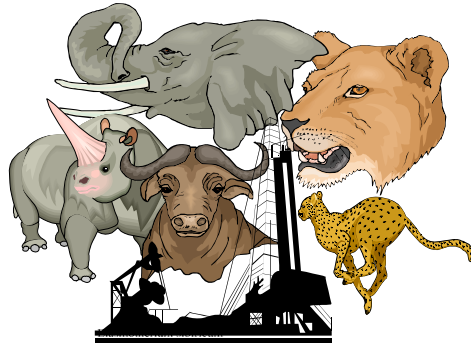


BOJANALA PLATINUM DISTRICT MUNICIPALITY



BOJANALA PLATINUM DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2009

BOJANALA PLATINUM DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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BOJANALA PLATINUM DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 27, 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 15 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.

Mr.C K Molokwane
Municipal Manager
26 August 2009

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009**

	Note	2009 R	2008 R
NET ASSETS AND LIABILITIES			
Net assets		173 949 410	109 808 527
Revaluation Reserve	P.2.4	886 022	0
Government grant reserve	P.2.4	5 955 620	1 452 948
Accumulated Surplus/(Deficit)	P.2.4	167 107 768	108 355 579
Non-current liabilities		6 794	57 844
Long-term liabilities	P.3.4	6 794	57 844
Current liabilities		20 631 734	25 815 614
Provisions	P.4.4	1 098 048	676 336
Creditors	K.8.3	11 487 956	10 738 265
Unspent conditional grants and receipts	P.5.4	7 983 064	14 278 035
Current portion of long-term liabilities	P.3.4	62 665	122 978
Total Net Assets and Liabilities		<u>194 587 937</u>	<u>135 681 985</u>
ASSETS			
Non-current assets		29 337 823	21 473 588
Property, plant and equipment	M.2.7	29 337 823	21 473 588
Long-term receivables	M.3.10	0	0
	M.4.4		
Current assets		165 250 115	114 208 397
Other debtors	J.6.3	327 305	495 925
Current portion of long-term debtors	8	0	35 340
VAT	K.5.3	3 213 160	1 693 233
Call investment deposits	10	0	11 378 636
Bank balances and cash	P.7.3	161 709 650	100 605 263
Total Assets		<u>194 587 937</u>	<u>135 681 985</u>

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2009**

	188523.26 Note	Actual	
		2009 R	2008 R
REVENUE			
Regional Services Levies - turnover	<input checked="" type="checkbox"/> J.2.4	1 880	128 828
Regional Services Levies - remuneration	<input checked="" type="checkbox"/> J.2.4	442 056	2 074 216
Rental of facilities and equipment		0	0
Interest earned - external investments	<input checked="" type="checkbox"/> J.3.4	16 579 915	12 640 132
Interest earned - Other debtors	<input checked="" type="checkbox"/> J.3.12	1 834	0
Government grants and subsidies	<input checked="" type="checkbox"/> J.4.3	202 995 958	166 481 800
Other income	<input checked="" type="checkbox"/> J.5.3	197 537	301 664
Total Revenue		220 219 181	181 626 640
EXPENDITURE			
Employee related costs	<input checked="" type="checkbox"/> L.2.4	50 322 543	39 757 276
Remuneration of Councillors	<input checked="" type="checkbox"/> L.4.4	7 067 248	6 246 010
Bad debts	<input checked="" type="checkbox"/> J.7.3	27 470	0
Depreciation	<input checked="" type="checkbox"/> M.4.15	5 782 804	4 244 947
Repairs and maintenance	<input checked="" type="checkbox"/> K.2.3	1 901 299	727 687
Interest paid	<input checked="" type="checkbox"/> K.4.16	23 908	41 422
Grants and subsidies paid	<input checked="" type="checkbox"/> K.3.3	64 788 920	92 678 961
General expenses	<input checked="" type="checkbox"/> K.4.3	26 575 209	16 989 386
Total Expenditure		156 489 401	160 685 689
GAINS AND LOSSES			
Gain/(Loss) on disposal of Property, Plant and Equipment	<input checked="" type="checkbox"/> M.4.19	1 210 107	0
Reversal of impairment losses/(Impairment losses)		0	0
Fair value adjustments of Property, Plant and Equipment	<input checked="" type="checkbox"/> M.4.20	1 047 541	0
Net Gains and losses		-162 566	0
SURPLUS/(DEFICIT)			
SURPLUS/(DEFICIT) FOR THE YEAR		63 567 213	20 940 951
Share of surplus/(deficit) of associate accounted for under the equity method		0	0
SURPLUS/(DEFICIT) FOR THE YEAR		63 567 213	20 940 951

No segmental statement of financial performance has been prepared
Refer to Appendix E(1) for comparison with the approved budget.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Revaluation Reserve	Government Grant Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
2008				
Balance at 1 July 2007	0	1 532 724	82 339 028	83 871 752
Correction of error (Note 19)		47 001	4 948 823	4 995 824
Restated balance	0	1 579 725	87 287 851	88 867 576
Surplus/(deficit) for the year			20 940 951	20 940 951
Capital grants used to purchase PPE		136 954	-136 954	0
Donated/contributed PPE			0	0
Asset disposals			0	0
Offsetting of depreciation	0	-263 731	263 731	0
Balance at 30 June 2008	0	1 452 948	108 355 579	109 808 527
2009				
Change in accounting policy				0
Correction of error (Note 19)			0	0
Restated balance	0	1 452 948	108 355 579	109 808 527
Surplus/(deficit) for the year			63 567 213	63 567 213
Adjustments to balance Fixed Asset Register			-312 352	-312 352
Land and Buildings Revalued	886 022		0	886 022
Capital grants used to purchase PPE		5 335 210	-5 335 210	0
Donated/contributed PPE			0	0
Asset disposals		-382 597	382 597	0
Offsetting of depreciation		-449 941	449 941	0
Balance at 30 JUNE 2008	886 022	5 955 620	167 107 768	173 949 410

BOJANALA PLATINUM DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES	N.7.1		
Cash receipts from government and other		209 596 984	197 478 334
Cash paid to suppliers and employees		-163 089 645	-169 829 416
Cash generated from/(utilised in) operations	20	46 507 339	27 648 918
Interest received		16 581 749	12 640 132
Interest paid		-23 908	-41 422
NET CASH FROM OPERATING ACTIVITIES		63 065 180	40 247 628
CASH FLOWS UTILISED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-13 792 447	-6 975 778
(Increase)/decrease in non-current receivables		35 340	66 371
Proceeds on disposal of property, plant and equipment		529 042	-
NET CASH UTILISED IN INVESTING ACTIVITIES		-13 228 065	-6 909 407
CASH FLOW FROM FINANCING ACTIVITIES			
Net new leases and Lease liability repaid		-111 363	-103 489
NET CASH FROM FINANCING ACTIVITIES		-111 363	-103 489
NET INCREASE/(DECREASE IN CASH AND EQUIVALENT		49 725 752	33 234 732
Cash and cash equivalents at the beginning of the year		111 983 899	78 749 167
Cash and cash equivalents at the end of the year	21	161 709 650	111 983 899

See Word document for
accounting policies

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
2 LONG-TERM LIABILITIES		
	P.3.PS	
Long-term lease liability	69 459	180 822
Less : Current portion transferred to current liabilities	62 665	122 978
Total Long-term liability	<u>6 794</u>	<u>57 844</u>
3 PROVISIONS		
	P.4.PS	
Provision for Medical Aid Continued Members	45 933	0
Provision for Performance bonuses	1 052 115	676 336
Total Provisions	<u>1 098 048</u>	<u>676 336</u>
Expected liability on medical aid for Municipality over the expected lives of the members: R8 067 485.64		
4 CREDITORS		
	K.8.PS	
Trade creditors	4 323 911	4 380 628
Retentions	3 627 708	3 590 585
Staff leave	3 504 232	2 742 606
City of Lathi Salary Vuokko	0	0
Mvula Trust	24 446	24 446
F N Matlala over recovery of bursary	7 659	0
Ga Motla Housing (See correction of error Note 19.6)	0	0
Total Creditors	<u>11 487 956</u>	<u>10 738 265</u>
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
	P.5.PS	
5.1 Conditional Grants from other spheres of Government	4 672 266	11 003 917
FM Grant	0	547 345
Municipal Infrastructure Grant (MIG)	0	1 994 666
IMMIS	15 850	15 850
Fire Support Grant	1 214 708	6 090 276
Conditional Grant Disaster Management	2 750 000	1 664 072
Drought Relief Grant	217 670	217 670
Municipal Systems Improvement Grant	0	0
Transitional and Amalgamation Grant	474 038	474 038
5.2 Other Conditional Receipts	3 310 798	3 274 118
SETA Skills Development	508 125	286 706
Disaster Management Grant	592 348	1 228 960
Ga Motla Housing (See Correction of error Note 19.6)	850 538	777 435
City of Lathi Salary Vuokko	412 970	0
Miscellaneous Receipts	946 817	981 017
Total Conditional Grants and Receipts	<u>7 983 064</u>	<u>14 278 035</u>
See Note 10 for reconciliation of grants from other spheres of government. These amounts are invested until utilized.		
6 VAT		
	K.5.PS	
VAT Receivable	3 213 160	1 693 233
VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS. The municipality claims back VAT on expenditure resulting in SARS being a debtor.		

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

7 PROPERTY, PLANT AND EQUIPMENT
30-Jun-09

M.2.PS

M.3.PS

M.4.PS

	Office Equipment Leased	Land and Buildings	Other PPE	Total
Reconciliation of Carrying Value				
	R		R	R
Carrying values at 1 July 2008	148 311	5 749 606	15 575 671	21 473 588
Cost	336 929	5 874 129	31 525 913	37 736 972
Correction of error (note 19)	-	-	-	-
Accumulated depreciation	188 618	124 524	15 950 242	16 263 384
Correction of error (note 19)	-	-	-	-
- Cost	188 618	124 524	15 950 242	16 263 384
- Revaluation	-	-	-	-
Acquisitions	15 041	-	13 777 406	13 792 447
Capital under Construction	-	-	-	-
Increases/decreases in revaluation	-	886 022	-	886 022
Depreciation	112 310	176 894	5 493 600	5 782 804
- based on cost	112 310	176 894	5 493 600	5 782 804
- Correction of error (note 19)	-	-	-	-
- based on revaluation	-	-	-	-
Carrying value of disposals	-	-	618 979	618 979
Cost/revaluation	-	-	2 005 335	2 005 335
Accumulated depreciation	-	-	1 386 356	1 386 356
Other movements	-	11 533	400 917	412 450
Cost	-	12 891	7 064 152	7 077 043
Accumulated depreciation	-	1 358	6 663 235	6 541 700
Carrying values at 30 June 2009	51 042	6 447 201	22 839 579	29 337 823
Cost	351 970	5 861 238	36 233 832	42 447 040
Revaluation	-	886 022	-	886 022
Accumulated depreciation	300 928	300 059	13 394 253	13 995 240
- Cost	300 928	300 059	13 394 253	13 995 240
- Revaluation	-	-	-	-

	Office Equipment Leased	Land and Buildings	Other PPE	Total
Reconciliation of Carrying Value				
Carrying values at 1 July 2007	260 621	3 233 802	12 209 245	15 703 668
Cost	-	3 234 328	23 544 199	26 778 527
Correction of error (note 19)	336 929	-	1 086 716	1 423 645
Revaluation	-	-	-	-
Accumulated depreciation	76 308	526	12 421 670	12 498 504
Correction of error (note 19)	-	(524 831)	(1 292 924)	(1 817 755)
- Cost	76 308	525 357	13 714 594	14 316 259
- Revaluation	-	-	-	-
Acquisitions	-	2 639 801	4 935 327	7 575 128
Fair Value Adjustments	-	-	1 959 671	1 959 671
Capital under Construction	-	-	-	-
Increases/decreases in revaluation	-	-	-	-
Reclassification	-	-	-	-
Depreciation	112 310	123 998	3 528 572	3 764 880
- based on cost	112 310	123 998	3 077 087	3 313 394
- based on revaluation	-	-	-	-
Carrying value of disposals	-	-	-	-
Cost/revaluation	-	-	-	-
Accumulated depreciation	-	-	-	-
Impairment losses	-	-	-	-
Other movements	-	-	-	-
Carrying values at 30 June 2008	148 311	5 749 606	15 575 671	21 473 588
Cost	336 929	5 874 129	31 525 913	37 736 972
Revaluation	-	-	-	-
Accumulated depreciation	188 618	124 524	15 950 242	16 263 384
- Cost	188 618	124 524	15 950 242	16 263 384
- Revaluation	-	-	-	-

Refer to Appendix B for more detail on property, plant and equipment. The opening balance of Land and buildings and "Other PPE" has been allocated to more asset categories in Appendix B.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
8 LONG-TERM RECEIVABLES		
Car loans	0	35 340
Less : Current portion transferred to current receivables	0	35 340
Car loans	0	0
Less : Provision for Bad Debt	0	0
Total	<u>0</u>	<u>0</u>
Reconciliation of Bad Debt Provision		
Balance at beginning of year	0	0
Bad debt written off	0	0
Balance at end of year	<u>0</u>	<u>0</u>

CAR LOANS

Staff was entitled to car loans which attract interest at 8% per annum for Municipal Manager and 8.5% per annum for all other staff staff, which are repayable over a maximum period of 5 years. These loans are to be phased out over the next year as the Municipal Finance Management Axt forbids such loans. All car loans were fully paid during the year.

	2009	2008
9 OTHER DEBTORS		
Investment interest accrued	R 0	R 188 523
Expenses of staff and councillors:salary suspense	56 279	225 876
Morale Caterers	27 470	0
Deposits	48 178	48 178
Study loans to employees	18 849	33 348
Sundry Debtors: Vehicles sold	204 000	0
Sub Total	<u>354 775</u>	<u>495 925</u>
Less: Provision for bad debt	27 470	0
Total Other Debtors	<u>327 305</u>	<u>495 925</u>

Reconciliation of the Bad Debt provision:-

	2009	2008
Balance at the beginning of the year	R 0	R 0
Contribution to provision	27 470	0
Contribution of Gamap implementation (See note 30.9)	0	0
Bad Debt written off against provision	0	0
Reversal of provision and other	0	0
Balance at the end of the year	<u>27 470</u>	<u>0</u>

10 CALL INVESTMENT DEPOSITS

	2009	2008
Deposits (mature within 3 months)	R 0	R 11 378 636
The allocation of investments :-		
Unspent grants	0	0
Operating account	0	11 378 636
	<u>0</u>	<u>11 378 636</u>

11 BANK BALANCES AND CASH

The Municipality has the following main bank accounts: -

Current Account (Primary Bank Account)

ABSA, Rustenburg
Account Number: 11-3150-0277

Cash book balance at beginning of year / (overdrawn)	100 601 870	58 745 774
Cash book balance at end of year / (overdrawn)	<u>161 704 743</u>	<u>100 601 870</u>
Bank statement balance at beginning of year / (overdrawn)	66 058 601	66 058 601
Bank statement balance at end of year / (overdrawn)	<u>168 154 784</u>	<u>66 058 601</u>

Savings Account

ABSA, Rustenburg, Account Number 90-8451-8967

Cash book balance	2 907	1 393
Bank statement balance	<u>2 907</u>	<u>1 393</u>
Cash on hand	<u>2 000</u>	<u>2 000</u>

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

12 GOVERNMENT GRANTS AND SUBSIDIES	2009 R	2008 R
Equitable share	189 491 647	162 197 151
FM Grant	1 047 345	243 936
Disaster management fund	1 550 685	335 928
MIG Grants	1 994 666	0
DWAF Counter funding	0	518 263
Fire Grant	5 381 071	0
MSIG Grant		3 100 000
Drought Relief Grant		5 465
Transitional and Amalgamation Grant		3 600
Upgrading Fire Station	40 810	37 182
Integrated municipal management information system		40 275
City of Lathi Salary Vuokko	213 734	0
Ga Motla Housing	3 241 801	0
Miscellaneous Receipts	34 200	0
Total Government Grant and Subsidies	<u>202 995 958</u>	<u>166 481 800</u>

12.1 Equitable Share

This unconditional grant is used as general revenue that is used to finance special projects and capital expenditure on behalf of local municipalities

12.2 Financial Management Grant

Balance unspent at beginning of year	547 345	541 281
Current year receipts	500 000	250 000
Conditions met - transferred to revenue	-1 047 345	-243 936
Conditions still to be met - transferred to liabilities (see note 3)	<u>0</u>	<u>547 345</u>

The conditions of the grant have been met. There was no delay or withholding of the subsidy

12.3 MIG Grant

Balance unspent at beginning of year	1 994 666	1 994 666
Current year receipts	0	0
Conditions met - transferred to revenue	-1 994 666	0
Conditions still to be met - transferred to liabilities (see note 3)	<u>0</u>	<u>1 994 666</u>

This grant was used for various projects that are not fixed assets of the Municipality. No funds have been withheld.

12.4 Transitional and Amalgamation Grant

Balance unspent at beginning of year	474 038	474 038
Current year receipts	0	0
Conditions met - transferred to revenue	0	0
Conditions still to be met - transferred to liabilities (see note 3)	<u>474 038</u>	<u>474 038</u>

The conditions of the grant have been met. There was no delay or withholding of the subsidy

12.5 Integrated municipal management information system

Balance unspent at beginning of year	15 850	19 450
Current year receipts	0	40 275
Conditions met - transferred to revenue	0	-43 875
Conditions still to be met - transferred to liabilities (see note 3)	<u>15 850</u>	<u>15 850</u>

The conditions of the grant have been met. There was no delay or withholding of the subsidy

12.6 Drought Relief Grant

Balance unspent at beginning of year	217 670	217 670
Current year receipts	0	0
Conditions met - transferred to revenue	0	0
Conditions still to be met - transferred to liabilities (see note 3)	<u>217 670</u>	<u>217 670</u>

The conditions of the grant have been met. There was no delay or withholding of the subsidy

12.7 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, 2009, no significant changes in the level of government grant funding are expected over the forthcoming three financial years. A RSC Levies Replacement Grant is included in the Equitable Share.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
13 OTHER INCOME		
Interest on vehicle and study loans	0	13 698
Eskom rebates	0	226 648
Retention money recognised as own income	0	318
Sale of tender documents	184 105	0
Miscellaneous revenue	13 432	61 000
	<u>197 537</u>	<u>301 664</u>

	2009 R	2008 R
14 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	32 674 995	27 765 469
Employee related costs - Contributions for UIF, pensions and medical aids	6 335 629	5 247 831
Travel and other allowances	4 818 388	3 319 890
Housing subsidy	532 820	460 155
Overtime payments	5 584 932	2 963 931
Performance bonus	375 780	0
Less: Employee costs capitalised to Property, Plant and Equipment	0	0
Less: Employee costs included in other expenses	0	0
Total Employee Related Costs	<u>50 322 543</u>	<u>39 757 276</u>

There were no advances to employees. Loans to employees are set out in note 7 and 8

Remuneration of the Municipal Manager

Annual Remuneration	858 100	695 528
Performance Bonuses		125 093
Car Allowance	180 000	180 000
Medical, pension fund and other allowances	68 000	18 000
Total	<u>1 106 100</u>	<u>1 018 621</u>

Remuneration of the Chief Finance Officer

Annual Remuneration	703 912	576 344
Performance Bonuses	79 120	98 328
Car Allowance	108 000	108 000
Medical, pension fund and other allowances	54 000	18 000
Total	<u>945 032</u>	<u>800 672</u>

Remuneration of Individual Executive Directors

	30-Jun-09	Community Directorate	Corporate Directorate	LED Directorate	Technical Directorate
		R	R	R	R
Annual Remuneration		738 120	504 330	433 670	732 245
Performance Bonuses			0	0	76 537
Car Allowance			98 813	104 930	60 000
Medical, pension fund and other allowances		34 500	13 000	49 878	31 500
Total		<u>772 620</u>	<u>616 142</u>	<u>588 478</u>	<u>900 282</u>
	30-Jun-08	Community Directorate	Corporate Directorate	LED Directorate	Technical Directorate
		R	R	R	R
Annual Remuneration		598 675	48 806	85 380	563 745
Performance Bonuses		83 814	0	0	89 844
Car Allowance		0	9 000	19 040	60 000
Medical, pension fund and other allowances		0	1 500	3 360	18 000
Total		<u>682 489</u>	<u>59 306</u>	<u>107 780</u>	<u>731 589</u>


15 REMUNERATION OF COUNCILLORS


	2009 R	2008 R
Executive Mayor	520 146	514 039
Speaker	404 695	402 562
Councillors	5 565 362	4 848 087
Councillors' pension contribution	577 046	481 322
Total Councillors' Remuneration	<u>7 067 248</u>	<u>6 246 010</u>

In-kind Benefits

The Executive Mayor and Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Mayor has use of a Council owned vehicle for official duties. The Executive Mayor has a full-time driver and bodyguard

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

16 INTEREST PAID	 K.4.16	2009	2008
		R	R
Long-term liabilities: Finance Leases		23 908	41 422
Bank overdrafts		0	0
Total Interest on External Borrowings		<u>23 908</u>	<u>41 422</u>

17 GRANTS AND SUBSIDIES PAID	 K.3.PS		
Grant to Rustenburg Municipality		0	7 548 900
Grant to Kgetlengrivier Municipality		0	7 500 000
Grant to Moses Kotane Municipality		0	7 500 000
Grant to Madibeng Municipality		3 212 000	7 500 000
Grant to Moretele Municipality		10 190 300	20 000 000
Expenditure on regional facilities/special projects		51 382 620	42 626 361
Study loans converted to grants		4 000	4 000
Total Grants and Subsidies		<u>64 788 920</u>	<u>92 678 961</u>

The grants paid are in the form of special projects.

18 .1 GENERAL EXPENSES	 K.4.PS		
Included in general expenses is the following:-			
General expenditure on operating budgets of departments		6 166 677	16 459 954
General expenditure from grants		6 174 435	529 432
Advertising costs		1 004 582	0
Rentals		1 845 875	0
Entertainment Costs		1 070 684	0
Audit and Audit Committee fees		1 127 855	0
Telephone Costs		2 089 536	0
Publications Communicatiopn News		1 271 255	0
Workshops/seminars registration fees ans travelling and subsistance		2 042 991	0
Insurance		1 284 639	0
Vehicle Fuel		1 447 484	0
Payment Security Guards		1 049 196	0
Other		0	0
		<u>26 575 209</u>	<u>16 989 386</u>

This note is to highlight specific expenditure included in General Expenses. It is disclosed in more detail in 2008/09 than in 2007//08

.2 LOSS AT DISPOSAL OF ASSETS

Loss through disposal of assets	49 147
Loss due to crapping of assets	1 160 960
	<u>1 210 107</u>

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

19 CORRECTION OF ERRORS

 N&PS

2009

2008

19.1 Correction of Error

Financial lease of office machines not capitalised and depreciated according to IAS 17 and GAMAP 17 in 2006/07. It has been restated as follows:

Increase long term liability	284 310
Increase current portion of long term liability	103 490
Increase Accumulated Surplus with redemption portion of instalment	52 618
Increase leased Property, plant and equipment	336 929
Increase accumulated depreciation of leased office machines	76 308
Decrease Accumulated Surplus with the depreciation on leased assets	-76 308
Net effect on Accumulated Surplus	<u>-23 690</u>

19.2 Correction of Error

Adjustment of Long term liabilities. Current portion of long term liabilities understated resulting in long term liabilities to be overstated

Long Term Liabilities	R	R
Current portion of long term liabilities		10 668
Accumulated Surplus		10 668
Net effect on surplus/(deficit) for the year		<u>0</u>

19.3 Correction of Error

Adjustment of PPE at cost and Accumulated Depreciation differences with Fixed Asset Register

It has been restated as follows:

Accumulated Depreciation	591 948
Property, plant and equipment at cost	591 948
Accumulated Surplus	0
Net effect on surplus/(deficit) for the year	<u>0</u>

19.4 Correction of Error

Adjustment of VAT control accounts

It has been restated as follows:

VAT	1 621 266
Accumulated surplus	1 621 266
Net effect on surplus/deficit for the year	<u>0</u>

19.5 Correction of error

Adjustment of PPE and depreciation calculations with compilation of Fixed Asset Register

Property, plant and equipment recognised at fair value	407 368
Depreciation on Assets not previously recognised	-116 559
Correction of depreciation calculations in 2007 and 2008	1 552 252
Net effect on Accumulated Surplus	<u>1 843 061</u>

19.6 Correction of error

Reclassification of Ga Motla Housing as Unspent Conditional Grant Creditors (Ga Motla Housing)

Unspent Conditional Grants (Ga Motla Housing)	-777 435
Net effect on Accumulated Surplus	<u>777 435</u>

19.7 Correction of error

Assets not previously capitalised now taken up at fair value. It was not practical to restate balances for periods before 2007/08

Property, plant and equipment (Dt)	1 959 671
Accumulated Surplus (Credit with fair value adjustment)	1 959 671
Accumulated Surplus (Debit with depreciation for 2007/08)	-451 485
Accumulated Depreciation (Credit with depreciation for 2007/08)	357 195
Net effect on Accumulated Surplus	<u>1 508 186</u>

19.8 Correction of error


Vehicle acquired on 2005/04/05 funded from grants not previously recognised and depreciated. Restated from date of acquisition to 30 June 2008 including offsetting of depreciation against government grant reserve

Property, plant and equipment	87 400
Government grant reserve credit	87 400
Government grant reserve debit (depreciation offsetting)	-40 399
Net effect on Government grant reserve	<u>47 001</u>
Accumulated Depreciation	40 399
Net effect on Accumulated Surplus	<u>0</u>

Summary Note 19

Net effect on Accumulated Surplus	4 948 823
Net effect on surplus/(deficit) for year	<u>0</u>

BOJANALA PLATINUM DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009


	2009	2008
	R	R
20 CASH GENERATED BY OPERATIONS		
		
Surplus/(Deficit) for the year	63 567 213	20 940 951
Adjustment for:-		
Cash contributions from State		
Depreciation	5 782 804	4 244 947
Adjustment provisions		
Loss on disposal of property, plant and equipment	1 210 107	0
Contribution to bad debt provision	27 470	
Fair value adjustments	-1 047 541	0
Investment income	-16 581 749	-12 640 132
Interest paid	23 908	41 422
Operating surplus before working capital changes:	52 982 213	12 587 188
Increase in provisions	421 712	109 776
(Increase)/decrease in other debtors	168 620	1 464 246
(Decrease)/increase in conditional grants and receipts	-6 294 971	5 920 744
(Decrease)/Increase in creditors	749 691	7 265 012
Decrease/(Increase) in VAT	-1 519 927	301 952
Cash generated by/(utilized in) operations	46 507 339	27 648 918

21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :

Bank balances and cash	161 709 650	100 605 263
Call investment	0	11 378 636
Bank overdraft	0	0
Total cash and cash equivalents	161 709 650	111 983 899

22 UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

	2009	2008
	R	R
22.1 Unauthorized expenditure		
		
Reconciliation of unauthorized expenditure		
Opening balance	0	0
Unauthorized expenditure current year	0	0
Approved by Council or condoned	0	0
Transfer to receivables for recovery (note 16)	0	0
Unauthorized expenditure awaiting authorization	0	0

22.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	0	0
Fruitless and wasteful expenditure current year	27 470	0
Condoned or written off by Council	0	0
To be recovered – contingent asset (see note 40)	0	0
Fruitless and wasteful expenditure awaiting condonement	27 470	0
Creditor was paid twice for services rendered. Amount not recovered before end of financial year		

22.3 Irregular expenditure

Reconciliation of irregular expenditure		
Opening balance	0	0
Fruitless and wasteful expenditure current year	0	0
Condoned or written off by Council	0	0
Transfer to receivables for recovery – not condoned	0	0
Irregular expenditure awaiting condonement	0	0

2009

2008

23 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

23.1 Contributions to organized local government

Opening balance	0	0
Council subscriptions	265 819	238 706
Amount paid - current year	-265 819	-238 706
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

23.2 Audit fees

Opening balance	0	0
Current year audit fee	1 095 227	949 234
Amount paid - current year	-1 095 227	-949 234
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

23.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 8 . All returns have been submitted by the due date throughout the year.

23.4 PAYE and UIF

[L.2.16](#)

Opening balance	0	0
Current year payroll deductions	9 820 424	7 443 822
Amount paid - current year	-9 820 424	-7 443 822
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

24 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

24.1 Pension and Medical Aid Deductions

[L.2.5](#)

	2009	2008
	R	R
Opening balance	0	0
Current year payroll deductions and Council Contributions	11 100 811	9 538 347
Amount paid - current year	-11 100 811	-9 538 347
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

24.2 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

The Municipality did not deviate from the procurement policy and there was nothing reported to council in 2008/09

Service Provider and kind of goods or service	Motivation	Value
None		R

25 CAPITAL COMMITMENTS

[N.3.4](#)

	2009	2008
	R	R
Commitments in respect of capital expenditure:		
- Approved and contracted for	34 983 068	10 385 429
<i>Infrastructure</i>	34 983 068	10 385 429
<i>Community</i>	0	0
<i>Other</i>	0	0
- Approved but not yet contracted for	25 137 645	10 000 000
<i>Infrastructure</i>	25 137 645	10 000 000
<i>Community</i>	0	0
<i>Other</i>	0	0
Total	60 120 712	20 385 429

The expenditure will be financed from current revenue cash flows and grants. The expenditure is not recognised as Property, plant and equipment by the District Municipality as the assets are transferred to the local municipalities. These transfers are recognised as Grants Paid in the Statement of Financial Performance.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009

2008

26 RETIREMENT BENEFIT INFORMATION

Contributions by Council in respect of Councillor and employees retirement funding have been expended in the year

27 CONTINGENT LIABILITIES

[N.2.PS](#)

27.1) Amalgamated Services are claiming R698513 from the municipality for extra work done on a water project. The amount is contested by the Municipality. Legal cost is estimated at R100 000.00 if the claim succeeds. Indications are that the case will be heard in November 2009.

27.2) There is an outstanding arbitration award to pay eight months salary to Mr Mpho Seromo. The amount is R283000. The award is currently on review at the Labour Court. No account as to legal costs incurred has been submitted.

28 CONTINGENT ASSETS

[N.2.PS](#)

[N.2.4](#)

The municipality are claiming an amount of R500000 from Power House Utilities for a double payment in error for the purchase of a generator. The High Court case is pending. Legal cost of R80000.00 may be added but no account for legal costs has been submitted.

29 EVENTS AFTER THE REPORTING DATE

[E.1.2](#)

None

30 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E (1) and E (2)

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
31 FINANCE LEASE OBLIGATION		
Minimum Lease Payments Due		
Within One Year	66 860	144 911
In second and fifth year inclusive	<u>7 560</u>	<u>63 259</u>
	74 420	208 170
Less future finance charges	<u>4 962</u>	<u>27 348</u>
Present value of minimum lease payments	<u>69 458</u>	<u>180 822</u>
Present value of Lease Payments Due		
Within One Year	62 665	122 975
In second and fifth year inclusive	<u>6 794</u>	<u>57 847</u>
	<u>69 458</u>	<u>180 822</u>

The Gestetner lease is secured by office equipment under financial lease. The effective interest is 17.38% and is repayable in 36 equal installments of R12076 of which the first was paid in December 2006. The last installment will be payable in November 2009. (See Note 2)

The Technofin lease is secured by office equipment. The effective interest rate is 17.5% and is repayable in 36 equal installments of R540 of which the first was paid on 17 September 2009. The last installment will be paid in August 2011.

32 MINIMUM LEASE PAYMENTS: OPERATIONAL LEASE

[K.4.5](#)

2009

2008

Bojanala Platinum District Municipality leases office buildings in terms of an operating lease agreement starting on 1 July 1997. These lease agreement provides for payments per month with an escalation of 12% per year.

Future minimum lease payments

The total future minimum lease payments are payable over the following periods:

	2009	2008
	R	R
Payments due within 12 months	1 156 631	937 893
Payments due within 12 to 18 months	<u>584 375</u>	<u>744 636</u>
Total	<u>1 741 006</u>	<u>1 682 529</u>

33 AWARDS TO CLOSE FAMILY MEMBERS IN TERMS OF SECTION 45 OF

No transactions in 2007/08 and 2008/2009

34 RELATED PARTY TRANSACTIONS

[N.6.PS](#)

Car Loans to employees (See Note 8 for more detail)	0	35 340
Study Loans to employees	1 900	33 348
PPE disposed off by awarding tenders to staff members	504 000	0

Assistance with the cost of personal studies is given. If successful with the Disposal of assets to staff members via the awarding of tenders

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

[N.4.1](#)

The municipality is at risk in the following areas:

- (i) Credit Risk, which is defined as the risk that one party to a financial instrument will fail to honour its obligation, thus causing the other party to incur a financial loss
- (ii) Interest Rate Risk, which is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting.

The maximum credit and interest risk exposure in respect of the relevant financial instruments are as follows:

	2009	2008
Fixed Deposit Investments	0	0
Long-term Receivables	0	0
Current portion of long-term debtors	0	35 340
Other Debtors	327 305	567 892
Short-term Investment Deposits	0	11 378 636
Bank and Cash Balances	161 709 650	100 605 263
Maximum Credit and Interest Risk Exposure	<u>162 036 955</u>	<u>112 587 131</u>

APPENDIX B
BOJANALA PLATINUM DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Land and Buildings										
Buildings	5 874 129	886 022	-	(13 626)	6 746 525	124 523	176 894	(1 434)	299 983	6 446 542
	5 874 129	886 022	-	(13 626)	6 746 525	124 523	176 894	(1 434)	299 983	6 446 542
Other Assets										
Furniture & Fittings	3 065 443	476 881		(642 815)	2 899 510	1 425 498	321 914	(499 928)	1 247 484	1 652 025
Office Equipment	7 219 190	7 246 433		(1 013 737)	13 451 886	4 111 376	2 059 334	(1 036 095)	5 134 615	8 317 271
Security Equipment	1 000 683	-		(1 000 343)	340	418 017	200 069	(617 746)	340	-
Emergency equipment	1 199 712	-		(2 321)	1 197 391	259 309	292 071	(471)	550 908	646 483
Tented Camp (Game Parks)	2 616 390	-		(2 616 390)	-	2 616 390	-	(2 616 390)	-	-
Plant & Equipment	174 453	-		(170 710)	3 743	69 174	34 564	(102 533)	1 204	2 538
Vehicles	16 250 042	6 054 091		(3 622 436)	18 681 698	7 050 479	2 585 649	(3 176 351)	6 459 777	12 221 921
	31 525 913	13 777 406	-	(9 068 752)	36 234 567	15 950 243	5 493 600	(8 049 515)	13 394 329	22 840 238
Leased Assets										
Office Equipment	336 929	15 041	-	-	351 970	188 618	112 310	-	300 927	51 043
	336 929	15 041	-	-	351 970	188 618	112 310	-	300 927	51 043
Total carried forward	37 736 972	14 678 469	-	(9 082 378)	43 333 062	16 263 384	5 782 804	(8 050 948)	13 995 239	29 337 823

No segmental analysis of Property, plant and equipment has been prepared

APPENDIX E(1)

BOJANALA PLATINUM DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual (R)	2009 Budget (R)	2009 Variance (R)	2009 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Regional Services Levies	1 880	0	1 880	-100%	Not budgeted
Regional Services Levies	442 056	0	442 056	-100%	Not budgeted
Rental of facilities and equipment	0	0	0		Not budgeted
Interest earned - external investments	16 579 915	7 500 000	9 079 915	121%	Beter than anticipated cash flows
Interest earned - outstanding debtors	1 834	0	1 834		Not budgeted
Government grants and subsidies	202 995 958	210 564 118	-7 568 160	-4%	Dependent on grant projects
Other income	197 537	0	197 537	-100%	Not budgeted
Gains on disposal of property, plant and equipment	0	0	0	0%	
Total Revenue	220 219 181	169 230 636	50 988 545	30%	Budget structure not fully GRAP compliant. AFS comply.
EXPENDITURE					
Employee related costs	50 322 543	51 003 948	-681 405	-1%	
Remuneration of Councillors	7 067 248	6 984 080	83 168	1%	
Bad debts	27 470	0	27 470	-100%	Not budgeted
Depreciation	5 782 804		5 782 804	-100%	Not budgeted for
Repairs and maintenance	1 901 299	2 609 530	-708 231	-27%	All infrastructure assets transferred to municipalities
Grants and subsidies paid	64 788 920	143 554 844	-78 765 924	-55%	Different treatment of grants under GRAP
General expenses - other	26 575 209	29 162 451	-2 587 242	-9%	Expenditure from grants not budgeted for
Total Expenditure	156 489 401	233 314 853	-76 825 452	-33%	Budget not fully GRAP compliant
Net Gains and losses	-162 566	0	-162 566	-100%	Not budgeted
NET SURPLUS/(DEFICIT) FOR THE YEAR	63 567 213	-64 084 217	127 651 430	-199%	Budget structure not fully GRAP compliant. AFS comply.

APPENDIX E(2)

BOJANALA PLATINUM DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual	2009 Under Construction	2009 Total Additions	2009 Budget	2009 Variance	2009 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Land and Buildings							
Buildings	#REF!	#REF!	#REF!	0	#REF!	-100%	Revaluation of land and buildings:Reserve
	#REF!	#REF!	#REF!	0	#REF!	-100%	
Other Assets							
#REF!	#REF!	#REF!	#REF!	775 000	#REF!	#REF!	Budget not sufficient
#REF!	#REF!	#REF!	#REF!	6 618 000	#REF!	#REF!	Reclassification of assets per category
#REF!	#REF!	#REF!	#REF!	50 000	#REF!	#REF!	Reclassification of assets per category
#REF!	#REF!	#REF!	#REF!	0	#REF!	-100%	Reclassification of assets per category
#REF!	#REF!	#REF!	#REF!	808 250	#REF!	#REF!	Expenditure from grants not budgeted
	#REF!	#REF!	#REF!	8 251 250	#REF!	#REF!	
Total Additions: Own Assets	#REF!	#REF!	#REF!	8 251 250	#REF!	#REF!	

APPENDIX F
BOJANALA PLATINUM DISTRICT MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grants and Subsidies received: 2008/2009

Name of Grants	Name of organ of state or municipal entity	Total Receipts for the Year	Total Expenditure for the Year	Delay \ withheld	Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Total	Total	Total	Total			
Equitable Share	DPLG	189 491 647	189 491 647	0	189 491 647	None	Not Applicable	None
Financial Management Grant	National Treasury	500 000	1 047 345	0	500 000	None	Yes	None
Systems Improvement Grant	DPLG	0	0	0	0	None	Yes	None
IMMIS	Provincial	0	0	0	0	None	Yes	None
MIG Grant	DPLG	0	1 994 666	0	0	None	Yes	None
Fire Support Grant	Provincial	546 313	5 381 071	0	0	None	Yes	None
Upgrading Fire Stations Grant	Provincial	0	40 810	0	0	None	Yes	None
Drought Relief Grant	DWARF	0	0	0	0	None	Yes	None
DMSP Grant	Provincial	0	0	0	0	None	Yes	None
Transitional and Amalgamation Grant	National Treasury	0	0	0	0	None	Yes	None
Disaster Management Grant	Provincial	2 000 000	1 550 684	0	0	None	Yes	None
City of Lathi Salary Vuokko	Foreign Donor	626 704	213 734	0	0	None	Yes	None
Ga Motla Housing	Provincial	3 314 904	3 241 801	0	0	None	Yes	None
Miscellaneous Receipts	Diverse	221 419	34 200	0	0	None	Yes	None
		196 700 987	202 995 958	0	189 991 647			

Equitable Share shown as expended in order that total grant expenditure recognised as revenue balance with Note 12