9 885	9 308

Bank statement balance at beginning of year

Bank statement balance at end of year

9 274	6 158
9 872	9 274

11.4 Current Account (Easy Pay)

First National Bank - Kirkwood Branch

Account Number 62098449385

Cash book balance at beginning of year

Cash book balance at end of year

6 073	4 604
425	6 073

Bank statement balance at beginning of year

Bank statement balance at end of year

6 073	4 069
425	6 073

11.5 Held to maturity investments

Bank a/c

Account Number -

Held to maturity investments

Interest on investments accrued

Call Account Deposits

Total held to maturity investments

30 871	90 771
12 480 760	12 076 024
12 511 631	12 166 795

Which are disclosed in the Statement of Financial Position as follows:-

11.6 Cash and cash equivalents

Bank Balances	57 009	151 976
Held to maturity investments	12 511 631	12 166 795
Petty cash	340	340
	12 568 980	12 319 111
Balance at the end of the year	12 286 058	11 415 847
Balance at the beginning of the year	11 415 847	1 260 187
Net Increase/(Decrease) in cash and cash equivalents	870 211	11 415 847

Included in call account deposits is an amount of R663,882 (2008- R 608,179) which is held as security by DBSA for a loan made to the municipality see note 3

12. GOVERNMENT GRANTS AND SUBSIDIES

Government Grants

IDP fund	193 693	42 211
Rezoning fund	29 464	29 464
Planning Moses Madiba	13 994	13 994
Spatial development PLA	43 146	43 146
Paterson micro enterprises	508 559	8 559
Human resources	0	1 000
Municipal infrastructure	3 630 545	139 494
MIG - cool facility	1 014	1 014
MIG - balance of fund	3 005	3 005
MIG - Kirkwood	0	1 119
MIG Emsengeni fund	1 208	1 208
Free basic electricity	-45 376	-9 869
Kirkwood cemetery fund	67 524	67 524
Paterson housing fund	-36 337	-23 622
Rectification encroachment Moses Madiba	74 407	67 880
Paterson bucket	0	2 261
Rectification encroachment	84 661	77 234
Rectification encroachment Paterson	96 719	97 531
Survey Moses Madiba	14 516	14 516
Municipal systems improvement	284 077	-10 090
Capacity building	15 279	15 279
Paterson labour	1 056	2 800
Revision and intergration	191 269	191 269
Paterson bucket eradication	1 397 796	-924 972
Drought relief fund	259 972	181 928
Performance management system	0	1 598
Addo Nomathamsanqa 91 Sites houses	4 850	-8 378
NM Paterson accident fund	4 304	3 292
Paterson housing establishment grant	-21 942	10 138
Kirkwood upgrade water treatment	-154 949	7 761
Aquapark/waterbourne sewerage	4 659	-69 896
Moses MADiba/waterbourne sewerage	-151 346	2 978 808
Agri rates trust	1 270	65 270
Water service policy	37 331	349 741
Addo noluthanddo 801 houses	-8 050 782	-4 136 455
KK 113 fund	-183 504	-421 494
Bergsig raw houses fund	62 468	1 502
Sunday's River Valley financial management grant fund	-297 581	-96 278
Moses Madiba 750 houses fund	-6 653 923	-235 784
Intergrating zoning scheme fund	286 001	264 088
Addo noluthanddo top structure	-166 577	-259 395
Addo Nomathamsanqa 1728	71 084	-533 378
Addo Valencia 600 infrastructure	1 534	1 000
Debt control	0	104 000
Asset register	400 000	400 000
Revenue collection	-34 931	150 000
Enon Basheba 450 infrastructure	-1 267 504	1 200
Moses Madiba 750 infrastructure	-60 303	
Sunday's River Valley town planning	50 297	50 297
Water service policy	0	2 000
Paterson bulk water supply	8 932 221	8 537 235
Waste management planning	0	268 421
Enon Besheba labour	-1 684 244	92 631
Langbos VIP project	30 684	28 972
Paterson 150 houses	-1 670 568	
Addo Nomathamsanqa 300	-1 337 575	
WSDP	151 124	0
O&M	251 893	0
Emsengeni sewer supply	1 991 724	0
Transfer of debit balances to trade and other receivables	21 817 441	6 714 478
As previously stated	19 193 350	14 305 258
Adjustments to the following accounts as a result of errors in prior year		
As a result of overstatement of balances in 2007		1 318 238
As a result of overstatement of balances in 2008		571 613

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

Restated unspent grants and subsidies

<u>19 193 350</u>	<u>12 415 407</u>
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13. Government grants and subsidies

National Grants

Equitable share	15 636 204	12 392 963
Municipal infrastructure Grant - PMU		486 054.00
Finance Management Grant	3 948 031	346 624
Total Government Grants	19 584 235	13 225 641

Provincial Subsidies

Subsidy : Health	2 023 761	1 392 439
Other operating grants	1 310 196	1 347 550
MSIG	1 446 747	480 868
Housing	113 996 540	13 974 305
Total Provincial Subsidies	118 777 244	17 195 162

District subsidies/grants

Subsidy : Cacadu District Municipality	535 884	499 459
Total District subsidies	535 884	499 459

Total Government Grants and Subsidies received

138 897 363	30 920 261
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

PAGE 21

14. OTHER INCOME

Cash sales electricity	1 259 758	1 075 163
Councillors Salaries Payments- Audit	0	-20 515
General Income	443 992	94 219
Income from conditional grants (VAT)	2 359 075	573 419
General project income	219 826	500
Other	245 138	241 252
Total Other Income	4 527 788	1 964 039

15. EMPLOYEE RELATED COSTS

Salaries and wages	18 911 069	17 206 522
Defined contributions	2 752 427	2 455 038
Social contributions	397 789	285 433
	22 061 285	17 491 955

Remuneration of the Municipal Manager

Annual Remuneration	495 263	338 876
Car Allowance	72 000	64 884
Performance Bonus		68 269
Allowance - telephone	6 000	
Social contributions	4 217	
Total	577 480	472 029

Remuneration of the Chief Finance Officer

Annual Remuneration	422 055	224 339
Car Allowance	72 000	45 500
Performance Bonus		64 714
Allowance- Housing Subsidy	0	0
Allowance- Other	6 000	0
Social Contributions	5 867	1 400
Total	505 922	335 953

Remuneration of the Director of Technical services

Annual Remuneration	244 504	350 593
Car Allowance	48 000	84 902
Performance Bonus		55 640
Allowance- Housing Subsidy		554
Allowance- Telephone	3 500	1 000
Social Contributions	3 771	1 602
Total	299 775	494 291

The Director Technical Services' position was vacant from 01 July 2008 to 01 December 2008

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

PAGE 22

Remuneration of the Director Corporate Services

Annual Remuneration	380 055	443 360
Car Allowance	54 000	78 000
Performance Bonus		64 714
Allowance- Other	6 000	
Contributions to pension fund	60 000	
Social Contributions	5 852	2 111
Total	505 907	588 185

Remuneration of the Director Community Services

Annual Remuneration	428 056	63 853
Car Allowance	66 000	6 500
Performance Bonus		
Allowance- Telephone	6 000	0
Social Contributions	9 755	3 849
Total	509 811	74 202

16. REMUNERATION OF COUNCILLORS

Mayor/Speaker	139 229	204 735
Councillors	1 335 665	1 140 352
Councillors' pension and Medical contribution Allowances	278 894	197 738
	863 332	643 907
Total Councillors' Remuneration	2 617 120	2 186 733

17. INTEREST ON EXTERNAL BORROWINGS

DBSA loans	110 656	208 024
Revolving credit	149 484	
Bank overdraft	53 315	258 996
Finance lease	453 214	152 841
Total interest on External Borrowings.	766 669	619 861

18. BULK PURCHASES

Electricity purchases	4 617 420	3 136 968
Water purchases	471 288	381 220
	5 088 709	3 518 188

19. GRANTS AND SUBSIDIES PAID

Grant : Study Centralized	0	911 439
Grant Exp : Subsidy Assessment Rates	191 807	2 038 081
Grant Exp : Financial management	3 948 030	
Grant Exp : Subsidy Water	947 940	1 700 962
Grant Exp : Subsidy Refuse	543 173	
Grant Exp : Subsidy Sewerage	105 134	463 090
Expenditure charged against conditional grants	116 158 203	16 279 187
Total Grants and Subsidies paid	121 894 287	21 392 759

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

PAGE 23

20. CASH GENERATED BY (UTILISED BY) OPERATIONS

Net (deficit) surplus for the year	1 303 138	3 156 200
Adjustment for:-		
Depreciation	3 116 761	3 595 694
(Gain)/Loss on disposal of property, plant and equipment	0	28 347
Contributions to bad debt provision	19 372 419	0
Contribution (from)/to provisions	176 842	2 073 158
Adjustments in respect of appropriation account	160 834	
Investment income	-5 214 470	-3 330 593
Interest paid	766 669	619 861
Operating surplus before working capital changes:	19 682 193	6 142 665
Decrease/(Increase) in inventories	360	1 169 260
(Increase) Decrease in Trade and other accounts receivable	-30 573 632	-4 463 985
Increase in provisions	287 391	178 325
Increase in trade and other accounts payable	19 781 668	13 229 581
Cash (utilised by) generated by operations	9 177 981	16 255 846

21. RETROSPECTIVE RETATEMENT OF ERRORS

During the year under review it was discovered that:

the provision for bad debts for fines were understated by R1,156,107 (2008) and R726,570 (2007) and the trade and other receivables were consequently overstated by the amounts for the respective years. The comparative figures were restated accordingly. during the vat review it was uncovered that the VAT payable was understated and the expenses overstated by R14011 for the 2007 during the year it was uncovered that other income (VAT recovered on conditional grants) was understated by R1,318,238 and unspent conditional grants overstated during the 2007 year. the 2008 financials have been restated to take into effect the overstatement of other income (VAT recovered on conditional grants) of R573,419 and the consequently overstatement of the unspent conditional grants

22. EXTERNAL LOANS RECONCILIATION

The Municipality has external loans in the form of finance leases. Refer Appendix A

23. CONTINGENT LIABILITIES

The municipality has received summons from the previous two municipal managers for unfair dismissal. The municipality will be defending both of these applications. Legal advise received from its legal advisers have indicated that the municipality will be able to successfully defend these summons.

24. UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

The municipality incurred expenses relating to penalty and interest on the late payment of SDL, UIFand PAYE to the South African Receiver of revenue.

The Provincial Local Government and Traditional Affairs, Member of Executive Council (MEC)has appointed the Special Investigative Unit to investigate certain allegations with regard to procurement and financial management of the municipality. The findings of the investigation is pending as the investigation is ongoing.

The municipality incurred interest on its overdraft during the year.

25. ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT

26. Contributions to SALGA

Opening balance		
Council subscriptions	161 175	21 996
Amount paid - current year	0	-21 996
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	161 175	0

27. Audit fees

Opening balance		527 158
Current year audit fee	1 905 151	1 299 788
Amount paid - current year	1 845 471	1 826 946
Amount paid - previous years		
Balance due (included in trade and other payables)	59 680	

PAGE 24

28. VAT

Input tax	19 217 673	5 733 326
Output tax	1 313 697	1 389 335
VAT refunded/paid during the year	-16 093 548	1 225 218
NET VAT -included in trade and other receivable (payable)	1 810 428	3 118 773

All Vat returns have been submitted by the due date throughout the year.

29. PAYE and UIF

Opening balance	0	0
Current year payroll deductions	2 267 784	1 828 516
Amount paid - current year	-2 267 784	-1 828 516
Amount paid - previous years	0	0
Balance unpaid (included in debtors)	0	0

30. Pension and Medical Aid Deductions

Opening balance	0	0
Current year payroll deductions and Council Contributions	3 611 497	2 976 757
Amount paid - current year	-3 611 497	-2 976 757
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

31. RETIREMENT BENEFIT INFORMATION31.1 Post- Retirement Medical Benefit

Provision is made for post retirement medical benefits in the form of health care plans for eligible employees and pensioners

31.2 Pension and Retirement Fund Benefits

Employees and Council contribute to the Cape Joint Pension and Retirement Funds on the basis of a fixed contribution which is charged against income as incurred.

31.3 Post- Retirement Medical Benefit

Provision is made for post retirement medical benefits in the form of health care plans for eligible employees and pensioners

31.4 Pension and Retirement Fund Benefits

Employees and Council contribute to the Cape Joint Pension and Retirement Funds on the basis of a fixed contribution which is charged against income as incurred.

32. IN-KIND DONATIONS AND ASSISTANCE

No in-kind donations and assistance were made during the year

33. RISK MANAGEMENT**33.1 Liquidity risk**

The Municipality's risk to liquidity is a result of the funds available to cover future commitments. The Municipality manages liquidity through an ongoing review of future commitments and credit facilities. Stringent cash management procedures are in place which includes cash flow forecasting.

33.2 Interest rate risk

Deposits attract interest at a rate that varies according to the prime banking rate. The municipality manages this interest rate risk by ensuring that all surplus funds are invested in fixed rate instruments and by maintaining the minimum possible balance in the current account.

33.3 Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and accounts receivable. The Municipality only deposits cash with the five major banks which have an equity above R 6 billion with good credit rating. The Municipality also limits exposure according to a pre determined formulae. Consumer debtors comprise a widespread customer base which is evaluated by management on an on-going basis.

34. GOING CONCERN

We draw attention to the fact that at 30 June 2009 the municipality had an accumulated loss of R25,900,600. The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the normal course of business. The ability of the municipality to continue as a going concern is dependent upon receiving additional funds from national and or provincial treasury and or increasing the recoverability of its trade and other receivables.

36. ACTUAL OPERATING EXPENDITURE VERSUS BUDGETED OPERATING EXPENDITURE

Refer to Appendix E (1) for the comparison of actual operating expenditure versus budgeted operating expenditure.

37. ACTUAL CAPITAL EXPENDITURE VERSUS BUDGETED CAPITAL EXPENDITURE

Refer to Appendix E (2) for the comparison of actual capital expenditure versus budgeted capital expenditure.

38. EVENTS AFTER THE REPORTING DATE

The municipal manager was dismissed on 9 July 2009. An acting Municipal manager has appointed until such time as a permanent appoint has been made.

39. COMPLIANCE WITH CHAPTER 11 OF THE MUNICIPAL FINANCE MANAGEMENT ACT

The Municipality has adopted a Supply Chain Management policy with effect from 1 January 2006 in accordance with the Act and applicable regulations. However, the Municipality has experienced difficulties in populating a comprehensive supplier database which is due to a poor response from potential suppliers. As a result the application of the regulations have not been fully implemented.

APPENDIX A
SUNDAY'S VALLEY RIVER MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS
AS AT 30 JUNE 2009

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30 June 2008	Received during the period	Redeemed written off during the period	Balance at 30 June 2009	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
			R	R	R	R	R	R
LONG-TERM LOANS								
Total long-term loans			0	0	0	0	0	0
ANNUITY LOAN								
DBSA - Swimming Pool			31 102		-4 402	26 699	264 350	0
DBSA - Traffic Department			1 549 833		-90 649	1 459 184	1 877 540	
DBSA - Backhoe			516 610		-30 215	486 395	383 587	
Finance Leases			2 293 467	588 081	-547 574	2 333 974	2 487 867	
Revolving credit			991 261		12 052	1 003 314	569 358	
Total Annuity Loans			5 382 273	588 081	-660 789	5 309 565	5 582 702	0
GOVERNMENT LOANS								
Total Government Loans			0			0	0	0
TOTAL EXTERNAL LOANS			5 382 273			5 309 565	5 582 702	0

APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 June 2009

	Cost/Revaluation				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Reclassification	Closing Balance	Opening Balance	Additions	Disposals adjustments		Closing Balance
Land and Buildings										
Land	6 842 590				6 842 590	0			0	6 842 590
Buildings	21 844 676				21 844 676	5 413 510	376 912		5 790 421	16 054 255
	28 687 266	0	0	0	28 687 266	5 413 510	376 912	0	5 790 421	22 896 845
Infrastructure										
Drains										
Roads	1 066 534	0		-0	1 066 534	7 652	36 462		44 114	1 022 420
Sewerage Mains & Purif	16 485 096	10 389 508		400 000	27 274 604	2 448 410	369 416		2 817 826	24 456 778
Electricity Mains	8 458 498	0			8 458 498	2 549 152	140 793		2 689 945	5 768 554
Plant	1 166 657	0		0	1 166 657	859 965	39 185		899 150	267 507
Water Mains & Purification	25 193 999	6 169 373			31 363 372	11 615 646	847 314		12 462 960	18 900 412
	52 370 785	16 558 880	0	400 000	69 329 665	17 480 825	1 433 170	0	18 913 995	50 415 671
Community Assets										
Recreation Grounds	2 624 360	0			2 624 360	1 059 841	67 824		1 127 665	1 496 695
	2 624 360	0	0	0	2 624 360	1 059 841	67 824	0	1 127 665	1 496 695
Heritage Assets										
Historical Buildings										
Painting & Art Galleries										
	0	0	0	0	0	0				0
Housing Rental Stock										
Housing Rental 1										
Housing Rental 2										
	0	0	0	0	0	0				0
Leased Assets (Infrastructure)										
Sewerage Mains & Purify										
	0	0	0	0	0	0				0
Other Assets										
Landfill sites	600 000				600 000	318 703	19 540		338 243	261 757
Office Equipment	1 565 285	588 081			2 153 366	379 929	272 678		652 607	1 500 759
Furniture & Fittings	3 243 257	49 925		-412 829	2 880 353	1 232 432	251 875		1 484 307	1 396 046
Motor vehicles	1 939 678				1 939 678	646 881	168 617		815 499	1 124 179
Computer equipmen	2 151 686	307 884			2 459 570	957 104	229 800		1 186 904	1 272 666
Tools	115 797				115 797	81 855	18 927		100 782	15 015
Other	3 677 912	75 302		12 829	3 766 043	2 178 473	277 419		2 455 893	1 310 150
	13 293 614	1 021 191	0	-400 000	13 914 806	5 795 378	1 238 856	0	7 034 234	6 880 572
Total	96 976 025	17 580 072	0	0	114 556 097	29 749 553	3 116 761	0	32 866 314	81 689 783

APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT 30 June 2009

	Cost				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Executive & Council	26 718 041	702 412			27 420 454	5 505 262	473 809		5 979 071	21 441 383
Finance & Admin	4 822 621	77 326			4 899 947	1 742 428	513 185		2 255 613	2 644 334
Planning & Development	2 860 495	67 789			2 928 284	1 492 141	215 649		1 707 790	1 220 495
Health Services	370 739	7 660			378 399	120 808	37 305		158 113	220 286
Community & Social Services	861 482	80 850			942 332	210 898	67 909		278 807	663 525
Public Safety	2 809 854	85 154			2 895 008	456 025	121 666		577 691	2 317 317
Sport & Recreation	2 682 969	0			2 682 969	1 098 533	80 008		1 178 541	1 504 428
Road Transport	1 836 494	0			1 836 494	434 313	85 124		519 437	1 317 058
Waste Management	1 396 000	0			1 396 000	860 939	67 300		928 239	467 761
Waste Water Management	19 428 430		10 389 508		29 817 938	4 360 875	471 469		4 832 344	24 985 594
Electricity	8 604 718	0			8 604 718	2 621 319	144 424		2 765 743	5 838 975
Water	24 584 181		6 169 373		30 753 554	10 846 012	838 915		11 684 927	19 068 627
TOTAL	96 976 025	1 021 191	16 558 881	0	114 556 097	29 749 553	3 116 761	0	32 866 314	81 689 784

APPENDIX D
SUNDAYS RIVER VALLEY MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R
	4 299 947	-4 299 947	Executive & Council	367 572	5 196 879	-4 829 307
20 688 340	11 991 560	8 696 780	Finance & Admin	34 106 137	37 061 236	-2 955 099
1 852 577	3 151 184	-1 298 607	Planning & Development	222 707	3 591 429	-3 368 722
1 392 439	1 925 124	-532 685	Health	2 039 367	2 161 308	-121 941
			Community & Social			
264 061	1 312 607	-1 048 546	Services	174 441	2 435 693	-2 261 252
2 625 280	5 725 144	-3 099 864	Public Safety	1 702 143	6 858 441	-5 156 298
7 950	584 347	-576 397	Sport & Recreation	8 120	948 725	-940 605
499 458	290 874	208 584	Environmental Protection	538 655	729 021	-190 366
3 724 019	1 194 144	2 529 875	Road Transport	4 646 174	1 939 963	2 706 211
14 111 536	15 278 594	-1 167 058	Housing	114 362 631	114 441 051	-78 420
3 743 659	6 643 785	-2 900 126	Waste Management	3 764 025	2 924 807	839 218
11 468 539	2 691 778	8 776 761	Waste Water Management	12 068 503	2 349 619	9 718 884
5 070 525	4 251 734	818 791	Electricity	6 316 449	6 072 609	243 840
7 943 252	10 894 613	-2 951 361	Water	13 306 137	5 609 142	7 696 995
		0				0
73 391 635	70 235 435	3 156 200	Sub Total	193 623 061	192 319 923	1 303 138
-	-	-	Less Inter-Dep Charges	-	-	-
73 391 635	70 235 435	3 156 200	Total	193 623 061	192 319 923	1 303 138

APPENDIX E(1)

**SUNDAYS RIVER VALLEY MUNICIPALITY
ACTUAL VERSUS BUDGET
FOR THE YEAR ENDED 30 JUNE 2009**

REVENUE	2009 Actual (R)	2009 Budget (R)	2009 Variance (R)	2009 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
Property rates	6 760 513	4 958 552	1 801 961	36	interim valuations
Property rates - penalties imposed and collection charges	14 986	12 635	2 351	19	Improved control over building regulations and implementing council policies
Service charges	15 636 152	16 520 775	-884 623	-5	
Rental of facilities and equipment	61 243	64 776	-3 533	-5	
Interest earned - external investments	1 671 460	835 000	836 460	100	interest accounted for as own revenue in accordance with National treasury circular 48
Interest earned - outstanding debtors	3 543 009	2 657 176	885 833	33	Huge increase in debtors - indigent registration decreased
Fines	1 279 521	2 183 368	-903 847	-41	change in accounting of traffic fines - debtors account created and receipts allocated against debtors as required
Licences and permits	4 627 843	4 481 600	146 243	3	
Grants & subsidies received - Operating	138 897 364	22 947 136	115 950 228	505	Housing grants not budgeted for - agency function only
Grants & subsidies received - Capital	16 603 181	26 914 054	-10 310 873	-38	Roll over of projects - thus no recognition of revenue
Other income	4 527 788	2 237 107	2 290 681	102	vat income from grants accounted for as revenue in accordance with national treasury circular 48
Gains on disposal of property, plant and equipment	0		0	#DIV/0!	
Total Revenue	193 623 061	83 812 179	109 810 882	131	
EXPENDITURE					
Employee related costs	22 061 285	19 452 627	2 608 658	13	
Remuneration of Councillors	2 617 120	2 524 546	92 574	4	
Decrease in provision for bad debt	17 489 741	0	17 489 741	#DIV/0!	budget included with contribution to provisions
Depreciation	3 116 761	1 000 000	2 116 761	212	under budgeted
Repairs and maintenance	3 376 149	3 001 846	374 303	12	additional repairs due to elections
Interest on external borrowings	766 669	401 000	365 669	91	interest on leases - under budgeted for
Bulk purchases	5 088 709	7 027 926	-1 939 217	-28	anticipated a higher increase in electricity charges during Sept than realised.
Contracted services	239 849	264 500	-24 651	-9	
Grants and subsidies paid	121 894 287	5 841 351	116 052 936	1 987	housing & other grants - expenditure accounted for
General expenses - other	15 246 970	11 282 992	3 963 978	35	motor registration payments (to be netted off against revenue)
Contributions To/From Provisions	422 382	3 932 608	-3 510 226	-89	includes provision for bad debt
Internal Charges		0	0	#DIV/0!	
Loss on disposal of property, plant and equipment	0		0	#DIV/0!	
Total Expenditure	192 319 923	54 729 396	137 590 527	251	
NET SURPLUS/(DEFICIT) FOR THE YEAR	1 303 138	29 082 783	-27 779 645	-120	

APPENDIX E(2)

SUNDAYS RIVER VALLEY MUNICIPALITY
ACTUAL VERSUS BUDGET
FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual R	2009 Under Construction R	2009 Total Additions R	2009 Budget R	2009 Variance R	2009 Variance %
Land and Buildings						
Land						
Buildings				442 050	-442 050	-100%
				442 050	-442 050	-100%
Infrastructure						
Drains			0			
Roads						
Beach Improvements						
Sewerage Mains & Purif		10 389 508	10 389 508	8 584 618	1 804 890	17%
Electricity Mains						
Electricity Substations						
Electricity Meters				1 000 000	-1 000 000	-100%
Electricity Peak Load Equip						
Water Mains & Purification		6 169 373	6 169 373	18 000 000	-11 830 627	-192%
Reservoirs - Water						
Water Meters						
Water Mains						
	0		16 558 880	27 584 618	-11 025 738	-67%
Community Assets						
Parks & Gardens			0		0	
Libraries			0	44 400	44 400	-100%
Recreation Grounds				20 000	20 000	-100%
Civic Buildings						
	0			64 400	64 400	-100%
Heritage Assets						
Historical Buildings			0		0	
Painting & Art Galleries			0		0	
	0	0	0	0	0	
Housing Rental Stock						
Housing Rental 1			0		0	
Housing Rental 2			0		0	
	0	0	0	0	0	
Leased Assets (Infrastructure)						
Sewerage Mains & Purify			0		0	
	0	0	0	0	0	
Other Assets						
Landfill sites						
Office Equipment	588 081		588 081	288 550	299 531	51%
Furniture & Fittings	49 925		49 925		49 925	100%
Emergency Equipment					0	
Motor vehicles				100 000	-100 000	-100%
Fire engines					0	
Refuse tankers					0	
Computer equipment	307 884		307 884		307 884	100%
Tools					0	
Conservancy tankers					0	
Other	75 302		75 302	43 500	31 802	42%
	1 021 191		1 021 191	432 050	589 141	58%
Total	1 021 191		17 580 072	28 523 118	-10 814 246	-62%

APPENDIX G
SUNDAY'S RIVER VALLEY MUNICIPALITY
INVESTMENT SCHEDULE
FOR THE YEAR ENDED 30 JUNE 2009

Nr.	Investment Name	Investment Nr.	Invest Item	Opening Balance	Investment Made	Investment Withdrawn	Interest Received	Closing Balance
0	SRVM Call Account	62027590589	01 10 01 02 6202 002	2 169	2 895 000.00	2 905 000.00	12 733.40	4 902.13
2	DBSA Security	62088609395	429 01 10 01 02 6233 002	611 464	500 582.17	500 000.00	51 776.76	663 822.61
5	Free Basic Electricity	62059751802	414 01 50 01 02 6219 002	105 041	57 600.34	116 248.51	5 496.80	51 889.46
8	Human Resources Development (MSP)	62054961844	408 01 10 01 02 6206 002	1 001		1 021.06	19.67	0.00
9	IDP	62051951088	401 01 10 01 02 6210 002	55 957	407 982.59	237 208.92	17 445.54	244 175.79
10	Kirkwood Rezoning	62044949537	402 01 10 01 02 6205 002	29 679	123.83	2 804.72	2 589.67	29 587.98
11	KWD Cemetery Investigation	62041425669	419 01 10 01 02 6217 002	67 964	240.13	6 421.22	5 981.80	67 764.49
12	MIG Balance of Project	62081227706	411 01 40 01 02 6229 002	3 026	11.66	285.37	265.12	3 016.95
13	MIG Cooling Facility	62081227516	410 01 10 01 02 6228 002	1 021	3.93	96.28	89.45	1 017.88
14	MIG Emsengeni	62081228621	413 01 50 01 02 6231 002	1 216	4.68	114.72	106.58	1 212.75
15	MIG Kirkwood/Moses Mabida	62081228390	412 01 40 01 02 6230 002	1 127	4.34	106.26	98.72	1 123.43
16	MSP Grant 2002-2003	62051473371	417 01 10 01 02 6211 002	1 534	0.00	1 576.65	43.11	0.00
17	Municipal Infrastructure Grant	62081227277	409 01 10 01 02 6227 002	142 551	15 989 357.39	12 057 892.30	49 441.90	4 123 457.69
18	Municipal Systems Improvement Grant	62072234041	425 01 10 01 02 6224 002	61 892	1 445 155.19	1 542 945.11	37 121.34	1 223.46
19	Paterson Bucket Eradication	62062808129	421 01 40 01 02 6218 002	2 273	0.00	2 348.91	76.11	-0.00
20	Paterson Bucket Eradication Phase 2	62087310638	432 01 40 01 02 6236 002	35 706	3 732 873.21	3 759 828.84	1 991.94	10 741.99
21	Paterson Housing Project	62069589409	420 01 20 01 02 6220 002	16 763	1 483 602.20	1 499 147.69	1 653.29	2 871.25
22	Paterson Labour	62088609288	431 01 10 01 02 6235 002	2 815	3.24	2 000.00	240.88	1 058.91
23	Paterson Micro Enterprises Craft Centre	62054191631	407 01 10 01 02 6216 002	8 619	1 002 301.75	540 075.09	40 015.64	510 861.00
24	Planning of Moses Mabida	62047939783	403 01 10 01 02 6213 002	14 082	52.91	1 240.76	1 152.97	14 046.68
25	Rec of Encroachment: Moses Mabida	62071406542	423 01 10 01 02 6222 002	67 918	36.09	0.00	6 489.03	74 443.37
26	Rec of Encroachment: Nomathamsanqa	62071406633	424 01 10 01 02 6223 002	97 587	46.90	9 962.00	9 093.88	96 765.59
27	Rec of Encroachment: Paterson	62071406401	422 01 10 01 02 6221 002	77 278	41.05	0.00	7 383.30	84 702.50
28	Revision & Integration of Zoning Scheme	62088609634	430 01 10 01 02 6234 002	192 305	587.43	18 071.73	17 035.05	191 855.65
29	Revolving Fund	62044529735	4 01 10 01 02 6203 002	2 430	0.00	2 506.97	77.46	0.00
31	Spatial Development Framework	62047939832	405 01 10 01 02 6212 002	43 403	136.17	3 630.73	3 372.80	43 281.71
32	Survey of Moses Mabida	62072093299	427 01 10 01 02 6226 002	14 582	39.89	1 363.63	1 297.35	14 556.06
34	Capacity Building for Ward Committees	62084969694	428 01 10 01 02 6232 002	15 370	51.87	1 447.06	1 355.97	15 331.27
35	Drought relief fund	62097244257	433 01 10 01 02 6237 002	296 929	201 296.46	137 054.95	22 053.95	383 224.69
36	Paterson Accident Func	62101395293	436 01 10 01 02 6240 002	1 007	0.00	1 038.63	31.57	-0.00
37	Kirkwood Upgrade Water Treatment	62105165014	438 01 60 01 02 6242 002	7 769	50 005.45	49 408.02	695.39	9 061.96
38	Aquapark Waterborne Sewerage	62105165262	439 01 40 01 02 6243 002	5 475	95 002.80	96 292.86	476.91	4 661.79
39	Moses Mabida Waterborne Sewerage	62105165444	440 01 40 01 02 6244 002	5 673	13 671 302.64	13 723 072.97	54 722.93	8 625.95
40	Paterson Establishment Grant	62091861677	437 01 20 01 02 6241 002	10 207	135 014.87	142 128.23	755.76	3 849.02
41	Performance Management System	62098973665	434 01 10 01 02 6238 002	1 611	0.00	1 656.10	45.17	-0.00
42	Addo Nomathamsanqa 91 sites	62103632552	435 01 20 01 02 6239 002	28 203	378 655.21	403 357.05	1 368.42	4 869.26
43	Agri Rates Trust Account	62127354629	441 01 10 01 02 6245 002	65 298	0.03	68 239.23	3 941.52	1 000.14
44	Water Services Authorities	62129725141	442 01 60 01 02 6246 002	3 129	650 005.04	654 230.42	4 221.52	3 125.51
45	KK113	62133015322	445 01 10 01 02 6248 002	2 733	593 233.86	596 067.34	6 320.55	6 220.10
46	Addo Noluthando	62134438284	443 01 20 01 02 7239 002	1 963	81 169 882.06	81 296 169.77	126 372.49	2 047.74
47	FMG	62149457708	447 01 10 01 02 6250 002	25 289	8 491 698.27	8 611 837.94	96 300.90	1 450.17
48	Bergsig Raw Houses	62153803020	446 01 20 01 02 6249 002	1 613	57 094.56	0.00	3 855.79	62 562.90
49	Moses Mabida 750 Housing Project	62156713995	448 01 20 01 02 6251 002	2 025	35 200 910.70	35 226 687.71	25 647.06	1 894.57
50	Integrated Zoning Scheme	62161489086	449 01 10 01 02 6252 002	265 551	758.49	0.00	20 449.64	286 759.40
51	Addo Noluthando Top Structure 400	62178063211	450 01 20 01 02 6253 002	42 795	13 547 910.00	13 589 774.52	3 995.44	4 926.04
52	Addo Nomathamsanqa 1728 SCCC	62178062958	451 01 20 01 02 6254 002	9 182	4 065 174.00	4 086 593.56	13 263.51	1 000.62
53	Addo Valencia 600 Infrastructure	62178063906	452 01 20 01 02 6255 002	1 004	182 001.22	181 853.03	383.05	1 534.82
54	Debt Control	62174261653	453 01 10 01 02 6256 002	104 050	200 036.76	207 317.18	7 267.03	104 036.76
55	Asset Register	62174261851	454 01 10 01 02 6257 002	400 195	789 144.65	817 191.81	27 996.74	400 144.65
56	Revenue Collection	62174259096	455 01 10 01 02 6258 002	150 072	900 210.20	527 447.81	27 375.48	550 210.20
57	Enon Besheba 450 Infrastructure	62178063667	456 01 20 01 02 6259 002	1 204	6 501 667.49	6 506 161.88	6 476.42	3 185.82
58	Moses Mabida 750 Infrastructure	62178063451	457 01 20 01 02 6260 002	1 804	11 512 326.69	11 423 830.49	4 190.64	94 491.25
59	SRVM Town Planning	62178942580	458 01 10 01 02 6261 002	50 538	98.53	3 454.26	3 212.52	50 395.06
60	Water Service Policy	62178064102	459 01 60 01 02 6262 002	2 007	651 886.13	159 551.39	18 065.25	512 407.13
61	Paterson Bulk Water Supply	62178427186	460 01 60 01 02 6263 002	8 611 882	8 515 574.18	15 843 064.74	579 125.58	1 863 516.89
62	Waste Management Planning	62181219546	461 01 30 01 02 6264 002	268 552	887 445.10	908 795.99	20 540.00	267 741.01
63	Enon Besheba Labour	62181219447	462 01 20 01 02 6265 002	93 238	14 646 645.12	14 737 670.46	2 172.28	4 385.25
64	Langbos VIP Project	62183359572	463 01 40 01 02 6266 002	29 026	19.33	0.00	1 658.19	30 703.78
65	Paterson Housing 150	62217115296	0464 01 20 01 02 6267 002	0	13 905 243.74	13 846 271.62	6 456.99	65 429.11
66	Addo Nomathamsanqa 300	62224045254	0465 01 20 01 02 6268 002	0	720 002.04	717 019.69	0.71	2 983.06
67	Emsengeni Sewer Line	62223416539	0466 01 30 01 02 6269 002	0	638 431.16	0.00	1 463.83	639 894.99
68	WSDP	62223416117	0467 01 60 01 02 6270 002	0	150 017.81	0.00	1 124.42	151 142.23
69	O&M	62223416175	0468 01 60 01 02 6271 002	0	250 030.37	0.00	1 892.60	251 922.97
70	TOTAL			12 166 795	242 821 381	247 776 584	1 368 366	12 033 115