

O.R. TAMBO DISTRICT MUNICIPALITY MUNICIPALITY



**O.R. TAMBO  
DISTRICT MUNICIPALITY**

FINANCIAL STATEMENTS

for the period ended

30 June 2010

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 55, 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 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 Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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**Acting Municipal Manager**

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**Date**

**O. R. TAMBO DISTRICT MUNICIPALITY  
FINANCIAL STATEMENTS  
For the period ended 30 June 2010**

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Financial Statements

for

**O.R. TAMBO DISTRICT MUNICIPALITY**

for the period ended 30 June: **2010**

Province: Eastern Cape

AFS rounding: **R (i.e. only cents)**

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**O.R. TAMBO DISTRICT MUNICIPALITY**  
**FINANCIAL STATEMENTS**  
for the period ended 30 June 2010

**General information**

**Members of the Council**

		<b><u>Date of Commencement</u></b>	<b><u>Date of Resignation</u></b>
Mrs. R. Z Capa	<b>Executive Mayor</b>	22 March 2006	
Ms. N. Madalane	<b>Speaker</b>	22 March 2006	
Mr. Z. Mzamane	<b>Council chief whip</b>	22 March 2006	
MMC L.S Nduku	Member of the Mayoral Committee	22 March 2006	
MMC E.N. Diko	Member of the Mayoral Committee	22 March 2006	
MMC Z. Ndlumbini	Member of the Mayoral Committee	22 March 2006	
MMC N. Meth	Member of the Mayoral Committee	22 March 2006	
MMC N. Tobo	Member of the Mayoral Committee	22 March 2006	
MMC M. Makhedama	Member of the Mayoral Committee	22 March 2006	
MMC P. Ndamase	Member of the Mayoral Committee	22 March 2006	18 January 2010
MMC N. Malunga	Member of the Mayoral Committee	22 March 2006	
MMC J.P. Mdingi	Member of the Mayoral Committee	22 March 2006	
MMC D.J. Myolwa	Member of the Mayoral Committee	22 March 2006	

**The Municipal Council (outside Mayoral Committee)**

Betele S.		22 March 2006	
Dambuza M.B.		22 March 2006	
Diniso M.		22 March 2006	
Dudumayo B.		22 March 2006	
Gexu N.		22 March 2006	
Gwadiso J.P.		22 March 2006	21 July 2010
Hlabiso L.		22 March 2006	
Jwacu N.		22 March 2006	
Khonza N.		29 May 2009	
Luvela T.		22 March 2006	
Mabandla M.N		22 March 2006	15 January 2009
Madubedube G.N.		05 May 2009	
Mamve N.		22 March 2006	
Mandita K.		22 March 2006	
Mantanga P.N.		22 March 2006	
Marini K.		22 March 2006	
Matomane R.N.		22 March 2006	
Mayekiso M.A.		22 March 2006	30 April 2010
Mbelu N.		31 March 2009	
Mngoma N.		22 March 2006	
Moyake N.S.		22 March 2006	
Mpatane X.		29 May 2009	
Mtshegu A.		22 March 2006	
Mvanyashe M.N.		22 March 2006	
Mzobotshe S.		22 March 2006	30 June 2010 (Deceased)
Ndabeni M.		22 March 2006	
Ndabeni S.		22 March 2006	

**O.R. TAMBO DISTRICT MUNICIPALITY**  
**FINANCIAL STATEMENTS**  
for the period ended 30 June 2010

**General information (continued)**

<b>The Municipal Council (outside Executive Committee Cont.)</b>	<b>Date of Commencing</b>	<b>Date of Resignation</b>
Ndabeni P.	22 March 2006	29 May 2009
Ndamase P.	22 March 2006	21 January 2010
Nduku L.S.	05 May 2009	
Njemla S.N.	22 March 2006	05 May 2009
Njomi L.A	22 March 2006	27 January 2009
Songca S.	22 March 2006	29 May 2009
Mashiyi T.	22 March 2006	31 March 2009 (Deceased)
Mhlanga M.	22 March 2006	06 May 2009
Ndlobongela B.	22 March 2006	
Ndude L.M.	22 March 2006	
Nkosiyane N.L.	05 May 2009	
Nyengane S.	05 May 2009	
Qhoshha B.	22 March 2006	
Qhuba W.S.	22 March 2006	
Sigcau N.E.	22 March 2006	
Sigcau T.T	22 March 2006	
Soldati N.	05 May 2009	
Sotshangane S.M.	22 March 2006	
Stoyile M.	23 March 2006	05 May 2009
Tayi H.S.	22 March 2006	
Thiyeka N.	22 March 2006	
Tshiceka N.	22 March 2006	
Tshobonga N.	30 April 2010	
Tshota L.M	05 May 2009	
Tshotsho M.	22 March 2006	
Tsipa K.W.	22 March 2006	
Wade B.J.	22 March 2006	
Yalo Z.	22 March 2006	

**Municipal Manager**

M. Ncube

**Chief Financial Officer**

M. E. Moleko

**Grading of Local Authority**

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**Auditors**

Auditor-General

**Bankers**

First National Bank

**O.R. TAMBO DISTRICT MUNICIPALITY**  
**FINANCIAL STATEMENTS**  
for the period ended 30 June 2010

**General information (continued)**

<b>Registered Office:</b>	O. R. Tambo House
<b>Physical address:</b>	Nelson Mandela Drive Myezo Park Mthatha 5099
<b>Postal address:</b>	<b>P/Bag X 6043</b> Mthatha 5099
<b>Telephone number:</b>	(047) 501 6400
<b>Fax number:</b>	(047) 532 4166
<b>E-mail address:</b>	<a href="mailto:mm@ortambodm.org.za">mm@ortambodm.org.za</a>

**O.R. TAMBO DISTRICT MUNICIPALITY**  
**FINANCIAL STATEMENTS**  
for the period ended 30 June 2010

**Approval of annual financial statements**

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 55, 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, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, 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 Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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Acting Municipal Manager

A. M. M. Ncube

DATE:

**O. R. TAMBO DISTRICT MUNICIPALITY  
STATEMENT OF FINANCIAL PERFORMANCE  
for the period ended 30 June 2010**

	Note	30 Jun 2010 R	30 Jun 2009 R
<b>REVENUE</b>			
<b>Revenue from exchange transactions</b>		<b>88 971 927</b>	<b>56 299 990</b>
Service charges	18	88 971 927	56 299 990
<b>Revenue from non-exchange transaction</b>		<b>910 934 977</b>	<b>853 504 026</b>
Public contributions and donations	21	200 000	1 600 000
Government grants & subsidies	20	910 734 977	851 904 026
Rental income		20 866	86 729
Other income	21	63 518 091	56 961 481
Interest received- Investment	19	8 373 488	11 850 165
Interest received- Other	19	13 554 135	3 347 479
<b>Total income</b>		<b>1 085 373 485</b>	<b>982 049 870</b>
<b>EXPENDITURE</b>			
Employee Related Costs	22	136 061 258	115 023 526
Remuneration of councillors	22	7 647 044	7 387 193
Debt impairment		37 335 458	70 084 391
Depreciation and amortisation	23	137 973 864	127 534 816
Impairment loss	30	4 667 081	16 419 725
Repairs and maintenance		8 290 086	25 556 594
Finance costs	24	8 727 605	18 967
Bulk purchases	25	40 625 668	23 318 010
Contracted services	26	6 020 301	3 345 244
Grants and subsidies paid	27	81 029 342	71 647 532
General expenses	28	505 045 864	523 617 501
<b>Total expenses</b>		<b>973 423 572</b>	<b>983 953 501</b>
Gain on sale of assets	29	508 411	1 266 054
Increase in fair value of biological assets	31	1 288 185	841 514
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>113 746 509</b>	<b>203 938</b>



O. R. TAMBO DISTRICT MUNICIPALITY  
STATEMENT OF FINANCIAL POSITION  
as at 30 June 2010

	Note	30 June 2010	30 June 2009
<b>ASSETS</b>			
<b>Current Assets</b>		<b>109 917 421</b>	<b>101 570 774</b>
Cash and cash equivalents	5	64 979 050	72 629 560
Trade receivables from exchange transactions	6	11 903 678	7 046 217
Obligations under transfer arrangements	16	7 485 104	-
Inventories	7	11 774 893	17 460 348
Other receivables from exchange transactions	8	1 333 130	1 302 324
VAT receivable	15	12 441 566	3 132 325
<b>Non-Current Assets</b>		<b>3 557 297 290</b>	<b>3 284 896 871</b>
Intangible assets	9	3 784 461	5 907 142
Investment property	12	2 200 000	2 100 000
Infrastructure, property, plant and equipment	10	3 541 519 583	3 267 306 997
Biological assets	11	9 793 246	9 582 732
<b>Total Assets</b>		<b>3 667 214 711</b>	<b>3 386 467 645</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>237 171 243</b>	<b>188 259 006</b>
Trade and other payables from exchange transactions	13	236 701 065	128 979 152
Consumer deposits	14	184 297	2 100
Bank overdraft	5	-	222
Obligations under transfer arrangements	16	-	59 179 754
Finance lease liability	17	285 881	97 778
<b>Non-current Liabilities</b>		<b>991 512</b>	<b>53 667</b>
Finance lease liability	17	991 512	53 667
<b>Total liabilities</b>		<b>238 162 755</b>	<b>188 312 673</b>
<b>NET ASSETS</b>		<b>3 429 051 956</b>	<b>3 198 154 972</b>
Reserves		102 621 524	96 154 191
Accumulated surplus		3 326 430 432	3 102 000 781
<b>Total net assets</b>		<b>3 429 051 956</b>	<b>3 198 154 972</b>

**O R TAMBO DISTRICT MUNICIPALITY  
STATEMENT OF CHANGES IN NET ASSETS  
for the period ended 30 June 2010**

	Revaluation Reserve	Government Grant Reserve	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
	R	R	R	R	R
<b>Balance at 30 June 2009</b>	61 862 593	34 291 598	96 154 191	3 102 000 782	3 198 154 973
Prior year adjustments	34			110 683 140	110 683 140
<b>Restated amount as at 30 June 2009</b>	61 862 593	34 291 598	96 154 191	3 212 683 922	3 308 838 113
Surplus on revaluation of property of property, plant and equipment	6 467 333		6 467 333	-	6 467 333
Capital grants used to purchase Property Plant and Equipment					
Offsetting of depreciation					
Surplus for the year	-	-	-	113 746 509	113 746 509
	<u>68 329 926</u>	34 291 598	102 621 524	3 326 430 432	3 429 051 956

**O R TAMBO DISTRICT MUNICIPALITY**  
**CASH FLOW STATEMENT**  
for the period ended 30 June 2010

	<u>Note</u>	30 June 2010 R	30 June 2009 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts:		914 970 639	897 784 958
Sales of goods and services		56 938 497	33 387 455
Grants		785 931 446	782 048 962
Interest received		8 373 488	11 850 165
Other receipts		63 727 207	70 498 375
Payments:		(753 481 809)	(693 344 760)
Employee costs		(141 139 321)	(122 410 721)
Suppliers		(611 894 490)	(554 511 115)
Interest paid		(447 998)	(18 967)
Other payments			(16 403 957)
<b>Cash generated by / (utilised in) operations</b>	<b>32</b>	<b>161 488 829</b>	<b>204 440 199</b>
Interest earned			15 197 645
Finance costs		-	(18 967)
<b>Net cash flows from operating activities</b>		<b>161 488 829</b>	<b>219 618 877</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(170 399 290)	(243 585 997)
Purchase of intangible assets		(275 549)	(5 341 441)
Purchase of biological assets		(168 325)	(781 170)
Proceeds on disposal of biological assets and produce		1 474 758	2 010 290
Proceeds long-term receivables			73 366
Transfers from calves (weaned)			(1 009 722)
Produce from insurance		11 750	
Proceeds from bursary		90 434	
Decrease due deaths of biological assets			1 056 088
<b>Net cash flows from investing activities</b>		<b>(169 266 222)</b>	<b>(247 578 586)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of finance lease liability		(55 093)	(60 745)
Advances on Consumer deposits		182 197	-
<b>Net cash flows from financing activities</b>		<b>127 104</b>	<b>(60 745)</b>
<b>Net decrease in net cash and cash equivalents</b>		<b>(7 650 288)</b>	<b>(28 020 455)</b>
<b>Net cash and cash equivalents at beginning of period</b>		<b>72 629 338</b>	<b>100 649 794</b>
<b>Net cash and cash equivalents at end of period</b>	<b>33</b>	<b>64 979 050</b>	<b>72 629 338</b>

**O.R. TAMBO DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS  
For the period ended 30 June 2010**

	30 June 2010 R	30 June 2009 R
<b>5 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of the following:		
<b>Bank balances</b>		
Cash on hand	1 621 690	33 380 842
Call deposits	63 357 360	39 248 718
	<u>64 979 050</u>	<u>72 629 560</u>
The Municipality has the following bank accounts: -		
<b><u>Current Account (Primary Bank Account)</u></b>		
First National Bank, York Road: Account Number 539990172		
Cash book balance at beginning of year	<u>33 367 570</u>	<u>10 582 923</u>
Cash book balance at end of year	<u>1 608 228</u>	<u>33 367 570</u>
Bank statement balance at beginning of year	<u>33 339 219</u>	<u>39 193 004</u>
Bank statement balance at end of the year	<u>49 260 977</u>	<u>33 339 219</u>
<b><u>(Other Account - credit card)</u></b>		
First National Bank, York Road: Account Number 881271004736000		
Cash book balance at beginning of year	<u>13 271</u>	<u>11 952</u>
Cash book balance at end of year	<u>5 344</u>	<u>13 271</u>
Bank statement balance at beginning of year	<u>8 465</u>	<u>7 145</u>
Bank statement balance at end of year	<u>3 088</u>	<u>8 465</u>
<b><u>Current Account - petty cash</u></b>		
First National Bank, York Road: Account Number 621428618881		
Cash book balance at beginning of year	<u>(222)</u>	<u>4 168</u>
Cash book balance at end of year	<u>1 656</u>	<u>(222)</u>
Bank statement balance at beginning of year	<u>(222)</u>	<u>39</u>
Bank statement balance at end of year	<u>-</u>	<u>(222)</u>
<b>Total cash and cash equivalents</b>	<u>64 979 050</u>	<u>72 629 560</u>
<b>Total bank overdraft</b>	<u>-</u>	<u>(222)</u>

O.R. TAMBO DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS  
For the period ended 30 June 2010

TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS			
6	Gross Balances	Allowance for	Net Balance
6.1	R	impairment losses	R
		R	
<b>Trade receivables</b>			
<b>30-Jun-10</b>			
Service debtors			
Water	110 876 051	(103 329 768)	7 546 283
Sewerage	64 022 918	(59 665 523)	4 357 395
<b>Total</b>	<b>174 898 969</b>	<b>(162 995 291)</b>	<b>11 903 678</b>
<b>30-Jun-09</b>			
Service debtors			
Water	99 569 914	(94 174 597)	5 395 317
Sewerage	29 741 490	(28 090 590)	1 650 900
<b>Total</b>	<b>129 311 404</b>	<b>(122 265 187)</b>	<b>7 046 217</b>
		<b>30 June 2010</b>	<b>30 June 2009</b>
		R	R
<b>Service Debtors: Ageing</b>			
Current (0 – 30 days)		18 458 793	14 592 063
31 - 60 Days		8 165 112	4 335 755
61 - 90 Days		5 730 106	3 150 052
91 - 120 Days		5 637 735	2 661 839
121 - 365 Days		67 975 051	29 249 446
+ 365 Days		68 932 133	73 174 706
<b>Total</b>		<b>174 898 929</b>	<b>127 163 861</b>

Service debtors contain an amount of R2 906 511.36 that has been received in advance from some of the municipality's consumer debtors. To comply with basic disclosure norms this amount has been disclosed under creditors. Accordingly, therefore, this amount accounts for the difference between total service debtors and the age analysis.

**Summary of Debtors by Customer Classification**

	Consumers	Industrial / Commercial	National and Provincial Government
	R	R	R
<b>30-Jun-10</b>			
Current (0 – 30 days)	9 167 385	3 304 752	5 986 657
31 - 60 Days	4 110 561	1 630 682	2 423 868
61 - 90 Days	3 392 968	1 013 117	1 324 022
91 - 120 Days	3 399 797	1 085 927	1 152 011
121 - 365 Days	50 428 560	10 399 940	7 146 551
+ 365 Days	54 121 565	3 978 917	10 831 651
Sub-total	<b>124 620 836</b>	<b>21 413 333</b>	<b>28 864 760</b>
Less: Provision for doubtful debts	(116 139 178)	(19 955 842)	(26 900 232)
<b>Total debtors by customer classification</b>	<b>8 481 658</b>	<b>1 457 492</b>	<b>1 964 528</b>
<b>30-Jun-09</b>			
Current (0 – 30 days)	8 915 072	1 723 217	3 953 774
31 - 60 Days	2 724 610	565 031	1 046 114
61 - 90 Days	2 056 997	453 670	639 385
91 - 120 Days	2 038 501	377 756	245 583
121 - 365 Days	23 058 715	3 780 580	2 410 150
+ 365 Days	56 988 665	4 431 026	11 755 016
Sub-total	<b>95 782 560</b>	<b>11 331 280</b>	<b>20 050 022</b>
Less: Provision for doubtful debts	(92 092 773)	(10 894 770)	(19 277 644)
<b>Total debtors by customer classification</b>	<b>3 689 787</b>	<b>436 510</b>	<b>772 378</b>

**O.R. TAMBO DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS  
For the period ended 30 June 2010**

	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>R</b>	<b>R</b>
<b><u>Statutory Debtors: Ageing</u></b>		
+ 365 Days	<u>14 810 568</u>	<u>5 602 222</u>

In accordance with the annual fiscal budgeting proclamations levies were repealed with effect from 01 July 2006, hence the relatively slow recovery rate.

**Summary of Debtors by Customer Classification**

	<b>Industrial / Commercial</b>	<b>National and Provincial Government</b>
	<b>R</b>	<b>R</b>
<b>30-Jun-10</b>		
+ 365 Days	<u>3 978 917</u>	<u>10 831 651</u>
<b>30-Jun-09</b>		
+ 365 Days	<u>1 848 733</u>	<u>3 753 489</u>

**6.2 Reconciliation of the doubtful debt provision**

	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>R</b>	<b>R</b>
Balance at beginning of the year	127 867 409	57 783 018
Reversal of incorrect entry	(2 207 575)	-
Total contribution to provision	37 335 458	70 084 391
Contributions to provision: trade debtors	<u>37 335 458</u>	<u>70 216 578</u>
Contributions to provision: other debtors	-	-
Doubtful debts written off against provision	-	-
Reversal of provision	-	(132 187)
<b>Balance at end of year</b>	<u><b>162 995 291</b></u>	<u><b>127 867 409</b></u>

**Trade receivables impaired**

As of 30 June 2010, trade and other receivables of R162 995 018 - (2009: R7 0 084 391) were impaired and provided for. The amount of the provision was R37 335 458 as at 30 June 2010 (2009: R127 867 409).

The fair value of trade receivables approximates their carrying amounts.

**O.R. TAMBO DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS  
For the period ended 30 June 2010**

	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>R</b>	<b>R</b>
<b>7 INVENTORIES</b>		
<b>Opening balance of inventories:</b>	<b>17 460 348</b>	<b>15 365 838</b>
Consumable stores - at cost	531 301	771 255
Maintenance materials - at cost	6 935 037	6 084 804
Water	9 994 010	8 509 779
<b>Additions:</b>	<b>22 580 666</b>	<b>10 687 217</b>
Consumable stores	15 605 436	1 957 995
Maintenance materials	6 975 230	7 244 991
Water	-	1 484 231
<b>Adjustments</b>		
Water	(7 594 319)	-
<b>Issued (expensed):</b>	<b>20 671 572</b>	<b>(8 592 912)</b>
Consumable stores	14 837 743	(2 197 949)
Maintenance materials	5 833 829	(6 394 758)
<b>Closing balance of inventories:</b>	<b>11 774 893</b>	<b>17 460 348</b>
Consumable stores	1 298 764	531 301
Maintenance materials	8 076 438	6 935 037
Water	2 399 691	9 994 010
	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>R</b>	<b>R</b>
<b>8 OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
<b>CURRENT</b>		
Car loans	51 445	51 445
Staff loans	67 105	142 965
Other receivables	3 137 181	1 211 589
Less: Provision for doubtful debts	(1 922 601)	(103 675)
<b>Total</b>	<b>1 333 130</b>	<b>1 302 324</b>

**CAR LOANS**

These are loans that were originally given to employees in 2006, payable within three years at no interest. The above employees are no longer working for the Municipality. Efforts are being made through the legal department to collect the amount owed.

**STAFF LOANS**

Staff loans comprise interest-free study loans granted to employees. As a means to provide an incentive for employees to further their studies and training the municipality has a scheme whereby employees who are successful on their studies (pass rate on courses registered for per academic year) are not required to pay back the study loan and any amounts that would have been recovered from the employees through the payroll are paid back to them.

**O.R. TAMBO DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2010**

**9 INTANGIBLE ASSETS**

Reconciliation of carrying value	Computer Software R	Ward based database R	Total R
<b>As at 1 July 2009</b>	<b>983 027</b>	<b>4 922 507</b>	<b>5 905 534</b>
Cost	2 369 906	5 063 150	7 433 056
Correction of error: cost (note 32)	(4 824)		(4 824)
Correction of error: accumulated amortisation (note 32)	3 216		3 216
Accumulated amortisation and impairment losses	(1 385 271)	(140 643)	(1 525 914)
Acquisitions	275 548	-	275 548
Amortisation	(708 904)	(1 687 717)	(2 396 621)
<b>As at 30 June 2010</b>	<b>549 671</b>	<b>3 234 790</b>	<b>3 784 461</b>
Cost	2 640 630	5 063 150	7 703 780
Accumulated amortisation and impairment losses	(2 090 959)	(1 828 360)	(3 919 319)
<b>As at 1 July 2008</b>	<b>1 453 152</b>	-	<b>1 453 152</b>
Cost	2 620 217	-	2 620 217
Correction of error: cost (note 32)	(528 602)	-	(528 602)
Correction of error: accumulated amortisation (note 32)	1 340 034	-	1 340 034
Accumulated amortisation and impairment losses	(1 978 497)	-	(1 978 497)
Acquisitions	278 291	5 063 150	5 341 441
Amortisation	(746 808)	(140 643)	(887 451)
<b>As at 30 June 2009</b>	<b>984 635</b>	<b>4 922 507</b>	<b>5 907 142</b>
Cost	2 369 906	5 063 150	7 433 056
Accumulated amortisation and impairment losses	(1 385 271)	(140 643)	(1 525 914)



**O.R. TAMBO DISTRICT MUNICIPALITY**  
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**10 INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT**

10.1 Reconciliation of Carrying Value	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R	R
<b>01 July 2009</b>	<b>35 500 001</b>	<b>85 114 425</b>	<b>3 218 854 952</b>	-	<b>90 000</b>	<b>36 247 756</b>	<b>209 387</b>	<b>3 376 016 521</b>
Cost/Revaluation	<b>39 154 387</b>	<b>92 349 992</b>	<b>4 678 886 621</b>	-	<b>90 000</b>	<b>74 028 578</b>	<b>693 476</b>	<b>4 885 203 054</b>
Opening balance	47 945 554	92 349 992	4 570 855 037	-	90 000	73 442 325	667 316	4 785 350 224
Reclassification of Assets	(8 791 167)							(8 791 167)
Correction of error	-		108 031 584			586 253	26 160	108 643 997
Accumulated depreciation and impairment losses	(3 654 386)	(7 235 567)	(1 460 031 669)	-	-	(37 780 822)	(484 089)	(1 509 186 533)
Opening balance	(10 345 553)	(7 235 567)	(1 460 031 669)	-	-	(37 857 818)	(472 620)	(1 515 943 227)
Reclassification of Assets	6 691 167							6 691 167
Correction of error			-			76 996	(11 469)	65 527
Acquisitions- Municipality	-	294 162	26 071 196	-	-	9 187 394	881 790	36 434 542
Acquisitions- Dwaf donated	-	-	32 271 223	-	-	-	-	32 271 223
Revaluations	250 000	6 217 333	-	-	-	-	-	6 467 333
Capital under Construction-Municipality	-	12 478 719	121 486 028	-	-	-	-	133 964 748
Capital under Construction-DWAF donated	-	-	92 532 307	-	-	-	-	92 532 307
Other adjustments	-	-	-	-	-	-	-	-
Depreciation	-	(3 006 726)	(123 223 325)	-	-	(9 156 219)	(190 973)	(135 577 243)
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
(Impairment loss)/Reversal of impairment loss	-	(353 335)	-	-	-	(236 513)	-	(589 848)
Transfers	-	-	-	-	-	-	-	-
Other movements*	-	-	-	-	-	-	-	-
<b>30 June 2010</b>	<b>35 750 001</b>	<b>100 744 578</b>	<b>3 367 992 383</b>	-	<b>90 000</b>	<b>36 042 418</b>	<b>900 203</b>	<b>3 541 519 583</b>
Cost/Revaluation	39 404 387	111 340 206	4 951 247 376	-	90 000	83 215 972	1 575 266	5 186 873 207
Accumulated depreciation and impairment losses	(3 654 386)	(10 595 628)	(1 583 254 994)	-	-	(47 173 554)	(675 062)	(1 645 353 624)

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10.2 Reconciliation of Carrying Value	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R	R
<b>01 July 2008</b>	<b>26 073 408</b>	<b>50 105 678</b>	<b>2 997 205 692</b>	-	<b>90 000</b>	<b>33 237 184</b>	<b>313 535</b>	<b>3 107 025 497</b>
Cost/Revaluation	27 415 588	46 661 999	-	4 494 369	90 000	76 698 057	2 068 162	157 428 175
Correction of error (note 32)								
Cost/Revaluation	(1 342 180)	9 250 482	4 341 385 130	(4 494 369)	-	(15 091 306)	(1 427 495)	4 328 280 262
Accumulated depreciation	-	(2 682 929)	(1 344 179 438)	473 450	4 799	10 156 841	839 059	(1 335 388 218)
Accumulated depreciation and impairment losses	-	(3 123 874)		(473 450)	(4 799)	(38 526 408)	(1 166 191)	(43 294 722)
Acquisitions	-	2 253 867	229 469 907	-	-	11 780 124	26 649	243 530 547
Revaluations	19 772 146	39 990 447	-	-	-	-	-	59 762 593
Capital under Construction	-	-	-	-	-	55 450	-	55 450
Other adjustments	-	5 806 803	-	-	-	-	-	5 806 803
Depreciation	-	(2 613 627)	(115 852 231)	-	-	(8 036 019)	(145 488)	(126 647 365)
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
(Impairment loss)/Reversal of impairment loss	(10 345 553)	(4 621 940)	-	-	-	(1 452 232)	-	(16 419 725)
Transfers	-	-	-	-	-	-	-	-
Other movements*	-	(5 806 803)	-	-	-	-	-	(5 806 803)
<b>30 June 2009</b>	<b>35 500 001</b>	<b>85 114 425</b>	<b>3 110 823 368</b>	-	<b>90 000</b>	<b>35 584 507</b>	<b>194 696</b>	<b>3 267 306 997</b>
Cost/Revaluation	45 845 554	92 349 992	4 570 855 037	-	90 000	73 442 325	667 316	4 783 250 224
Accumulated depreciation and impairment losses	(10 345 553)	(7 235 567)	(1 460 031 669)	-	-	(37 857 818)	(472 620)	(1 515 943 227)

Refer to Appendices B and C for more detail on Infrastructure, property, plant and equipment.

**Details of valuation**

The effective date of the revaluations was 30 June 2009. Revaluations were performed by independent professional valuers, Mr Charl Kruger (National Diploma in Property Valuers), Gesina de Sousa independent candidate valuer, Letlaka Ndamase and Valuers), an independent professional associated valuer (Valuation Network Property Valuers and Consultants). Valuation Network Property Valuers and Consultants is not connected to the entity.

Land and buildings are re-valued independently every 5 years. The valuation was performed using the market value method and the following assumptions were used: The income capitalisation approach used to value income producing properties and it is based on the assumption that the purchaser will pay no more for a property with a certain income flow with similar risks and benefits than for an investment elsewhere. The net income stream is converted into a present value through the capitalisation process. The capitalisation rate of return which will be required by the owner form an investment if that investment were fully let to tenants paying market related rentals with market escalation rates.

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**11 BIOLOGICAL ASSETS**

**11.1 Reconciliation of Carrying Value**

	Trees in plantation R	Cows R	Bulls R	Calves R	Heifers R	Steers R	Total R
<b>as at 1 July 2009</b>	<b>4 950 000</b>	<b>2 677 091</b>	<b>189 985</b>	<b>111 500</b>	<b>1 036 464</b>	<b>617 692</b>	<b>9 582 732</b>
Cost/Valuation	4 950 000	2 677 091	189 985	111 500	1 036 464	617 692	9 582 732
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-
<b>Additions</b>	<b>-</b>						<b>-</b>
Newborn calves during the year				96 000			96 000
Purchases			168 325				168 325
Decrease due to harvest/sales	-	(358 934)	-			(607 413)	(966 347)
Decrease due to deaths	-	(275 450)	(19 998)	(8 500)	(7 027)	(13 428)	(324 403)
Decrease due to donations		(51 247)					(51 247)
Gains from changes in fair value	990 000			561 481	309 782	266 862	2 128 125
Losses from changes in fair value	-	(693 052)	(146 888)				(839 940)
Transfers of calves to steers and heifers		160 146			10 540	332 345	503 031
Transfers from calves (weaned)				(503 031)			(503 031)
Carrying value of disposals	-	-	-	-	-	-	-
Cost/Valuation	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-
<b>as at 30 June 2010</b>	<b>5 940 000</b>	<b>1 458 555</b>	<b>191 424</b>	<b>257 450</b>	<b>1 349 759</b>	<b>596 058</b>	<b>9 793 246</b>
Cost/Valuation	5 940 000	1 458 555	191 424	257 450	1 349 759	596 058	9 793 246
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-

**O.R. TAMBO DISTRICT MUNICIPALITY  
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**11 BIOLOGICAL ASSETS**

**11.1 Reconciliation of Carrying Value**

	Trees in plantation R	Cows R	Bulls R	Calves R	Heifers R	Steers R	Total R
<b>as at 1 July 2008</b>	<b>4 950 000</b>	<b>2 559 358</b>	<b>216 667</b>	<b>493 917</b>	<b>43 750</b>	<b>486 958</b>	<b>8 750 650</b>
Cost/Valuation	4 950 000	2 559 358	216 667	493 917	43 750	486 958	8 750 650
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-
Additions	-	-	-	606 170	175 000	-	781 170
Decrease due to harvest/sales	-	(264 934)	(8 333)	-	-	(470 969)	(744 236)
Decrease due to deaths	-	(219 945)	(50 000)	(33 676)	(17 500)	(26 165)	(347 286)
Gains from changes in fair value	-	602 612	31 651	-	103 131	350 228	1 087 622
Losses from changes in fair value	-	-	-	(246 109)	-	-	(246 109)
Transfers of calves to steers and heifers	-	-	-	(708 802)	-	-	(708 802)
Transfers from calves (weaned)	-	-	-	-	732 083	277 639	1 009 722
Carrying value of disposals	-	-	-	-	-	-	-
Cost/Valuation	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-
<b>as at 30 June 2009</b>	<b>4 950 000</b>	<b>2 677 091</b>	<b>189 985</b>	<b>111 500</b>	<b>1 036 464</b>	<b>617 692</b>	<b>9 582 732</b>
Cost/Valuation	4 950 000	2 677 091	189 985	111 500	1 036 464	617 692	9 582 732
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-

**O.R. TAMBO DISTRICT MUNICIPALITY  
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**11.2 Operations and Principal Activities**

The Adam Kok farms are utilised both for livestock production and for the production of fruit. On 30 June 2010, the farm held 333 Cows, 26 Bulls, 271 Calves being raised to be Steers and Heifers being respectively 296 Heifers and 98 Steers. The livestock is valued at fair market value (valued by Sworn Appraiser) less point of sale costs. A mass plantation of peach and apple fruit trees are held for the production of fruit, covering a total area of 18 hectares

**O.R. TAMBO DISTRICT MUNICIPALITY  
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**11.3 Non-financial information**

**Quantities of each biological asset**

	Trees in plantation R	Cows R	Bulls R	Calves R	Heifers R	Steers R	Total R
<b>as at 1 July 2009</b>	<b>19800</b>	<b>415</b>	<b>19</b>	<b>223</b>	<b>295</b>	<b>184</b>	<b>20936</b>
Trees	19800	-	-	-	-	-	19800
Livestock	-	415	19	223	295	184	1136
<b>Additions</b>							
Newborn calves during the year				192			192
Purchases			9				9
Decrease due to harvest/sale		(56)				(181)	(237)
Decrease due to death		(43)	(2)	(17)	(2)	(4)	(68)
Decrease due to donations		(8)					(8)
Transfers of calves to steers and heifers				(127)			(127)
Transfers from calves (weaned)		25			3	99	127
<b>as at 30 June 2010</b>	<b>19800</b>	<b>333</b>	<b>26</b>	<b>271</b>	<b>296</b>	<b>98</b>	<b>20824</b>
Trees	19800	-	-	-	-	-	19800
Livestock	-	333	26	271	296	98	1024

**11.4 Biological assets pledged as security**

No biological assets were pledged as security.

**11.5 Assets carried at cost and accumulated depreciation and impairment losses**

Biological assets are carried at fair value.

**11.6 Methods and assumptions used in determining the fair value**

Cattle are valued at the prevailing market rates, as determined by breed, genetic merit and age less point of sale costs. Fruit trees are valued by way of on arms length transaction that would have been applied / prevailing in replacing the existing fruit trees with fruit trees

**11.7 Output of agricultural produce**

	2010	2009
Agricultural produce for the year	-	-
There was no output of agricultural produce for the year		

**11.8 Biological assets that died during the year**

	Cows	Bulls	Calves	Heifers	Steers	Total
Rand value	(275 450)	(19 998)	(8 500)	(7 027)	(13 428)	(324 403)
Quantities	(43)	(2)	(17)	(2)	(4)	(68)

Most of the biological assets died due to ill-health ranging from pneumonia, liver flu, wire worm, redwater and dystonia. One of the cattle was born disabled with two heads  
Four cows and 1 calf were stuck in mud and one calf was hit by a truck.

**11.9 Financial risk management**

The municipal tree plantations are exposed to the risk of damage from climatic changes, diseases, fires and other natural forces. The municipality has processes in place aimed at monitoring and mitigating those risks, including regular inspections and pest and disease control.

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**12 Investment property**

	2010		2009	
	Opening fair value	Closing fair value	Opening fair value	Closing fair value
Investment property	2 200 000	- 2 200 000	2 100 000	- 2 100 000

**Reconciliation of investment property - 2010**

	Opening balance	Fair value adjustments	Total
Investment property	2 100 000	100 000	2 200 000

**Reconciliation of investment property - 2009**

	Opening balance	Fair value adjustments	Total
Investment property	8 791 167	-6 691 167	2 100 000

Investment property represents vacant land (Erf 1559) located in Port St Johns. A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

**Details of valuation**

The effective date of the revaluations was 30 June 2010. Revaluations were performed by an independent valuer, Mr Letlaka Ndamase. He is a Professional Associated Valuer (Registration number 5435) with a National Diploma in Property Valuation and is a member of the SA Institute of Valuers, from Valuation Network Property Valuers and consultants. Valuation Network Property Valuers and Consultants are not connected to the economic entity and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

**Prior period error**

Refer to prior period error note 42.



	R	
Cash received from service charges	<b>56 938 497</b>	
Gross revenue	102 526 063	
Add: debtors beg	129 311 404	<b>(45 587 565)</b>
Less: debtors end	(174 898 969)	
Grants received	<b>785 931 446</b>	
Gross	910 734 977	
Less in kind paid to mgeni water board by DWAF	<b>(32 271 223)</b>	
Less: Donations DWAF	<b>(92 532 307)</b>	
Other receipts	<b>63 727 207</b>	
Rental income	20 866	
Other income less insurance proceeds	63 506 341	
Public contributions and donations	200 000	
Interest received	8 373 488	
Total receipts	<b>914 970 639</b>	
Payments : salaries	<b>141 139 321</b>	
Gross employee costs	143 708 302	
Less leave provisions	(3 379 783)	
Leave payment made	1 219 390	
Add bonus accruals beg of year	3 602 521	<b>(408 589)</b>
Less bonus accruals end of year	(4 011 110)	
Payments: suppliers & other	<b>611 894 490</b>	
Gross payments	973 423 572	
Less gross salaries	(143 708 302)	
Less non cash items:		
-Debt impairment	(37 335 458)	
-Depreciation and amortisation	(137 973 864)	
-Impairment loss	(4 667 081)	
Trade payables : beg	104 328 338	<b>(107 156 396)</b>
Trade payables : end	(211 484 734)	
Payments received in advance	(758 969)	
Provisions	(2 568 981)	
Other creditors	2 768 517	
VAT : beg	(3 132 325)	<b>9 309 240</b>
VAT : end	12 441 566	
Obligations under transfer arrangements: beg	59 179 754	<b>66 664 858</b>
Obligations under transfer arrangements: end	7 485 104	
Other debtors : beg	(1 302 324)	<b>30 806</b>
Other debtors : end	1 333 130	
Inventory : beg	(17 460 348)	<b>(5 685 455)</b>
Inventory : end	11 774 893	
Payments received in advance		
Consumer deposits		
Finance costs	<b>(447 998)</b>	
Finance costs	<b>447 998</b>	
Total payments	<b>753 481 809</b>	
	<b>161 488 829</b>	

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	30 June 2010 R	30 June 2009 R
<b>13 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Financial liabilities measured at cost	214 391 245	106 475 880
Trade payables	211 484 734	104 328 338
Payments received in advance	2 906 511	2 147 542
Provisions	21 996 270	19 427 288
Provision for Bonus	4 011 110	3 602 521
Provision for Leave	17 985 160	15 824 767
Other accounts payable	313 551	3 075 984
<b>Total creditors</b>	<b>236 701 065</b>	<b>128 979 152</b>
The fair value of trade and other payables approximates their carrying amounts.		
<b>14 CONSUMER DEPOSITS</b>		
Consumer deposits	<b>184 297</b>	<b>2 100</b>
<b>15 VAT RECEIVABLE/(payable)</b>		
VAT receivable	<b>12 441 566</b>	<b>3 132 325</b>
VAT is payable on a payment basis. VAT is paid over to SARS only when payment is received from debtors.		
<b>16 OBLIGATIONS UNDER TRANSFER ARRANGEMENTS</b>		
<b>16.1 Unspent Conditional Grants from other spheres of Government</b>		
MIG Grants	30 530 575	28 612 719
Other	-23 045 471	30 567 035
<b>Total Unspent Conditional Grants and Receipts</b>	<b>7 485 104</b>	<b>59 179 754</b>

**O.R. TAMBO DISTRICT MUNICIPALITY**  
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**16.2 Conditions and restrictions**

See note 20 for the reconciliation of grants and receipts. These amounts are invested in ring-fenced investments until utilised.

**17 FINANCE LEASE LIABILITY**

<b>30 June 2010</b>	<b>Up to 1 Year</b>	<b>1 to 5 Years</b>	<b>Total</b>
<b>Amounts payable under finance leases</b>	<b>R</b>	<b>R</b>	<b>R</b>
Minimum Lease Payments	381 722	1 157 716	1 539 438
Finance Costs	(95 841)	(166 204)	(262 045)
Present Value	<u>285 881</u>	<u>991 512</u>	<u>1 277 393</u>
Less: Amount due for settlement within 12 months (current portion)			<u>285 881</u>
			<u><u>991 512</u></u>

The average lease term is 5 years. The lease agreements neither provide the nominal nor the effective interest rates, accordingly, internal rates of return applicable to each lease were determined and accordingly applied to amortise each of the respective lease repayments. Therefore, the average effective borrowing rate (internal rate of return) is 22.68%. The majority of these leases have fixed repayment terms. The agreements do not provide for contingent rental payments. None of the leased equipment's ownership will pass to the municipality at the end of the respective lease terms.

<b>30 June 2009</b>	<b>Up to 1 Year</b>	<b>1 to 5 Years</b>	<b>Total</b>
<b>Amounts payable under finance leases</b>	<b>R</b>	<b>R</b>	<b>R</b>
Minimum Lease Payments	112 613	72 526	185 139
Finance Costs	(14 834)	(18 859)	(33 693)
Present Value	<u>97 779</u>	<u>53 667</u>	<u>151 446</u>
Less: Amount due for settlement within 12 months (current portion)			<u>97 779</u>
			<u><u>53 667</u></u>

The average lease term is 5 years. The lease agreements neither provide the nominal nor the effective interest rates, accordingly, internal rates of return applicable to each lease were determined and accordingly applied to amortise each of the respective lease repayments. Therefore, the average effective borrowing rate (internal rate of return) is 22.68%. The majority of these leases have fixed repayment terms. The agreements do not provide for contingent rental payments. None of the leased equipment's ownership will pass to the municipality at the end of the respective lease terms.

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	30 June 2010 R	30 June 2009 R
<b>18 SERVICE CHARGES</b>		
Sale of water	74 437 544	42 984 895
Sewerage and sanitation charges	15 424 100	14 784 444
Less: Interest on discounting	<u>(889 717)</u>	<u>(1 469 349)</u>
<b>Total Service Charges</b>	<b><u>88 971 927</u></b>	<b><u>56 299 990</u></b>
<b>19 FINANCE INCOME</b>		
Interest income on external investment	8 373 488	11 850 165
Interest on outstanding receivables	<u>13 554 135</u>	<u>3 347 479</u>
<b>Total interest</b>	<b><u>21 927 623</u></b>	<b><u>15 197 644</u></b>
<b>20 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable share	324 579 554	260 794 564
MIG Grant	458 036 544	436 169 320
Other Government Grants and Subsidies	74 743 730	92 925 704
Grant in aid income	<u>53 375 149</u>	<u>62 014 438</u>
<b>Total Government Grants and Subsidies</b>	<b><u>910 734 977</u></b>	<b><u>851 904 026</u></b>
<b>20.1 Equitable Share</b>		
<p>In terms of the Constitution, this, amongst other grants, is used to subsidise the provision of basic services to the district's communities. In this regard, the district's service beneficiaries (water supply customers) receive an allocation of 6 kilolitres of free water a day. This translates to a subsidy of R21.60 per month (2008: R21,60), which is funded from this grant. Furthermore a part of service delivery, the District Municipality carts water to the urban and rural areas throughout the district.</p>		
<b>20.2 MIG Grant</b>		
<b>Balance unspent at beginning of year</b>	28 612 719	34 604 039
Current year receipts	400 000 000	430 178 000
Conditions met - transferred to revenue	<u>(459 143 294)</u>	<u>(436 169 320)</u>
<b>Conditions still to be met - remain liabilities</b>	<b><u>(30 530 576)</u></b>	<b><u>28 612 719</u></b>

In terms of MFMA Circular No. 48, all conditional allocations (excluding interest earned thereon) that at year-end are not utilised must revert back to the National Revenue Fund unless the relevant receiving officer can prove to the satisfaction of the National Treasury that the unspent allocation is committed to identifiable projects. The municipality reports that at year end, all unspent conditional grants were committed to identifiable projects.

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	30 June 2010	30 June 2009
	R	R
<b>20.3 Other Government Grants and Subsidies</b>		
Balance unspent at beginning of year	30 567 035	32 416 341
Prior year error	95 974	
Current year receipts	105 941 987	91 076 398
Conditions met - transferred to revenue	(130 038 547)	(92 925 704)
<b>Conditions still to be met - remain liabilities</b>	<u><u>6 566 449</u></u>	<u><u>30 567 035</u></u>

**20.4 Grant in aid income**

Grant in aid income represents the value of Water Infrastructure constructed by the Department of Water Affairs & Forestry during the current year for the Municipality.

<u><u>14 748 311</u></u>	<u><u>62 014 438</u></u>
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**20.5 Changes in levels of government grants**

Based on the allocations set out in the Division of Revenue Act, (Act 12 of 2009), the following significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

	2011	2012	2013
	R	R	R
Financial management grant	1 000 000	1 250 000	1 500 000
Municipal systems improvement grant	1 000 000	1 050 000	2 000 000
Equitable share	406 208 000	456 876 000	502 252 000
Municipal infrastructure grant	570 958 000	686 690 000	834 953 000
Water services operating and transfer subsidy	19 027 000	19 381 000	14 298 000
	<u><u>998 193 000</u></u>	<u><u>1 165 247 000</u></u>	<u><u>1 355 003 000</u></u>

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21 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS

	30 June 2010	30 June 2009
	R	R
<b>21.1 OTHER INCOME</b>		
Sundry revenue	920 561	419 319
Tender documents	716 161	287 832
Commission received	76 184	93 786
Deposits	-	9 000
Farm operations	-	-
Lgseta - Skills Development	-	609 553
Insurance proceeds	11 750	-
VAT refund (MFMA Circular No.48 Implementation)	61 793 435	55 541 991
Proceeds received due to under-declaration	-	-
<b>Total</b>	<u><u>63 518 091</u></u>	<u><u>56 961 481</u></u>
<b>21.2 Public contributions and donations</b>		
Public contributions - Unconditional	200 000	1 600 000
<b>Total public contributions and donations</b>	<u><u>200 000</u></u>	<u><u>1 600 000</u></u>
<b>Total Other Income</b>	<u><u>63 718 091</u></u>	<u><u>58 561 481</u></u>
<b>Reconciliation of conditional contributions</b>		
<b>Balance unspent at beginning of year</b>		
Current year receipts	200 000	1 600 000
Conditions met - transferred to revenue	(200 000)	(1 600 000)
<b>Conditions still to be met - remain liabilities</b>	<u><u>-</u></u>	<u><u>-</u></u>

The public contribution received was from the Premier's office in October 2009.  
 Contributions received was R200 000.

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	30 June 2010	30 June 2009
	R	R
<b>22 EMPLOYEE BENEFITS</b>		
<b>22.1 EMPLOYEE RELATED COSTS</b>		
Salaries and wages	84 138 430	69 330 252
Contributions for UIF, pensions and medical aids	16 631 625	13 653 460
Travel, motor car and other allowances	17 405 855	14 764 603
Housing benefits	4 836 509	4 018 355
Overtime	3 309 133	3 942 194
Bonus (13th cheque)	6 359 923	5 490 831
Performance bonuses	-	104 449
Provision for leave pay	3 379 783	3 719 382
<b>Total employee costs excluding councillors</b>	<b><u>136 061 258</u></b>	<b><u>115 023 526</u></b>
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	948 674	922 706
Car Allowance		
	75 600	79 396
Contributions to UIF, Medical and Pension Funds	1 497	1 497
<b>Total</b>	<b><u>1 025 771</u></b>	<b><u>1 003 599</u></b>
An amount of R502 was utilised by the municipal manager on the 21st of April 2010. He reported the incident on the same day and the amount was recovered from his salary on the 25th June 2010.		
<b>Remuneration of the Chief Finance Officer</b>		
Annual Remuneration	626 622	537 187
Car Allowance	314 603	88 715
Contributions to UIF, Medical and Pension Funds	1 497	1 497
Leave pay	33 831	314 601
<b>Total</b>	<b><u>976 553</u></b>	<b><u>942 000</u></b>
<b>Remuneration of the Strategic Director - Corporate Services</b>		
Annual Remuneration	867 591	756 840
Car Allowance	120 000	120 000
UIF	1 497	1 497
<b>Total</b>	<b><u>989 088</u></b>	<b><u>878 337</u></b>
<b>Remuneration of the Strategic Director - Planning and Socio-Economic Affairs</b>		
Annual Remuneration	924 591	804 840
Car Allowance	72 000	72 000
UIF	1 497	1 497
<b>Total</b>	<b><u>998 088</u></b>	<b><u>878 337</u></b>

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22.1 EMPLOYEE RELATED COSTS(continued)

	30 June 2010 R	30 June 2009 R
<b>Remuneration of the Internal Audit Manager</b>		
Annual Remuneration	797 225	707 787
Leave Pay	35 657	105 680
Car Allowance	144 000	144 000
UIF	1 497	1 497
<b>Total</b>	<b>978 379</b>	<b>958 964</b>

**Remuneration of Director - Municipal Operations & Reporting**

Annual Remuneration	69 254	558 376
Leave Pay	-	69 700
Car Allowance	193 204	193 200
UIF	1 497	1 497
<b>Total</b>	<b>263 955</b>	<b>822 773</b>

**Remuneration of Council Secretary**

Annual Remuneration	765 859	631 577
	33 560	-
Car Allowance	120 000	120 000
UIF	1 497	1 497
<b>Total</b>	<b>920 916</b>	<b>753 074</b>

**Remuneration of Political Advisor**

Annual Remuneration	948 674	851 345
Car Allowance	75 600	75 600
UIF	1 497	1 497
<b>Total</b>	<b>1 025 772</b>	<b>928 442</b>

**Remuneration of Director - Office of the Executive Mayor**

Annual Remuneration	626 622	537 242
Leave Pay	35 657	74 153
Car Allowance	314 603	314 604
UIF	1 497	1 497
<b>Total</b>	<b>978 379</b>	<b>927 496</b>

**Remuneration of Individual Executive Directors**

	Technical Services R	Corporate Services R	Community Services R
<b>2010</b>			
Annual Remuneration	807 859	779 399	813 859
Leave pay	31 370	-	-
Travel, motor car, accommodation, subsistence and other allowances	78 000	106 460	72 000
Contributions to UIF, Medical and Pension Funds	1 497	1 497	1 497
<b>Total</b>	<b>918 726</b>	<b>887 356</b>	<b>887 356</b>

**REMUNERATION OF COUNCILLORS**

Executive Mayor	574 004	538 575
Speaker	270 231	236 972
Mayoral Committee members	3 948 128	3 778 310
Councillors	2 854 681	2 833 336
Councillors' pension and Medical contribution	-	-
<b>Total Councillors' Remuneration</b>	<b>7 647 044</b>	<b>7 387 193</b>



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22.1 EMPLOYEE RELATED COSTS(continued)	30 June 2010	30 June 2009
In-kind Benefits	R	R
<p>The Executive Mayor and Executive Committee Members are full-time. The Speaker is part-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor is provided with personal body guards.</p> <p>The Executive Mayor is entitled to stay at the mayoral residence owned by the Council at less than market related rate. The Executive Mayor has use of the Council owned vehicle for official duties.</p>		
<b>23 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Property, plant and equipment	135 577 243	126 647 365
Intangible assets	<u>2 396 621</u>	<u>887 451</u>
<b>Total Depreciation and Amortisation</b>	<u><b>137 973 864</b></u>	<u><b>127 534 816</b></u>
<b>24 FINANCE COSTS</b>		
Finance lease	447 998	18 967
Interest on DWAF	<u>8 279 607</u>	<u>-</u>
	<u><b>8 727 605</b></u>	<u><b>18 967</b></u>
<b>25 BULK PURCHASES</b>		
Water	<u><b>40 625 668</b></u>	<u><b>23 318 010</b></u>
<b>26 CONTRACTED SERVICES</b>		
Contracted services for:		
Cleaning services	249 807	-
Security services	<u>5 770 494</u>	<u>3 345 244</u>
<b>Total contracted services</b>	<u><b>6 020 301</b></u>	<u><b>3 345 244</b></u>

**O.R. TAMBO DISTRICT MUNICIPALITY**

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**27 GRANTS AND SUBSIDIES PAID**

Ntinga O.R. Tambo Development Agency *	80 205 211	67 674 976
Municipal support **	305 277	3 972 556
Support to Traditional Authorities	518 854	-
	<u>81 029 342</u>	<u>71 647 532</u>

\* Ntinga O.R. Tambo Development Agency is an entity of the municipality responsible for the Economic Development objectives of the municipality. Accordingly and as a means to enable it to fulfill its mandate, it is recipient of allocated grant funding from the District Municipality.

\*\* The District Municipality supported three of its local municipalities namely: Mhlontlo Local Municipality, Ingquza Hill Local Municipality and Port St Johns Local Municipality.

O.R. TAMBO DISTRICT MUNICIPALITY

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For the period ended 30 June 2010

	30 June 2010	30 June 2009
	R	R
<b>28 GENERAL EXPENSES</b>		
Included in general expenses are the following:-		
Conditional grant expenditure	355 274 179	370 994 490
2010 Sports development programme	681 221	879 648
Advertising	424 899	547 713
Assessment rates	734 011	634 288
Audit committee allowances	97 430	43 168
Audit fees	2 582 703	1 924 700
Bank charges	1 144 631	383 538
Ceremonial function	11 809	121 438
Child protection services	54 939	58 171
Cleaning	299 101	243 312
Communication	1 638 404	2 199 006
Community participation and road shows	455 042	1 014 348
Conferences and delegations	864 622	533 380
Consulting fees	5 877 137	2 682 563
Corporate expenditure	313 412	181 330
Corporate gifts	41 890	184 078
Council receptions	410 417	127 123
District sports council	251 179	89 232
Employee assistance programme	25 300	20 200
Entertainment		139 996
Farm operations	266 007	6 518 893
Financial academic assistance	971 521	1 768 145
Free basic services	30 541 322	14 332 774
GIS Land audit and land manna		170 130
Group life assurance scheme	1 601 212	1 747 369
Hire - equipment and machinery	1 942 431	1 151 498
Hiv and Aids (Inkciyo Practice)	1 647 054	1 906 866
Housing projects - launches	102 938	267 268
Insurance	1 058 708	880 638
Interest and penalties		184 752
Inter-governmental relations	2 735 769	52 554
International relations	11 400	11 584
Internship programme	1 436 646	1 364 194
Investment conference	3 825	5 849 199
Investor mobilisation		136 458
Legal expenses	424 189	468 429
Library services		285 359
License fees	2 222 650	664 060
Mandela month	41 699	1 634 736
Mayoral reception fund		178 943
Mayor's intervention fund	1 399 287	2 044 594
Mayor's sectoral engagement	117 216	887 170
Membership fees	13 452	-
Mfundisweni road		190 533
Moral regeneration programmes	108 596	181 035
Sub-total carried forward	<u>417 828 249</u>	<u>425 878 903</u>

**O.R. TAMBO DISTRICT MUNICIPALITY**  
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28 GENERAL EXPENSES (continued)	30 June 2010 R	30 June 2009 R
Sub-total brought forward	417 828 249	425 878 903
Municipal health services		297 950
Office rental	131 590	130 483
O.R. Tambo month	3 439 836	1 512 044
Other operational expenditure	10 062 102	21 162 257
Postage	177 508	280 176
Poverty relief programme	4 933 644	4 641 582
Primary health care	159 924	145 360
Printing and stationery	1 968 716	2 167 067
Protective clothing	54 279	852 647
Public transport	104 200	328 277
Relocation costs	5 250	38 510
Revenue generation and enhancement	8 000	971 789
Safety and security program	511 865	311 252
Salga fees	1 261 314	1 144 834
Scientific disaster management		347 322
Skills development and capacity building	813 990	905 809
SMME Development programme		498 788
Social and community facilities		175 300
Social relief programme	349 615	1 043 806
Sports, arts, culture and herita	241 979	993 490
Spus - children	2 105 671	1 301 553
Spus - old age	350 236	286 207
Spus - physically challenged	243 685	345 505
Spus - women	258 012	698 925
Spus - youth	598 253	1 637 866
Stocks and material	6 363 713	5 982 873
Storm water management plan		592 918
Travel and subsistence	5 662 395	6 671 880
Support to traditional authority	518 854	286 096
Taxi programme assistance	25 000	143 400
Telephone cost	4 486 123	3 731 552
Tourism marketing	346 737	1 156 105
Tourism education and awareness	366 923	192 896
Transfer of sports facilities	208 628	375 107
Upper Mhlahlane		3 320 885
Vehicle fuel and oil	6 021 681	7 205 656
Village water committees	13 184 161	11 403 393
VIP Protection unit	3 295 308	371 718
Waste management	3 109 917	36 693
Water plant hire		1 005 733
Water purification chemicals	12 009 941	5 492 153
Water quality monitoring	2 892 650	1 847 071
Water services operating and transfer		1 168 679
Water week event		144 010
Waterfall park school		485 289
Whippery support	269 062	894 411
Workmen's Compensation Fund		955 333
Workplace training	676 854	1 875 942
WSA Business plan implementation		180 005
	<u>505 045 864</u>	<u>523 617 501</u>

No extraordinary expenses were included in general expenses

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	30 June 2010 R	30 June 2009 R
<b>29 GAIN ON SALE OF ASSETS</b>		
Biological assets	1 474 758	2 010 290
Cost of sale	(966 347)	(744 236)
<b>Total Gain on Sale of Assets</b>	<u><u>508 411</u></u>	<u><u>1 266 054</u></u>
<b>30 IMPAIRMENT LOSS</b>		
<b>Property, plant and equipment</b>		
In the current year, land and buildings and plant and equipment were revalued to determine the fair value and the recoverable value, this in compliance with the statement on Property, Plant and Equipment. Some assets subject to this revaluation, returned assets that had the fair values less than the carrying value, thus indicating that such assets had been impaired. Accordingly, such impairment was recognised immediately to bring the previously reported carrying values to the fair value / recoverable amount.		
	<u><u>4 667 081</u></u>	<u><u>16 419 725</u></u>
<b>31 INCREASE IN FAIR VALUE OF BIOLOGICAL ASSETS</b>		
Gains from changes in fair value	2 128 126	841 514
Losses from changes in fair value	(839 940)	-
	<u><u>1 288 185</u></u>	<u><u>841 514</u></u>
<b>32 CASH GENERATED FROM / (UTILISED IN) OPERATIONS</b>		
Surplus for the year	113 746 509	203 938
Adjustment for:-		
Prior year adjustment		-
Depreciation and amortization	137 973 864	127 534 816
Gain on disposal of biological assets	(508 411)	(1 266 055)
Provision for leave pay	3 379 783	
Finance costs		18 967
Fair value adjustments	(1 288 185)	(841 514)
Impairment loss	4 667 081	16 419 725
Debt impairment	37 335 458	
Interest earned		(15 197 645)
Proceeds on insurance	(11 750)	
Donated Assets	(124 803 531)	
<b>Operating surplus before working capital changes:</b>	<b>170 490 818</b>	<b>126 872 233</b>
Decrease/(Increase) in inventories	5 685 455	(2 094 510)
(Increase)/Decrease in trade receivables from exchange transactions	(45 587 565)	47 304 043
(Increase) /Decrease in other receivables from non-exchange transactions	(30 806)	1 805 798
(Increase) in current portion of long-term receivables	-	(1 198 532)
(Increase) /Decrease in VAT receivable	(9 309 240)	16 304 805
Increase in trade and other payables from exchange transactions	104 387 878	21 040 138
Increase in advances	758 969	-
Increase in consumer deposits	-	2 100
Increase in provisions	1 758 180	2 251 557
(Decrease) in unspent conditional grants and receipts	(66 664 858)	(7 840 626)
(Decrease) in current portion of finance lease liability		(6 807)
<b>Cash generated from / (utilised in) operations</b>	<b>161 488 829</b>	<b>204 440 199</b>

O.R. TAMBO DISTRICT MUNICIPALITY

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	30 June 2010	30 June 2009
	R	R
<b>33 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Bank balances and cash	64 979 050	72 629 560
Bank overdraft	-	(222)
<b>Net cash and cash equivalents (net of bank overdrafts)</b>	<u><u>64 979 050</u></u>	<u><u>72 629 338</u></u>
<b>34 CORRECTION OF ERRORS</b>		
Refund for over deducted rentals		(5 000)
Adjustment of customer's accounts		61 220
Reversal of duplicated vehicles		(1 027 270)
Depriciation of omitted assets		1 688 913
Reversal of misallocation in prior years		847 629
Recognition of infra structure assets not accounted for		108 031 584
Correction of misallocation between funds		3 286
Recognition of expenditure not transferred to funds		63 091
Accounting for withdrawals not accounted for		1 019 688
<b>Net effect on Statement of Financial Position and net effect on Accumulated Surplus Opening Balance</b>		<u><u>110 683 140</u></u>
<b>35 CHANGE IN ESTIMATE</b>		
There was no change in estimate for the period ended 30 June 2010		

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	30 June 2010 R	30 June 2009 R
<b>36 ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>36.1 Contributions to organised local government</b>		
Opening balance	-	-
Council subscriptions	1 090 314	1 139 534
Amount paid - current	(1 090 314)	(1 139 534)
Amount paid - previous years	-	-
<b>Balance unpaid (included in payables)</b>	<u>-</u>	<u>-</u>
<b>36.2 Audit fees</b>		
Opening balance	1 843	300 693
Current year audit fee	2 580 860	2 225 395
Amount paid - current year	(2 566 770)	(2 223 552)
Amount paid - previous years	(1 843)	(300 693)
<b>Balance unpaid (included in payables)</b>	<u>14 090</u>	<u>1 843</u>
<b>36.3 PAYE and UIF</b>		
Opening balance	(910)	(418)
Current year payroll deductions	21 807 798	21 971 538
Amount paid - current year	(21 807 798)	(21 971 120)
Amount paid - previous years	-	-
<b>Balance unpaid (included in payables)</b>	<u>(910)</u>	<u>-</u>
<b>36.4 Pension and Medical Aid Deductions</b>		
Opening balance	-	1 335
Current year payroll deductions and Council Contributions	28 042 835	26 494 326
Amount paid - current year	(28 038 441)	(26 494 326)
Amount paid - previous years	-	(1 335)
<b>Balance unpaid (included in payables)</b>	<u>4 394</u>	<u>-</u>

**36.5 Councillor's arrear consumer accounts**

	Total	Outstanding less than 90 days	Outstanding less than 90 days
	R	R	R
The following Councillors had arrear accounts outstanding for more than 90 days as at: -			
<b>As at 30 June 2010</b>			
Councillor M.N. Mvanyashe	2 679	2 515	164
Councillor Jwacu	5 266	4 939	327
	4 133	3 566	567
Councillor H.S. Tayi	869	718	151
Councillor S. Ndabeni	5 648	5 282	366
Councillor M.J. Ndamase	3 938	3 178	760
Councillor F.N. Soldita	7 823	7 123	700
Councillor J.P. Gwadiso	8 927	8 258	669
Councillor T. Luvela	1 249	147	1 102
<b>Total Councillor Arrear Consumer Accounts</b>	<u>40 531</u>	<u>35 726</u>	<u>4 805</u>

**O.R. TAMBO DISTRICT MUNICIPALITY**

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**For the period ended 30 June 2010**

The following Councillors had arrear accounts outstanding for more than 90 days as at: -	<b>Total</b>	<b>Outstanding less than 90 days</b>	<b>Outstanding less than 90 days</b>
	<b>R</b>	<b>R</b>	<b>R</b>
<b>As at 30 June 2009</b>			
Councillor J.P Gwadiso	6 603	487	6 116
Councillor F.N Soldati	5 426	461	4 966
Councillor M.J Ndamase	4 405	675	3 730
Councillor S Ndabeni	4 222	309	3 913
Councillor B.N Tobo	1 047	129	918
Councillor Jwacu	4 234	159	4 075
Councillor M.N Mvanyashe	2 036	120	1 917
<b>Total Councillor Arrear Consumer Accounts</b>	<b>27 973</b>	<b>2 340</b>	<b>25 635</b>

**36.6 Expenditure incurred in terms of Paragraph 36(1)(a) and (b) of the Municipal Supply Chain Management Policy**

Paragraphs 36(1)(a) and (b) of the Municipality's supply chain management policy stipulate that the accounting officer may dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only:

- in an emergency;
  - if such goods or services are produced or available from a single provider only;
  - for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - acquisition of animals for zoos and/or nature and game reserves; or
  - in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>R</b>	<b>R</b>
Expenditure in emergency situations	5 256 529	2 852 193
Expenditure in respect of single service providers	25 496 000	509 751
<b>Total value of expenditure</b>	<b>30 752 529</b>	<b>3 361 944</b>

**37 CAPITAL COMMITMENTS**

**37.1 Commitments in respect of capital expenditure**

<b>- Approved and contracted for</b>	<b>266 727 056</b>	<b>80 700 700</b>
Infrastructure	251 287 212	53 214 781
Community	-	4 385 919
Other	15 439 844	23 100 000
<b>- Approved but not yet contracted for</b>		
Infrastructure	458 973 070	663 296 633
<b>Total</b>	<b>725 700 126</b>	<b>743 997 333</b>

This expenditure will be financed from:

- Government Grants	710 260 282	720 897 333
- Own resources	15 439 844	23 100 000
	<b>725 700 126</b>	<b>743 997 333</b>



**O.R. TAMBO DISTRICT MUNICIPALITY**  
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**38 CONTINGENT LIABILITY**

<b>38.1</b>	Claim for damages	<u>10 328 804</u>	<u>7 603 687</u>
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**38.2 SCHEDULE OF CURRENT YEAR LISTING OF CONTINGENT LIABILITIES AS AT 30 JUNE 2009**

<b>NATURE OF CLAIM &amp; COMMENCEMENT OF CLAIM</b>	<b>AMOUNT CLAIMED</b>
The municipality is being sued for failure to honour a cession agreement. Council is contesting the claim based on legal advice.	187 981
Summons from two separate service providers have been received for failure to honour contracts. On the basis of legal advice the municipality is contesting the claim.	6 856 966
Claims have been lodged against the municipality. It is in lieu of services rendered. On the basis of legal opinion, the municipality is contesting the claims.	71 336
The municipality is being sued for breach of agreement resulting to loss of earnings. Municipality contested the claim and claimant is to withdraw the case.	2 000 000
The municipality is being sued for damages suffered in a motor accident that occurred. On the basis of legal opinion the municipality is contesting the claim.	200 000
The municipality is being sued for damages on the property. The municipality is contesting the claim	100 000
Five separate claims have been lodged for damage to the telephone infrastructure. The municipality is contesting the claim.	404 895
The municipality is being sued for grievous bodily harm arising from assault by fellow employees on duty. The municipality is contesting the claim	100 000
The municipality is being sued for failure to report a diseased employee to the provident fund for payment of proceeds. The municipality is contesting the claim	<u>407 626</u>
<b>Claim for damages</b>	<u><b>10 328 804</b></u>

The timing and amount of these contingent liabilities is uncertain as these will be determined by the courts.

**39 RELATED PARTIES**

**39.1 Members of key management**

Kannemeyer B W (Mr)	<i>Municipal Manager</i>
Somana T (Mrs)	<i>Strategic Director: Planning and socio-Econ.Dev</i>
Nogaga T (Mr)	<i>Strategic Director: Corporate affairs</i>
Madikizela P (Mr)	<i>Political Advisor to Exec. Mayor</i>
Moleko M (Mr)	<i>Chief Finance Officer</i>
Mbatani N (Ms)	<i>Chief Operations Officer</i>
Mbiko L (Mr)	<i>Director - Internal Audit</i>
Tseane T (Mrs)	<i>Council Secretary</i>

**39.2 Other related party relationships**

**O R Tambo Ntinga Development Agency (the Agency)** *A Municipal entity wholly controlled by the Municipality*

The Agency (an Association Incorporated under Section 21 of the Companies Act, Act No.61, of 1973) established by the District Municipality to promote and implement sustainable Local Economic Development through a myriad of initiatives, programs and projects throughout the District. By its nature therefore, in turn the Agency has a number of standalone and semi-standalone projects and entities which they themselves become related parties to the District Municipality in their own right.

**O.R. TAMBO DISTRICT MUNICIPALITY**  
**NOTES THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2010**

	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>R</b>	<b>R</b>
<b>Related party balances</b>		
Amount owing to O R Tambo Ntinga Development Agency at period end included in trade payables	<u>-</u>	<u>363 816</u>
<b>Related party transactions</b>		
O R Tambo Ntinga Development Agency: Grant Paid	80 225 879	67 674 976
Expenditure of farm operations	<u>926 864</u>	<u>6 518 893</u>

These transactions are recorded at arms length.

**40 EVENTS AFTER THE REPORTING DATE**

No material fact or circumstance has occurred between the accounting date and the date of this report.

**41 RISK MANAGEMENT**

**41.1 Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

**O.R. TAMBO DISTRICT MUNICIPALITY****NOTES THE FINANCIAL STATEMENTS**

For the period ended 30 June 2010

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

	<b>30 June 2010</b>	<b>30 June 2009</b>
	R	R
Cash and cash equivalents	64 979 050	72 629 560
Trade receivables from exchange transactions	11 903 678	7 046 216
Other receivables from non-exchange transactions	-	-
Other receivables from exchange transactions	1 333 130	1 302 323
	<b><u>78 215 858</u></b>	<b><u>80 978 100</u></b>

These balances represent the maximum exposure to credit risk.

The Municipality does not have collateral or other credit enhancements for its credit risk exposure from financial assets during the current or prior year. In addition, there were no instances during the current or prior year where the Group has taken possession of collateral it holds as security. There are no financial assets that would have been past due or impaired had the terms not been renegotiated for the current or prior year.

Financial assets that are individually impaired

The analysis of overall credit risk exposure indicates that the Municipality has trade receivables that are impaired at the reporting date.

The financial assets are analysed below:

	<b>30 June 2010</b>		
	Gross	Net	Impairment losses
Trade receivables	174 898 969	11 903 678	(162 995 291)
	<b><u>174 898 969</u></b>	<b><u>11 903 678</u></b>	<b><u>(162 995 291)</u></b>

  

	<b>30 June 2009</b>		
	Gross	Net	Impairment losses
	129 311 404	7 046 217	(122 265 187)
	<b><u>129 311 404</u></b>	<b><u>7 046 217</u></b>	<b><u>(122 265 187)</u></b>

**42 RESTATEMENT OF COMPARATIVE INFORMATION**

The prior year figures have been reclassified, as far as it is practicable, to comply with the current reporting requirements.

O.R. TAMBO DISTRICT MUNICIPALITY  
 NOTES THE FINANCIAL STATEMENTS  
 For the period ended 30 June 2010

43 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL  
 EXPENDITURE DISALLOWED

43.1 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance -	-	-
Fruitless and wasteful expenditure current year	8 627 217	-
Condoned or written off by Council	-	-
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	(8 627 217)	-
	<u>-</u>	<u>-</u>

Incident	Disciplinary steps / Criminal proceedings
Penalties and interest on late submission of P.A.Y.E. return   Total penalties incurred amount to R347 347	N/A

43.2 Irregular expenditure

Reconciliation of irregular expenditure

Expences	Amount
Expenditure where 3 quotes were not obtained: Bids awarded to providers different from the ones recommended by the bid evaluaiton committee. The minutes of the bid adjudication committee did not specify the reason for not taking the recommendation.	1 154 373
Contracts awarded to bidders who did not have tax clearance certificates.	13 789 440
Competitive bidding process was circumvented due to contract reviewed without retendering.	9 103 135
	131 590
<b>Total</b>	<b>24 178 538</b>

Incident	Disciplinary steps / Criminal proceedings
None	N/A

43.3 Unauthorised Expenditure

Expenditure	Actual	Budgeted	Excess
Finance costs	8 738 084	-	8 738 084
Bulk purchases	40 625 668	5 000 000	35 625 668
Debt impairment	37 335 458	29 343 637	7 991 821
Remuneration of councillors	7 647 044	7 497 560	149 484
OR Tambo month	3 439 836	3 200 000	239 836
<b>Total</b>			<b>52 744 893</b>

O.R. TAMBO DISTRICT MUNICIPALITY  
NOTES THE FINANCIAL STATEMENTS  
For the period ended 30 June 2010

44 DISCLOSURE OF MATERIAL LOSSES

30 June 2010  
R

30 June 2009  
R

As a water supplying authority, the municipality will inevitably incur customary water distribution losses, which occur in any water distributing municipality. These losses are due to burst water pipes, faulty water reticulation infrastructure and water evaporation. Further to these standard water losses, the municipality also suffered a further loss as a result of supplied water that was however not billed. Lastly as part of the developmental objectives of the municipality in line with prescriptions by National Government, the municipality also provided free basic water to urban based residents and free water to rural based communities in the form of public tapwater services and water cartage services.

Total value of material losses in respect of water supply

15 040 320

27 842 313

**OR TAMBO DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

44 STATEMENT OF BUDGET VERSUS ACTUAL INFORMATION

2009/10

R thousands or R	Original Budget	Budget Adjustments	Virement	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	1	2	3	4	5	6	7	8	9
<b>Financial Performance</b>									
Property rates									
Service charges	81 343 638	(0)		81 343 638	88 971 927		(7 628 289)	109%	109%
Investment revenue		-		-					
Transfers recognised - operational	263 973 562	4 845 438		268 819 000	741 217 477		(472 398 477)	276%	281%
Other own revenue	114 134 697	(28 022 934)		86 111 763	87 463 177		(1 351 414)	102%	77%
<b>Total Revenue (excluding capital transfers and</b>	<b>459 451 897</b>	<b>(23 177 496)</b>		<b>436 274 401</b>	<b>917 652 581</b>		<b>(481 378 180)</b>	<b>210%</b>	<b>200%</b>
Employee costs	181 719 240	(15 567 891)		166 151 350	136 061 258		30 090 091	82%	75%
Remuneration of councillors	8 664 000	-		8 664 000	7 647 044	149 484	1 016 956	88%	88%
Debt impairment	29 344 000	(363)		29 343 637	37 335 458	7 991 821	(7 991 821)	127%	127%
Depreciation & asset impairment	122 361 000	-		122 361 000	137 973 864		(15 612 864)	113%	113%
Finance charges	-	-		-	8 727 605	8 727 605	(8 727 605)	0%	0%
* Materials and bulk purchases	3 200 000	1 800 000		5 000 000	40 625 668	35 625 668	(35 625 668)	813%	1270%
Transfers and grants	-	-		-	-		-	0%	0%
Other expenditure	236 524 374	(9 409 095)		227 115 279	435 335 175	239 836	(208 219 896)	192%	184%
<b>Total Expenditure</b>	<b>581 812 615</b>	<b>(23 177 349)</b>		<b>558 635 266</b>	<b>803 706 072</b>	<b>52 734 414</b>	<b>(245 070 806)</b>	<b>144%</b>	<b>138%</b>
<b>Surplus/(Deficit)</b>	<b>(122 360 718)</b>	<b>(147)</b>		<b>(122 360 865)</b>	<b>113 946 509</b>		<b>(236 307 374)</b>	<b>-93%</b>	<b>-93%</b>
Transfers recognised - capital	617 107 500	27 819 500		644 927 000	169 517 500		475 409 500	26%	27%
Contributions recognised - capital & Surplus/(Deficit) after capital transfers &	<b>494 746 782</b>	27 819 353		522 566 135	<b>283 464 009</b>		239 102 126	54%	57%
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>494 746 782</b>	<b>27 819 353</b>		<b>522 566 135</b>	<b>283 464 009</b>	-	<b>239 102 126</b>	<b>54%</b>	<b>57%</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>617 107 500</b>	<b>644 926 614</b>		<b>644 926 614</b>	<b>169 717 500</b>		<b>475 209 114</b>	<b>26%</b>	<b>28%</b>
Transfers recognised - capital	563 570 000	(500 000)		563 070 000	147 557 225		415 512 775	26%	26%
Public contributions & donations	-	-		-	200 000		(200 000)	0%	0%
Borrowing	-	-		-	-		-	-	-
Internally generated funds	53 537 500	28 319 500		81 857 000	21 960 275		59 896 725	27%	41%
** <b>Total sources of capital funds</b>	<b>617 107 500</b>	<b>27 819 500</b>		<b>644 927 000</b>	<b>169 717 500</b>		<b>475 409 500</b>	<b>26%</b>	<b>28%</b>
<b>Cash flows</b>									
Net cash from (used) operating	615 863 282	28 690 506		644 553 788	161 488 829		483 064 959	25%	26%
Net cash from (used) investing	(481 775 173)	(27 540 488)		(509 315 661)	(169 266 222)		(340 049 440)	33%	35%
Net cash from (used) financing	-	(1 150 000)		(1 150 000)	127 104		(1 277 104)	-11%	0%
<b>Cash/cash equivalents at the year end</b>	<b>134 088 109</b>	-		<b>134 088 109</b>	<b>(7 650 288)</b>		<b>141 738 397</b>	<b>-6%</b>	<b>-6%</b>

\* Underspend per table above  
Less sanitation projects (excluded from actual)  
**Net underspend**

475 209 114  
311 586 069  
**163 623 045**

\* Increase of actual bulk purchases expence as compared to budgeted is due to the Department of Water Affairs debt included in accruals.

\*\* The budgeted capital expenditure is inclusive of the funding for sanitation projects (sanitation was capitalised) whilst in the actual outcome, sanitation funding amounting to R311,586,069 was expenced and not capitalised. This results in the net underspend of R163 623 045.

**O R TAMBO DISTRICT MUNICIPALITY**  
**APPENDIX B: MUNICIPALITY**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
as at 30 June 2010

	Cost / Revaluation									Accumulated Depreciation						Transfers	Other movements	Carrying Value	
	Additions			Under construction			Closing Balance	Opening Balance	Prior year adjustment	Depreciation			Other Adjustments	Closing Balance					
	Opening Balance	Prior period errors	Revaluations	Municipality	DWAF Donations	Disposals				Municipality	DWAF Donations	Depreciation			Disposals				Impairment loss/ revaluation reversal
R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R				
<b>Land</b>	47 945 554	(8 791 167)	250 000	-	-	-	-	-	39 404 387	10 345 553	(6 691 167)	-	-	-	-	3 654 386	-	-	35 750 001
<b>Buildings</b>	92 349 992	-	6 217 333	294 162	-	-	12 478 719	-	111 340 206	7 235 567	-	3 006 726	-	353 335	-	10 595 628	-	-	100 744 578
<b>Infrastructure</b>																			
Road Transport	303 780 450	30 015 909	-	8 099 295	-	-	30 646 440	-	372 542 094	122 073 973	-	123 223 325	-	-	-	245 297 298	-	-	127 244 796
Sanitation	363 640 311	-	-	-	-	-	-	-	363 640 311	192 786 456	-	-	-	-	-	192 786 456	-	-	170 853 855
Water Supply	3 903 434 276	78 015 675	-	17 971 902	32 271 223	-	90 839 588	92 532 308	4 215 064 972	1 145 171 241	-	-	-	-	-	1 145 171 241	-	-	3 069 893 731
	4 570 855 037	108 031 584	-	26 365 358	32 271 223	-	121 486 028	92 532 308	4 951 247 377	1 460 031 670	-	123 223 325	-	-	-	1 583 254 995	-	-	3 367 992 382
<b>Other Assets</b>																			
Parking area	3 754 467	-	-	-	-	-	-	-	3 754 467	3 332 860	-	297 119	-	-	-	3 629 979	-	-	124 488
Park homes	477 338	-	-	-	-	-	-	-	477 338	4 173	-	31 823	-	-	-	35 996	-	-	441 342
Fencing	1 045 391	-	-	-	-	-	-	-	1 045 391	1 045 381	-	-	-	-	-	1 045 381	-	-	10
Security Systems	510 542	-	-	19 853	-	-	-	-	530 395	180 169	-	71 416	-	-	251 585	-	-	278 810	
Plant & Equipment	32 707 219	1 903 000	-	2 566 170	-	-	-	-	37 176 389	21 056 323	214 088	2 422 588	-	168 992	-	23 861 990	-	-	13 314 399
Emergency Equipment	2 475 971	-	-	808 276	-	-	-	-	3 284 247	612 408	-	175 288	-	-	-	787 696	-	-	2 496 552
Tools & Equipment	1 531 446	-	-	1 521 231	-	-	-	-	3 052 677	291 992	-	235 048	-	-	-	527 040	-	-	2 525 637
Motor vehicles	11 308 407	(1 321 570)	-	1 067 508	-	-	-	-	11 054 345	4 299 322	(294 300)	2 059 708	-	62 456	-	6 127 186	-	-	4 927 159
Furniture & Fittings	7 804 001	4 823	-	868 372	-	-	-	-	8 677 196	2 617 558	3 216	1 021 212	-	-	-	3 641 986	-	-	5 035 210
Office Equipment	5 050 847	-	-	139 961	-	-	-	-	5 190 808	1 681 219	-	1 184 904	-	-	-	2 866 123	-	-	2 324 685
Computer Equipment	6 776 696	-	-	2 196 024	-	-	-	-	8 972 720	2 736 413	-	1 657 115	-	5 065	-	4 398 593	-	-	4 574 127
	73 442 325	586 253	-	9 187 394	-	-	-	-	83 215 973	37 857 818	(76 996)	9 156 221	-	236 513	-	47 173 555	-	-	36 042 417
<b>Total carried forward</b>	4 784 592 908	99 826 670	6 467 333	35 846 915	32 271 223	-	133 964 748	92 532 308	5 185 207 943	1 515 470 608	(6 768 163)	135 386 271	-	589 848	-	1 644 678 564	-	-	3 540 529 379

**O R TAMBO DISTRICT MUNICIPALITY**  
**APPENDIX B: MUNICIPALITY**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
as at 30 June 2010

	Cost / Revaluation									Accumulated Depreciation						Transfers	Other movements	Carrying Value		
	Opening Balance	Prior year adjustments	Revaluations	Municipality	DWAF Donations	Disposals	Under Construction	Other Adjustment	Closing Balance	Opening Balance	Prior year adjustment	Depreciation	Disposals	Impairment loss	Other Adjustments				Closing Balance	
<b>Total brought forward</b>	R 4 784 592 908	99 826 670	6 467 333	R 35 846 915	32 271 223	R -	133 964 748	92 532 308	R 5 185 207 943	1 515 470 608	(6 768 163)	R 135 386 271	R -	589 848	-	R 1 644 678 564	R -	R -	R 3 540 529 379	
<b>Heritage Assets</b>																				
Paintings & Artifacts	90 000	-	-	-	-	-	-	-	90 000	-	-	-	-	-	-	-	-	-	-	90 000
<b>Finance Lease Assets</b>																				
Office Equipment	667 316	26 160	-	881 790	-	-	-	-	1 575 266	472 620	11 469	190 973	-	-	-	675 062	-	-	-	900 204
<b>Total</b>	<b>4 785 350 224</b>	<b>99 852 830</b>	<b>6 467 333</b>	<b>36 728 705</b>	<b>32 271 223</b>	<b>-</b>	<b>133 964 748</b>	<b>92 532 308</b>	<b>5 186 873 209</b>	<b>1 515 943 228</b>	<b>(6 756 694)</b>	<b>135 577 245</b>	<b>-</b>	<b>589 848</b>	<b>-</b>	<b>1 645 353 627</b>	<b>-</b>	<b>-</b>	<b>3 541 519 583</b>	



**O R TAMBO DISTRICT MUNICIPALITY**  
**APPENDIX B: MUNICIPALITY**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
as at 30 June 2009

	Cost / Revaluation								Accumulated Depreciation						Transfers	Other movements	Carrying Value		
	Opening Balance		Revaluations	Municipality	DWAF	Disposals	Under Construction	Other Adjustment	Closing Balance	Opening Balance		Depreciation	Disposals	Impairment loss				Other Adjustments	Closing Balance
	R		R	R	R	R	R	R	R	R		R	R	R				R	R
<b>Land</b>	26 073 408		21 872 146	-	-	-	-	-	47 945 554	-	-	-	-	10 345 553	-	10 345 553	-	-	37 600 001
<b>Buildings</b>	35 296 796		39 990 447	2 253 867	-	-	20 615 685	(5 806 803)	92 349 992	5 806 803		2 613 627	-	4 621 940	(5 806 803)	7 235 567	-	-	85 114 425
<b>Infrastructure</b>																			
Road Transport	301 245 420		-	2 535 030	-	-	-	-	303 780 450	97 563 469		24 510 504	-	-	-	122 073 973	-	-	181 706 477
Sanitation	348 961 587		-	14 678 724	-	-	-	-	363 640 311	185 202 234		7 584 222	-	-	-	192 786 456	-	-	170 853 855
Water Supply	3 599 627 819		-	212 256 153	-	-	91 550 304	-	3 903 434 276	1 061 413 735		83 757 506	-	-	-	1 145 171 241	-	-	2 758 263 035
	4 249 834 826		-	229 469 907	-	-	91 550 304	-	4 570 855 038	1 344 179 438		115 852 232	-	-	-	1 460 031 670	-	-	3 110 823 368
<b>Other Assets</b>																			
Parking area	3 754 467		-	-	-	-	-	-	3 754 467	2 704 366		628 494	-	-	-	3 332 860	-	-	421 607
Park homes	-		-	477 338	-	-	-	-	477 338	-		4 173	-	-	-	4 173	-	-	473 165
Fencing	1 045 391		-	-	-	-	-	-	1 045 391	1 045 381		-	-	-	-	1 045 381	-	-	10
Security Systems	510 542		-	-	-	-	-	-	510 542	107 213		72 956	-	-	-	180 169	-	-	330 373
Plant & Equipment	31 276 400		-	1 430 819	-	-	-	-	32 707 219	17 254 915		2 349 176	-	1 452 232	-	21 056 323	-	-	11 650 896
Emergency Equipment	2 475 971		-	-	-	-	-	-	2 475 971	447 343		165 065	-	-	-	612 408	-	-	1 863 563
Tools & Equipment	876 000		-	655 446	-	-	-	-	1 531 446	196 999		94 993	-	-	-	291 992	-	-	1 239 454
Motor vehicles	9 624 261		-	1 684 146	-	-	-	-	11 308 407	2 236 618		2 062 704	-	-	-	4 299 322	-	-	7 009 085
Furniture & Fittings	5 355 776		-	2 448 225	-	-	-	-	7 804 001	1 779 879		837 579	-	-	-	2 617 558	-	-	5 186 443
Office Equipment	2 381 324		-	2 669 523	-	-	-	-	5 050 847	855 799		825 420	-	-	-	1 681 219	-	-	3 369 628
Computer Equipment	4 306 619		-	2 414 627	-	-	55 450	-	6 776 696	1 741 054		995 359	-	-	-	2 736 413	-	-	4 040 283
Other Assets	-		-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-
	61 606 751		-	11 780 124	-	-	55 450	-	73 442 325	28 369 567		8 036 019	-	1 452 232	-	37 857 818	-	-	35 584 507
<b>Total carried forward</b>	4 372 811 781		61 862 593	243 503 898	-	-	112 221 439	(5 806 803)	4 784 592 909	1 378 355 808		126 501 878	-	16 419 725	(5 806 803)	1 515 470 608	-	-	3 269 122 301

**OR TAMBO DISTRICT MUNICIPALITY**  
**APPENDIX B: MUNICIPALITY**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
as at 30 June 2009

	Cost / Revaluation								Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Revaluations	Additions	DWAF Donations	Disposals	Under Construction	Other Adjustment	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss	Other Adjustments	Closing Balance			
<b>Total brought forward</b>	R 4 372 811 781	61 862 593	R 243 503 898		R -	R 112 221 439	(5 806 803)	R 4 784 592 909	R 1 378 355 808	R 126 501 878	R -	R 16 419 725	(5 806 803)	R 1 515 470 608	R -	R -	R 3 269 122 301
<b>Heritage Assets</b>																	
Paintings & Artifacts	90 000	-	-		-	-	-	90 000	-	-	-	-	-	-	-	-	90 000
<b>Finance Lease Assets</b>																	
Office Equipment	640 667	-	26 649		-	-	-	667 316	327 132	145 488	-	-	-	472 620	-	-	194 696
<b>Total</b>	<b>4 373 542 448</b>	<b>61 862 593</b>	<b>243 530 547</b>		<b>-</b>	<b>112 221 439</b>	<b>(5 806 803)</b>	<b>4 785 350 225</b>	<b>1 378 682 940</b>	<b>126 647 366</b>	<b>-</b>	<b>16 419 725</b>	<b>(5 806 803)</b>	<b>1 515 943 228</b>	<b>-</b>	<b>-</b>	<b>3 269 406 997</b>

**O R TAMBO DISTRICT MUNICIPALITY**  
**APPENDIX C: MUNICIPALITY**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**  
as at 30 June 2010

	Cost / Revaluation									Accumulated Depreciation						
	Additions			Under construction			Other Adjustments			Opening Balance	Depreciation	Reversal of revaluation	Impairment	Other Adjustments	Closing Balance	Carrying value
	Opening balance	Prior year adjustment	Revaluation Amount	Municipality	DWAF donations	Municipality	DWAF donations	Other Adjustments	Closing Balance							
	R		R	R		R			R	R	R	R		R	R	
Executive & Council	14 706 618	-	250 000	556 666	-	-	-	-	15 513 284	4 955 613	2 193 354	-	-	-	7 148 967	8 364 317
Finance & Admin	97 445 289	-	6 107 333	2 072 974	-	-	-	-	105 625 597	14 136 253	5 257 295	353 335	5 065	-	19 751 948	85 873 649
Planning & Development	42 443 277	-	110 000	775 667	-	-	-	-	43 328 944	7 058 713	1 282 403	-	-	-	8 341 116	34 987 828
Health	1 350 723	-	-	234 287	-	-	-	-	1 585 010	865 175	172 667	-	-	-	1 037 842	547 168
Community & Social Services	3 384 577	-	-	-	-	-	-	-	3 384 577	2 366 693	218 024	-	-	-	2 584 717	799 860
Public Safety	4 122 778	-	-	845 219	-	-	-	-	4 967 997	2 102 209	281 368	-	-	-	2 383 577	2 584 420
Road Transport	1 770 702	-	-	-	-	-	-	-	1 770 702	964 050	341 564	-	-	-	1 305 614	465 088
Water & Sanitation	26 123 975	-	-	4 264 454	-	-	-	-	30 388 429	2 190 477	1 538 414	-	231 448	-	3 960 339	26 428 090
Infrastructure	4 587 779 925	108 031 584	-	28 668 913	32 271 223	121 486 028	92 532 308	-	4 970 769 982	1 595 997 562	1 258 091	-	-	-	1 597 255 653	3 373 514 329
Housing	10 795	-	-	81 989	-	-	-	-	92 784	5 757	4 047	-	-	-	9 804	82 980
Public Works	207 385	-	-	643 828	-	12 478 719	-	-	13 329 932	39 139	90 906	-	-	-	130 045	13 199 887
Other Functions	2 031 950	-	-	-	-	-	-	-	2 031 950	1 427 876	194 259	-	-	-	1 622 135	409 815
Leased assets	693 476	-	-	881 790	-	-	-	-	1 575 266	484 089	190 973	-	-	-	675 062	900 203
<b>Total</b>	<b>4 782 071 469</b>	<b>108 031 584</b>	<b>6 467 333</b>	<b>39 025 788</b>	<b>32 271 223</b>	<b>133 964 748</b>	<b>92 532 308</b>	<b>-</b>	<b>5 194 364 454</b>	<b>1 632 593 606</b>	<b>13 023 365</b>	<b>353 335</b>	<b>236 513</b>	<b>-</b>	<b>1 646 206 820</b>	<b>3 548 157 634</b>

853 193

**OR TAMBO DISTRICT MUNICIPALITY**  
**APPENDIX D**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE**  
**for the year ended 30 June 2010**

2009			2010		
Actual Income	Actual Expenditure	Surplus / (Deficit)	Actual Income	Actual Expenditure	Surplus / (Deficit)
R	R	R	R	R	R
12 446 508	71 904 359	(59 457 851)	3 786 278	68 811 517	(65 025 239)
394 037 523	215 754 829	178 282 694	500 661 704	160 274 681	340 387 023
4 156 149	86 624 092	(82 467 943)	3 752 861	103 298 852	(99 545 991)
245 614	1 663 382	(1 417 768)	3 381 662	2 399 547	982 115
104 623	7 290 098	(7 185 475)	-	6 179 091	(6 179 091)
2 806 356	13 615 905	(10 809 549)	8 823 286	18 236 900	(9 413 614)
-	4 006 366	(4 006 366)	-	2 782 010	(2 782 010)
733 808	2 562 443	(1 828 635)	-	2 742 717	(2 742 717)
44 828 938	179 958 502	(135 129 564)	34 941 728	32 596 441	2 345 287
464 128 870	354 593 310	109 535 560	523 098 815	558 958 225	(35 859 410)
58 561 480	43 872 649	14 688 831	8 723 746	17 143 590	(8 419 844)
<b>982 049 869</b>	<b>981 845 933</b>	<b>203 936</b>	<b>1 087 170 081</b>	<b>973 423 572</b>	<b>113 746 509</b>
<b>982 049 869</b>	<b>981 845 933</b>	<b>203 936</b>	<b>1 087 170 081</b>	<b>973 423 572</b>	<b>113 746 509</b>
Total					

**O.R. TAMBO DISTRICT MUNICIPALITY**  
**APPENDIX G**  
**DETAILED SCHEDULE OF CONDITIONAL GRANTS AND RECEIPTS**

<b>Grant name</b>	<b>Opening opening balance 01 July 2009</b>	<b>Current year receipts</b>	<b>Revenue Expenditure</b>	<b>Capital Expenditure</b>	<b>Prior Year Adjustment</b>	<b>Closing balance (Unutilised funds) 30 June 2010</b>
<b>NATIONAL GRANTS</b>						
Aids Training Information and Counsel Fund	(64 921)	(3 025 165)	2 251 531			-838 555.21
BSRP Projects	(738 864)	-	44 929	-		-693 934.55
CBPWP	(43 250)	-	-	-		-43 250.44
CMIP Projects	-	-	-	-		-
Community Development Workers' Fund	(687 196)	-	327 980			-359 216.12
KDC Disaster Management	(760 966)	(387 650)	854 517			-294 098.75
District Information Management Systems Fund	-					-
DWAF Projects	(8 740 134)	(23 972 846)	30 638 828	120 456		-1 953 695.97
Establishment Fund (Grants Received)	(3 301 728)	(41 668 981)	42 685 930	-		-2 284 778.70
Financial Management Grant	(1 000)	(750 000)	765 536	-		14 536.20
Fire and Emergency	(16 532)	(1 126 000)	710 113	-		-432 418.64
HIV / AIDS Programme	(65 732)	-	-	-		-65 731.98
Homeless and Destitute Fund	-					-
IFESH	(57 317)	-	6 222	-		-51 095.40
IGRF Fund	-					-
Income Generating Projects	(505 668)	-	-	-		-505 668.07
Intergrated Development Fund	(311 575)	(1 295 537)	1 107 513	-		-499 599.40
Intergrated Transport Fund	(20 814)	-	14 053	-		-6 760.99
IRDP Project Fund	(986 560)	(1 045 000)	1 072 330	-		-959 229.72
Job Evaluation Fund	(7 089)		11 754	-		4 664.84
LGWSETA	(80 521)	(8 741)	-	-		-89 261.54
Libraries and Information Fund	(2 103 715)	(4 100 000)	3 381 993			-2 821 722.28
Mbizana Drought Relief Fund	(13 212)	-	-	-		-13 211.72
MIG Fund	(28 612 719)	(400 000 000)	311 586 069	147 557 225		30 530 575.43
MSIG Projects	(60 975)	(1 300 000)	1 297 325	-		-63 649.87
Rural anti-poverty	(552 609)	-	612 414	-		59 804.82
SIP Fund	(385 599)	-	-	-		-385 598.63
SPU Simisonke Fund	-					-
SPU Youth Development Project Fund	(172 729)	-	4 460	-		-168 269.60
Survey and Planning Project	(20 561)	-	-	-		-20 561.40
Training Funds	-					-
Transport Infrastructure	(3 960 074)	-	2 635 774	-		-1 324 300.09
Tsolo - Qumbu Skills	-					-
Water Services Business Plan Implimentation	-	-	50 830			50 830.00
REFURBISHMENT OF SEWERAGE PUM	-	(14 748 311)	12 491 765			-2 256 545.93
Umzintlava / Qhinqolo Fund	(3 388 734)	-	803 698			-2 585 036.16
<b>Balance carried forward</b>	<b>(55 660 792)</b>	<b>(493 428 230)</b>	<b>413 355 562</b>	<b>147 677 681</b>		<b>11 944 220.13</b>

<b>Balance brought forward</b>	<b>(55 660 792)</b>	<b>(493 428 230)</b>	<b>413 355 562</b>	<b>147 677 681</b>	<b>11 944 220.13</b>
Assessment For River Health	(916 355)				-916 355.23
Assessment Study For Health	-				-
District Aids Council	(150 000)	-	-	-	-150 000.00
Capacity Building	(148 330)	-	-	-	-148 329.73
Cape Town Disaster Fund	(30 389)	-	3 286	-	-27 102.35
Disaster Relief Fund	(25 558)	-	-	-	-25 557.72
Emfundisweni Bed and Breakfast	(118 861)	-	-	-	-118 861.23
First Call Account Fund	(4 016)				-4 015.69
Free Basis Services Fund	-				-
Information and Energy Centre	(2 115)				-2 115.18
Institutional Training	(693 414)	(627 582)	595 998	-	-724 998.75
Investment Site Profiling Mapping	(103 283)	-	-	-	-103 282.70
Integrated Spatial Management	(86 832)	-	-	-	-86 832.05
ISRDP Beef Project	(13 206)	-	-	-	-13 206.33
ISRDP Development Fund	(301 061)	-	-	-	-301 061.28
ISRDP Knowledge Management Fund	-				-
Land Survey Projects Fund	(86 960)	-	-	-	-86 959.96
Langeni Development (Singisi Forest)	(79 555)	-	-	-	-79 554.71
LED DEAET	(10 252)	(2 500 000)			-2 510 252.12
LED Capacity and Systems Fund	-				-
LED Strategy Fund	(270 792)	-	57 994	-	-212 798.47
LGWSETA	(452 022)	(503 722)	-	-	-955 743.95
Masimanyane Fund	(117 398)	-	-	-	-117 397.78
Ntabankulu Dam, Hotel and Recreation	(2 048 607)	-	928 152		-1 120 455.21
ORTDM Drought Relief	-				-
ORTDM Sugar Association	(1 354)	-	-	-	-1 354.16
Siyaphambili Woodworkers Cooperative	(49 954)	-	-	-	-49 954.35
Spatial Development	(43 538)	-	52 156		8 617.33
Spatial Planning Fund	(14 187)	-	4 325	-	-9 861.68
Valuations Projects Fund	(179 570)	-	-	-	-179 569.56
Voting Stations	-				-
Vulindlela DBSA	(529 576)	-	56 869		-472 707.17
Water Services Business Plan Implementations (WSBPI)	-				-
	<b>(62 137 977)</b>	<b>(497 059 535)</b>	<b>415 054 341</b>	<b>147 677 681</b>	<b>3 534 510.10</b>

<b>PROVINCIAL GRANTS</b>						
Eagerton Housing Fund	(738 136)	(477 245)	613 283	-		-602 098.10
Hadini Housing Fund	3 668 268	(1 982 227)	882 476	-		2 568 516.64
Kwam Womens Movement	(1 869 120)	-	1 734 097	-		-135 023.30
Kwenxurha Rural Housing Fund	586 197	(661 108)	592 274	-		517 362.78
Lindile Housing Fund	(1 331 372)	(82 284)	94 795	-		-1 318 860.30
Mantlaneni Rural Housing Fund	(149 750)	(1 000 000)	639 304	-		-510 446.70
Mpeko Rural Housing Fund	(449 233)	(115 197)	128 766	-		-435 664.07
Ncambele Rural Housing Fund	(31 216)	-	-	-		-31 216.11
Ndlunkulu Rural Housing Fund	44 881	(559 027)	-	-		-514 145.91
New Payne Rural Housing Fund	300 050	(65 827)	-	-		234 223.47
Ngqwala Rural Housing Fund	(38 459)	(345 592)	873 178	-		489 127.58
Nkonzo Rural Housing Fund	158 120	(620 681)	740 901	-		278 340.16
Ntshabeni Rural Housing Fund	(825 184)	(65 827)	86 701	-		-804 309.82
Payne Rural Fund	(502 900)	-	39 667	-		-463 232.78
Preston Housing Fund	(888 751)	(197 481)	321 069	-		-765 162.60
Refurbishment of Sewerage Pump	-	-	-	-		-
Upper Centuli Fund	169 309	(49 370)	68 040	-		187 978.43
Upper Tabase Fund	57 698	(49 370)	43 333	-		51 660.66
Wild Coast Fishing Fund	(820 714)	-	625 798	-		-194 915.84
Young Lions	95 974	-	-	-	-95 973.84	0.16
Zidindi Rural Fund	930 997	(441 533)	330 404	-		819 867.74
	<b>(1 633 341)</b>	<b>(6 712 769)</b>	<b>7 814 086</b>	<b>-</b>	<b>(95 974)</b>	<b>-627 997.91</b>
<b>Public Contributions</b>						
Mbizana Extension 4 Fund	4 742 714	(2 184 221)	2 070 007	-		4 628 499.77
Umtata Community Arts Fund	(151 149)	-	101 242	-		-49 907.26
	<b>4 591 565</b>	<b>(2 184 221)</b>	<b>2 171 248</b>	<b>-</b>		<b>4 578 592.51</b>
<b>Total conditional grants</b>	<b>(59 179 754)</b>	<b>(505 956 525)</b>	<b>425 039 676</b>	<b>147 677 681</b>	<b>(95 974)</b>	<b>7 485 104.70</b>
<b>PRIOR YEAR ADJUSTMENT</b>						
<b>RESTATED OPENING BALANCE</b>						