

Fezile Dabi

District Municipality

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



AUDITOR - GENERAL
SOUTH AFRICA

The Municipal Manager
Fezile Dabi District Municipality
P.O. Box 10
Sasolburg
1947

31 August 2009

Reference: 21400REG08/09

Dear Mr. Mohlahlo

Acknowledgement of receipt of the financial statements of Fezile Dabi District Municipality for the year ended 30 June 2009

1. We hereby acknowledge receipt of the financial statements of the municipality, which are subject to auditing by the Auditor-General of South Africa in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 126(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
2. This letter serves to confirm receipt of the above financial statements on 31 August 2009.

Yours faithfully


W. J. Opperman
Senior Manager: BLM6

Enquiries: E. Ntanganda
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**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

GENERAL INFORMATION

LEGAL FORM OF ENTITY	District Municipality
MAYORAL COMMITTEE	
Executive Mayor	Mr JERT Ramokhoase
Councillors	Cllr D Colbert Cllr K Khumalo Cllr NG Guza Cllr KM Mantso Cllr DLS George Cllr PR Ndayi
GRADING OF LOCAL AUTHORITY	Low Capacity
ACCOUNTING OFFICER	E M Mohlahlo (Acting)
CHIEF FINANCE OFFICER (CFO)	E M Mohlahlo
REGISTERED OFFICE	John Vorster Road Sasolburg 1947
BANKERS	ABSA BANK
AUDITORS	The Auditor - General

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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ABBREVIATIONS

FDDM	Fezile Dabi District Municipality
COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
DWAF	Department of Water Affairs and Forestry
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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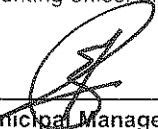
MIG	Municipal Infrastructure Grant (Previously CMIP)
CBPWP	Community Based Public Works Program

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL**

I am responsible for the preparation of these financial statements, which are set out on page 4 to 45, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 14 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 Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The financial statements set out on pages 7 to 29, which have been prepared on the going concern basis, were approved by the accounting officer on 30 November 2009 and were signed on its behalf by:



Acting Municipal Manager
M E Mohlahlo
B.Com; B.Com(Acc) Hons; MBA

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2009	2008
ASSETS			
Current Assets			
Investment Deposits	2	29,073,565	-
Trade and other receivables	3	13,775,853	1,000,666
VAT	4	1,220,392	5,299,752
Current portion of long term debtors	5	-	95,485
Cash and cash equivalents	6	93,112,204	99,803,736
		<u>137,182,014</u>	<u>106,199,639</u>
Non-Current Assets			
Property, plant and equipment	7	22,304,333	21,007,348
Total Assets		<u>159,486,347</u>	<u>127,206,987</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	10	26,897,813	19,470,085
Current portion of long term loans	9	3,611,242	3,403,797
		<u>30,509,055</u>	<u>22,873,882</u>
Non-Current Liabilities			
Long term loans	9	34,879,840	38,491,085
Total Liabilities		<u>65,388,895</u>	<u>61,364,967</u>
Net Assets		<u>94,097,452</u>	<u>65,842,020</u>
NET ASSETS			
Revaluation reserve	8	8,792,718	9,220,988
Capital replacement reserve		4,019,492	4,019,492
Accumulated surplus/(deficit)		81,285,242	52,601,540
Total Net Assets		<u>94,097,452</u>	<u>65,842,020</u>

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2009	2008
Revenue			
Regional Services Council Levies	11	703,992	569,243
Government grants and subsidies	12	104,856,873	91,371,861
Tender deposits		70,050	36,421
Skills levy - (SETA)		251,914	105,643
Recoveries		37,508	14,252
Other income	13	1,549,595	402,003
Interest received	14	13,459,260	10,821,308
Total Revenue		120,929,192	103,320,731
Expenditure			
Employee related costs	15	30,072,802	22,860,282
Remuneration of councillors	16	4,439,604	3,895,873
Administration	17	1,506,529	1,511,241
Depreciation	18	2,543,383	1,884,632
Finance costs	19	4,812,114	5,180,889
Repairs and maintenance		411,951	496,141
Contracted services	20	10,807,561	7,820,858
Grants and subsidies paid	21	10,808,682	34,510,573
General expenses	22	27,206,597	26,531,588
Total Expenditure		92,609,223	104,692,077
Surplus (deficit) for the year		28,319,969	(1,371,346)
Attributable to:			
Net asset holders of the municipality		28,319,969	(1,371,346)

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
STATEMENT OF CHANGES IN NET ASSETS**

Figures in Rand	Share capital / contributions from owners	Revaluation reserve	Capital replacement reserve	Total reserves	Accumulated surplus/(deficit)	Total net assets
Balance at 01 July 2007	-	-	4,019,492	4,019,492	53,972,886	57,992,378
Changes in net assets						
Surplus/(Deficit) for the year		9,220,988	-	9,220,988	(1,371,346)	(1,371,346)
Revaluation of Land and Buildings		9,220,988	-	9,220,988	-	9,220,988
Total changes		9,220,988	-	9,220,988	(1,371,346)	7,849,642
Balance at 01 July 2008		9,220,988	4,019,492	13,240,480	52,601,540	65,842,020
Changes in net assets						
Surplus/(Deficit) for the year		(428,270)	-	(428,270)	28,319,969	28,319,969
Reserve realised		-	-	-	428,270	-
Correction of prior period error		-	-	-	(66,754)	(66,754)
Other		-	-	-	2,217	2,217
Total changes		(428,270)	-	(428,270)	28,683,702	28,255,432
Balance at 30 June 2009		8,792,718	4,019,492	12,812,210	81,285,242	94,097,452

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Note(s)

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers, government and others		110,509,355	93,248,050
Cash paid to suppliers and employees		(89,625,783)	(91,355,877)
Cash generated from operations	23	20,883,572	1,892,173
Interest income		13,459,260	10,821,308
Finance costs		(4,812,114)	(5,180,889)
Net cash from operating activities		29,530,718	7,532,592
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(3,851,936)	(2,558,739)
Sale of property, plant and equipment	7	11,568	-
Purchase of Investment Deposits		(29,073,565)	-
Decrease in non-current receivables		95,485	450,542
Net cash from investing activities		(32,818,448)	(2,108,197)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in long term loans		(3,403,800)	(3,035,022)
Net cash from financing activities		(3,403,800)	(3,035,022)
Net increase (decrease) in cash and cash equivalents		(6,691,530)	2,389,373
Cash and cash equivalents at the beginning of the year		99,803,736	97,414,363
Cash and cash equivalents at the end of the year	6	93,112,206	99,803,736

FEZILE DABI DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

ACCOUNTING POLICIES

1. Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

These standards are summarised 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
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Assets

GAMAP 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.

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in note 36 to the financial statements.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

1.1 Presentation of Currency

These financial statements are presented in South African Rand.

1.2 Reserves

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/(deficit) to the CRR in terms of a Council resolution. 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.

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

Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

FEZILE DABI DISTRICT MUNICIPALITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Accounting policies

1.3 Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation, except land and buildings, which are revalued at least every five years. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Impairment as well as the review of the useful life of assets and depreciation method is exempted in accordance with the exemptions in Gazette no. 30013 of 29 June 2007

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Intangible assets are not recognised in accordance with the exemptions in Gazette no. 30013 of 29 June 2007.

Depreciation is calculated on cost, using the straight-line method over the estimated useful life of the assets. The annual depreciation rates are based on the following estimated asset lives.

Item	Average useful life
Buildings	30 years
Furniture and fittings	3 - 10 years
Office equipment	3 - 10 years
Motor vehicles	5 years
Computer equipment	4 - 5 years
Miscellaneous equipment	3 - 7 years

1.4 Revaluation of Land and Buildings

Land and buildings are stated at revalued amounts, being the fair value at the date of revaluation less subsequent accumulated depreciation in respect of buildings.

1.5 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - designated
- Loans and receivables
- Available for sale financial assets

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

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

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.

Trade and other payables

Trade creditors are stated at their nominal value.

FEZILE DABI DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Accounting policies

1.5 Financial instruments (continued)

Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly 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 cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and short term deposits in financial instruments, net of bank overdrafts.

Investment Deposits

Investment deposits which include fixed deposits and short term deposits of more than 3 months invested in registered commercial banks, are stated at cost.

1.6 Revenue Recognition

Interest and rental are recognised on a time proportion basis.

Government grants are recognised as revenue when all conditions associated with the grant have been met. Where grants have been received but the municipality has not met the condition, a liability is raised.

Amounts received from government and donors for the purpose of acquiring item of property, plant and equipment are also recognised as revenue.

1.7 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.

1.8 Provisions and contingencies

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

1.9 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). All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.10 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 where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

FEZILE DABI DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Accounting policies

1.11 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.12 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalized at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and capital repayments using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due, in accordance with the exemptions in Gazette no. 30013 of 29 June 2007

1.13 Borrowing costs

Borrowing costs are recognised as an expense in the Statement of Financial Performance in the period in which they are incurred.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined benefit/contribution plans

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. The defined benefits funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

1.15 Comparative figures

Current year comparatives:

Budgeted amounts have been included in the annual financial statements for the current financial year only.

Prior year comparatives:

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

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand	2009	2008
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2. INVESTMENT DEPOSITS

Held to maturity		
Investment Deposits	29,073,565	-
Current assets		
Held to maturity	29,073,565	-

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

3. TRADE AND OTHER RECEIVABLES

Fuel deposit	1,000	1,000
Pick n Pay Card	2,251	2,251
SA Post Office - Deposit	15,000	15,000
Other debtors	942,844	198,462
CBPWP Grant	10,841,317	-
Suspense	1,973,441	783,953
	13,775,853	1,000,666

CBPWP Grant

During the year the Municipality received a grant from Department of Sports Arts and Culture on behalf of Ngwathe Local Municipality for the building of a stadium. The money received was fully expensed during the year. An agreement was reached between the Municipality and the Department that the Municipality should continue with expenditure regarding the stadium which will be re-imbursed by the Department.

The grant received and expenses incurred are not included in the Statement of Financial Performance of the Municipality.

R11 000 000 was received from the Department on 1 July 2009 in respect of expenditure already incurred and to be incurred.

The reconciliation for the grant is as follows:

Balance at the beginning of the year	-	-
Grant received	11,472,000	-
Expenditure incurred and paid on behalf of Ngwathe	(22,313,317)	-
	(10,841,317)	-

Suspense accounts:

Suspense accounts are in respect of Input VAT on accrued transactions.

4. VAT

VAT	1,220,392	5,299,752
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VAT is payable on the receipt basis. Only when payment is received from debtors is VAT paid over to SARS.

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Notes to the Financial Statements

Figures in Rand	2009	2008
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5. CURRENT PORTION OF LONG TERM DEBTORS

Car loans	-	95,485
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Before the enactment of the MFMA senior staff were entitled to car loans which attracted interest at 8% to 8.5% per annum and which were repayable over a maximum period of 5 years. The last loan was repaid during the 2009 financial year.

No advances were made to employees during the year.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	22,369,505	5,200,387
Short-term deposits	70,742,699	94,603,349
	93,112,204	99,803,736

Short-term deposits amounting to R4 019 492 (2008: R4 019 492) are attributable to the Capital Replacement Reserve.

Material deposits amounting to R0 (2008: R10 636 291) were withdrawn from Liberty Group Investments and invested elsewhere.

Short term deposits are for periods which are less than 3 months.

The municipality had the following bank accounts

Cheque Account

ABSA Bank - Sasolburg

Account number: 520000100

Cash book balance at the beginning of the year	1,029,279	1,933,622
Cash book balance at the end of the year	429,223	1,029,279
Bank statement balance at the beginning of the year	1,108,553	2,501,797
Bank statement balance at the end of the year	1,160,210	1,108,553

Savings Account

ABSA Bank - Sasolburg

Account number: 9070399717

Cash book balance at the beginning of the year	2,923,411	8,603,854
Cash book balance at the end of the year	20,834,375	2,923,411
Bank statement balance at the beginning of the year	2,923,411	8,603,854
Bank statement balance at the end of the year	20,834,375	2,923,411

Current Account

Standard Bank - Sasolburg

Account number: 728670534

Cash book balance at the beginning of the year	1,247,697	1,135,450
Cash book balance at the end of the year	51	1,247,697
Bank statement balance at the beginning of the year	1,247,697	1,135,450
Bank statement balance at the end of the year	51	1,247,697

Sports and recreation bank account

Cash book balance at the beginning of the year	-	2,065
Cash book balance at the end of the year	-	-
Bank statement balance at the beginning of the year	-	2,065
Bank statement balance at the end of the year	-	-

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Notes to the Financial Statements

Figures in Rand 2009 2008

7. PROPERTY, PLANT AND EQUIPMENT

	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and Buildings	15,895,000	(834,687)	15,060,313	15,895,000	-	15,895,000
Other property, plant and equipment	15,011,500	(7,767,480)	7,244,020	12,370,104	(7,257,756)	5,112,348
Total	30,906,500	(8,602,167)	22,304,333	28,265,104	(7,257,756)	21,007,348

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Disposals	Depreciation	Total
Land and Buildings	15,895,000	-	-	(834,687)	15,060,313
Other property, plant and equipment	5,112,348	3,851,936	(11,568)	(1,708,696)	7,244,020
	21,007,348	3,851,936	(11,568)	(2,543,383)	22,304,333

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Additions	Revaluations	Depreciation	Total
Land and Buildings	6,843,301	237,128	9,220,988	(406,417)	15,895,000
Other property, plant and equipment	4,268,952	2,321,611	-	(1,478,215)	5,112,348
	11,112,253	2,558,739	9,220,988	(1,884,632)	21,007,348

Revaluations

The effective date of the revaluations was 26 June 2008. Revaluations were performed by independent valuer. Valuations were made on the basis of recent market transactions on arm's length terms. The revaluation surplus was credited to revaluation reserve.

Land and buildings are re-valued independently at least every 5 years.

Refer to Appendix B for more detail

Reconciliation of Accumulated Depreciation

Balance at the beginning of the year	7,257,756	7,291,968
Depreciation for the year	2,543,383	1,884,632
Eliminated at revaluation	-	(1,918,844)
Disposals	(1,198,972)	-
	8,602,167	7,257,756

8. REVALUATION RESERVE

Balance at the beginning of the year	9,220,988	-
Revaluation	-	9,220,988
Reserve realised	(428,270)	-
	8,792,718	9,220,988

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Notes to the Financial Statements

Figures in Rand	2009	2008
9. LONG TERM LOANS		
Loans from DBSA		
External loans	38,491,082	41,894,882
Less: Current portion transferred to current liabilities	(3,611,242)	(3,403,797)
	34,879,840	38,491,085

Refer to Appendix A for more detail on the long term loans with DBSA.

10. TRADE AND OTHER PAYABLES

Trade payables	20,839,032	10,178,980
Salary Suspense	524,286	-
Retentions	2,364,281	3,010,206
Staff Leave Accrual	1,756,733	1,470,887
Service Bonus Accrual	743,583	377,048
Other creditors	36,302	150,739
DWAF Grant	633,596	4,282,225
	26,897,813	19,470,085

DWAF Grant

During the prior year the municipality received funds relating to the DWAF grant for Ngwathe Local Municipality. These funds are administered on behalf of Ngwathe Local Municipality and is not included in the income of Fezile Dabi District Municipality.

Balance held at the beginning of the year	4,282,225	-
Current year receipts	-	4,800,000
Paid out to Ngwathe Local Municipality	(3,648,629)	(517,775)
	633,596	4,282,225

11. REGIONAL SERVICE COUNCIL LEVIES

RSC Levies	703,992	569,243
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12. GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	103,871,873	89,871,861
Financial management grant	250,000	500,000
MSIG	735,000	1,000,000
	104,856,873	91,371,861

Equitable share

Balance unspent at beginning of year	-	-
Current-year receipts	103,871,873	89,871,861
Conditions met - transferred to revenue	(103,871,873)	(89,871,861)
	-	-

The Equitable Share is an unconditional grant and is utilised to assist the local municipalities undertake service delivery.

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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12. GOVERNMENT GRANTS AND SUBSIDIES (continued)

Financial management grant

Balance unspent at beginning of year	-	-
Current-year receipts	250,000	500,000
Conditions met - transferred to revenue	(250,000)	(500,000)
	-	-

The purpose of the financial management grant is to assist municipalities to implement financial reforms required by MFMA

MSIG

Current-year receipts	735,000	1,000,000
Conditions met - transferred to revenue	(735,000)	(1,000,000)
	-	-

The fund is used to assist the district in building capacity to perform its functions and stabilise institutional and governance systems as required by the Municipal Systems Act of 2000.

Changes in levels of government grants:

Based on the allocations set out in the Division of Revenue Act, (Act No.1 & 2 of 2008), no significant changes in the level of government grant funding are expected over the forthcoming two financial years.

13. OTHER INCOME

Telephone deductions - Officials and Councillors	236,964	198,040
Jazz festival income	414,350	-
Recovery from Republic Bank	158,089	-
Various deductions - Officials and Councillors	-	7,540
Other	725,752	196,423
	1,535,155	402,003

14. INTEREST RECEIVED

Interest revenue

Unlisted financial assets	10,766,471	8,640,011
Bank	2,467,707	2,145,407
Interest charged on trade and other receivables	225,082	35,890
	13,459,260	10,821,308

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Notes to the Financial Statements

Figures in Rand	2009	2008
15. EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	18,613,559	13,707,967
Employee related costs - Contributions for UIF, pensions and medical aids	3,871,744	3,130,101
Travel, motor car and other allowances	4,403,675	3,451,827
Housing benefits and allowances	298,336	246,164
Overtime payments	86,056	149,072
Annual Bonus	1,807,872	984,758
Performance Bonus	335,432	126,400
Leave pay provision charge	656,128	1,063,993
	<u>30,072,802</u>	<u>22,860,282</u>
Remuneration of municipal manager		
Annual Remuneration	758,199	657,243
Car Allowance	187,500	180,000
Performance Bonuses	126,652	-
Contributions to UIF, Medical and Pension Funds	1,497	25,556
	<u>1,073,848</u>	<u>862,799</u>
Remuneration of chief finance officer		
Annual Remuneration	593,945	524,959
Car Allowance	196,728	175,454
Performance Bonuses	105,679	-
Contributions to UIF, Medical and Pension Funds	1,497	1,473
	<u>897,849</u>	<u>701,886</u>
Remuneration of Director: LED		
Annual Remuneration	448,736	381,555
Car Allowance	146,389	173,030
Performance Bonuses	103,101	90,060
Contributions to UIF, Medical and Pension Funds	1,191	87,311
	<u>699,417</u>	<u>731,956</u>
Remuneration of Director: PMU		
Annual Remuneration	390,427	473,260
Car Allowance	124,857	165,257
Performance Bonuses	-	56,000
Contributions to UIF, Medical and Pension Funds	1,123	30,059
	<u>516,407</u>	<u>724,576</u>
Remuneration of Director: Social Development		
Annual Remuneration	-	103,071
Car Allowance	-	41,516
Contributions to UIF, Medical and Pension Funds	-	5,624
	<u>-</u>	<u>150,211</u>

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Notes to the Financial Statements

Figures in Rand	2009	2008
15. EMPLOYEE RELATED COSTS (continued)		
Remuneration of Director: Corporate Services		
Annual Remuneration	545,412	346,995
Car Allowance	181,758	141,667
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	1,956	78,946
	<u>729,126</u>	<u>567,608</u>
Remuneration of Director: Health and Safety		
Annual Remuneration	612,780	416,171
Car Allowance	187,110	170,000
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	1,956	95,423
	<u>801,846</u>	<u>681,594</u>
16. REMUNERATION OF COUNCILLORS		
Executive Mayor	545,391	514,039
Mayoral Committee Members	2,013,048	1,806,092
Speaker	419,636	399,726
Councillors	1,425,149	937,351
Councillors' pension contribution	36,380	238,665
	<u>4,439,604</u>	<u>3,895,873</u>
In-kind benefits		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Executive Mayor has use of a Council owned vehicle for official duties.		
17. ADMINISTRATIVE EXPENDITURE		
Administration and management fees	<u>1,506,529</u>	<u>1,511,241</u>
18. DEPRECIATION		
Property, plant and equipment	<u>2,543,383</u>	<u>1,884,632</u>
19. FINANCE COSTS		
Interest on long term liabilities	<u>4,812,114</u>	<u>5,180,889</u>

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Notes to the Financial Statements

Figures in Rand 2009 2008

20. CONTRACTED SERVICES

Various Contractors	10,807,561	7,820,858
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These payments are contracts which have been entered into during the current and prior financial year.

Jazz Festival	1,212,076	-
IDP Implementation Monitoring	1,505,264	1,573,868
Municipal systems improvement programme	727,907	994,512
Vredefort Dome	2,484,796	-
Performance Management systems	810,156	1,850,683
Other	4,067,362	3,401,795
	10,807,561	7,820,858

21. GRANTS AND SUBSIDIES PAID

Other subsidies

Mafube Local Municipality	2,212,901	4,361,515
Metsimaholo Local Municipality	-	6,878,136
Ngwathe Local Municipality	4,581,721	14,680,948
Moghaka Local Municipality	-	4,410,625
District Rural Areas	4,014,060	4,179,349
	10,808,682	34,510,573

The Municipality identifies projects which are funded through grants and subsidies in the various local municipalities within the District. Projects are identified through the Integrated Development Plan. The operation and control of items of property, plant and equipment funded through these grants and subsidies vests in the local municipalities.

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Notes to the Financial Statements

Figures in Rand	2009	2008
22. GENERAL EXPENSES		
Accounting fees	466,105	299,079
Advertising	448,289	224,699
Auditors remuneration	1,350,756	1,281,017
Bank charges	53,086	45,146
Cleaning	31,351	14,020
Consulting and professional fees	950,712	1,287,258
Consumables	175,722	110,139
Debt collection	-	74,370
Donations	2,057,775	1,765,913
Entertainment	1,246,667	755,221
Gifts	-	46,897
Hire	2,919,489	2,035,782
Insurance	92,837	369,106
Community development and training	165,563	183,651
IT expenses	947,815	577,817
Fleet	57,274	33,233
Marketing	869,926	770,586
Magazines, books and periodicals	27,300	20,494
Medical expenses	510	-
Fuel and oil	399,266	338,479
Postage and courier	7,365	5,035
Printing and stationery	276,972	149,323
Promotions	4,083,383	5,768,827
Protective clothing	4,850	-
Project maintenance costs	335,084	60,065
Research and development costs	109,584	355,000
Royalties and license fees	5,135	3,773
Security (Guarding of municipal property)	1,175,417	1,329,588
Staff welfare	337,022	258,064
Subscriptions and membership fees	248,738	136,139
Telephone and fax	521,961	444,445
Training	1,027,842	758,879
Travel - local	1,948,993	1,647,724
Tourism development	256,909	347,024
Other expenses	4,606,899	5,034,795
	27,206,597	26,531,588
23. CASH GENERATED FROM OPERATIONS		
Surplus (deficit) before taxation	28,319,969	(1,371,346)
Adjustments for:		
Depreciation	2,543,383	1,884,632
Interest received	(13,459,260)	(10,821,308)
Finance costs	4,812,114	5,180,889
Other	2,216	-
Prior period error	(66,754)	-
Changes in working capital:		
Trade and other receivables	(12,775,187)	(852,659)
Trade and other payables	7,427,731	11,070,678
VAT	4,079,360	(3,198,713)
	20,883,572	1,892,173
24. RETIREMENT BENEFIT INFORMATION		
Councillors and employees belong to two defined benefit retirement funds which are the Free State Pension Fund and the Councillors Pension Fund. These Funds are subject to		

FEZILE DABI DISTRICT MUNICIPALITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Notes to the Financial Statements

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24. RETIREMENT BENEFIT INFORMATION (continued)

triennial actuarial valuation. The last valuation of the Free State Municipal Pension Fund was performed in June 2002. The Free State Municipal Pension Fund, net assets that are available for benefits at 30 June 2002 was R 1 169 565.00.

This valuation indicates that the fund is in sound financial position. The estimated liability of the funds is R 817 138.00 which is adequately financed.

No new information was available at balance sheet date.

No information was available for the Councillors Pension Fund when the financial statements were prepared.

25. PRIOR PERIOD ERRORS

The following errors occurred, in relation to the prior financial year, which necessitated corrective action in the current year. The errors were corrected retrospectively in terms of GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors:

Current portion of long term liabilities:

In the prior year an error occurred while calculating the current portion of the long term loans with DBSA. The comparative year has been restated in order to ensure accurate comparison between the financial years.

The effect on the financial statements is as follows:

Increase in current portion of long term loans	-	147,505
Decrease in non-current portion of long term loans	-	(147,505)
	<u>-</u>	<u>-</u>

VAT incorrectly claimed on purchase of vehicles:

During the prior year VAT amounting to R66 754 was incorrectly claimed in respect of the purchase of vehicles. These vehicles are motor cars as defined in Section 1 of the Value Added Tax Act no 89 of 1991 and no VAT may be claimed on these vehicles in terms of section 17 of the Act.

The correction was made in the current year against accumulated surplus due to system restraints.

Disclosure of Investment Deposits:

According to the accounting policy of the Municipality, cash and cash equivalents includes investments held with registered banking institutions with maturities of three months or less.

During the prior year investments with maturities of three months or less were incorrectly disclosed as investment deposits instead of cash and cash equivalents. The comparative year has been restated in order to ensure accurate comparison between the financial years.

The effect on the financial statements is as follows:

Increase in Cash and Cash Equivalents	-	94,603,349
Decrease in Investment Deposits	-	(94,603,349)
	<u>-</u>	<u>-</u>

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Notes to the Financial Statements

Figures in Rand	2009	2008
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26. GOING CONCERN

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 ordinary course of business.

27. EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date.

28. UNAUTHORISED EXPENDITURE

Balance at the beginning of the year	1,017,658	-
Unauthorised expenditure - current year	-	1,017,658
Approved/condoned by council	(1,017,658)	-
	<u>-</u>	<u>1,017,658</u>

29. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	54,642	-
Fruitless and wasteful expenditure - current year	91,013	54,642
Approved/condoned by council	(54,642)	-
Transfer to receivables for recovery	-	-
	<u>91,013</u>	<u>54,642</u>

The expenditure relates to a deposit that was paid for a summit to be held at Stonehenge, the summit was cancelled by the Department of Economic Affairs and the deposit was non-refundable. The expenditure will be submitted to Council for consideration.

30. IRREGULAR EXPENDITURE

Opening balance	1,678,367	-
Add: Irregular Expenditure - current year	1,117,255	1,678,367
Less: Amounts condoned	(1,678,367)	-
	<u>1,117,255</u>	<u>1,678,367</u>

The above expenditure were in contravention of the Municipality's Supply Chain Management Policy. The expenditure will be submitted to Council for consideration.

31. IN-KIND DONATIONS AND ASSISTANCE

No in-kind donations or assistance were received during the year.

32. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Contributions to organised local government

Current year subscription / fee	-	129,675
Amount paid - current year	-	(129,675)
	<u>-</u>	<u>-</u>

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Notes to the Financial Statements

Figures in Rand	2009	2008
32. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)		
Audit fees		
Current year subscription / fee	1,350,756	1,281,017
Amount paid - current year	<u>(1,350,756)</u>	<u>(1,281,017)</u>
	<u>-</u>	<u>-</u>
PAYE and UIF		
Opening balance	-	-
Current year subscription / fee	6,225,548	4,805,279
Amount paid - current year	<u>(5,731,259)</u>	<u>(4,805,279)</u>
	<u>494,289</u>	<u>-</u>
Pension and Medical Aid Deductions		
Opening balance	-	-
Current year subscription / fee	3,742,547	3,025,520
Amount paid - current year	<u>(3,742,547)</u>	<u>(3,025,520)</u>
	<u>-</u>	<u>-</u>
VAT		
VAT receivable	<u>1,220,392</u>	<u>5,299,752</u>

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

33. ACTUAL OPERATING EXPENDITURE VERSUS BUDGETED OPERATING EXPENDITURE

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

34. ACTUAL CAPITAL EXPENDITURE VERSUS BUDGETED CAPITAL EXPENDITURE

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

FEZILE DABI DISTRICT MUNICIPALITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Notes to the Financial Statements

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35. DETAILS OF THE EXEMPTION IN TERMS OF GENERAL NOTICE 552 OF 2007

GRAP 3

Accounting policies, changes in accounting estimates and errors.

Identification and impact of GRAP standards that have been issued but are not yet effective and changes to accounting policies (paragraphs 14,19 and 30 - 31)

GAMAP 17

Property, plant and equipment

Review of useful life of items of PPE recognized in the annual financial statements (paragraphs 59 - 61, and 77)

Review of depreciation method applied to PPE recognized in the annual financial statements (paragraphs 62 and 77)

Impairment of non-cash-generating assets (paragraphs 64 - 69 and 75(e)(v) - (vi))

Impairment of cash-generating assets (paragraphs 63 and (e)(v) - (vi))

IAS 36 (AC 128)

Impairment of assets

Entire standard

GAMAP 12

Inventories

The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17

The entire standard to the extent that it relates to water stock that was not purchased by the municipality

IAS 40 (AC 135)

Investment property

The entire standard to the extent that the property is accounted for in terms of GAMAP 17

Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standard (paragraphs 79(e)(i) - (ii))

IAS 17 (AC 105)

Leases

Recognising operating lease payments / receipts on a straight - line basis if the amounts are recognised on the basis of the cash flows in the lease agreement. (SAICA circular 12/06 paragraph 8 - 11 and paragraphs 33, 34, 50, 51 of IAS 17 / AS 105)

IAS 38 (AC 129)

Intangible assets

The entire standard except for the recognition, measurement and disclosure of computer software and website costs (SIC32/AC 432) and all other costs are expensed.

IAS 19 (AC 116)

Employee benefits

Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. (paragraphs 29,48-119, 120A(c) - (q))

FEZILE DABI DISTRICT MUNICIPALITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Notes to the Financial Statements

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35. DETAILS OF THE EXEMPTION IN TERMS OF GENERAL NOTICE 552 OF 2007 (continued)

GAMAP 9 Revenue

Initial measurement of fair value discounting all future receipts using an imputed rate of interest. (SAICA circular 09/06 and paragraph 12)

IAS 39 (AC 133) Financial instruments: Recognition and measurement

Initially measuring financial assets and financial liabilities at fair value. (SAICA circular 09/06, paragraph 43, AG 79, AG 64 and AG 65 of IAS 39 / AC 133)

IFRS 5 (AC 142) Non-current assets held for sale and discontinued operations

Classification, measurement and disclosure of non-current assets held for sale (paragraphs 6 - 14, 15 - 29)in so far as it relates to non-current assets held for sale), 38 - 42)

IFRS 7 (AC144) Financial instruments: Disclosures

Entire standard to be replaced by IAS 32 (AC125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998

IAS 14 (AC 115) Segment reporting

Entire Standard

IFRS 8 (AC 145) Operating segments

Entire Standard

IAS 11 (AC 109) Construction contracts

Entire Standard

IFRS 3 (AC 140) Business combinations

Entire Standard

IAS 20 (AC 134) Accounting for government grants and disclosure of government assistance

Entire standard excluding paragraph 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 - 46 of GAMAP 9

FEZILE DABI DISTRICT MUNICIPALITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Notes to the Financial Statements

Figures in Rand	2009	2008
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36. CONTINGENT LIABILITIES

During 1998 Council offered certain employees the option to retire before the age of 50. During the current year the Deputy Manager: Project Management exercised his option in terms of his employment contract with Council. At year end the matter has not been finalised resolution had not been implemented due to budgetary constraints. The total estimated cost to Council amounts to R3 428 639

Council has approved the payment of the package subject to the availability of funds. At the time the agreement was entered into, the intention was to fund the package from RSC levies. Currently no RSC levies are received by the Municipality and therefore management is under the impression that funds will not be available to pay the severance package.

As the payment of the package is dependant on the availability of funds, no liability is recognised.

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Appendix A: Schedule of external loans

APPENDIX A

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

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
		Rand	Rand	Rand	Rand	Rand	Rand
LONG-TERM LOANS							
10055	Stock Loan @ 10%-TUMAHOLE-PARYS	3,629,262	-	379,767	3,249,495	-	-
10054/1	Stock Loan @ 10%-MAOKENG	3,579,163	-	374,524	3,204,639	-	-
10054/2	Stock Loan @ 12.00%-MAOKENG	1,795,792	-	131,225	1,664,567	-	-
10057	Stock Loan @ 12.00%-MAOKENG-BRENTPARK	5,392,520	-	477,533	4,914,987	-	-
10056	Stock Loan @ 12.00%-MOKWALLO-VREDEFORT	4,967,276	-	439,876	4,527,400	-	-
10058	Stock Loan @ 10%-PHIRITONA-HEILBRON	12,893,431	-	1,023,477	11,869,954	-	-
10066	Stock Loan @ 10%-VILJOENSKROON	635,680	-	60,417	575,263	-	-
10076/1	Stock Loan @ 10%-ZAMDELA	372,154	-	38,942	333,212	-	-
10076/2	Stock Loan @ 10%-ZAMDELA	653,634	-	68,396	585,238	-	-
10243	Stock Loan @ 15,25%-SASOLBURG	1,545,777	-	98,494	1,447,283	-	-
13304/1	Stock Loan @ 16,50%-SASOLBURG	2,434,226	-	97,841	2,336,385	-	-
13304/2	Stock Loan @ 16,50%-SASOLBURG	1,756,047	-	70,582	1,685,465	-	-
10243	Stock Loan @ 15,25.00%-SASOLBURG-KROONSTAD	2,239,919	-	142,724	2,097,195	-	-
		41,894,881	-	3,403,798	38,491,083	-	-
	TOTAL EXTERNAL LOANS	41,894,881	-	3,403,798	38,491,083	-	-

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Supplementary Information

Appendix B: Analysis of Property, plant and equipment

FEZILE DABI DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED 30 JUNE 2009

	COST						Accumulated Depreciation			Carrying Value	Budget Additions 2009
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation	Disposals	Closing balance			
Other Assets											
Buildings	15 895 001	-	-	15 895 001	-	834 687	834 687	834 687	15 060 313		
Office equipment	1 280 286	1 000 000		2 280 286	886 785	208 776	2 095 561	1 095 561	1 184 725		
Furniture and Fittings	3 332 109	500 000		3 832 109	1 837 874	432 691	2 270 565	2 270 565	1 561 544		
Computer equipment	4 570 739	494 240	267 580	4 797 399	2 949 569	694 418	3 376 407	3 376 407	1 420 992		
Miscellaneous equipment	202 379	1 062 100	-	1 264 479	144 782	34 086	1 78 868	178 868	1 085 611		
Motor Vehicles	2 984 591	795 596	942 960	2 837 226	1 438 746	338 724	846 079	846 079	1 991 147		
TOTAL	28 265 104	3 851 936	1 210 540	30 906 499	7 257 755	2 543 383	8 602 167	8 602 167	22 304 332	-	

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Supplementary Information

Appendix C: Segmental analysis of Property, plant and equipment

FEZILE DABI DISTRICT MUNICIPALITY
APPENDIX C for the period ended 30 June 2009

	SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009									
	Cost					Accumulated Depreciation				
	Opening Balance Rand	Additions Rand	Revaluation Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Depreciation Rand	Disposals Rand	Closing Balance Rand	Carrying Value Rand
Executive & Council	17,110,671	-	-	8,489	17,102,182	957,535	940,260	6,967	1,890,828	15,211,354
Corporate Support services	749,945	32,219	-	10,681	771,483	322,650	97,024	8,906	410,768	360,715
Municipal Manager	204,531	110,389	-	1,475	313,445	147,763	32,534	1,254	179,043	134,402
Finance	649,511	102,312	-	41,705	710,118	563,109	41,589	39,593	565,105	145,013
Information Technology	5,301,027	2,250,930	-	170,026	7,381,931	3,012,556	785,209	169,201	3,628,564	3,753,367
PMU	2,905,500	1,024,279	-	953,585	2,976,194	1,566,419	459,055	949,025	1,076,449	1,899,745
Environmental Health	771,476	160,481	-	-	931,957	258,058	130,569	-	388,627	543,330
Disaster Management	1,096	120,099	-	-	121,195	603	4,157	-	4,760	116,435
LED	316,212	51,227	-	24,579	342,860	247,016	23,645	24,026	246,635	96,225
PIMMS	255,135	-	-	-	255,135	182,047	29,341	-	211,388	43,747
	28,265,104	3,851,936	-	1,210,540	30,906,500	7,257,756	2,543,383	1,198,972	8,602,167	22,304,333

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Supplementary Information

Appendix D: Segmental Statement of Financial Performance

FEZILE DABI DISTRICT MUNICIPALITY
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2009

2008	2008	2008		2009	2009	2009
REVENUE	EXPENSES	Surplus/ (Deficit)		REVENUE	EXPENSES	Surplus/ (Deficit)
R	R	R		R	R	R
-	21 587 301	(21 587 301)	Executive & Council	-	21 036 403	(21 036 403)
-	8 197 132	(8 197 132)	Corporate Support Services	-	10 808 646	(10 808 646)
-	8 418 941	(8 418 941)	Municipal Manager	-	14 392 048	(14 392 048)
-	6 104 642	(6 104 642)	Finance	-	7 039 852	(7 039 852)
-	3 751 079	(3 751 079)	PIMMS	-	29 340	(29 340)
-	2 036 952	(2 036 952)	Information Technology	-	3 224 378	(3 224 378)
-	38 728 643	(38 728 643)	PMU	-	14 149 467	(14 149 467)
-	7 119 943	(7 119 943)	Environmental Health	-	9 090 650	(9 090 650)
-	2 176 156	(2 176 156)	Disaster Management	-	3 099 818	(3 099 818)
-	6 571 286	(6 571 286)	LED	-	9 738 621	(9 738 621)
103 320 730	-	103 320 730	Income	119 935 305	-	119 935 305
103 320 730	104 692 076	(1 371 346)	TOTAL	119 935 305	92 609 223	27 326 082

The municipality has restated Appendix C to reflect errors noted in terms of GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors.

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Supplementary Information

Appendix E(1): Actual versus Budget (Revenue and Expenditure)

FEZILE DABI DISTRICT MUNICIPALITY
APPENDIX E (1)
ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)
FOR THE YEAR ENDED 30 JUNE 2008

	2009 Actual (R.)	2 009 Budget (R.)	2009 Variance (R.)	2009 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Regional Service Council Levies	703 992	-	703 992	0.00%	
Government grants	104 856 873	105 169 000	(312 127)	-0.30%	
Administration and management fees received	70 050	50 000	20 050	40.10%	More Tender Documents Sold than Anticipated
Fees earned	251 914	50 000	201 914	403.83%	Skills Levy reimbursement higher than expected
Recoveries	37 508	30 000	7 508	25.03%	Disbursements by Attorneys received quicker
Other Income	1 549 595	686 141	863 454	125.84%	SARS Paid Interest On VAT not paid within timelines of VAT Acts
Interest received	12 465 373	2 500 000	9 965 373	398.61%	Investments performed better than expected, and better cash flow management implemented
Total Revenue	119 935 305	108 485 141	11 450 164	10.55%	
EXPENDITURE					
Employee related costs	30 072 802	38 017 000	(7 944 198)	-20.90%	Some New Posts Has not been filled as from the 1st of July
Remuneration of Councilors	4 439 604	5 089 100	(649 496)	-12.76%	Lower Increase announcements than budgeted for
Administration	1 586 529	2 225 000	(718 471)	-32.29%	Savings on non essential expenditure
Depreciation and amortisation	2 543 383	810 400	1 732 983	213.84%	Under estimated
Finance costs	4 812 114	5 600 000	(787 886)	-14.07%	Decrease due to decrease in capital of loans
Repairs and maintenance	411 951	665 400	(253 449)	-38.09%	New Fleet of vehicles - less repair & maintenance needed
Contracted services	10 807 561	13 806 610	(2 999 049)	-21.72%	Some Non essential contracts not awarded
Grants and subsidies paid	10 808 682	16 780 000	(5 971 318)	-35.59%	Projects is Local Municipalities were not implemented early in the Financial Year
General expenses	27 206 597	32 231 631	(5 025 034)	-15.59%	Savings on non essential expenditure
Total Expenditure	92 609 223	115 225 141	(22 615 918)	-19.6%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	27 326 082	(6 740 000)	34 066 082	-505.43%	

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Supplementary Information

Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)

FEZILE DABI DISTRICT MUNICIPALITY
APPENDIX E (2)
ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)
FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual	2009 Under Construction	2009 Total Additions	2009 Budget	2009 Variance	2009 Variance %	Explanation of Significant Variances greater than 10% versus Budget
Executive & Council	R -	R -	R -	R -	R -	0.00%	
Corporate Support Services	32 219	-	32 219	40 000	(7 781)	-19.45%	
Municipal Manager	110 389	-	110 388	105 000	5 389	5.13%	
Finance	102 312	-	102 312	90 000	12 312	13.68%	
Information Technology	2 250 930	-	2 250 930	2 800 000	(549 070)	-19.61%	
PMU	1 024 279	-	1 024 279	1 000 000	24 279	2.43%	
Environmental Health	160 481	-	160 481	209 000	(48 519)	-23.21%	Some Equipment has not been delivered On time
Disaster Management	120 099	-	120 099	-	120 099	0.00%	
LED	51 227	-	51 227	680 000	(628 773)	-92.47%	Vreddefort Dome not Finished - Furnisher could not be bought
PIMMS	-	-	-	-	-	0.00%	
TOTAL	3 851 936	-	3 851 936	4 924 000	(1 072 064)	-21.77%	

**FEZILE DABI DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Supplementary Information

Appendix F: Disclosure of Grants and subsidies in terms of the Municipal Finance Management Act

FEZILE DABI DISTRICT MUNICIPALITY
 APPENDIX F
 DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, ACT 56 OF 2003
 FOR THE YEAR ENDED 30 JUNE 2009

Name of Grants	Name Organ of State or Municipal entity	Quarterly Receipts			Quarterly Expenditure			Grants and Subsidies delayed / withheld			Reasons for delay / withholding of funds	Compliance with conditions Δ/NA	Reasons for non-compliance	
		September	December	March	June	September	December	March	June	September				December
Equitable Share	National Treasury	34 623 958	25 967 968	43 279 947	-	16 832 346	20 454 981	29 163 837	-	-	-	-	Y	
FMG	National Treasury	250 000	-	-	-	56 789	123 446	70 114	-	-	-	-	Y	
MSIG	National Treasury	735 000	0	-	-	182 439	197 307	348 161	-	-	-	-	Y	